



ECONOMIC BULLETIN





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the National Bank of Egypt**

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NBE is the top bank in Egypt and Africa as an administrative agent, bookrunner, and documentation agent in H1 2025



The National Bank of Egypt (NBE) took the top spot in the Egyptian and African banking market as an administrative agent, bookrunner and documentation agent for syndicated loans in the first half (H1) of 2025 according to Bloomberg's league tables. The Bank was also ranked first as a documentation agent, and third as an administrative agent and bookrunner in the Middle East and North Africa (MENA) region. The Bank managed 17 finance deals, 13 of which were as an administrative agent. This is the largest number of deals to be managed in Africa, with a total amount of EGP 319 bn. during the period under review.

Bloomberg's evaluation results are a vote of confidence from a renowned and credible international institution in the Bank's leadership in the field of syndicated loans in Egypt, Africa and the Middle East. This success reflects NBE's continuous keenness to secure the financing needs of mega projects through arranging, managing and promoting syndicated loan deals with high creditworthiness and economic feasibility which increase value added to the Egyptian economy and promote development. This would eventually support the state's plans for the development of various vital economic sectors, including real estate development, building materials, infrastructure-related sectors such as transportation and telecommunications, as well as education, food processing, agriculture, and tourism. This also has a positive effect on supporting the state's sustainable economic development, localizing industries, and creating more jobs for Egyptian youth, which contributes to reducing imports, and increasing exports. Accordingly, this will result in improving the trade balance performance, and maximizing the Egyptian economy's resources of foreign currencies.

Mohamed El-Etreby – NBE's Chief Executive Officer (CEO)

NBE attaches considerable attention to syndicated loans. The Bank relies on its strong and growing network of relationships with local banks as well as regional and international financing institutions which have confidence in NBE's ability to close and manage large deals with the highest levels of professionalism and proficiency. In addition, NBE has a huge capital base, enabling it to offer various types of funding to finance mega projects in line with the customers' different needs and the nature of the economic activity of each project. This serves as an incentive for employees to exert more efforts to maintain the Bank's status, and make NBE the bank of choice for syndicated loan customers, including local and foreign investors. This, in turn, contributes to maintaining NBE's leading position as the largest bank operating in Egypt.

Soha El-Turky – NBE's Deputy CEO

This success is a testament to NBE's high-level of professionalism, and ability to arrange and manage syndicated loans across different sectors. It also underlines NBE's effective and fruitful cooperation with all other banks operating in Egypt, and its ability to secure cash for various sectors of the economy. These top rankings crown the efforts of NBE's relevant teams and professionals.

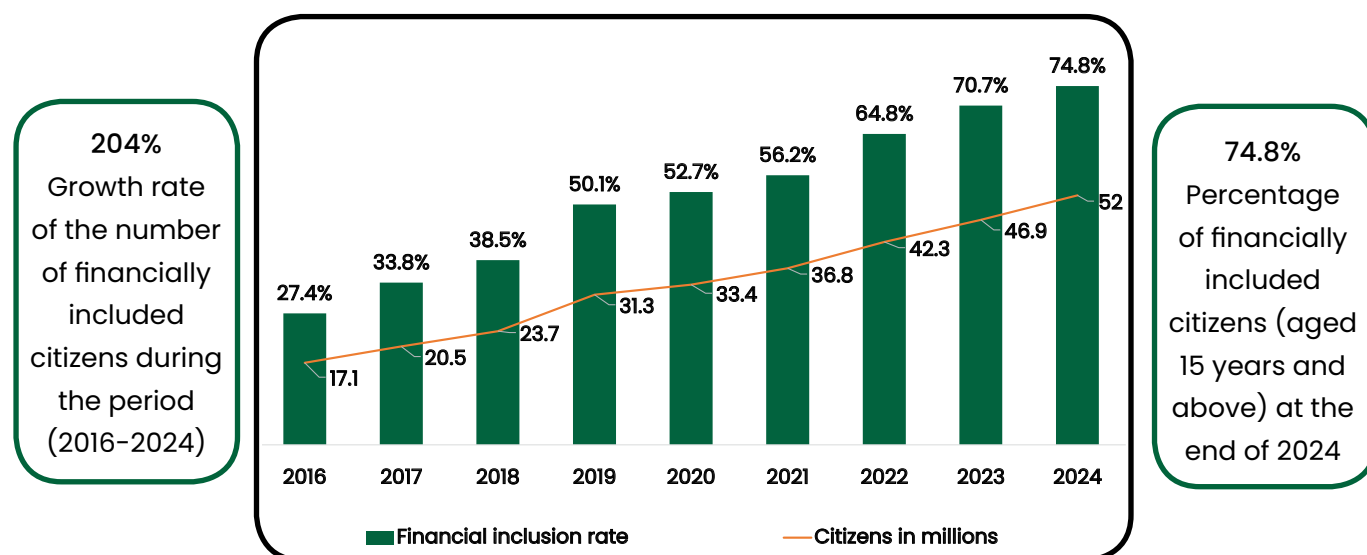
Sherif Riad – NBE's Corporate Banking & Syndicated Loans CEO

Financial inclusion rates in Egypt continue to rise, reaching 74.8% by the end of 2024

Financial inclusion is a fundamental pillar for achieving sustainable economic development, as it helps integrate different segments of society into the formal financial system, hence promoting economic growth and financial stability. In this context, the Central Bank of Egypt (CBE) released several key financial inclusion indicators up to the end of 2024.

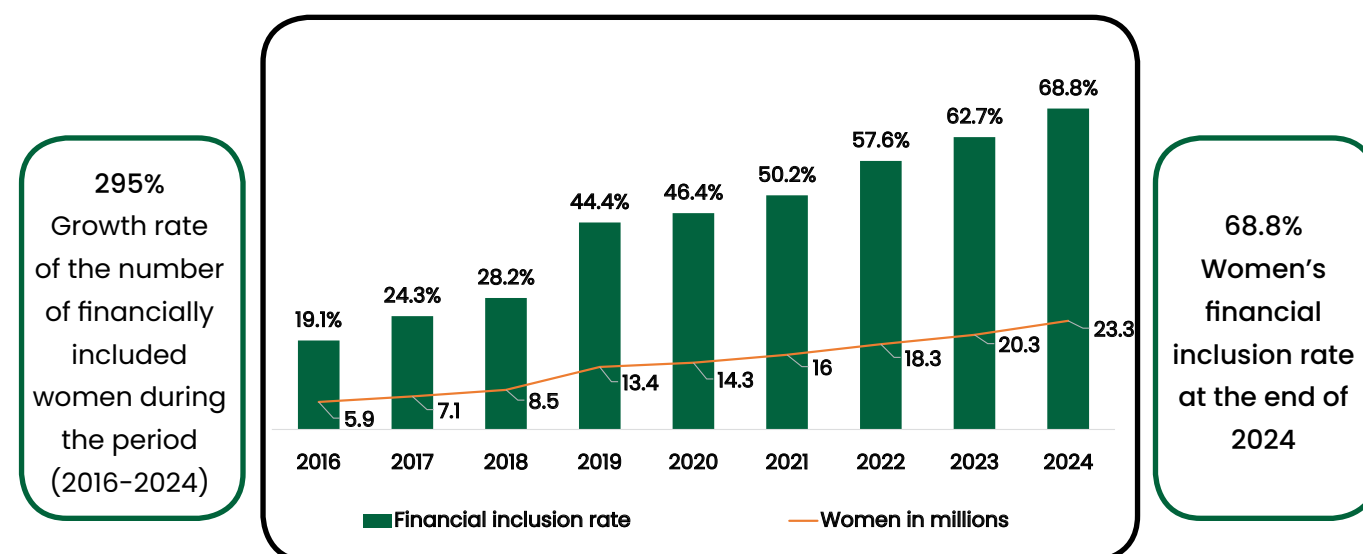
Financial inclusion rates in Egypt have witnessed significant growth over the last decade, making it one of the best performers among peer countries. In this vein, the number of citizens who hold and use active accounts that enable them to perform financial transactions, whether through banks, Egypt Post, mobile wallets, or prepaid cards, increased to around 52 mn. out of a total of 69.6 mn. (aged 15 years and above). The increase was accompanied by a rise in the financial inclusion rate, reaching 74.8% by the end of 2024, compared to 70.7% at the end of 2023. This was achieved despite the growth of citizens' base who are eligible to open accounts, as a result of issuing the CBE's circular in November 2024 to amend the minimum age for youth to open accounts from 16 to 15 years, which copes with adjusting the age for issuing national IDs.

Progress of financial inclusion indicators in Egypt (2016-2024)



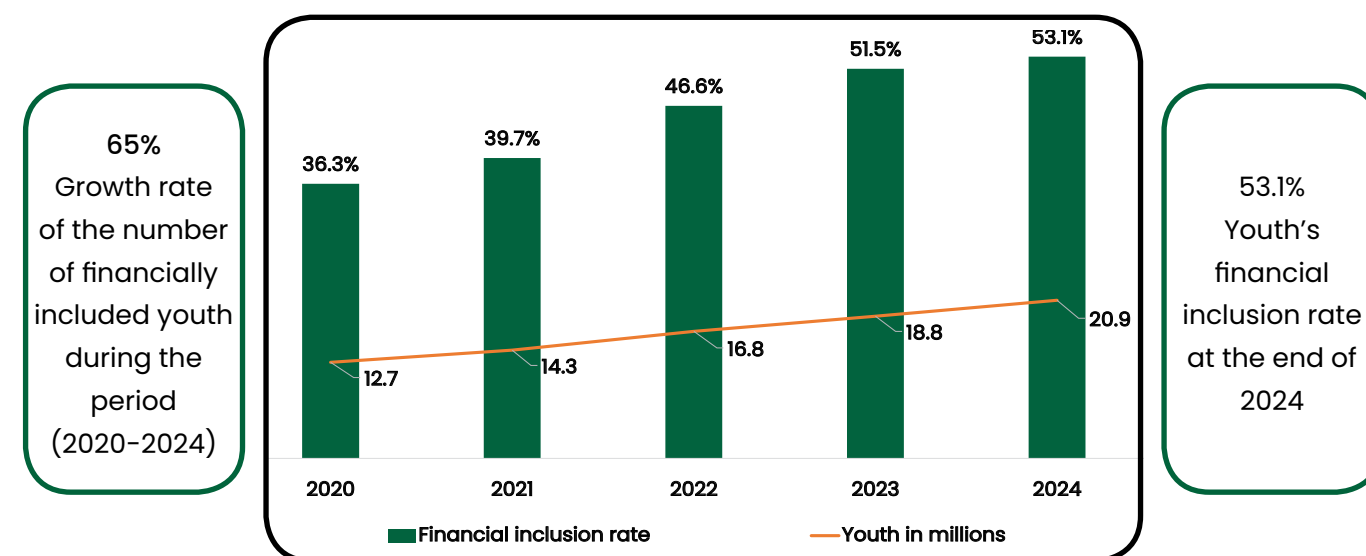
At the women's financial inclusion forefront, the number of women who use financial accounts increased to 23.3 mn. out of a total of 33.9 mn., reflecting a growth rate of 295% compared to 2016. This brought financial inclusion rate for women to 68.8%.

Women's financial inclusion rate



Similarly, the financial inclusion rate of youth (aged 15 to 35 years) comprising 39.4 mn., increased to 53.1%, making a growth rate of 65% during the period 2020-2024.

Youth's financial inclusion rate



On a related note, financial inclusion regulations concerned with facilitating account opening for individuals and handicrafters using only their national IDs resulted in opening nearly 1 mn. financial inclusion accounts for individuals, in addition to 400,000 economic activity accounts during the period 2022-2024, enabling them to execute their financial transactions within the formal sector.

Source: CBE

Egypt's banking sector contributes EGP 3.9 bn. to CSR in 2024

As part of the wide spectrum of endeavors undertaken by Egypt's banking sector for seamless integration with the state's efforts to achieve sustainable development and improve living standards nationwide, the Central Bank of Egypt (CBE) announced that Egyptian banks dedicated EGP 3.9 bn. to support priority service projects in 2024, with particular focus on health, education, social welfare, slums improvement and empowerment of women and people with determination (PwDs).



EGP 3.9 bn.
Total contributions of Egypt's banking sector to corporate social responsibility (CSR) in 2024



Health sector
EGP 2.5 bn.



Social welfare
EGP 447 mn.



Development projects
and slums improvement
EGP 178 mn.



Women
empowerment
EGP 149 mn.



PwDs' empowerment
projects
EGP 136 mn.



Education
EGP 110 mn.

In continuation of the banking sector's role to achieve social development, the Egyptian banks allocated:

EGP 22 mn.
for sports, art
and culture

EGP 18 mn.
as a
contribution
to national
initiatives

EGP 100 mn.
to support
entrepreneurship
and SMEs

EGP 153 mn.
for various
service
projects

IMF completes the fourth review of the EFF arrangement for Egypt

On March 11, 2025, the International Monetary Fund (IMF) announced the completion of the fourth review of the Extended Funded Facility (EFF) arrangement for Egypt, allowing the Egyptian authorities to draw USD 1.2 bn., bringing Egypt's total receipts under the EFF arrangement to USD 3.2 bn. out of the total arrangement of USD 8 bn. as per the disbursement schedule and based on periodic reviews till end-September 2026.

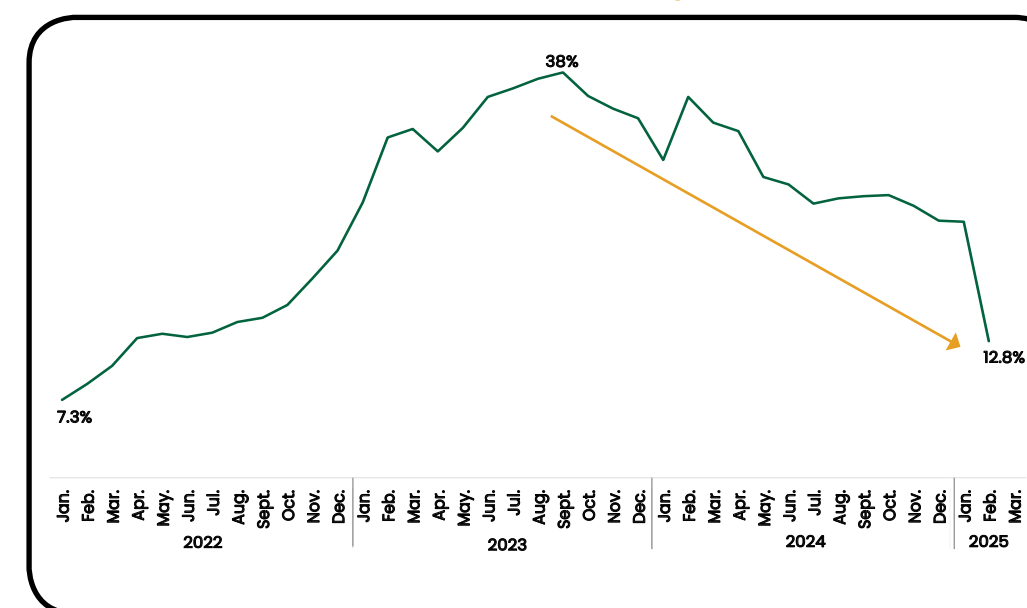
Egypt's 46-month EFF arrangement was approved on December 16, 2022. The consistent and comprehensive economic measure and policy package implemented under the economic reform program seeks to restore macroeconomic stability, reduce government debt and preserve debt sustainability, restore price stability in domestic markets, and reduce inflation, while continuing to push forward deep structural reforms to promote private sector-led economic growth to contribute to enhancing the competitiveness of Egypt's economy and job creation.

In this regard, the IMF indicated that:

- The Egyptian authorities have continued to implement key policies to preserve macroeconomic stability, despite ongoing regional tensions amid Red Sea trade disruptions bringing about a sharp decline in revenues from the Suez Canal.
- While growth rate slowed to 2.4% in FY 2023/24, down from 3.8% YoY, it recovered back to about 3.5% (year-over-year) during Q1 of FY 2024/25.
- Inflation rate has trended downward (measured by consumer price index (CPI)) since September 2023.

3.5%
Growth rate
during Q1 of
FY 2024/25

CPI (annual rate of change)



Source: Central Bank of Egypt (CBE)

- The current account deficit significantly widened to 5.4% of GDP. This came as a principal outcome of the drastic increase in the trade balance deficit by 27% and the decline in the Suez Canal toll revenues by 24.3% during the said year.

24.3%
Plunge in Suez Canal revenues due to geopolitical tensions in the region

- The state’s primary balance surplus increased to 6.2% of GDP in FY 2023/24, based on the revenues generated from Ras El-Hekma development project and the tight expenditure controls.

6.2%
State’s primary balance surplus of GDP in FY 2023/24

- In light of the difficult external conditions, as well as the challenging domestic economic environment, the IMF’s Executive Board approved to recalibrate Egypt’s medium-term commitments. In particular, the primary balance surplus (excluding proceeds from divestment of state-owned assets) is expected to reach 4% of GDP next FY 2025/26, compared to the target of 4.5% under the economic reform program; and then increase to 5% of GDP in FY 2026/27 (in line with earlier commitments).

5%
Primary balance surplus (excluding proceeds from divestment of state-owned assets) of GDP in FY 2026/27

- Remittances from Egyptian expatriates and tourism receipts have remained robust, and foreign exchange reserves are at adequate levels.

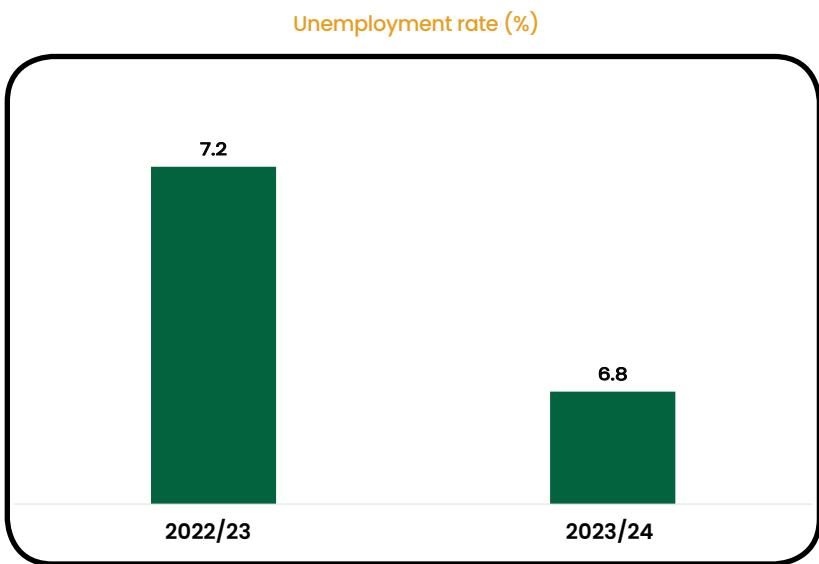
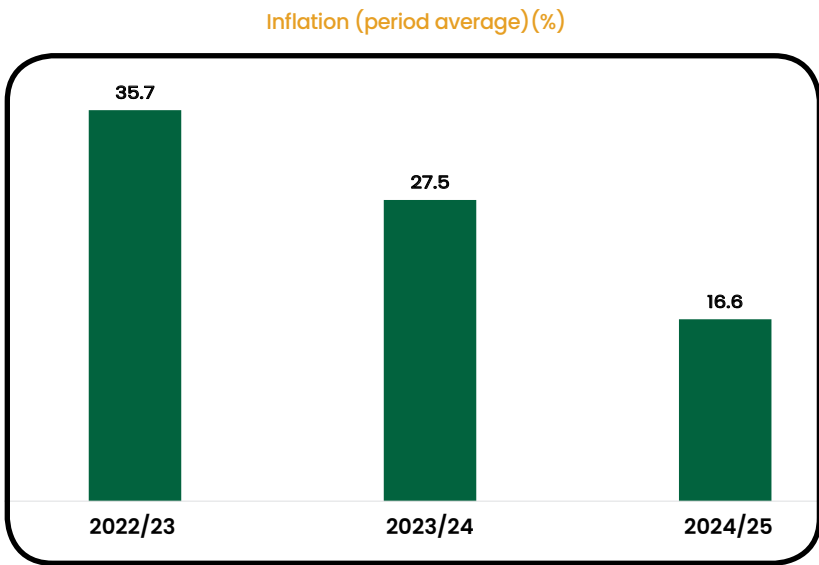
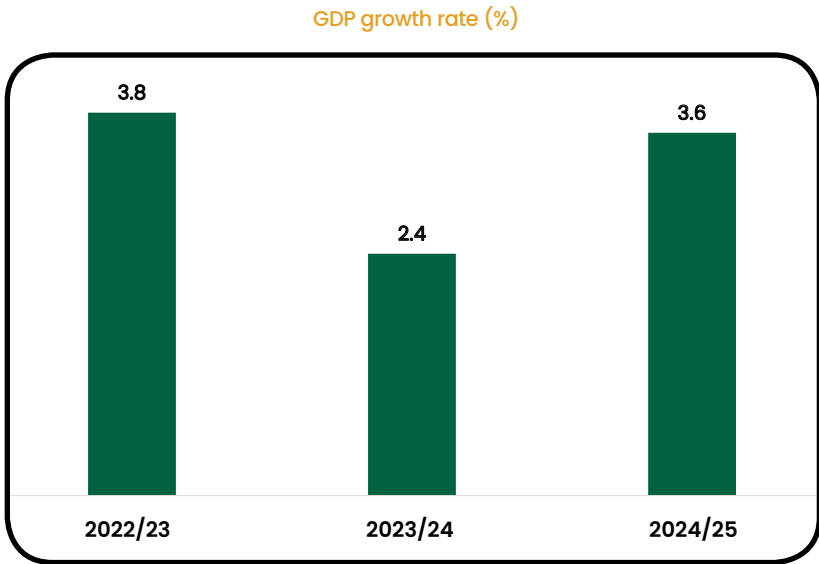
- The IMF confirmed that the shift to a flexible exchange rate regime in March 2024 has continued to produce positive results: gaps with the parallel rate remain closed, backlogs of unmet import demands are eliminated, and trading in the interbank market has increased, but the exchange rate fluctuates within a limited range.

- The authorities have taken more decisive actions with the implementation of a number of critical structural reforms, including enhancing the operational independence of the Egyptian Competition Authority (ECA), with a view to improving the competition in product and service markets; and selecting an international consulting company to prepare a study on governance practices related to public banks to increase financial sector efficiency and transparency.

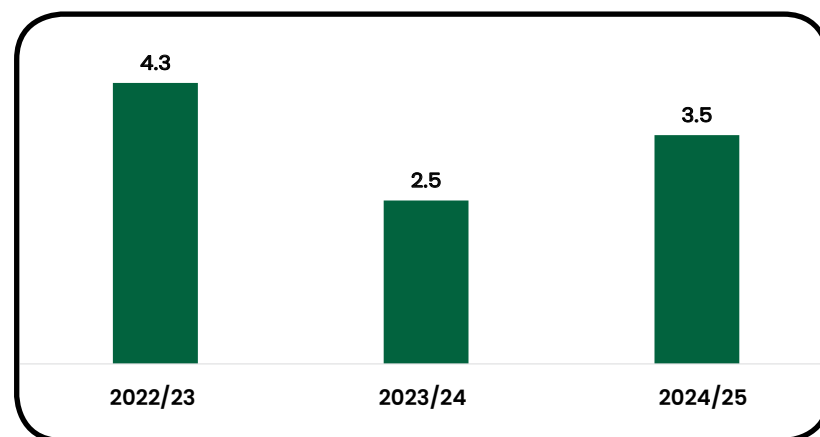
- Debt-to-GDP ratio declined. Meanwhile, high debt, substantial government gross financing needs, and domestic rollover risks continue to present significant medium-term challenges to public finance.

- Strengthening fiscal sustainability requires more effective domestic revenue mobilization, allowing energy prices to reach cost recovery levels, adopting a comprehensive debt management strategy, enhancing transparency over fiscal activities, strengthening fiscal oversight – particularly over off-budget entities – and accelerating divestment of state-owned assets.

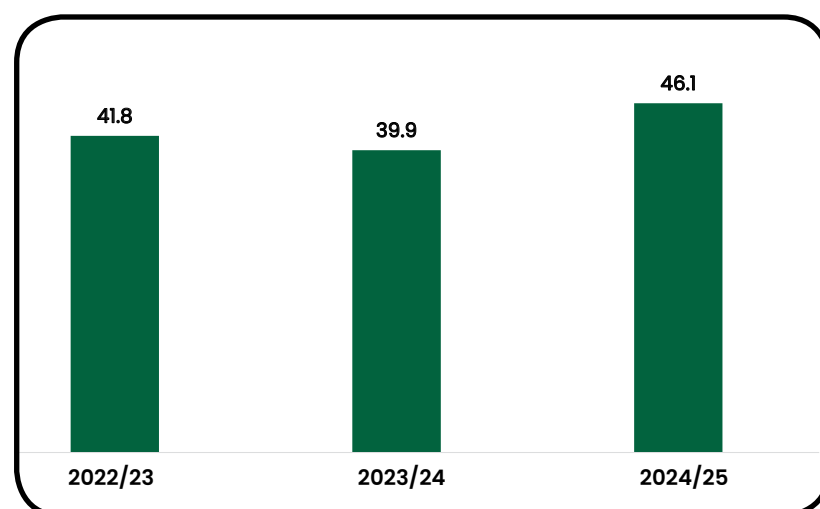
IMF’s outlook for a set of Egyptian economic indicators



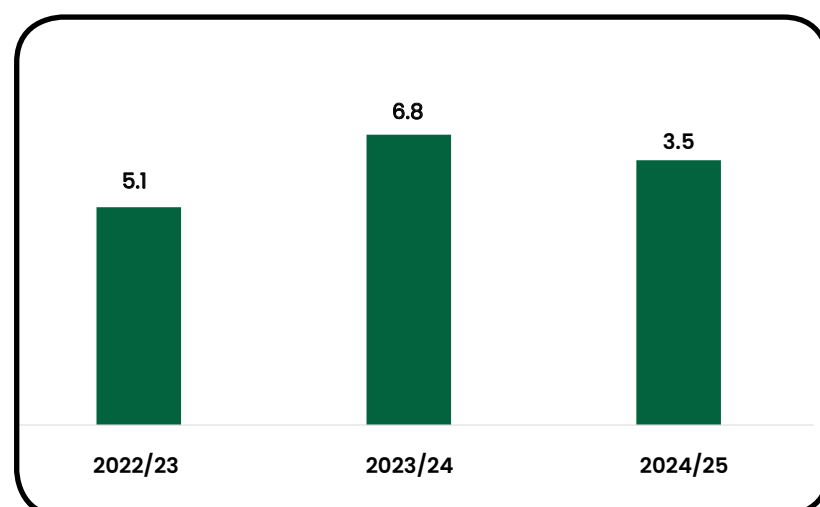
General government gross debt to GDP (%)



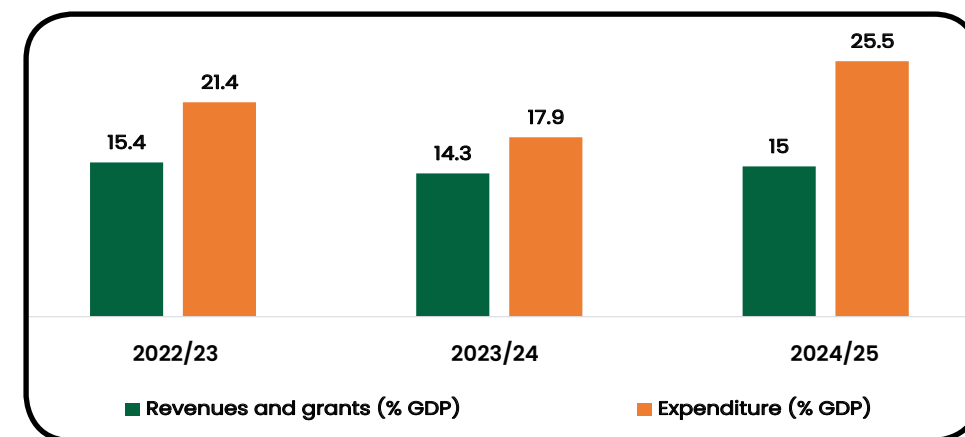
External debt to GDP (%)



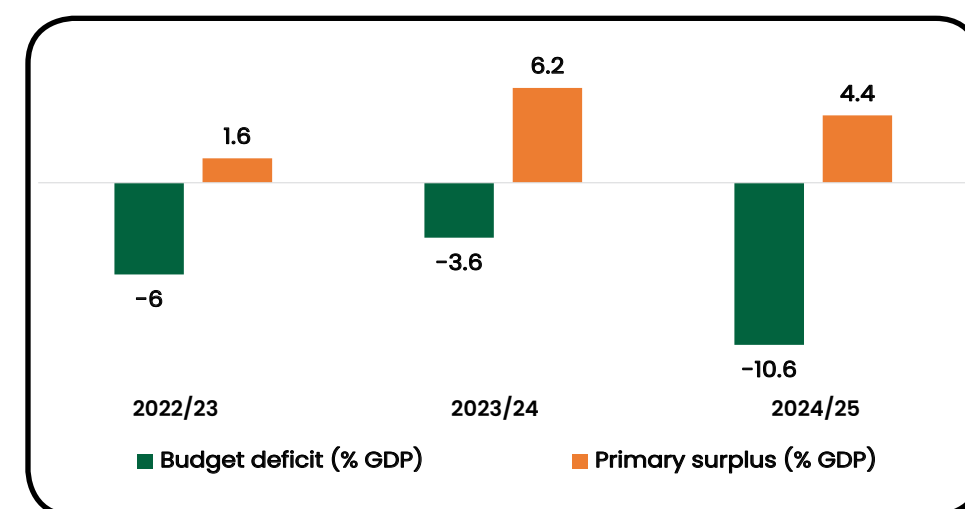
Reserves (months of imports) (Month)



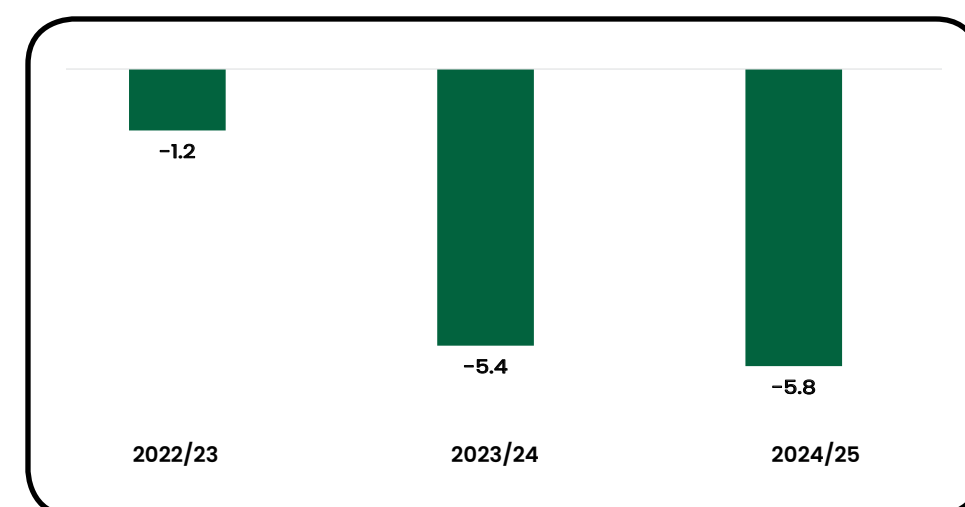
Budget revenues and expenditure to GDP (%)

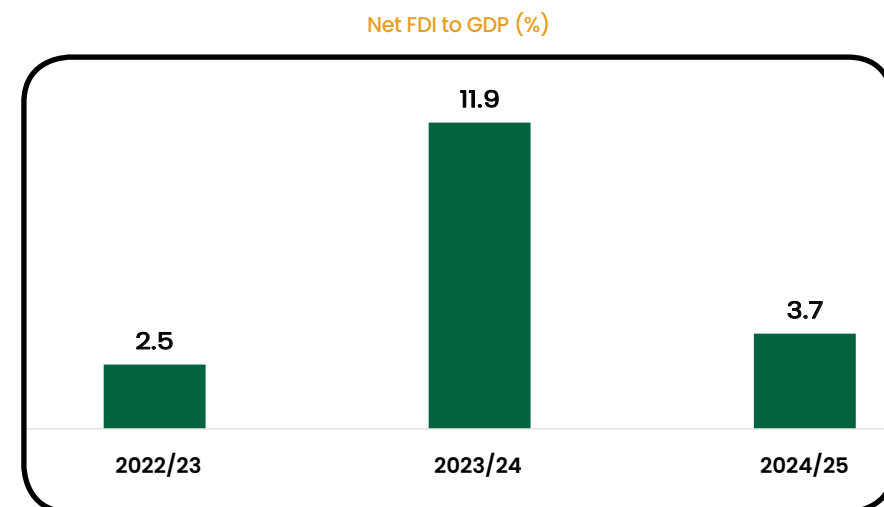


Public budget to GDP (%)



Current account deficit to GDP (%)





Source: IMF

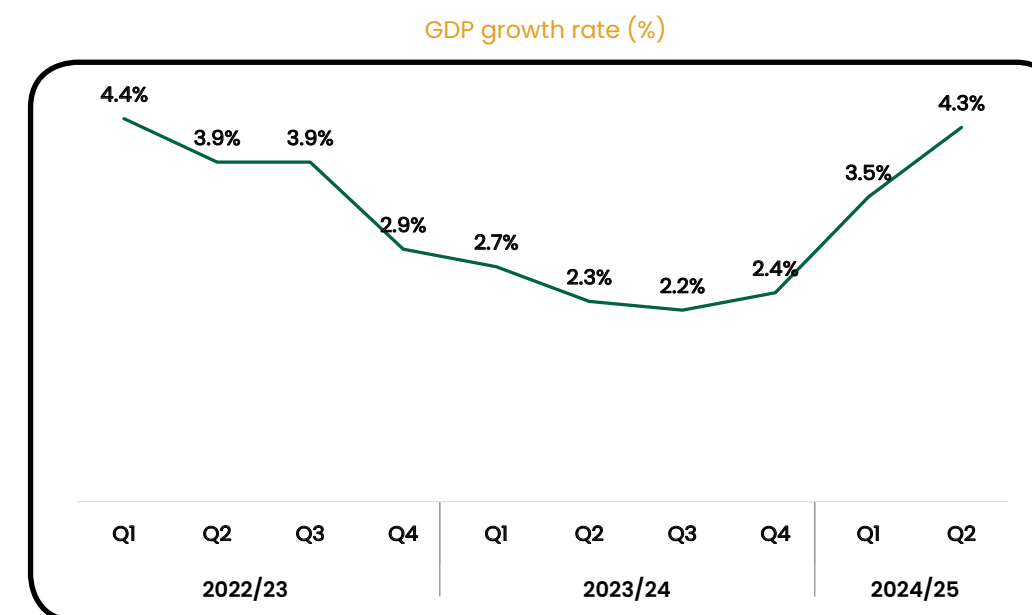
The IMF and the implementation of the National Climate Change Strategy (NCCS) 2050

The IMF approved the disbursement of USD 1.3 bn. in new financing to Egypt under the IMF's Resilience and Sustainability Fund (RSF), as part of a package of structural reforms to support the implementation of NCCS 2050. In this framework, it is worth noting that the planned structural reforms package includes ten structural reforms in four areas: accelerating the process of carbon dioxide reduction in Egypt, analyzing climate-related financial risks, enhancing climate-related data and risk management, building resilience, enhancing the resilience of the financial sector in the face of climate change, supporting climate finance, and identifying, measuring and disclosing the impacts of investment plans, programs and projects on national climate change goals.

USD 1.3 bn.
New financing
to Egypt by the
IMF, as part of
the structural
reforms package
to support the
implementation of
NCCS 2050

The Egyptian economy records the highest quarterly GDP growth in two years

Egypt's growth domestic product (GDP) recorded a remarkable growth rate of 4.3% during Q2 FY 2024/2025, marking the highest quarterly growth rate since 2022. This growth is supported by the Egyptian government's adoption of clear-cut policies aimed at maintaining macroeconomic stability. The growth outlook remains positive, underpinned by continuous structural reforms which strengthen resilience amid global uncertainties.

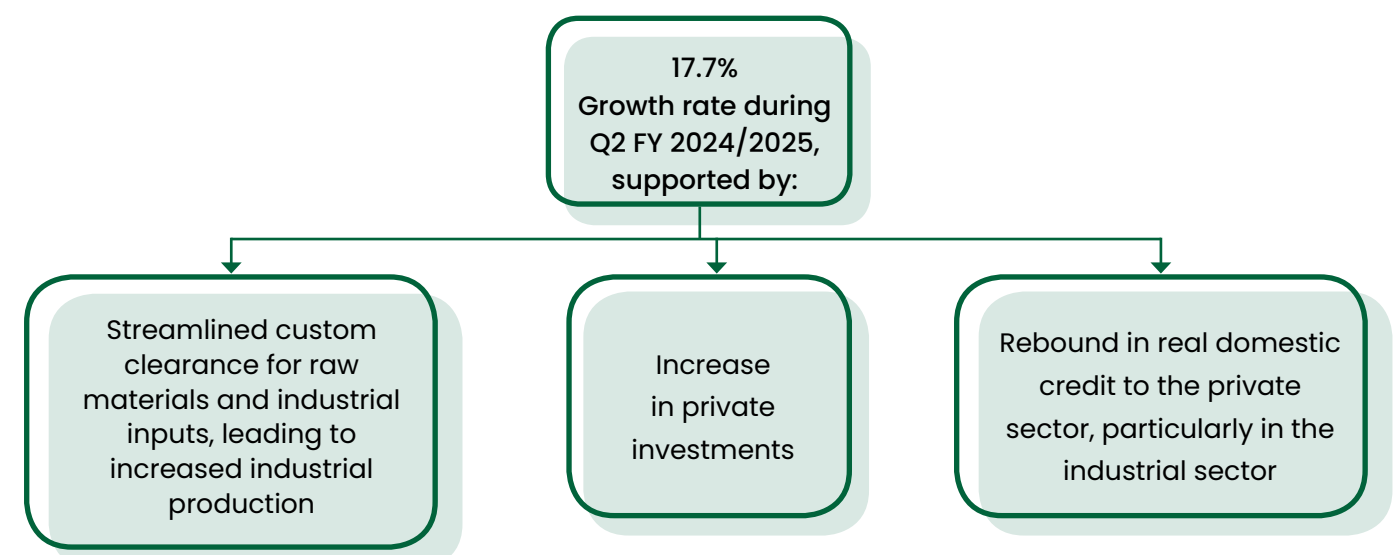


EGP 4.42 trillion
GDP in current
price terms during
Q2 FY 2024/2025

Source: Ministry of Planning, Economic Development and International Cooperation

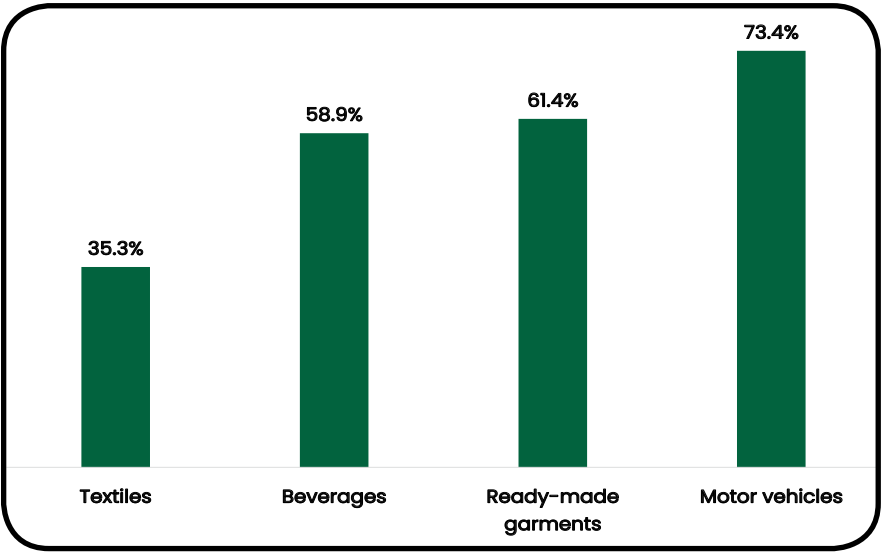
The increase in growth rate during Q2 2024/2025 was driven by the high growth rates achieved by several key economic sectors during the same quarter, as shown below:

- The non-oil manufacturing sector

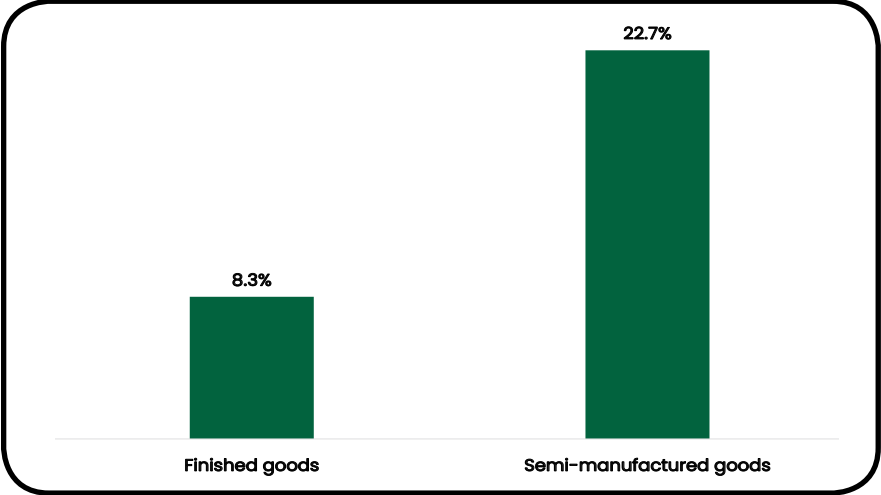


Growth rate during Q2 2024/2025 compared with Q2 2023/2024

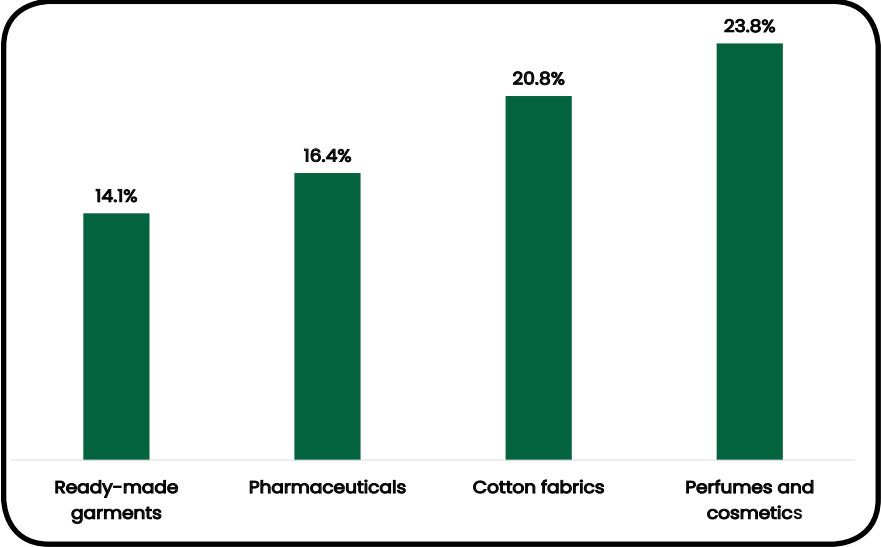
A number of manufactured exports (%)



Exports of semi-manufactured and finished goods (%)

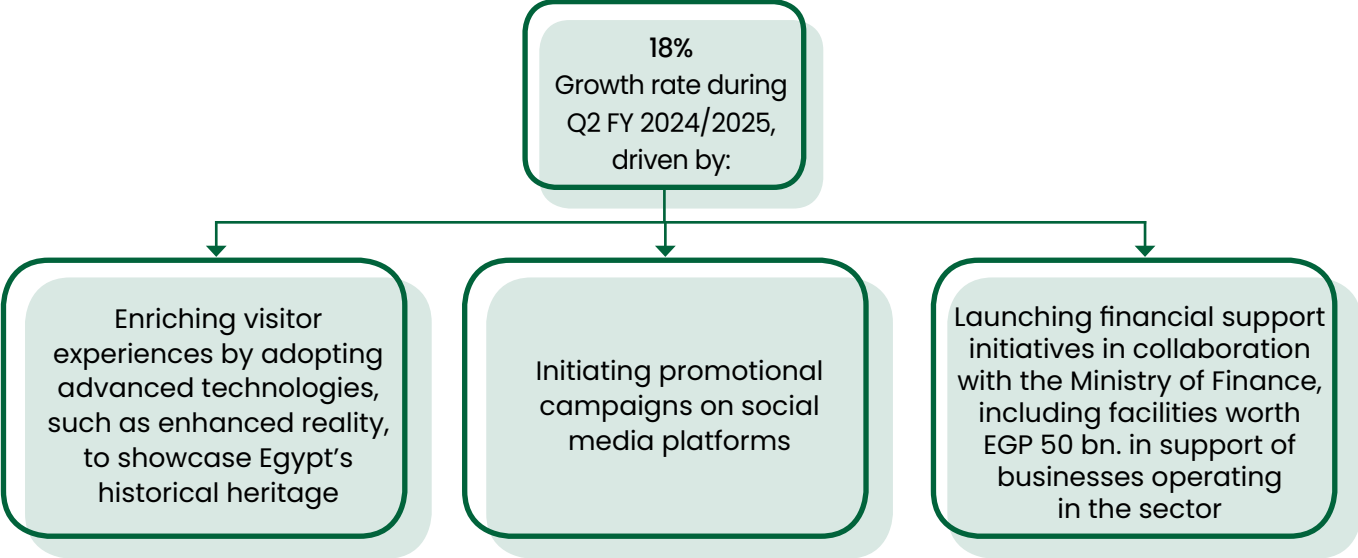


A number of manufacturing sectors (%)

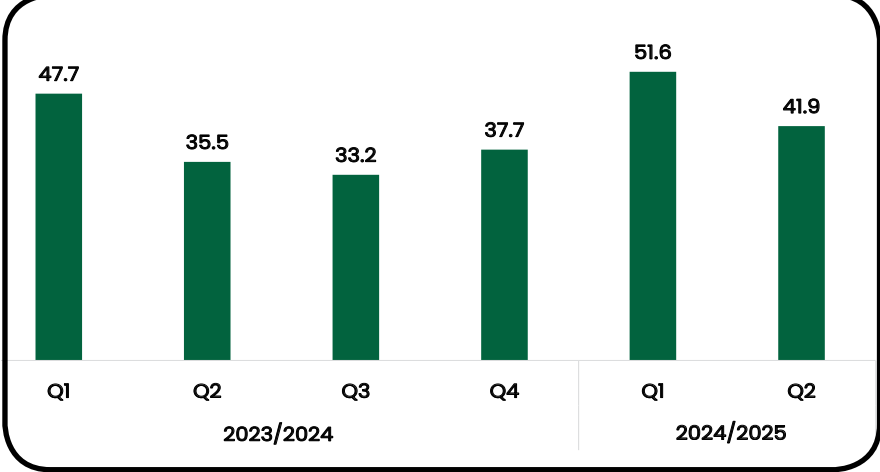


Source: Ministry of Planning, Economic Development and International Cooperation

Tourism “restaurants and hotels”:

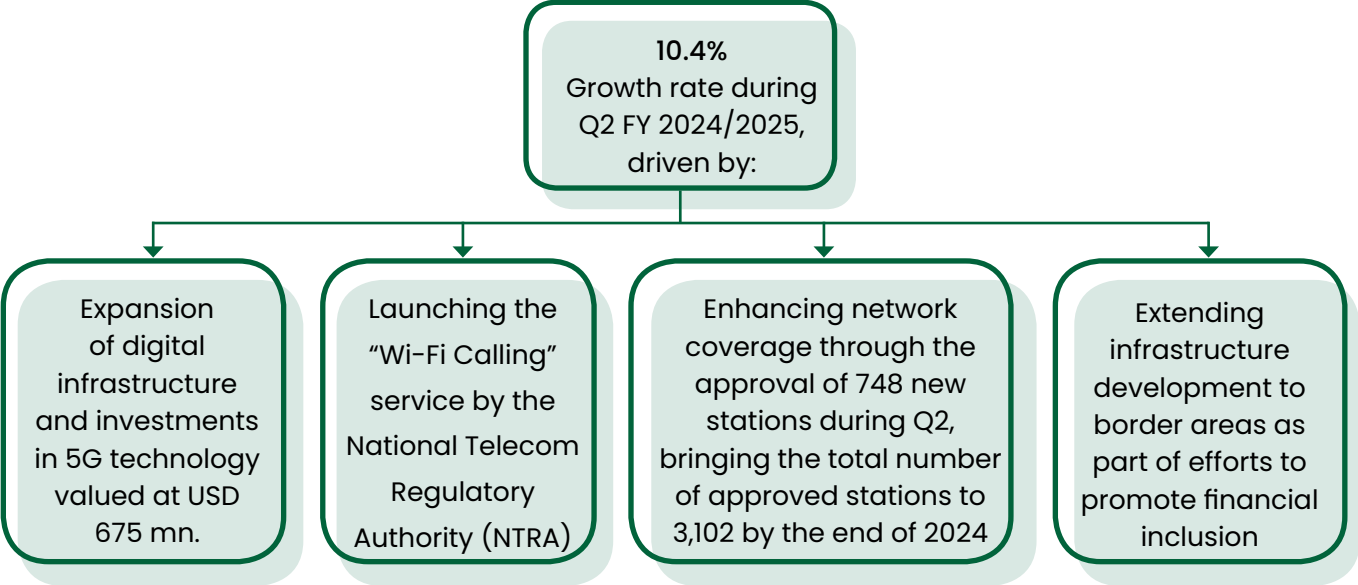


Number of tourist nights (million nights)



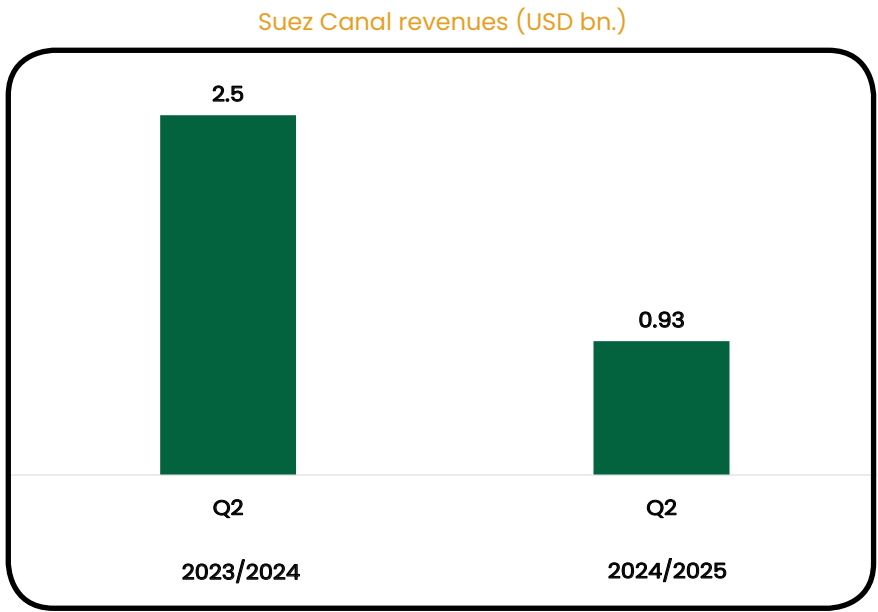
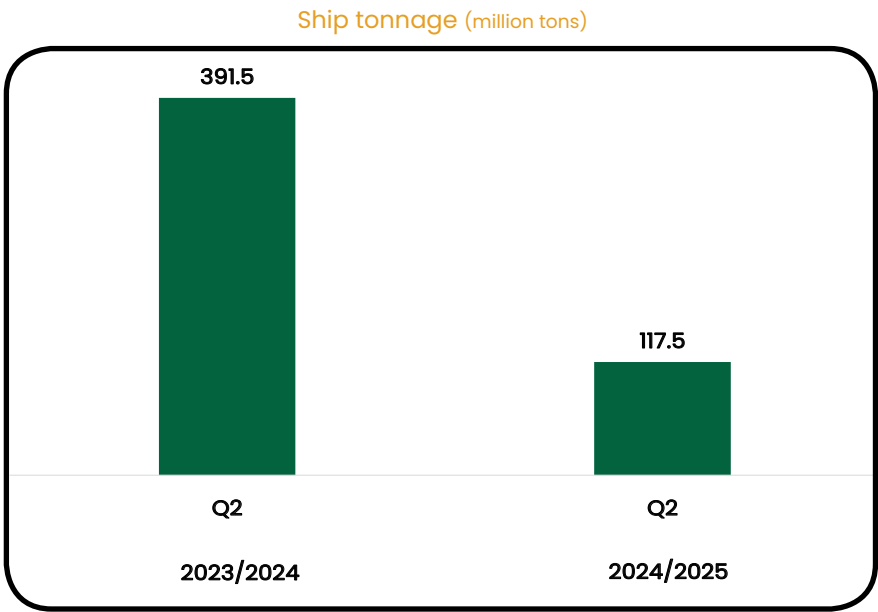
Source: Ministry of Planning, Economic Development and International Cooperation

Communication and information technology (ICT) sector



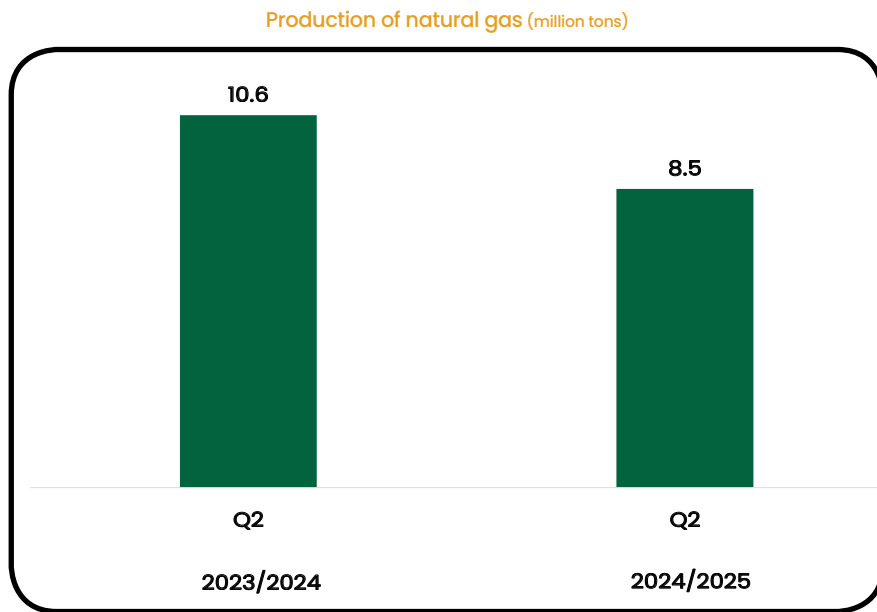
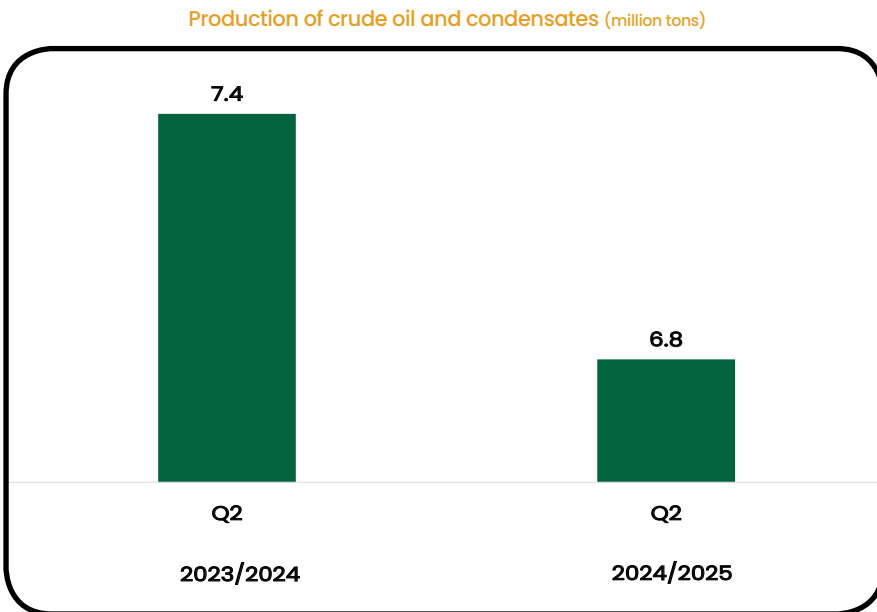
On the other hand, some economic activities recorded negative growth during Q2 FY 2024/2025, as indicated below:

- The Suez Canal: Geopolitical tensions in the region continued to affect navigation, resulting in the decline of ship tonnage and Suez Canal revenues in Q2 FY 2024/2025 by 70% and 63%, respectively.



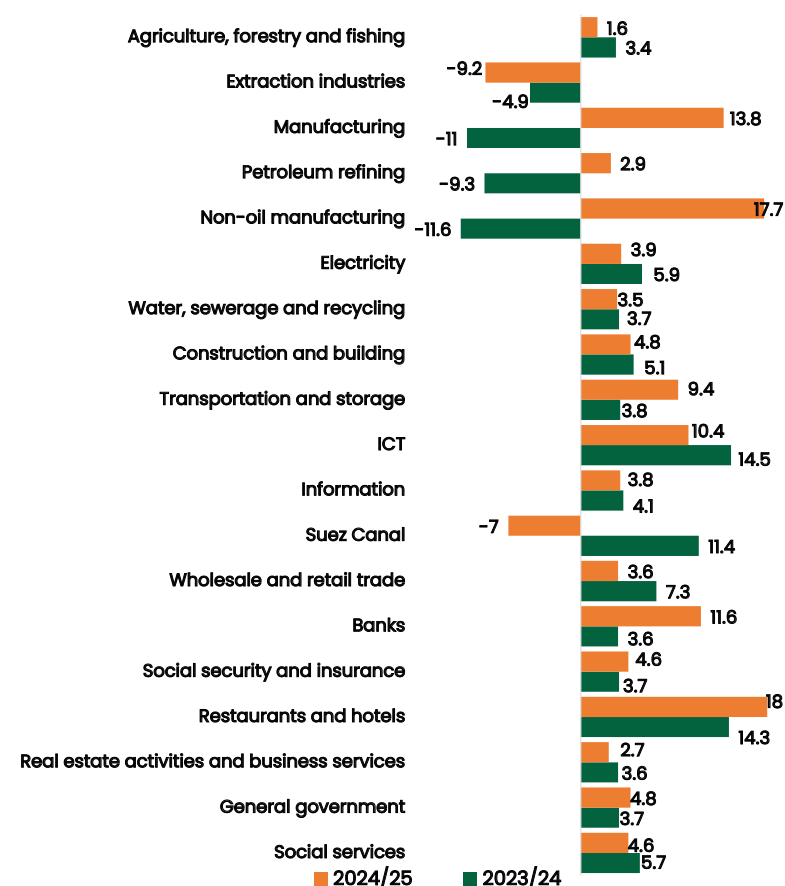
Source: Ministry of Planning, Economic Development and International Cooperation

- The extraction sector recorded a 9.2% decline due to a slowdown in the oil and natural gas sub-sectors during Q2 FY 2024/25, though investment in new discoveries and field development is expected to gain traction in the near term.

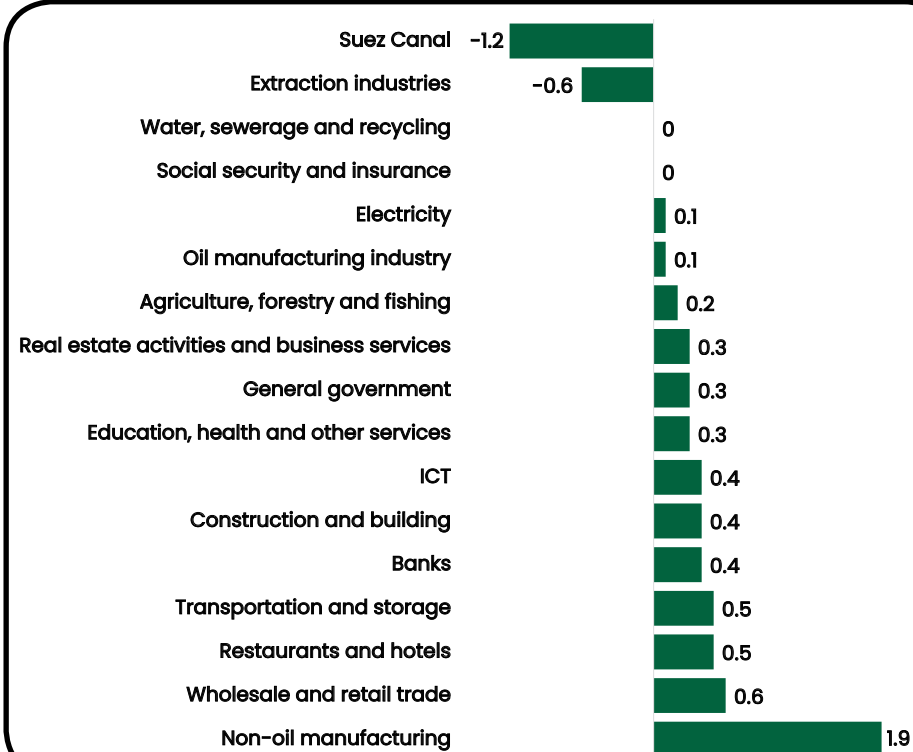


Source: Ministry of Planning, Economic Development and International Cooperation

Quarterly growth rates of a number of economic activities (%)



Contribution to GDP growth during Q2 FY 2024-2025 by sector (%)



Source: Ministry of Planning, Economic Development and International Cooperation

500 reforms to enhance the role of private sector in Egypt

The Egyptian government adopts a broad package of reforms aimed at bolstering the role of the private sector as a driving engine of economic growth. In this vein, the number of implemented reform measures reached 500 during the period between May 2022 and December 2024, based on six core pillars.

Monetary policy and a more flexible exchange rate policy

Among the most prominent measures was the Central Bank of Egypt's (CBE) announcement in March 2024 that it would implement a gradual transition into a flexible inflation-targeting framework, while extending the timeframe for new targets, so that inflation would record 7% (± 2 percentage points) by the end of 2026 and 5% (± 2 percentage points) by the end of 2028, as part of its orientation towards implementing an integrated inflation-targeting model

11 Measures

Enhanced competition and competitive neutrality

These include the full achievement of the interim objectives of the Egyptian Competition Authority (ECA) outlined in its 2021-2025 Strategy, through implementing the planned activities in its four pillars. Moreover, the ex-ante control system of economic concentrations (mergers and acquisitions) started to be implemented in June 2024, in a quantum leap towards enhancing transparency and fairness in the market.

14 Measures

Encouraging the industrial sector

These measures involve issuing important ministerial decrees to streamline industrial procedures, e.g. the approval of health supervision certificates and food products validity certificates by the National Food Safety Authority (NFSA) starting as of early 2025. The measures also included extensive logistics and customs facilitations, most notably operating ports throughout the week and on official holidays, which helped reduce customs clearance times and increase export opportunities.

134 Measures

Supporting investment and improving business environment

These include a package of tax incentives to improve the relationship between the investors and the tax authority and streamline economic activities. In addition, the Golden Licence was launched, which has been received by 46 companies till March 2025. This reflects growing confidence in the state's commitment towards streamlining incorporation and operation measures.

189 Measures

Legal, regulatory and institutional frameworks

These include issuing a draft resolution regulating the Ministry of Investment and Foreign Trade, with a view to enhancing coordination and removing obstacles facing investors, in addition to issuing a detailed list of economic activities that are subject to regulatory controls with respect to foreign investment, which helps promote transparency and enhances trust. Moreover, the Prime Minister issued a decree forming an industrial ministerial group to develop and implement the national industrial development strategy, in line with the objectives of localizing industries and stimulating direct investment.

128 Measures

Implementing the State Ownership Policy Document

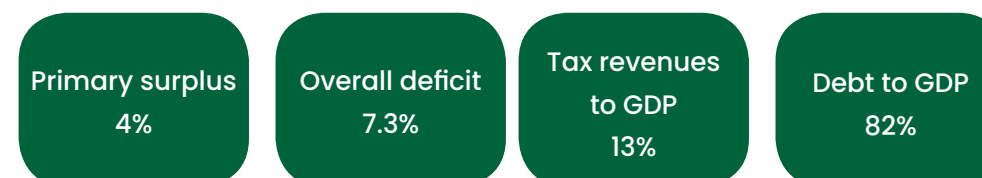
In May 2024, the Cabinet approved the draft law regulating the state's ownership in state-owned enterprises and companies where the state has equity participation, in a crucial legislative step to cement the Document's objectives. In December 2024, the government embarked on a comprehensive restructuring of 59 economic entities, with an eye to addressing any structural distortions, raising their efficiency and increasing their actual contribution to GDP.

24 Measures

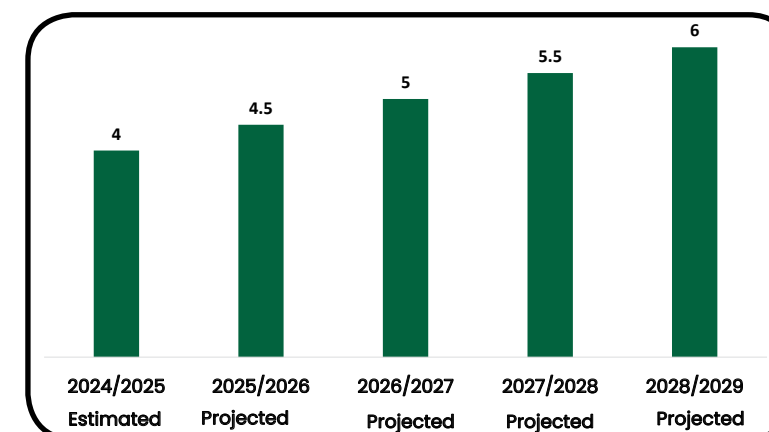
The FY 2025/2026 budget: A budget for growth, stability and partnership with the business community

The FY 2025/2026 state budget comes amid ongoing exceptional global events that cast shadows over the global economic landscape, plunging it into disturbance and uncertainty. This adversely impacted the investment climate in the Middle East in general, with unfavorable repercussions on trade in the Red Sea leading to a sharp decline in Suez Canal revenues, which forced the Egyptian economy to face further challenges in achieving its goals. However, the Egyptian government still strives to address such disturbances, seeking to ensure financial and economic stability and enhance the Egyptian economy's resilience to external shocks, while emphasizing expansion of social safety net and human development.

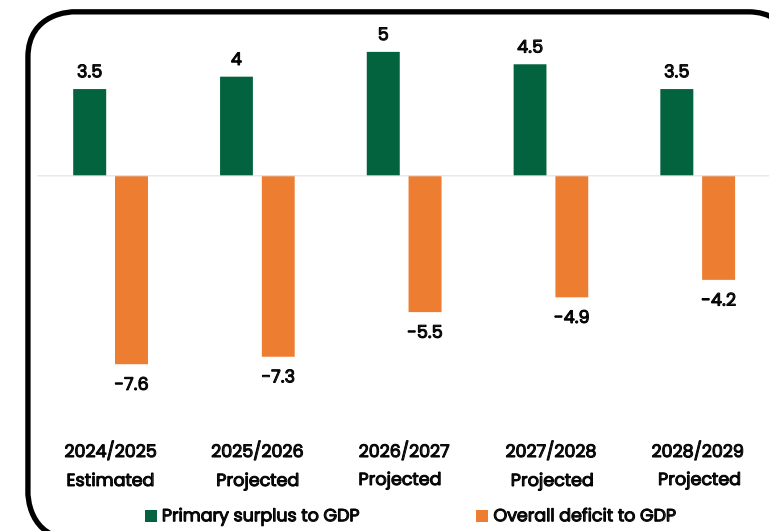
Financial targets for FY 2025/2026 budget in the medium term



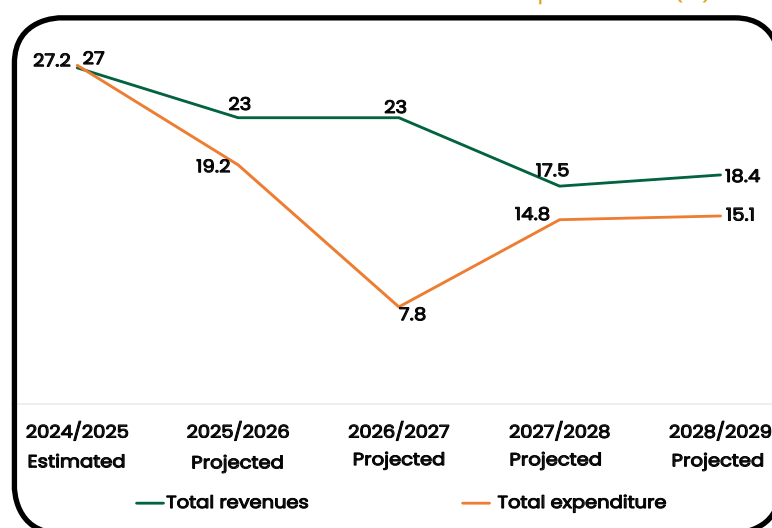
Real GDP growth rate (%)



Budget's overall deficit and primary surplus (%)



Growth rate of total revenues and expenditures (%)



Key targets of FY 2025/2026 budget

The FY 2025/2026 budget is based on the following four pillars, being the priorities of the monetary policy in the short and medium term:

Establishing a sound partnership and creating a state of certainty and trust between tax authorities and the business community.

Striking a balance in the monetary policy between maintaining fiscal consolidation and boosting growth and economy.

Reducing debt of general budget entities and improving debt service indicators.

Increasing provisions for social protection, human development and programs supporting priority groups.

Guided by these priorities, the FY 2025/2026 budget aims to achieve the following:

Pursue efforts to maintain balanced financial stability, while supporting economic sectors

- Achieve a primary budget surplus of 4% of GDP.
- Increase tax revenues to GDP by one percentage point YoY.
- Maximize return on state assets by increasing surpluses transferred to the public treasury.

Sustain efforts to gradually reduce growth rates of budget entities' debt

- Bring budget entities' debt growth rate to GDP ratio to less than 80% by the end of June 2028, allowing for continued improvement and reduction of debt service burden to GDP, as well as to total budget expenditures. This requires achieving annual economic growth rates not less than 5%-6% and a sustainable annual primary surplus of 3.5%-4% p.a. in the medium term.

Continue to support and assist the production sectors and the segments most affected by economic crises

- Continue efforts to improve the quality of infrastructure.
- Help a broader segment of society benefit from the improved services and quality facilities.
- Enhance human development, where appropriations for the health and education sectors were increased in the FY 2025/2026 budget by 24.7% and 21.5%, respectively, compared to the FY 2024/2025 budget.

Support several national projects

- Upgrade and raise the efficiency of all services and infrastructure in the Egyptian villages under "Haya Karima" initiative, which will help achieve a quantum leap in the standard of living and quality of services for about 50% of the Egyptian population.

Implement tax and customs reforms

- The government continues to implement a series of tax and customs reforms and concessions, which enhances the investment-friendly climate and raises economic growth rates.
- Pursue tax base expansion measures, which promotes the state's resources to be directed towards increasing public spending.

Continue to develop public finance management

- Implement the medium-term budget framework for the first time.
- Pursue efforts and expand the budget preparation and monitoring system by incorporating Program and Performance Budgeting (PPB) to ensure monitoring specific initiatives with clear and measurable objectives, aiming to enhance public spending efficiency and quality.
- Continue the development of budgeting that is responsive to gender, human rights and community participation.
- Develop financial risk management and financial disclosure, with a view to raising spending efficiency and achieving the highest return on available resources.
- Develop government procurement system through digitalization by establishing an integrated electronic system.
- Calculate the indicators of the state's public finances based on the general government budget, which includes the total resources and uses of the state's budget and all public economic entities.

Transition from general budget to general government budget

In March 2024, Law No. 18 of 2024 was issued, amending some provisions of Law No. 6 of 2022 which promulgated the Unified Public Finance Law and the accompanying law, with an eye to achieving a paradigm shift in the management of the state's public finances. The official indicators of the state's public finances will be calculated according to the "general government" budget revenues and expenditures. Thus, the principle of comprehensive budgeting will be well upheld with a more integrated and objective reading which reflects the entire revenues and expenditures of the state and its public entities. In this vein, the general government budget is defined as a statement that outlines the total resources and uses of the state's general budget, as well as the resources and uses of all public economic entities. It excludes inter-budgetary relationships in accordance with the law approving the state's general budget, and does not affect the nature of the activities of such public economic entities, their legal status, budgeting, accounting systems, or their relationship with the state's public treasury.

In this context, the exclusion of the inter-budgetary relationships includes:

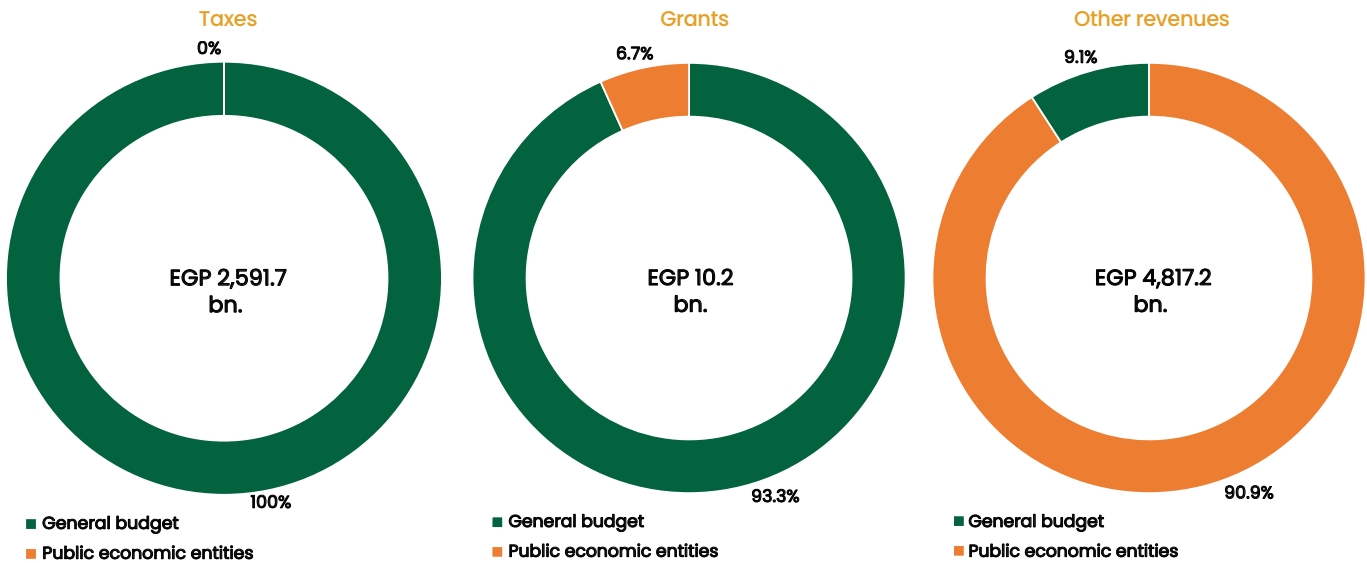
- Exclusion of surpluses, received by the economic entities, from the revenues of the state's general budget and posting the entire revenues received by the economic entities in the revenues of such entities. Thus, such revenues will appear only once in the budgets of such economic entities.
- Exclusion of contributions to the economic entities from the appropriations of the state's government budget and from the revenues (i.e. capital revenues or transfers) of such economic entities. The financial effect of such contributions is only reflected once on the expenditure items of the economic entities, according to the breakdown of expenditure items for each entity.
- Exclusion of the interest of re-lent loans and loan installments of economic entities from the revenues of the state's general budget and from the expenditures of such economic entities. Thus, the financial effect of debt burdens will be reflected only once in the public debt section of the state's general budget.
- Exclusion of subsidies, grants and social benefits from the appropriations of the state's general budget, and removing the corresponding items from the revenues of the economic entities. Thus, the financial effect of subsidies will be reflected only once in the expenditures of such economic entities, according to the nature of business activity of each entity.
- Exclusion of the balances of loans relented by the public treasury from the total debt of economic entities upon data transfer, noting that such loans are recognized under the public debt of the state's budget entities.
- Exclusion of all Autonizamia accounts from the revenues and expenditures of the economic entities, as such accounts are inserted for substantiating certain transactions in the records in accordance with the rules of the Unified Accounting System (UAS).

(A) Some general government budget indicators:

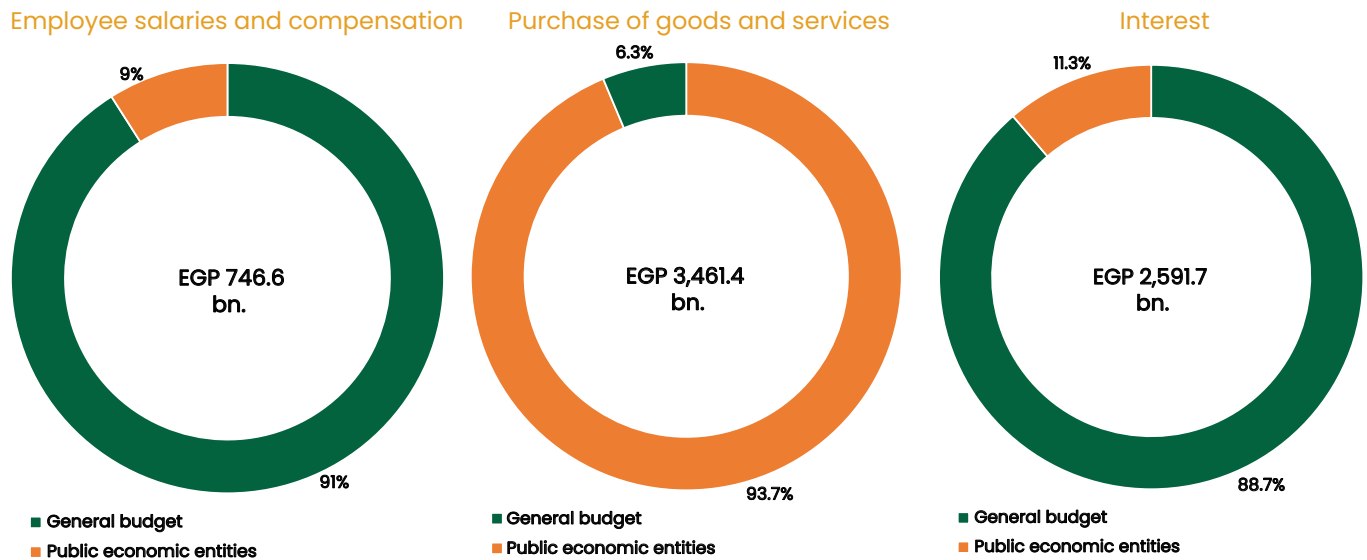
• Revenues

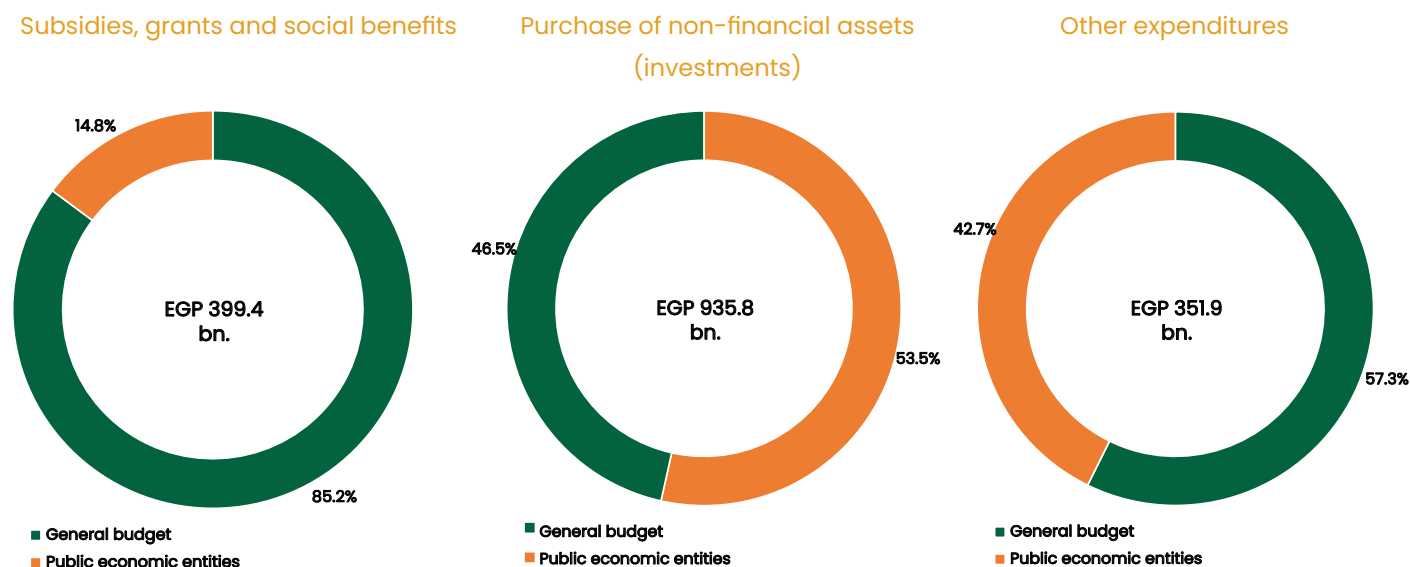


Relative distribution of revenue components categorized by general budget and public economic entities



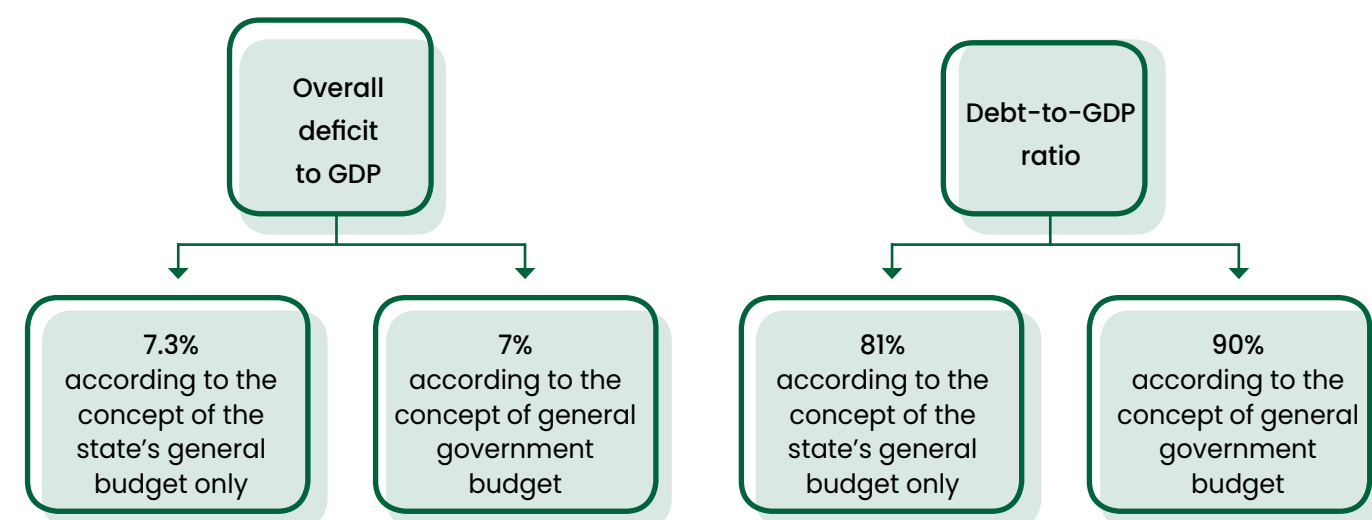
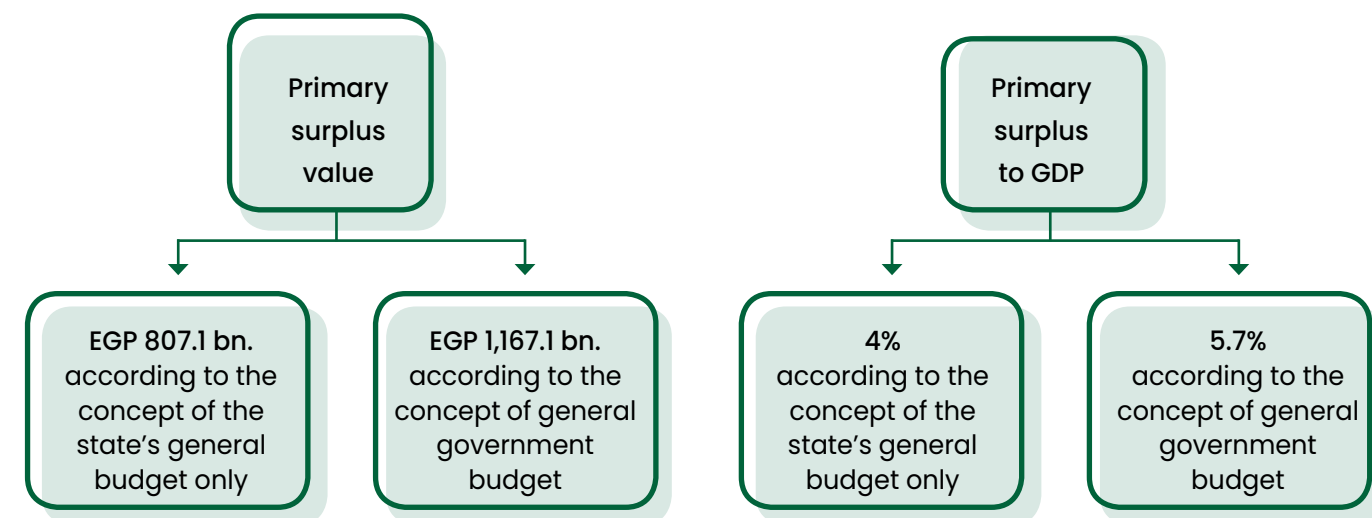
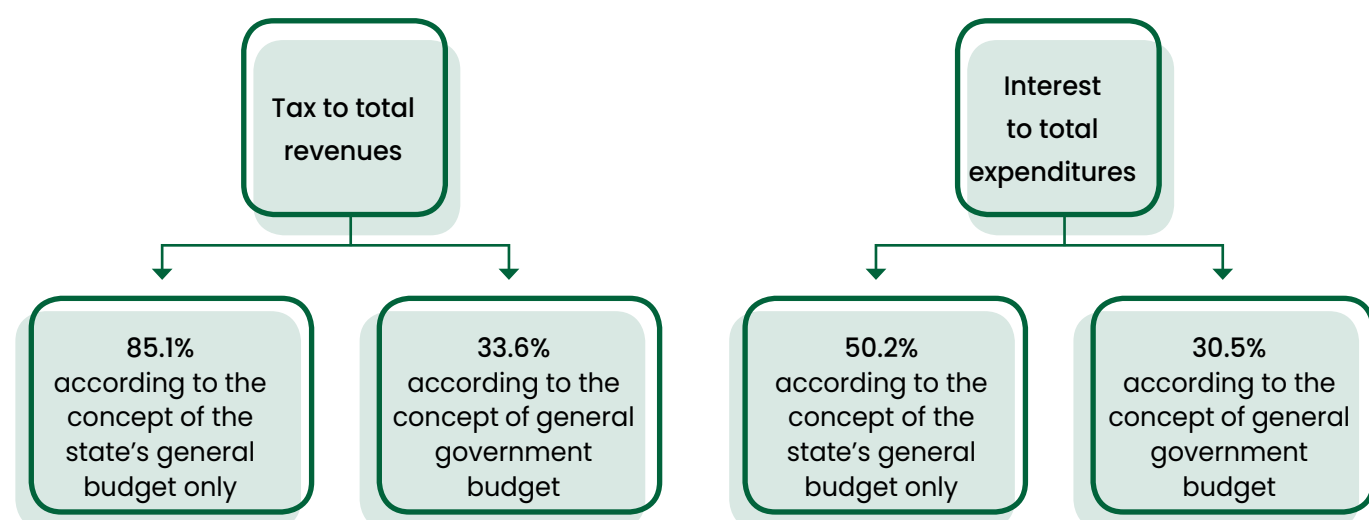
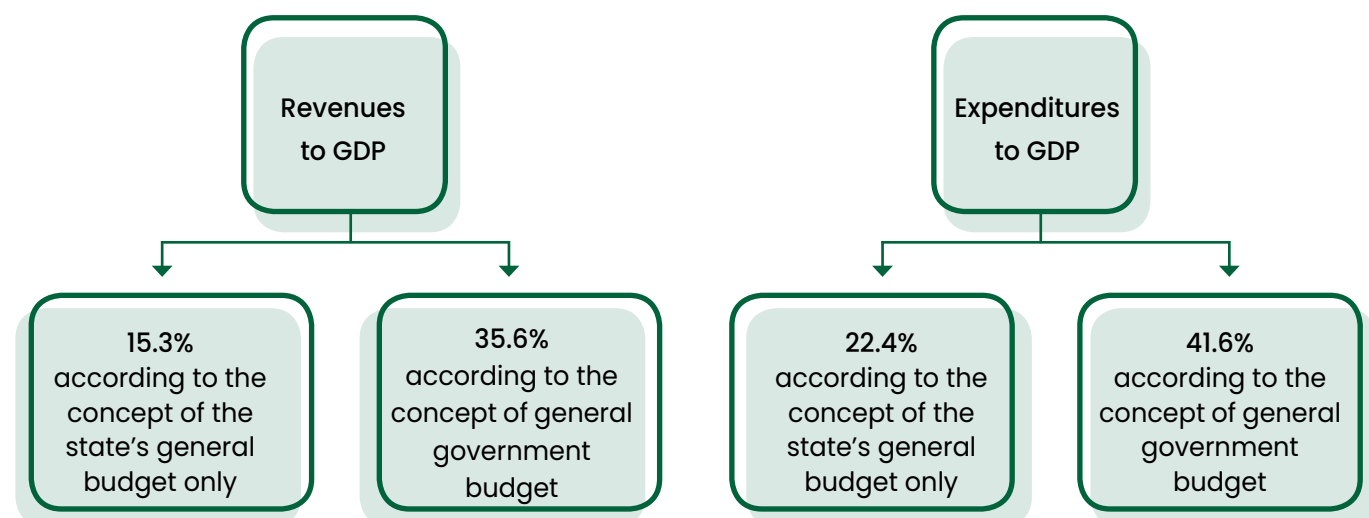
Expenditures





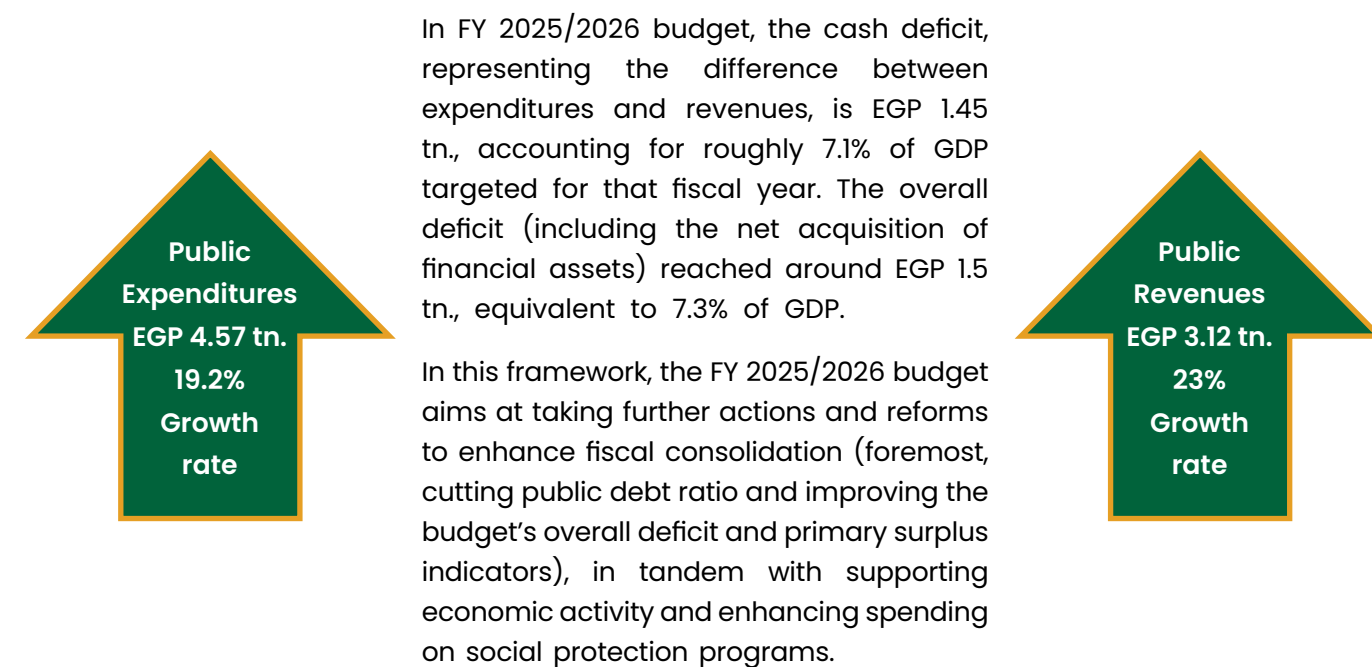
Source: Ministry of Finance (MoF), Fiscal Statement, the State's General Budget for FY 2025/2026

(B) Some "general government budget" indicators against "the state's general budget" indices

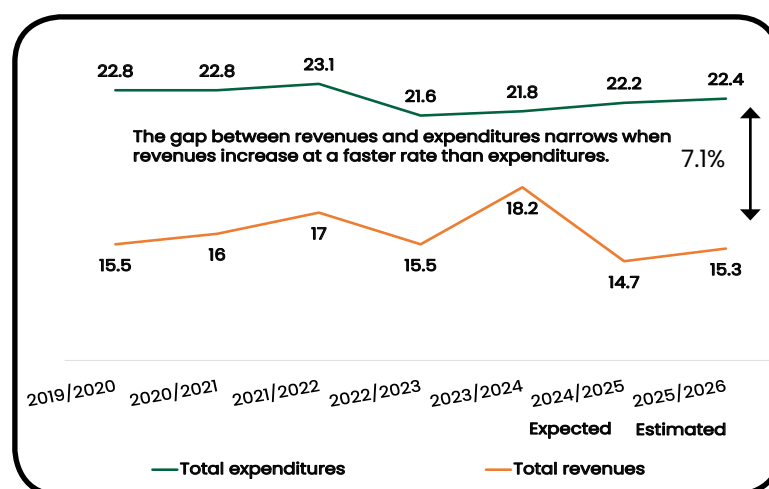


(C) A number of FY 2025/2026 budget items and indicators

General budget totals

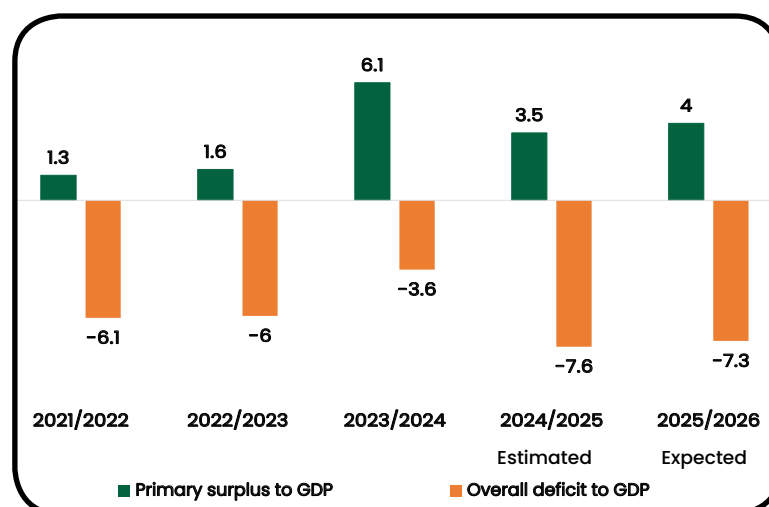


Revenues and expenditures to GDP (%)

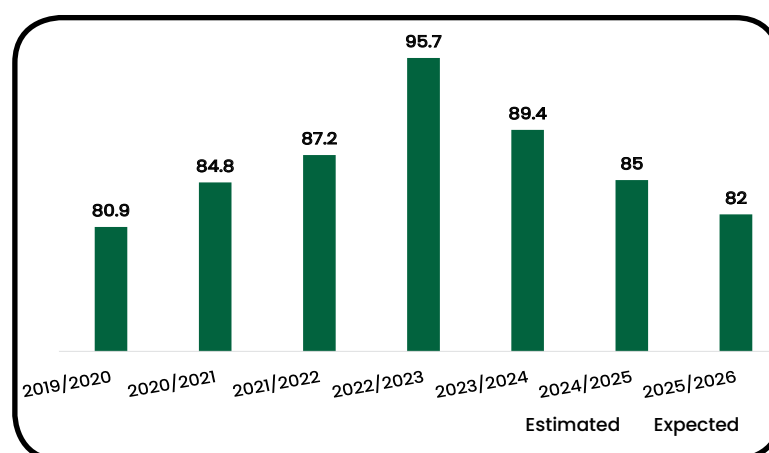


Source: Ministry of Finance (MoF), Fiscal Statement, the State's General Budget for FY 2025/2026

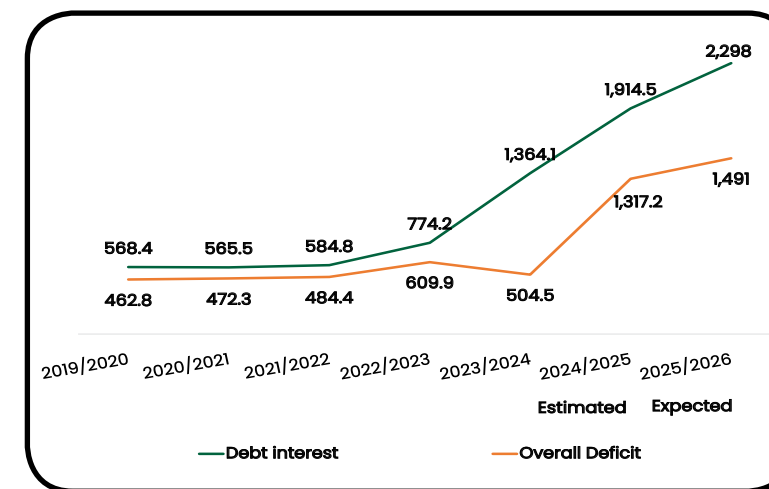
Budget overall deficit and primary surplus (%)



Budget entities' debt to GDP (%)



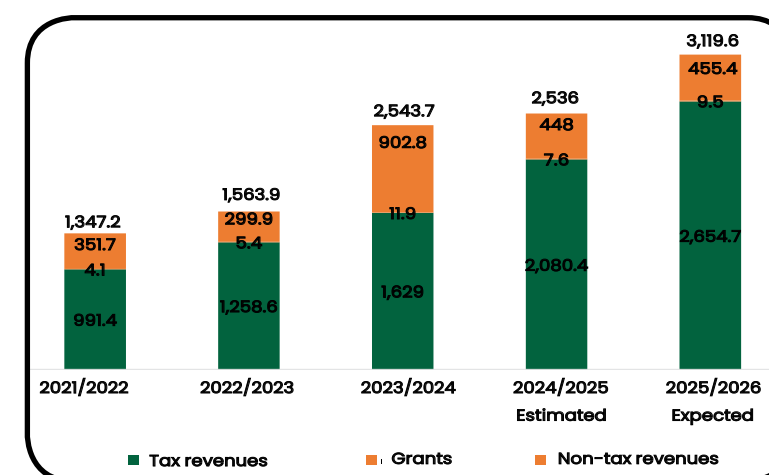
Budget's overall deficit value and interest payments (EGP bn.)



Public revenues

Public revenues in the new FY 2025/2026 draft budget are estimated at around EGP 3,119.6 bn., representing 15.3% of GDP. In the same vein, budget revenues are targeted to cover about 68.2% of expenditures in FY 2025/2026.

Budget's public revenues (EGP bn.)

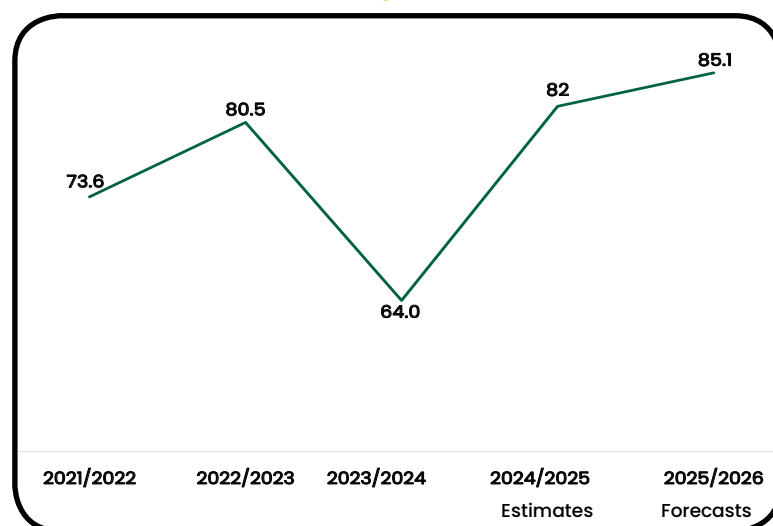


Source: Ministry of Finance (MoF), Fiscal Statement, the State's General Budget for FY 2025/2026

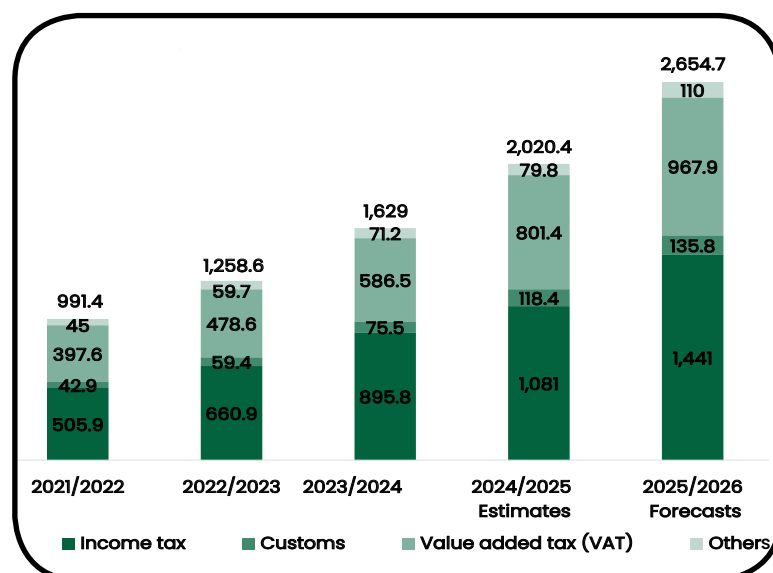
Tax revenues

Tax revenues are a key funding source for the state's general budget. To illustrate, they are estimated at around EGP 2,654.7 bn. (13% of GDP) in FY 2025/2026 draft budget compared to EGP 2,080.4 bn. expected in FY 2024/2025 (around 12% of GDP). In FY 2025/2026 budget, tax revenues account for around 85.1% of the total public revenues. The growing tax revenues reflect the efforts to improve the taxation situation, promote investments and economic growth, and link revenues to the economic activity. These efforts include broadening the tax base through increasing taxpayer identification rates, bringing further the informal economy into formal fold, increasing the volume of e-commerce which is growing at a steady pace, combating tax evasion, and continuing the automation of tax procedures.

Tax revenues to budget's total revenues (%)



Tax revenue components (EGP bn.)



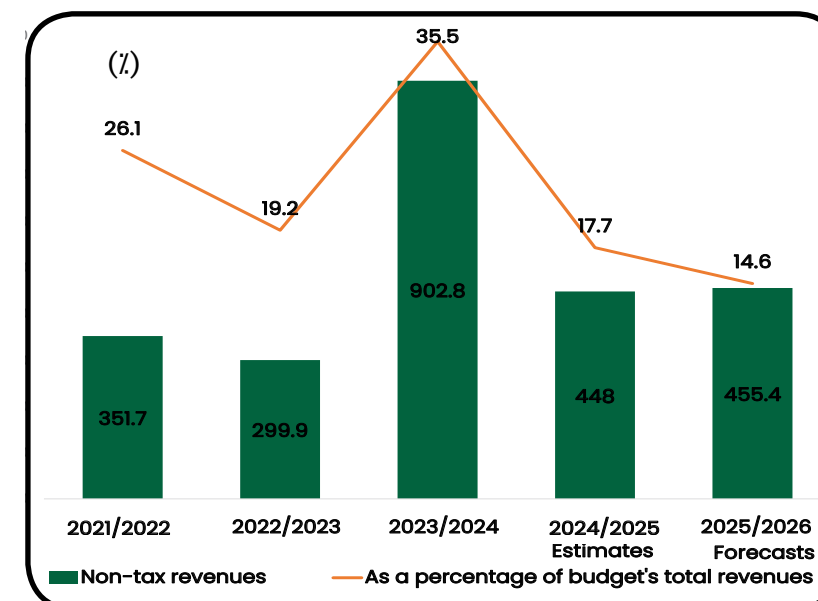
Grants

In FY 2025/2026 budget, grants are estimated at EGP 9.5 bn. accounting for only 0.3% of total public revenues, compared to around EGP 7.6 bn. expected in FY 2024/2025 budget.

Non-tax revenues

Non-tax revenues in the state's FY 2025/2026 general budget are estimated at EGP 455.4 bn., accounting for 2.2% of GDP versus about EGP 448 bn. expected in FY 2024/2025, representing 14.6% of public revenues. In this vein, Suez Canal surplus is put at EGP 68.1 bn. in FY 2025/2026 budget.

Non-tax revenues (EGP bn.)

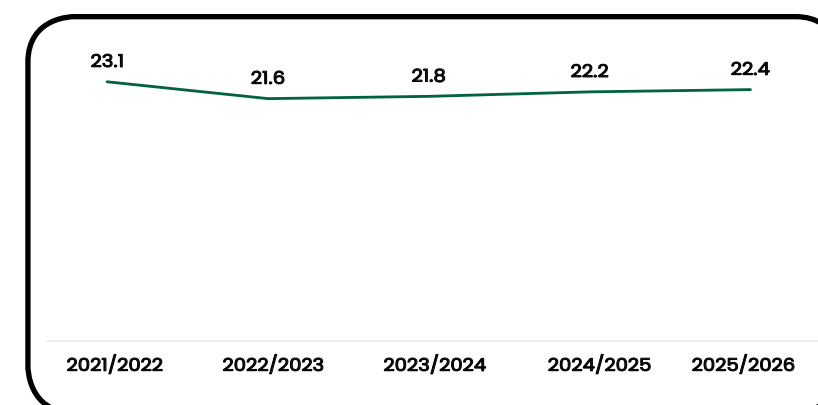


Source: Ministry of Finance (MoF), Fiscal Statement, the State's General Budget for FY 2025/2026

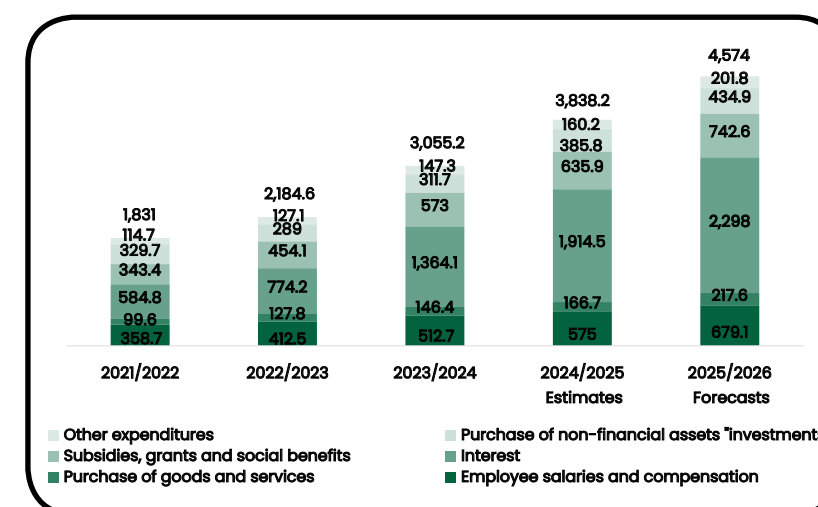
Public expenditures

Total expenditures are projected to reach EGP 4,574 bn. in the FY 2025/2026 budget (representing 22.4% of GDP), versus EGP 3,838.2 bn. expected in FY 2024/2025.

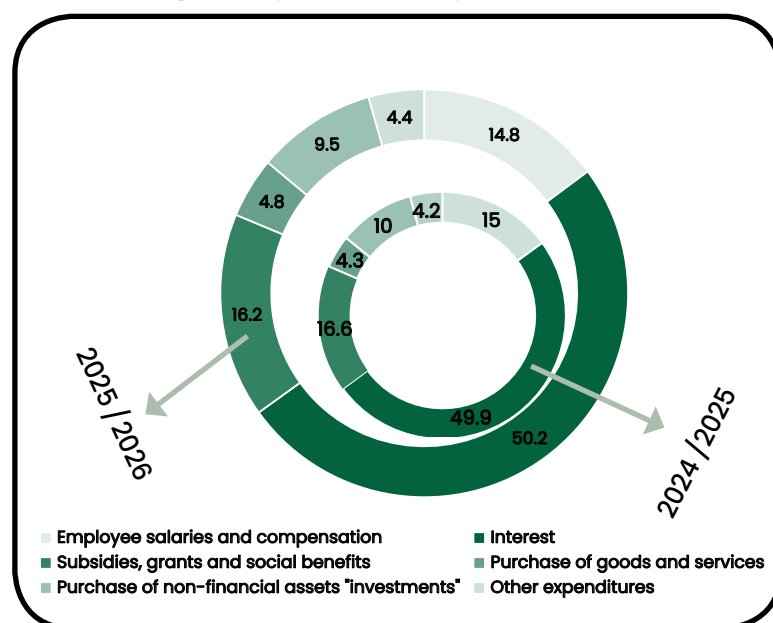
Public expenditures to GDP (%)



Budget expenditure components (EGP bn.)



Relative weight of expenditure components to their totals (%)

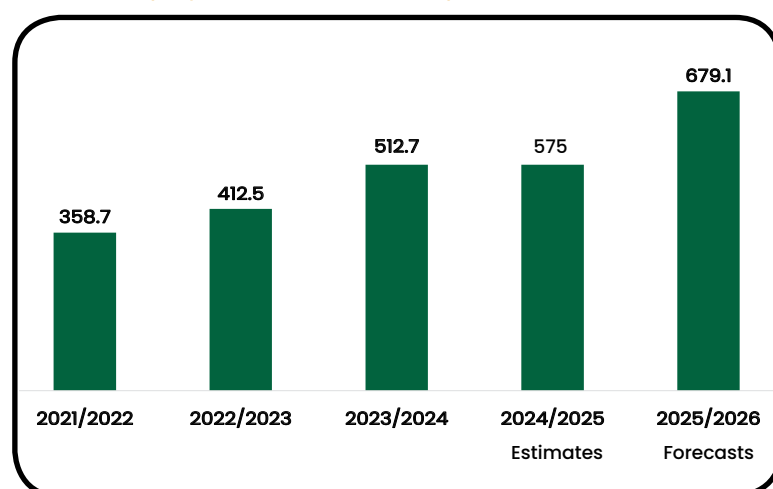


Source: MoF, Fiscal Statement, the State's General Budget for FY 2025/2026

Employee salaries and compensation

In the state's FY 2025/2026 general budget, "employee salaries and compensation" are estimated at EGP 679.1 bn. (i.e. nearly 3.3% of GDP and 14.8% of total budget expenditures), compared to EGP 575 bn. expected in 2024/2025.

Employee salaries and compensation (EGP bn.)

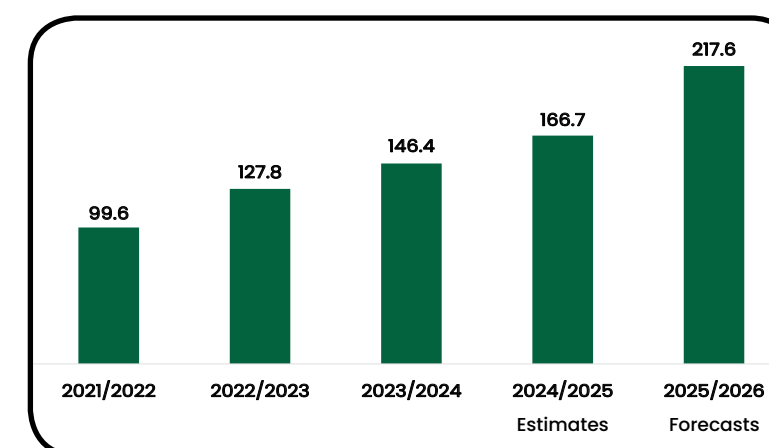


Source: MoF, Fiscal Statement, the State's General Budget for FY 2025/2026

Purchase of goods and services

Appropriations for the purchase of goods and services comprise government's entities and ministries requirements, including purchasing medical supplies, medicines, food for hospitals, paying for printing school books and providing school meals for students. They also include maintenance expenses, cash allowance for workers at remote areas, and the allocations for water supply, lighting costs and transportation allowances for workers in the New Administrative Capital. Such appropriations are estimated at around EGP 217.6 bn. in the FY 2025/2026 budget (equivalent to 4.8% of the total expenditures), versus around EGP 166.7 bn. expected in FY 2024/2025 budget.

Purchase of goods and services (EGP bn.)

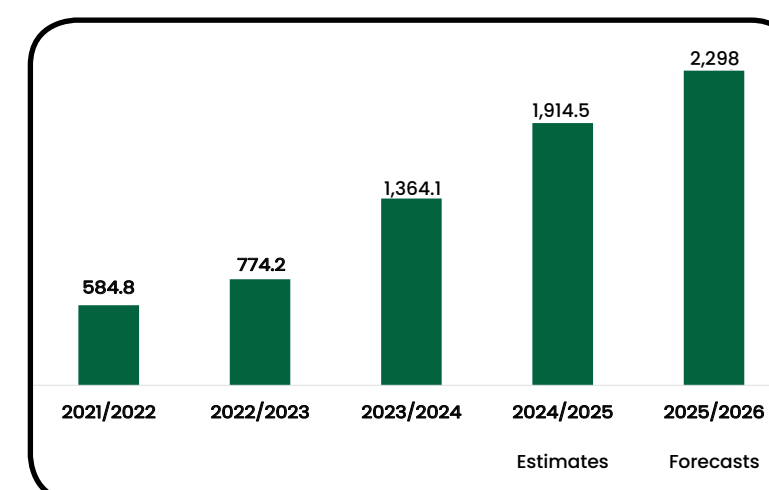


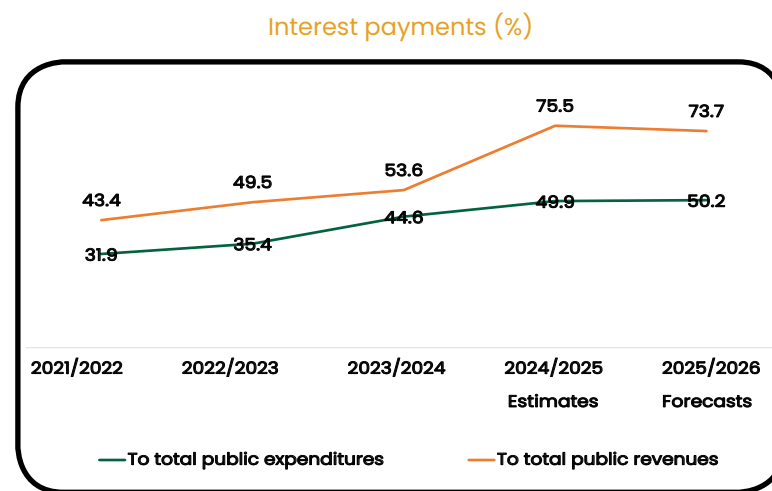
Interest

Interest payable on local and foreign loans in the state's FY 2025/2026 general budget is estimated at around EGP 2,298 bn. (about 11.3% of GDP) versus approximately EGP 1,914.5 bn. in FY 2024/2025, with an increase of 20%. Such increase is mainly driven by high inflation rates that have led to record-high interest rates to cope with the inflationary effects, in addition to the change in the exchange rate and its impact on the cost of interest payable in foreign currency.

In this context, interest payments have captured the largest share of expenditures since FY 2015/2016. Interest appropriations amount to around 50.2% of the total expenditures expected in the FY 2025/2026 budget.

Interest payments (EGP bn.)

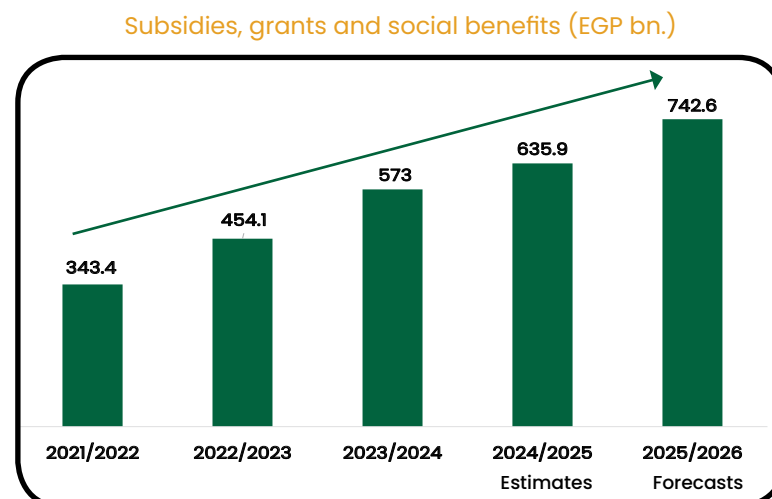




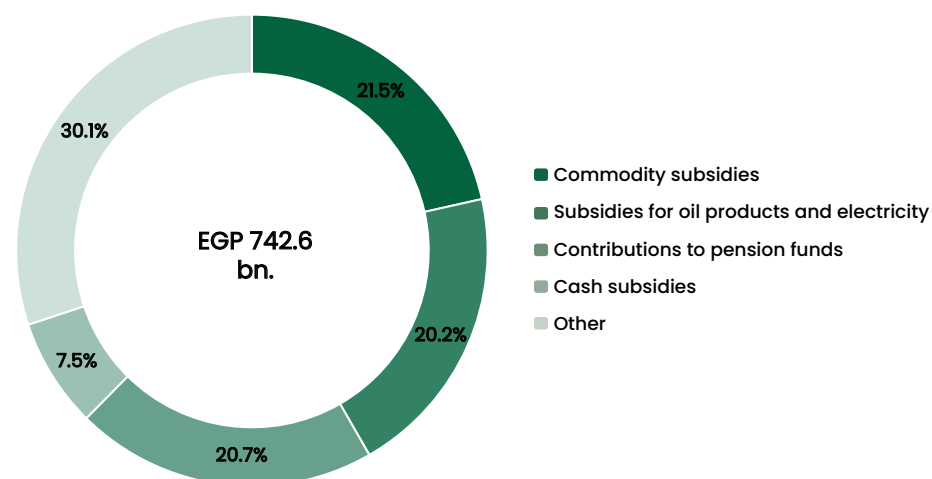
Source: MoF, Fiscal Statement, the State's General Budget for FY 2025/2026

Subsidies, grants and social benefits

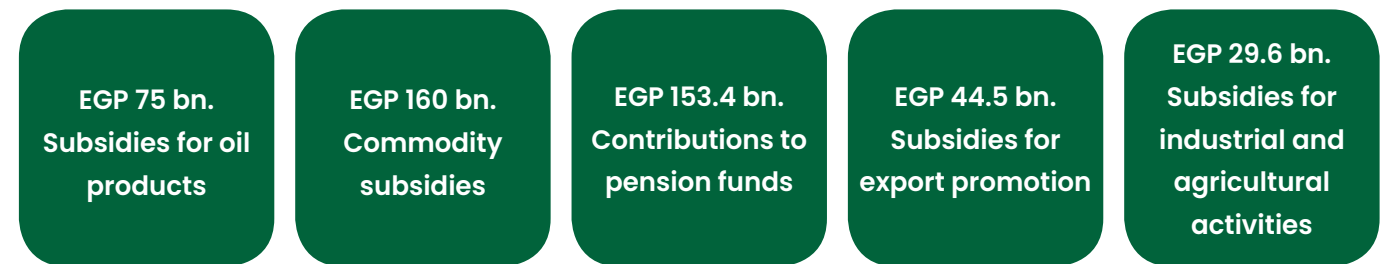
Appropriations for subsidies, grants and social benefits in the FY 2025/2026 budget are estimated at around EGP 742.6 bn. (accounting for 3.6% of GDP and 16.2% of the budget's total expenditures), versus approximately EGP 635.9 bn. expected in 2024/2025 budget.



Distribution of subsidies in 2025/2026 budget

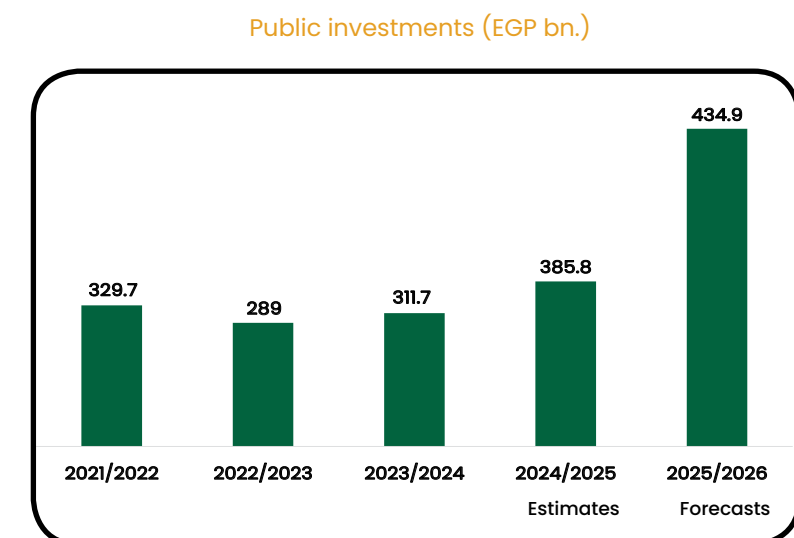


Source: MoF, Fiscal Statement, the State's General Budget for FY 2025/2026



Investments "purchase of non-financial assets"

Investments "purchase of non-financial assets" in the FY 2025/2026 budget are estimated at around EGP 434.9 bn. (which account for about 2.1% of GDP and 9.5% of the budget's total expenditures) compared to EGP 385.8 bn. expected in 2024/2025 budget. In this respect, the human and social development plan for investments includes various programs to implement projects in the field of agriculture, land reclamation, transportation, housing, utilities, urban development, health care, education, etc. during the budget year.



Source: MoF, Fiscal Statement, the State's General Budget for FY 2025/2026

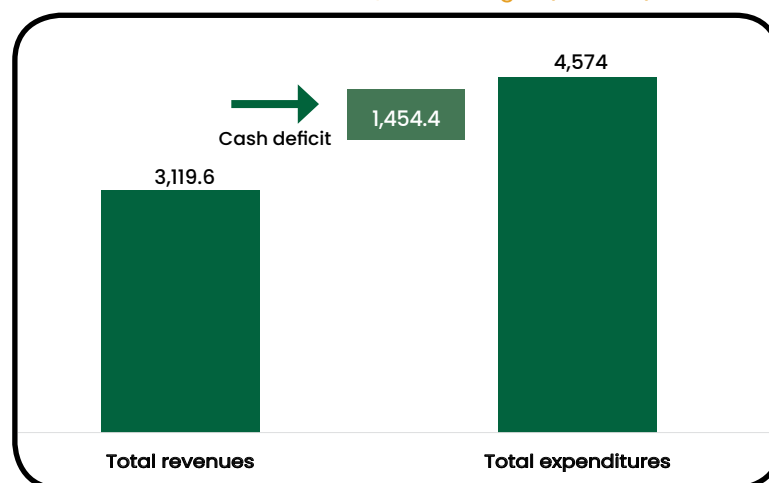
Total deficit in FY 2025/2026 general budget

The budget's total deficit is the cash deficit in the general budget plus (minus) the net acquisition of financial assets:

Cash deficit

The cash deficit refers to the gap between budget expenditures on the one hand and revenues on the other hand. The state's general budget data show that the cash deficit is estimated to reach around EGP 1,454.4 bn. in FY 2025/2026, which accounts for around 7.1% of GDP.

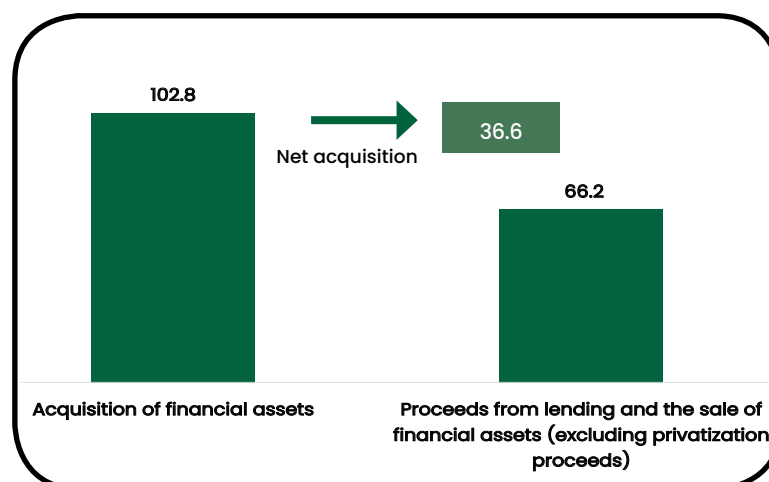
Cash deficit in 2025/2026 budget (EGP bn.)



Net acquisition

Net acquisition is reflected in the state's equity participation in entities, companies, and other bodies (excluding the restructuring participation) and the state's credit to third parties, less proceeds from lending and the sale of financial assets (excluding privatization proceeds). The state's general budget data indicate that the net acquisition of financial assets is estimated at about EGP 36.6 bn. in FY 2025/2026, compared to EGP 15 bn. in FY 2024/2025 budget, equivalent to 0.18% of GDP.

Net acquisition of financial assets in FY 2025/2026 budget (EGP bn.)



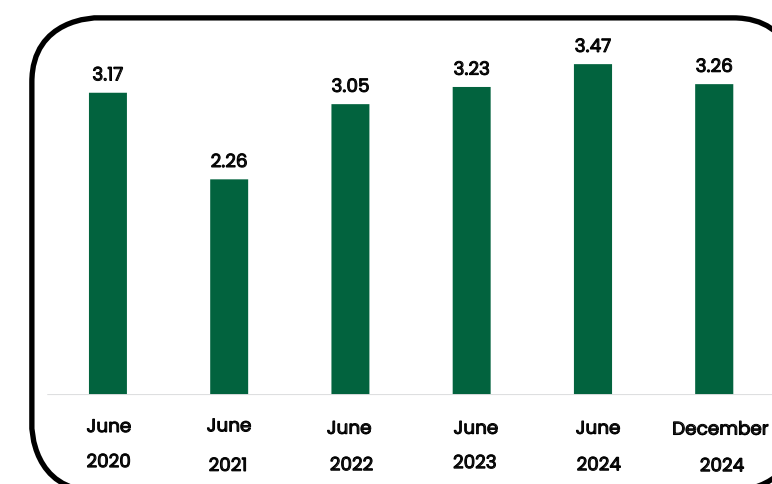
Accordingly, the total deficit in the state's FY 2025/2026 general budget is estimated at nearly EGP 1,491 bn., accounting for roughly 7.3% of GDP during the same year.

Sources of financing total deficit

The Ministry of Finance adopts a policy of diversifying the financing sources among local and external instruments and markets, taking into account the replacement of short-term debt with the long-term debt instruments through issuing more long- and medium-term bonds instead of T-bills in order to extend the debt life and reduce refinancing risks.

In this vein, Egypt returned to the Eurobond market in January 2025. The Ministry of Finance issued USD 2 bn. in five- and eight-year bonds as part of the state's plan for FY 2024/2025. The bond issue was five times oversubscribed, reflecting the confidence of foreign investors in the Egyptian economy.

Average life of the state debt portfolio (year)



Source: MoF, Fiscal Statement, the State's General Budget for FY 2025/2026

Egypt's Integrated National Financing Strategy (E-INFS)

In March 2025, the Ministry of Planning, Economic Development and International Cooperation launched Egypt's Integrated National Financing Strategy (E-INFS) in collaboration with the United Nations (UN). The significance of this strategy lies in introducing an integrated national financing framework aimed at advancing sustainable development, in alignment with the national sustainable development agenda (SDA), Egypt Vision 2030. The E-INFS focuses on mobilizing sustainable finance to close the financing gap and minimize future fiscal and debt risks in order to secure equitable and sustainable financing.

The importance of the E-INFS is heightened by the global uncertainty and turmoil due to the successive crises, whether at the economic, health, humanitarian or geopolitical level, which have cast a heavy shadow over national development paths. These crises have also led to a slowdown in global growth rates, a rise in the cost of development finance and the depletion of its sources, and an increase in investment risks and other related challenges.

UN Development Program (UNDP) estimates indicate that the global investment gap amounts to around USD 4 trillion. This gap has been exacerbated by multiple crises, including the COVID19- pandemic and geopolitical tensions.

86 countries have launched their Integrated National Financing Frameworks (INFFs), many of which succeeded in mobilizing finance through tapping new sources to achieve the SDGs.

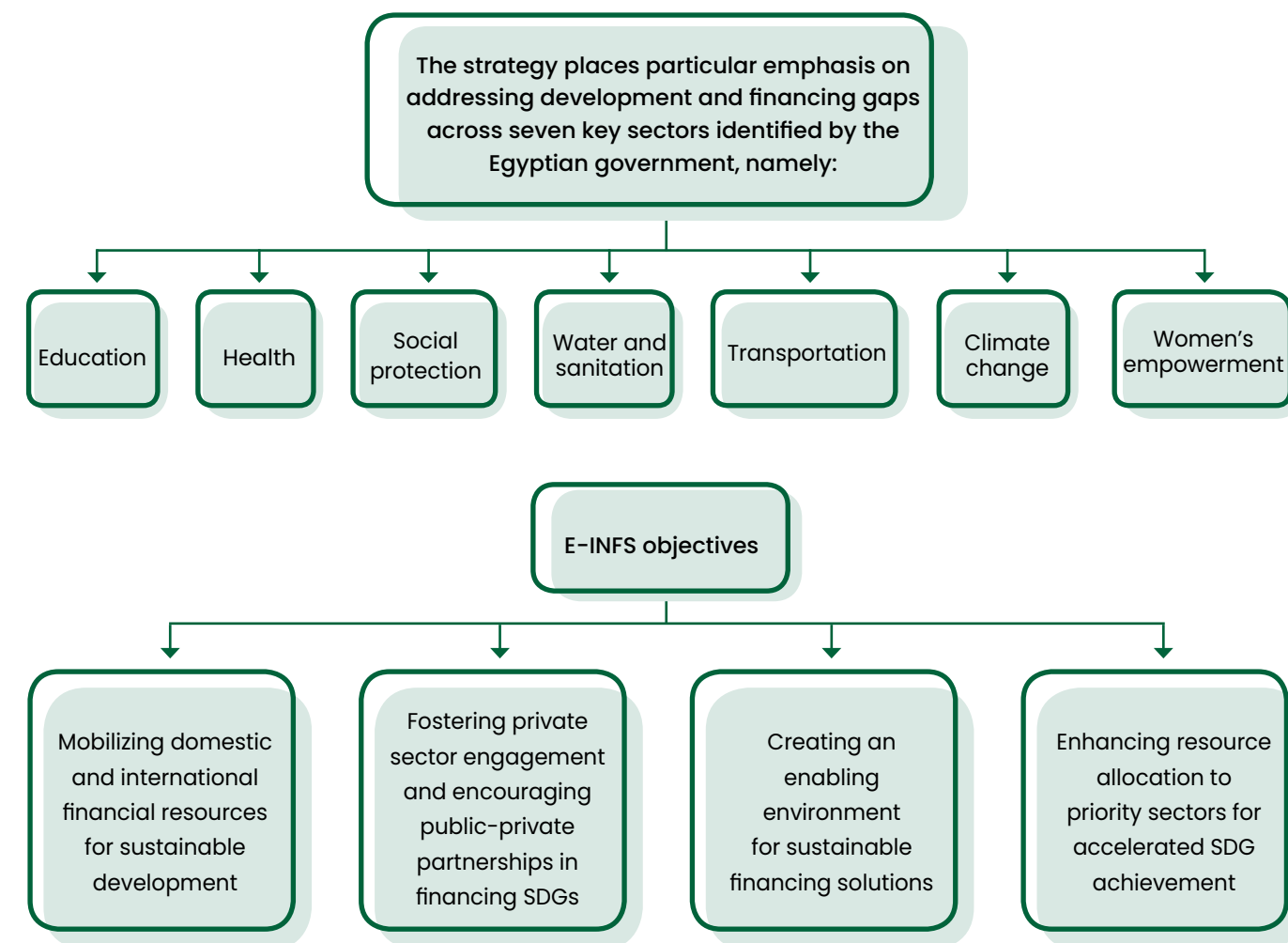
In general, the E-INFS serves as a key document highlighting Egypt's approach to financing the Sustainable Development Goals (SDGs) and proposing an overall national financing framework that acts as an umbrella for different financing initiatives targeting the acceleration of the SDGs. Through national efforts with the support of development partners, the strategy outlines a context-specific and actionable road map with a defined monitoring framework. The detailed road map highlights actions to bridge the financing gap, increase financial resource flows to key sectors, foster innovative financing mechanisms, and strengthen private sector engagement in sustainable development efforts.

The E-INFS answers three main questions:

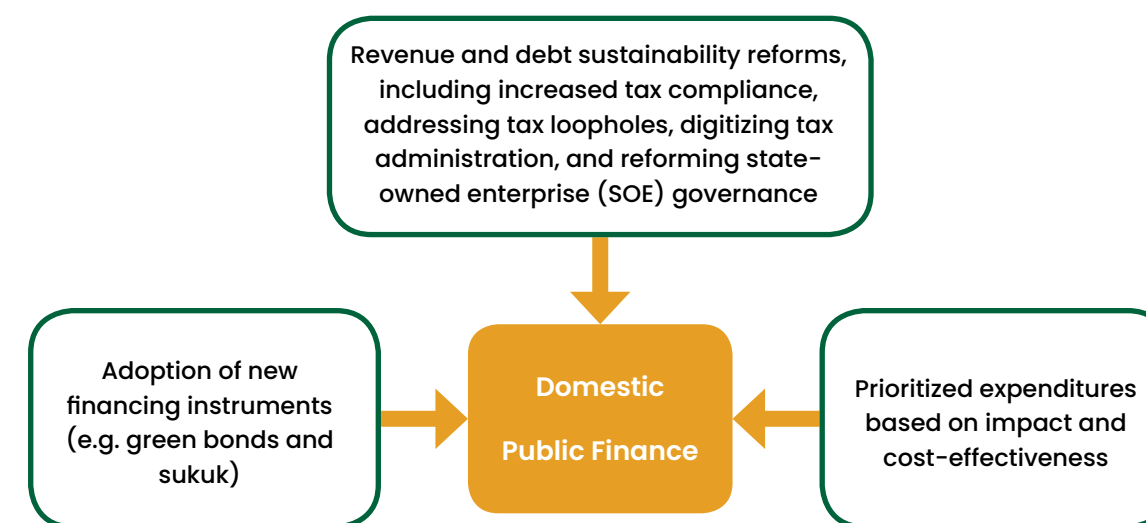
The financing required to achieve the SDGs

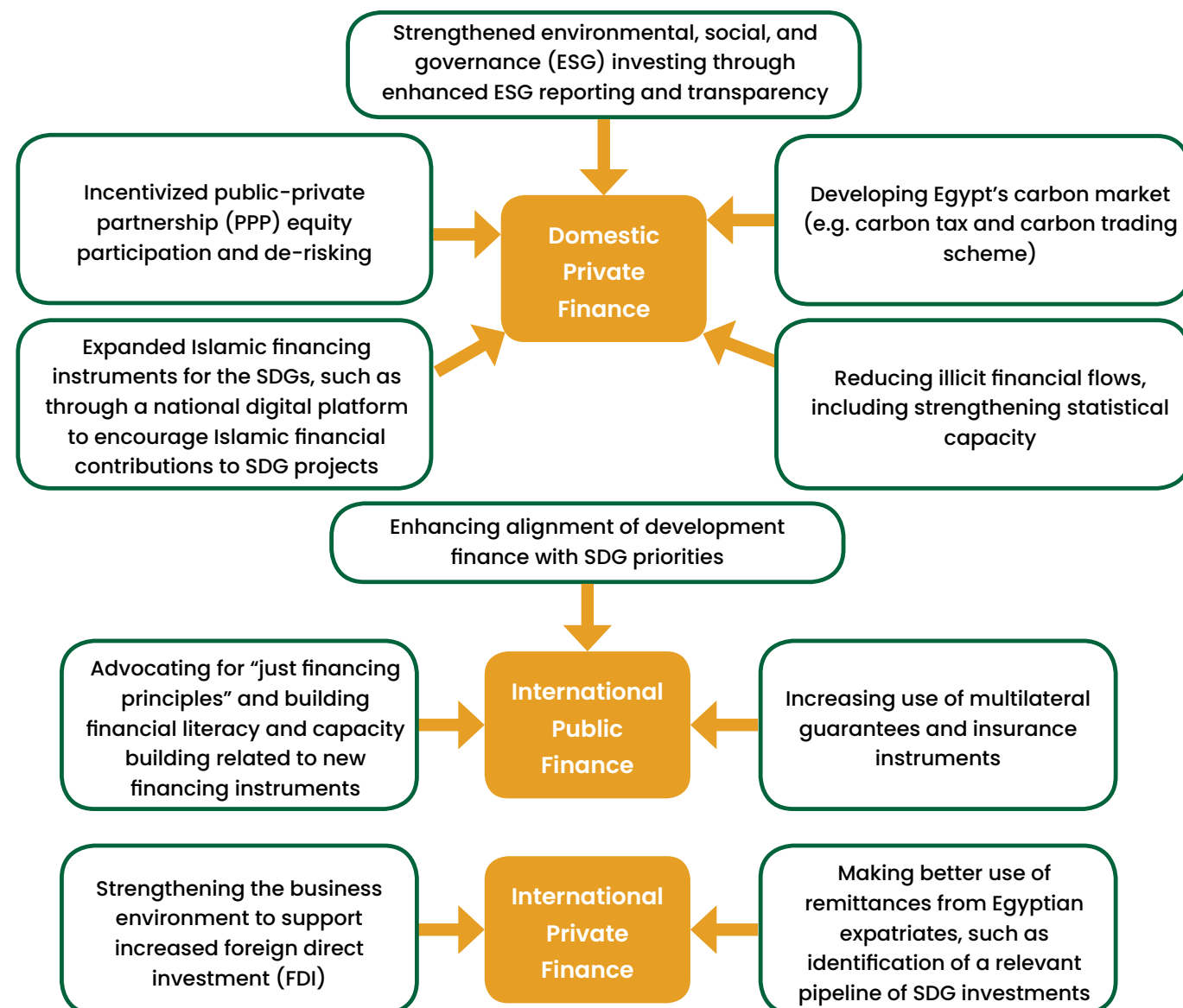
Existing financial resources and flows, and how to allocate them

Available opportunities to increase and diversify financing

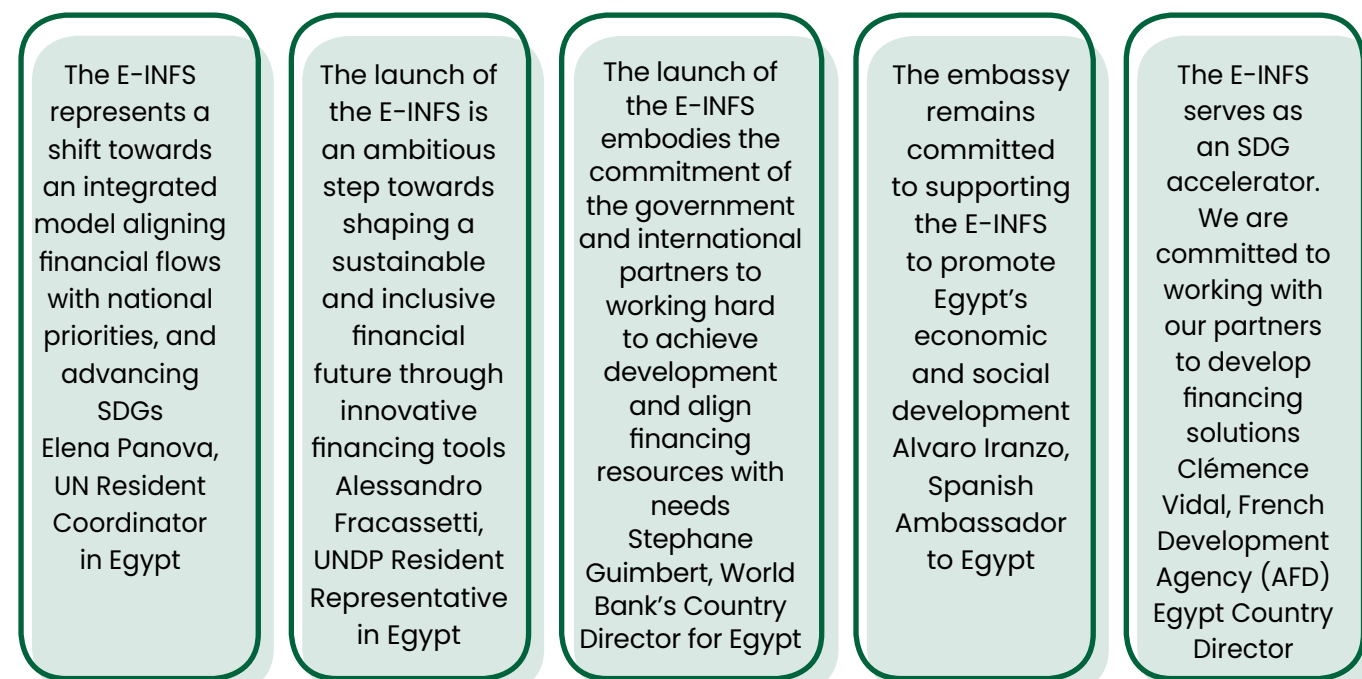


The E-INFS sets a non-exhaustive list of priority action areas as follows:





Several international views on the E-INFS:



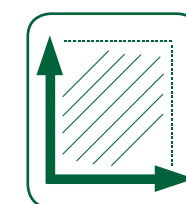
Launching two integrated textile cities: A milestone in the development of textile industry in Upper Egypt

As part of the state's objectives to boost Egyptian industries and transform Egypt into a regional industrial hub, the Ministry of Trade and Industry (MTI) announced launching two integrated textile cities in Minya's Wadi Al-Saririya area and North Fayoum's Industrial Zone, over a total area of 11 million square meters. The two cities are intended to serve as a model for industrial hubs specialized in the textile industry, and to integrate all stages of manufacturing in such vital sector. Both cities will offer an integrated industrial setting having all sustainability standards and environmental compatibility, matching the highest technical standards and global expertise. They are expected to be established according to the industrial developer system in partnership with the private sector. The developer will undertake development and planning works, the establishment of internal facilities, management, operation and marketing of the cities locally and internationally.

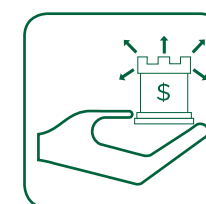
The spinning, weaving and ready-made garments sector is indeed one of Egypt's promising sectors, offering significant competitive advantages that remarkably contribute to the growth of the Egyptian economy. Moreover, the industry will be targeted for support and growth in the coming period, to address the domestic market needs and reduce the import bill.

USD 11.5 bn.
Targeted
exports of
the spinning,
weaving and
ready-made
garments
sector in
2030

Textile city in Wadi Al-Saririya in Minya



5.5 million m²
Area



EGP 12 bn.
Investment cost



250k
Direct and
indirect jobs



USD 1.5 bn.
Expected foreign
and domestic
investments

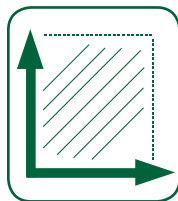


It enjoys a prime location near the main axes and roads, i.e. the Upper Egypt Free Road, the Eastern Upper Egypt Desert Road, El Sheikh Fadl - Ras Gharib Road and Al Boustan Road.



It is connected to a number of important seaports, such as Ain Sokhna, Safaga and Dekheila, and is near Minya Railway Station.

Textile city in north Fayoum



5.5 million m²
Area



EGP 15 bn.
Investment cost



150k
Direct and
indirect jobs



USD 1.5 bn.
Expected foreign
and domestic
investments



The location is near the capital and is directly connected to the main axes, e.g. Giza-Fayoum Road and the Regional Ring Road which passes through 6 governorates, with a market encompassing about 50 million people.



4.5 km: distance from the high-speed rail (HSR)
30 km: distance from October Dry Port

Tahya Misr container terminals in Damietta and El-Dekheila:
An effective step towards developing Egypt’s
maritime transport industry

Egypt makes steady strides towards developing, upgrading and enhancing the competitiveness of its port network, which will strengthen its position as a regional hub for transport and logistics, given the sector’s role as a fundamental pillar for supporting the national economy and stimulating local and foreign investments. In this vein, Tahya Misr terminals in Damietta and El-Dekheila represent a quantum leap in the logistics field and facilitate trade exchange with regional and international markets.

Tahya Misr container terminal 1 at Damietta Port



1,970 m
Berth length

18 m
Berth depth

3.5 million TEUs
Annual handling
capacity

922,000 m²
Handling yard
area

12 giant quay
cranes + 40 yard
electric cranes
Total cranes

Tahya Misr container terminal 2 – Quay 100 at El-Dekheila Port, Alexandria



1,200 m
Berth length 18 m
Berth depth

Giant ships with
400 m length and
24k containers
will be served.

1.5 million TEUs
Annual handling
capacity
(predominately
transit)

840,000 m²
Terminal area

2,000 direct and
indirect jobs
provided by the
project

Completion and operation of the largest wind power plant in Egypt with a total capacity of 650 MW

The government strives diligently to maximize the contribution of new and renewable energy resources, mainly wind energy, to the electricity mix, given Egypt's tremendous potentials for wind energy, particularly in the Gulf of Suez and Red Sea areas, including the available high wind speeds and vast areas of land stretches suitable for establishing wind farms. Recent years have witnessed accelerated steps towards renewable energy by providing a diverse and integrated package of incentives and facilities to spur the relevant local and foreign investments. In this context, the implementation of the largest wind power plant in Egypt was completed in terms of capacity and height in the city of Ras Ghareb, Red Sea Governorate. It was implemented under build, own and operate (BOO) scheme through a consortium comprising several major Egyptian, French, and Japanese companies.

Target contribution of new and renewable energy resources to the electricity mix according to Egypt's Sustainable Energy Strategy

%42

Year 2030

%65

Year 2040

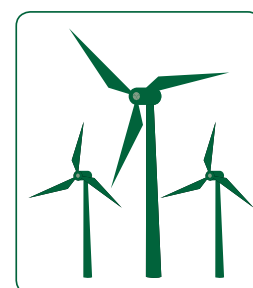
Some information on the largest wind power plant in Egypt

650 MW
Plant capacity

Located 40 km northwest of Ras Ghareb in the Red Sea Governorate

Extends over an area of approximately 70 km²

USD 780 mn.
Plant investments



The project primarily consists of 104 wind turbines

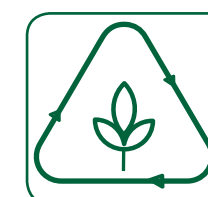
20 turbines with a capacity of 7.5 MW

84 turbines with a capacity of 6 MW



3,050 Gigawatt/H
Planned annual output of the Plant

25 Years
Term of Power Purchase Agreement signed with the Egyptian Electricity Transmission Company



1.5 mn. tons
Volume of reduction of carbon dioxide emissions annually

Timeline

October 2021



Signing of Power Purchase Agreement with the consortium of implementing companies

December 2024



Phase 1 of commercial operation with a capacity of 306 MW

April 2025



Phase 2 of commercial operation with a capacity of 194 MW

June 2025



Phase 3 of commercial operation with a capacity of 150 MW

Source: Egyptian Cabinet

Egypt's agricultural sector: A strategic importance and a vital pillar of the national economy

The Egyptian government attaches great importance to the agricultural sector which represents a key pillar of the national economy. This sector ensures food security; substantially contributes to GDP; absorbs a large portion of workforce; significantly impacts the balance of payments and boosts exports.



In this vein, the state's FY 2025/26 plan aims to:

- Direct EGP 17.5 bn. in public investments to agriculture and irrigation activities, including the expansion of agricultural reclamation programs in Toshka, North and Central Sinai and New Delta areas.
- Expand programs that focus on increasing the agricultural crop productivity per feddan by 5-10%, for higher efficiency in land and water use by developing high-yield, early-maturing and low-water-requiring crop varieties, as well as developing and applying modern field irrigation systems, upgrading agricultural drainage methods, expanding the applications of modern agricultural practices such as drip and pivot irrigation, expanding greenhouse projects and protected agricultural systems, reducing agricultural losses, and enhancing the agricultural extension system.
- Scale up the application of the contractual agriculture system, i.e. contract farming, to 1.8 mn. feddans to include many other agricultural commodities (besides wheat, sugarcane, sugar beet, tomatoes, potatoes, and citrus fruits), such as yellow corn, cotton and oil crops (sunflower and soya beans).
- Increase the storage capacities of wheat silos to reach around 5.5 mn. tons in the plan year.
- Widen the cropped area to exceed 21 mn. feddans in FY 2025/26 and complete the establishment of 18 agricultural communities in North and South Sinai governorates.
- Boost exports of surplus agricultural products, especially vegetables and fruits, to exceed USD 5 bn. in value in the plan year.

EGP 17.5 bn.
Public investments
for agriculture and
irrigation activities
in FY 2025/26

5-10%
Targeted improvement
rate in agricultural
crop productivity
per feddan

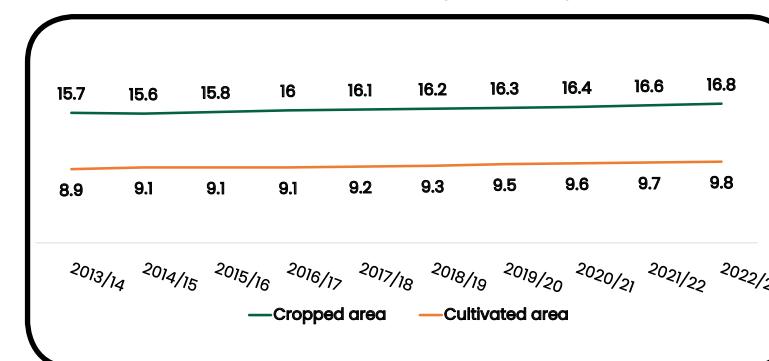
Scaling up the
application of
contractual agricultural
system "contract
farming"

USD 5 bn.
Targeted value for
agricultural exports

- Develop water resources and raise the efficiency of their use through expanding projects for the rehabilitation and lining of canals with a length of 600 km., expanding the system of transformation to modern field irrigation, establishing and developing pumping stations, constructing dams, artificial lakes and reservoirs to accommodate floodwater, and completing the construction of the new Assiut Barrages. This aims to improve irrigation works in an area of 1.6 mn. feddans in five Upper Egypt governorates; establish, replace and renovate around 616 barrages and industrial facilities; develop 85 dams, artificial lakes and underground reservoirs to accommodate floodwater; and rehabilitate the drains of Jabal Al-Akhdar, Belbeis, Qalyubia and Bahr El-Baqar, to accommodate the discharges of treated sewage stations.

Agricultural sector indicators

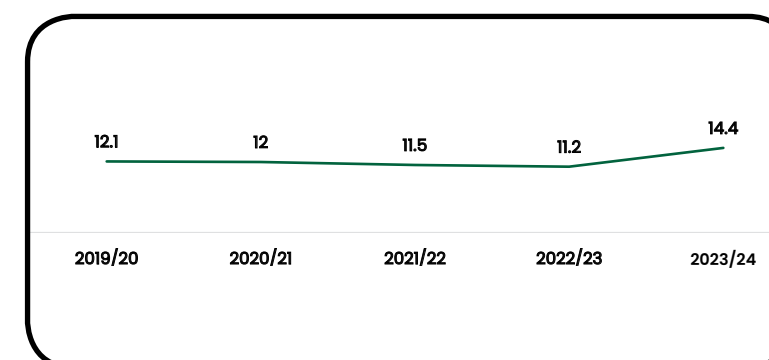
Cultivated area (mn. feddans)



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

10 mn. feddans
Total cultivated
area in FY 2024

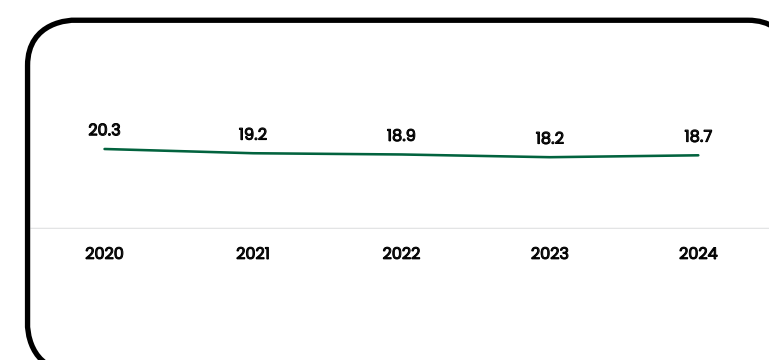
Contribution of the agricultural sector, including
forests and fishing, to GDP at current prices (%)



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

21.9%
Agricultural
sector
contribution,
including forests
and fishing, to
GDP in Q1 FY
2024/25

Percentage of workers engaged in the agriculture
and fishing sectors (% of the total workforce)



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

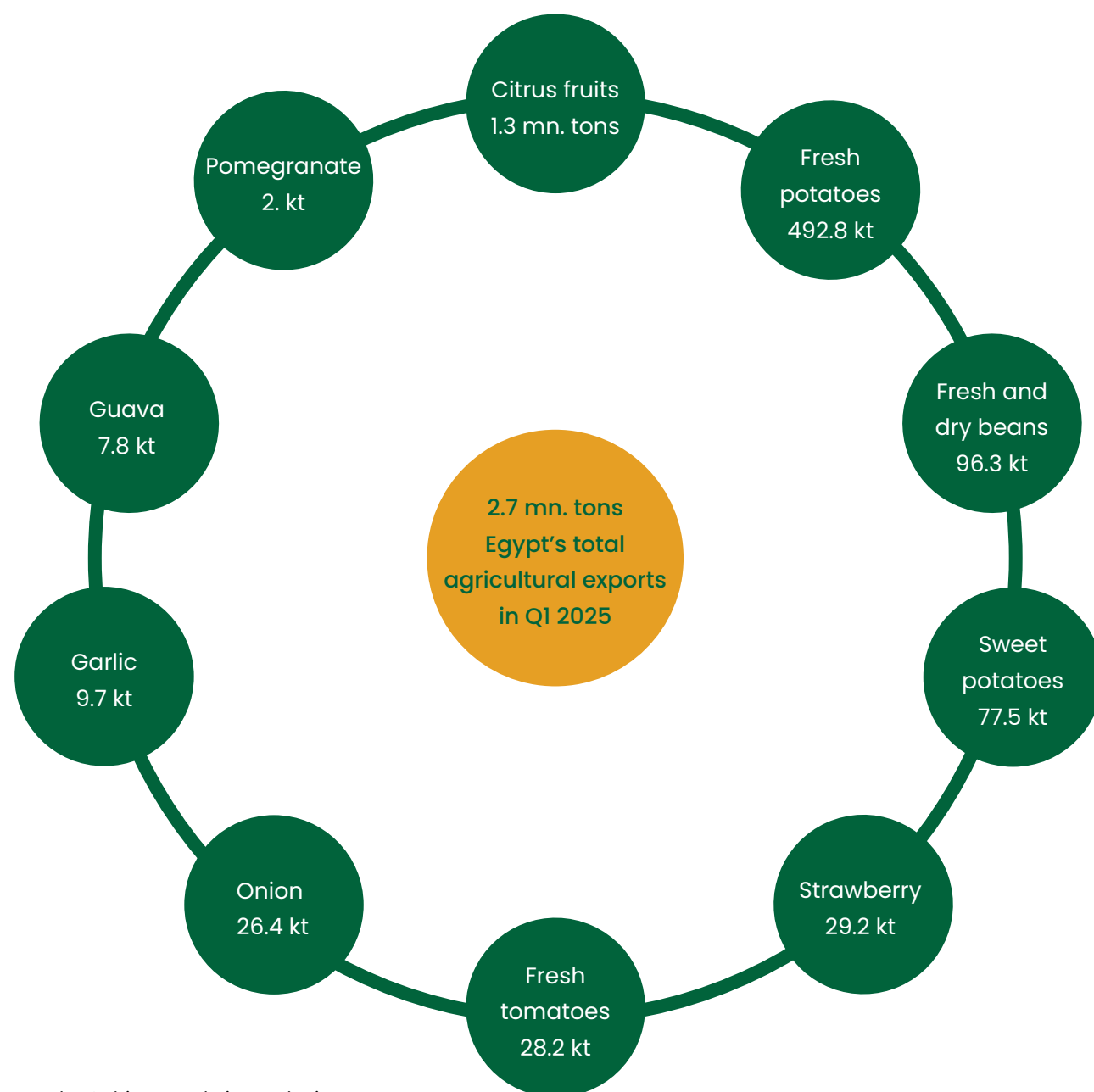
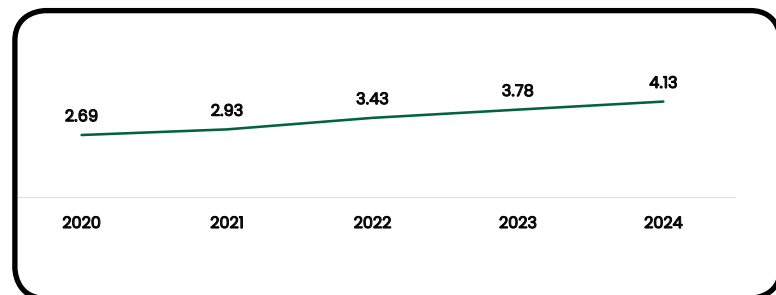
5.6 mn.
Workers in
agriculture and
fishing sectors
during 2024

5.9%
Growth of
workers in
agriculture and
fishing sectors
versus 2023

Agricultural exports

In 2024, Egypt's agricultural exports have seen a notable rise, recording around USD 4.13 bn., versus USD 3.78 bn. and USD 2.69 bn. in 2023 and 2020 respectively.

Value of Egypt's agricultural exports



Source: The Cabinet's website on the internet

Egypt aims to establish itself as the world's most diverse tourist destination

Tourism is a priority sector in the Egyptian economy since it is one of Egypt's main income-generating and job-creating sectors, whether directly or indirectly, as it is a labor-intensive industry connected to and impacting a large number of activities exceeding 70 industries and services. Moreover, it maintains a high profile as a key source of income in the balance of services in particular and the current account balance in general. In this vein, indicators of inbound tourism to Egypt hit a historical record in 2024, despite global and regional geopolitical tensions.



- **National Tourism Strategy:** Egypt adopts a strategy aimed at doubling tourism movement indicators, by achieving high rates of inbound tourism to the Egyptian tourist destination. In this context, the aforementioned strategy is based on six main pillars:
- **Institutional and legislative reform:** this includes the finalization and amendment of a number of laws and legislative measures related to the tourism sector.
- **Sharpened competitiveness of Egyptian tourist destination:** this includes optimizing and ensuring the sustainability of the country's tourist, natural, human and archaeological resources, and providing a highly developed and sophisticated infrastructure and services to hone Egypt's competitive edge. This can be achieved by encouraging investment and raising human factor efficiency, through adopting institutional and legislative frameworks to keep pace with global developments, while applying best practices to promote and stimulate tourism locally and internationally, with a view to courting the largest number of tourists from various markets and segments, especially the high-spending, encouraging domestic tourism and raising tourism and archaeological awareness.

30 million tourists
Targeted annual tourist
arrivals to Egypt till 2032

- **Economic goals related to (increasing tourist arrivals – raising the number of tourist nights – boosting tourist spending rates – targeting higher-spending tourists).** The strategy aims to highlight tourism potentials as well as various types and products of the Egyptian tourist destination and launch a number of online promotional campaigns on various social media platforms in several major tourist markets exporting tourism to Egypt. In addition, the strategy targets organizing grand celebrations of historical and other events, such as the Royal Mummies Parade, which have a significant impact on promoting Egyptian tourism. Moreover, many bloggers and influencers on social media from various countries, who have a high followership rate, are hosted to visit and promote the Egyptian tourist destination.
- **Enhancing social engagement and raising human resources effectiveness:** this includes providing an accurate database on labor in the tourism sector, counting the entities operating in the sector and official employees' data, striking a balance between supply and demand for labor, providing the required labor for tourist facility owners, reducing unemployment rate in the tourism sector, and sharpening the competitiveness of Egypt's tourism labor market. This aims at streamlining the sector's operations, courting foreign investments and providing information to investors.
- **Maintaining environmental balance and sustainability of tourism and archaeological activity:** In this context, the state makes strenuous efforts to transform the Egyptian tourism sector into an environmentally friendly sector, and apply all requirements of environmentally friendly green practices according to the concept of sustainable tourism.
- **Maximizing the use of modern technology in the tourism industry.** In this vein, efforts aimed at achieving the objectives of the National Tourism Strategy are extended to include:
 - Promulgating and amending a number of laws and legislative measures related to the tourism and antiquities sector, including Law No. 8 of 2022 on hotel and tourist establishments to streamline licensing procedures for investors, and Law No. 19 of 2022 on establishing the Tourism and Antiquities Support Fund. In addition, laws establishing two economic authorities, i.e. the Grand Egyptian Museum Authority and the National Museum of Egyptian Civilization Authority, were issued in 2020 and 2021 respectively.
 - In October 2024, the Central Bank of Egypt (CBE) launched a new initiative worth EGP 50 bn. to support the tourism sector, funded by the Ministry of Finance (MoF) in coordination with the Ministry of Tourism and Antiquities.
 - Efforts are made to establish a bank for investment opportunities to develop a consolidated investment map of all available tourism investment opportunities, with a view to promoting such opportunities inside and outside Egypt.
 - Launching Cairo's new cultural product "Cairo City Break", which aims to establish Cairo as a standalone tourist destination, offering diverse tourist experiences including Pharaonic, Coptic and Islamic tourist and archaeological sites.
 - Hosting several international events, including the 12th World Urban Forum (WUF12) from 4 to 8 November 2024, as well as Africa Tourism Fair first held in Egypt in May 2024.
 - Maximizing efforts to diversify tourism markets. This included the Egyptian General Authority for Tourism Activation's participation in 33 international tourism expos; organization of 80 familiarization (fam) trips to Egypt to promote tourism in 2023/2024; and online marketing.

EGP 50 bn.
value of the tourism
sector support initiative
launched in October 2024

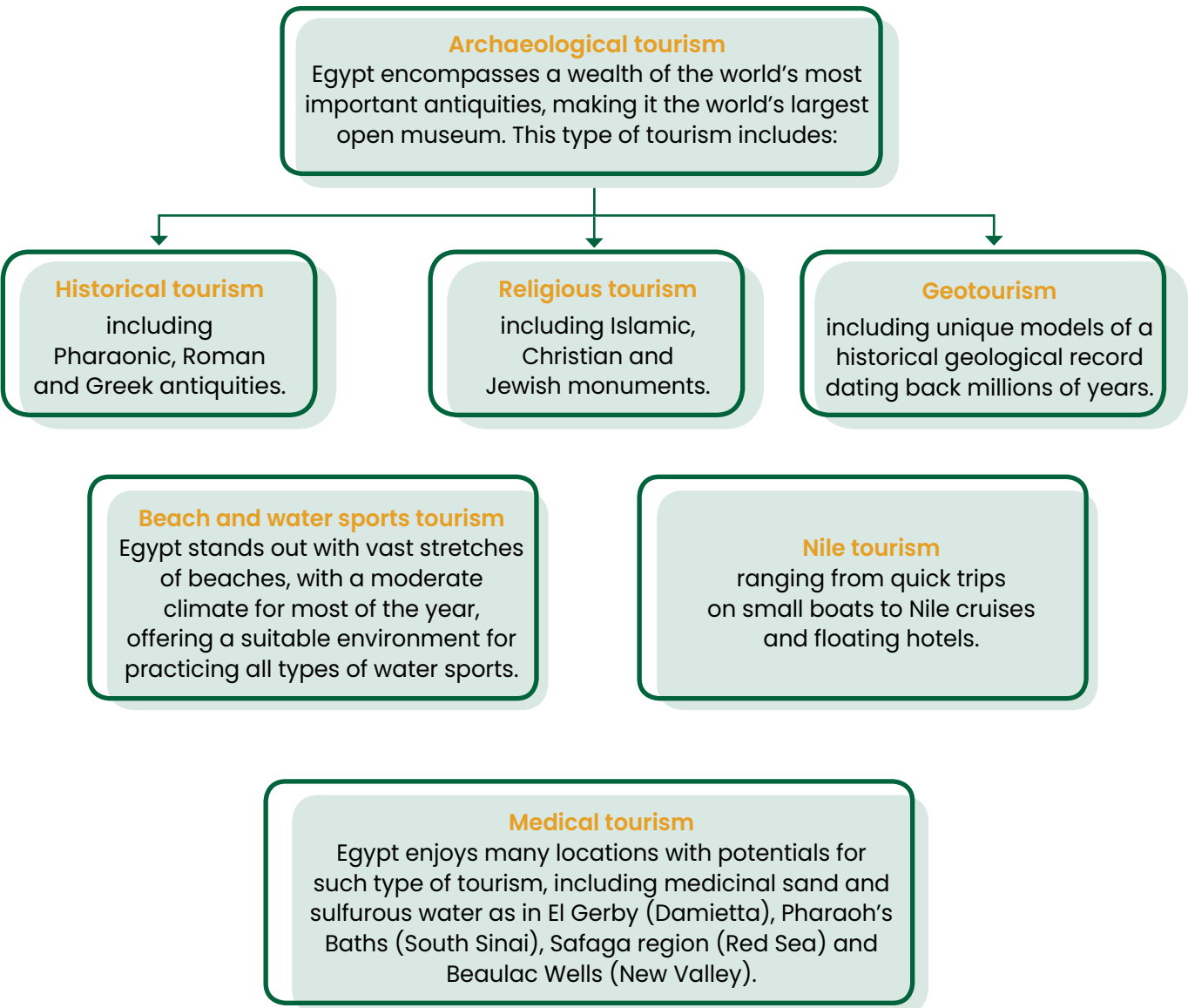
156 tourism related
investment opportunities
available on the
investment map until
January 2025

Participation in
33 international tourism
expos in 2023/2024

- Launching a number of tourism promotional campaigns targeting certain markets. In the Arab and Gulf markets, "Egypt Alive 365" campaign was launched in 2024 to attract visitors to spend their holidays in Egypt. Regarding tourism promotional campaigns in the United States and some European countries, the "200 Years of Science in the Making" campaign was launched in 2022 to mark the bicentenary of deciphering ancient Egyptian hieroglyphs and the emergence of Egyptology. Moreover, "Follow the Sun" campaign was launched in 2022 to promote for the summer season, successfully reaching 495.3 million users.
- Regarding digitalization, self-service machines were operated to issue tickets for visiting museums and archaeological sites in the Valley of the Kings on the West Bank of Luxor, the Giza Pyramids archaeological area, the Egyptian Museum in Tahrir, and Karnak Temple. In addition, self-service machines were operated at the Unfinished Obelisk to sell tickets for visiting all museums and archaeological sites in Aswan.

99.54%
cashless payments at museums
and archaeological sites
applying e-payment system,
during January – October 2024.

Key tourism potentials in Egypt: The Egyptian industry is gifted by a great diversity in the products offered, hinging upon a broad base of historical and cultural heritage, natural and environmental elements, and artistic and cultural richness, including:



Festivals tourism

Egypt's tourism agenda includes a number of arts, sports and shopping festivals.

Safari tourism

(desert tourism)

is one of the world's growing forms of tourism.

Conference tourism

Egypt has recently managed to court numerous international professional conferences, including those related to tourism companies associations in tourist-active countries, and those related to various professional activities.

Below are some of the state's endeavors to promote various types of tourism in Egypt:



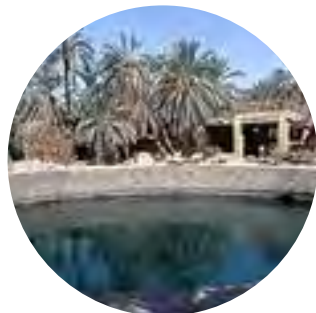
Nile tourism was developed, with a view to increasing floating hotel capacity to 25,000 rooms by 2030, besides benefiting from currently suspended floating hotel facilities by considering the possibility of reoperating them.



Projects are underway to revive the historic capital, Cairo, aiming to restore its cultural, touristic and entertainment role. Most notably, these projects included the development of the areas of Al-Hakim bi-Amr Allah, South Bab Zuweila, Harat al-Rum and Darb al-Labbana.



Both the Holy Family Trail Revival Project and the Great Transfiguration Project in Saint Catherine are being implemented, with an eye to creating a spiritual sanctuary on the mountains surrounding the Holy Valley.



In January 2024, the General Authority for Investment and Free Zones (GAFI) and a major investment group signed a contract to launch the first-of-its-kind medical tourism resort in Egypt. The resort will be located over an area of 40 feddans in Al-Saf, Giza, at EGP 1.5 bn. investment cost, and is expected to create 4,500 jobs.



- The trial operations of the main galleries of the Grand Egyptian Museum (GEM) started in October 2024.
- The Avenue of Sphinxes in Luxor, featuring about 1,050 statues, was inaugurated in November 2021. The Royal Mummies Parade that transported 22 royal mummies of Egyptian kings and queens was also held in April 2021.
- A general strategic plan is being prepared to develop the area extending from Sphinx Airport to Saqqara, which includes the Giza Pyramids and the Grand Egyptian Museum.

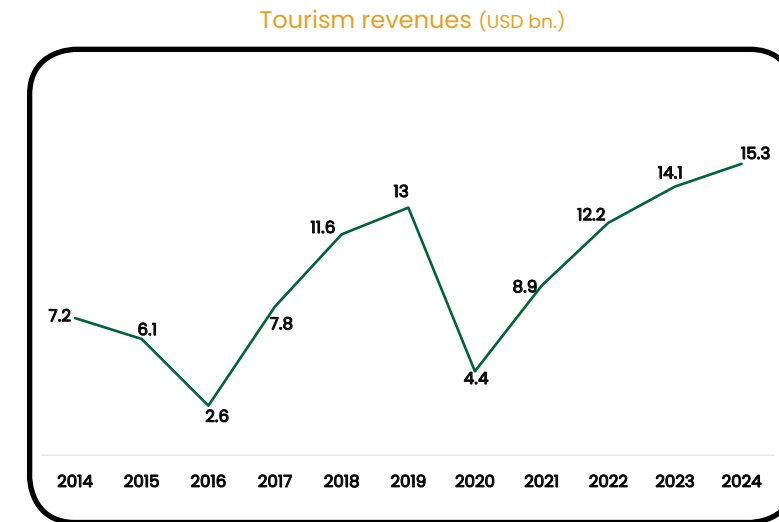


Establishing a digital "Single Window" approach through which approvals for yacht visit programs can be issued within just 30 minutes (instead of 15-30 days previously). Moreover, yacht tourist stay was extended to three months instead of one month.

A number of Egypt's tourism sector indicators

Revenues: tourism revenues increased to USD 15.3 bn. in 2024, compared to USD 14.1 bn. in 2023, doubling the USD 7.2 bn. revenues recorded in 2014.

8.5%
Tourism
revenues
growth
rate in 2024
versus 2023

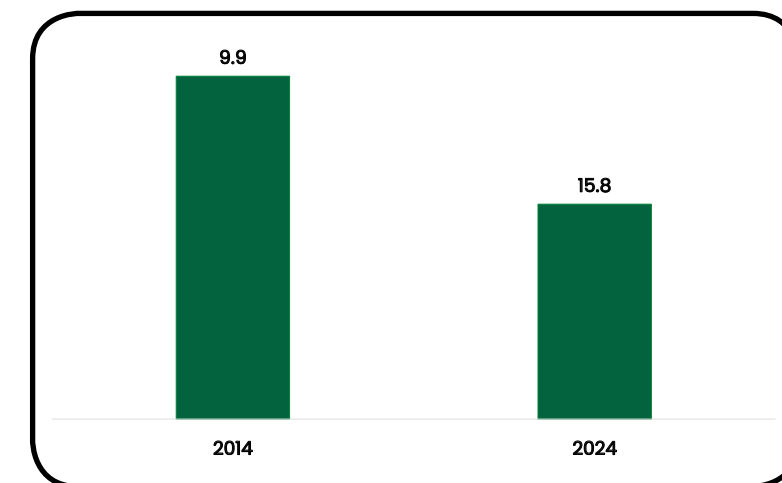


112.5%
Tourism
revenues
growth
rate in 2024
versus 2014

Source: - Central Bank of Egypt, Monthly Statistical Bulletin (miscellaneous issues).
- Cabinet of Egypt.

Number of tourists: tourist arrivals increased to 15.8 million in 2024, compared to 9.9 million in 2014, with a 59.6% increase during the said period. It is targeted to bring tourist arrivals to 30 millions annually by 2032 at most.

Tourist arrivals (Million tourists)



17 million
tourists

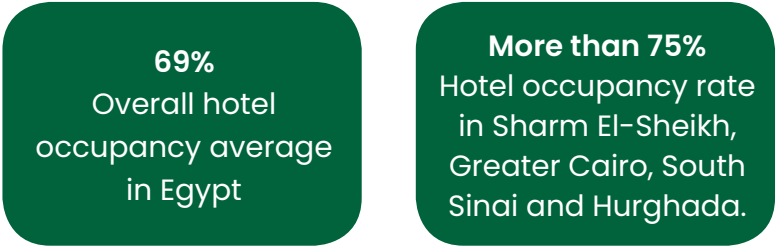
Expected tourist arrivals in FY 2024/2025, having reached 8.7 million tourists in H1 of the same year.

Top three countries leading inbound tourism to Egypt in 2024



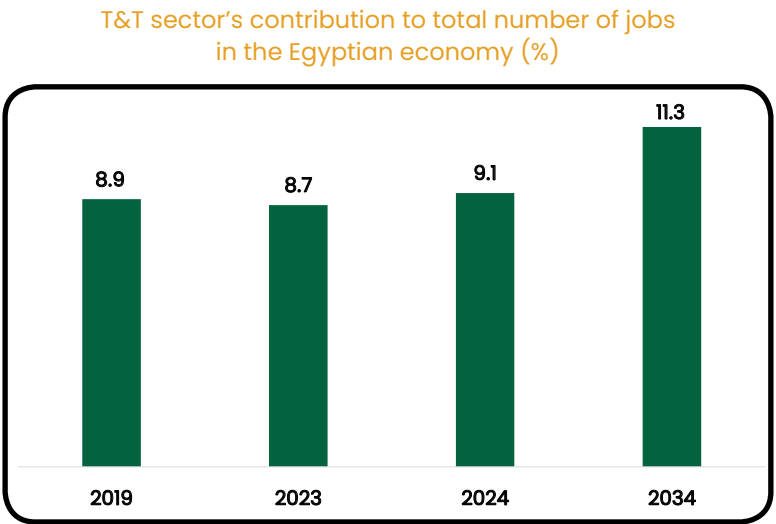
Source: - Central Bank of Egypt, Monthly Statistical Bulletin (miscellaneous issues)
- Egyptian Cabinet

Hotel occupancy in December 2024



Source: Ministry of Tourism and Antiquities.

Number of jobs: according to the World Travel and Tourism Council's (WTTC) estimates, the number of jobs related to the travel and tourism (T&T) sector reached 2.67 millions in 2024, and is projected to reach 3.97 millions by 2034.



Source: World Travel and Tourism Council (WTTC).

Views of a number of international institutions and journals on the tourism sector

Egypt jumped 22 places in the World Economic Forum's (WEF) Travel and Tourism Development Index (TTDI), ranking 61st globally in 2024, up from 83rd in 2015.

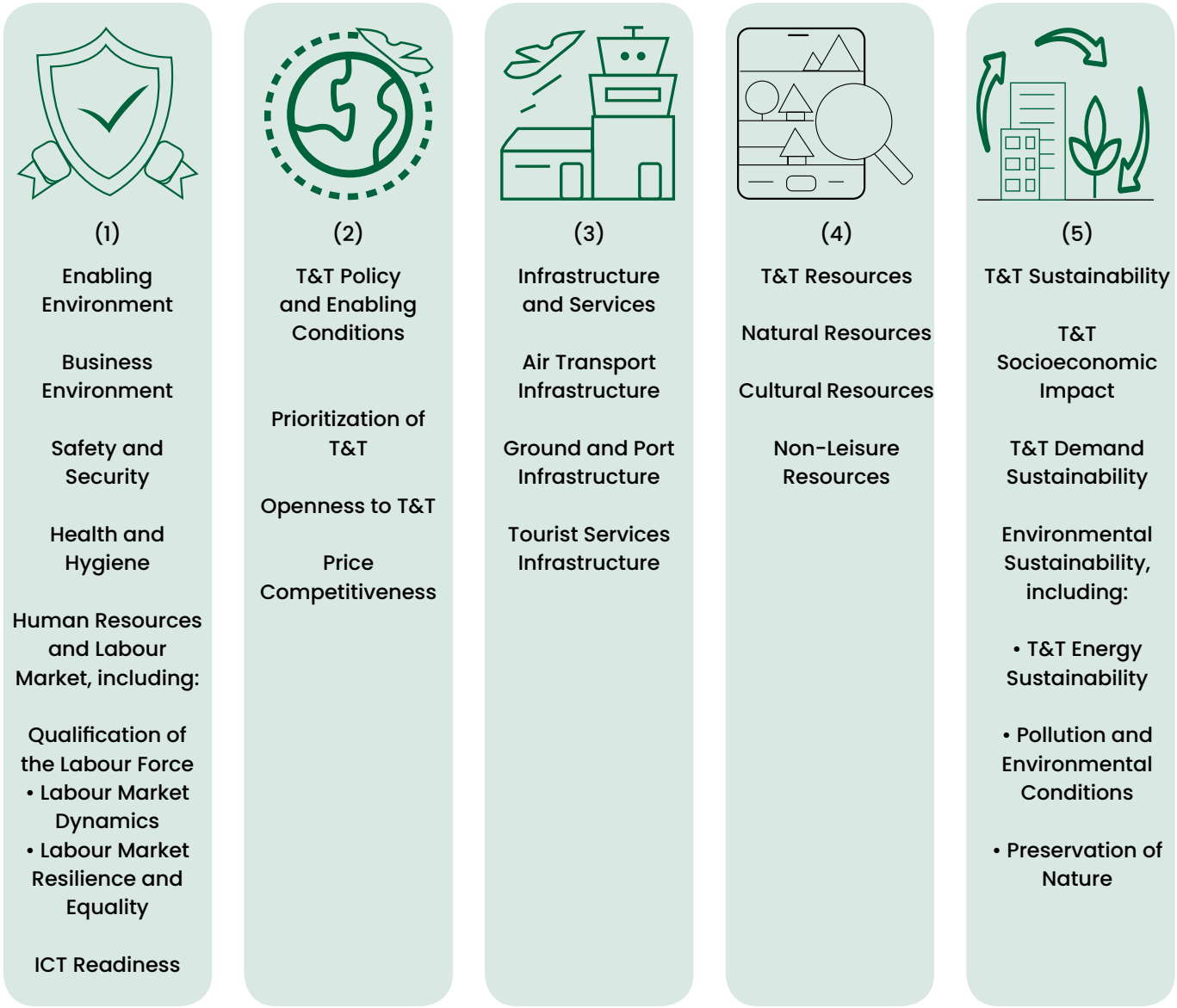
Egypt was included in the list of Top 10 Best Travel Destinations in Africa in 2025, which highlighted several Egyptian tourist spots, including the Pyramids of Giza, Sphinx, the Valley of the Kings in Luxor, and Abu Simbel Temples.

Forbes Magazine indicated that Egypt's national tourism strategy has proven to be successful, along with the implemented policies, noting that inbound tourism to Egypt has set records.

Travel + Leisure magazine selected Luxor among the world's top 50 travel destinations to visit in 2025.

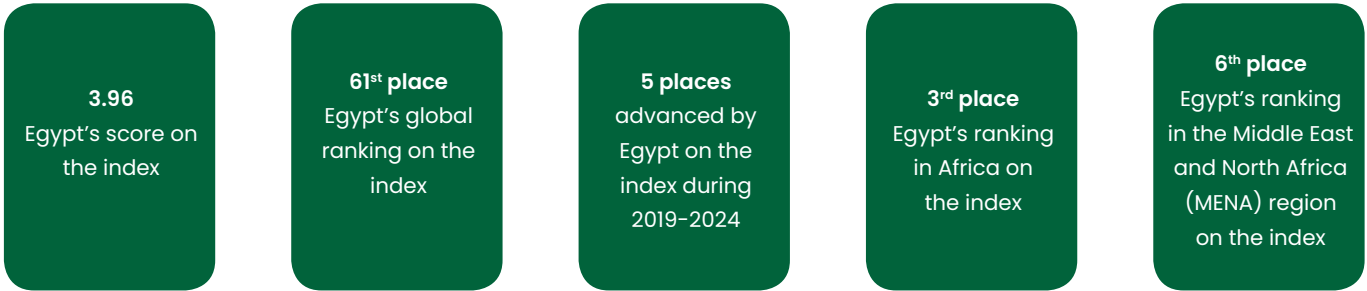
Regarding the Travel and Tourism Development Index (TTDI) issued by the World Economic Forum (WEF), in cooperation with the University of Surrey, it is worth to note the following:

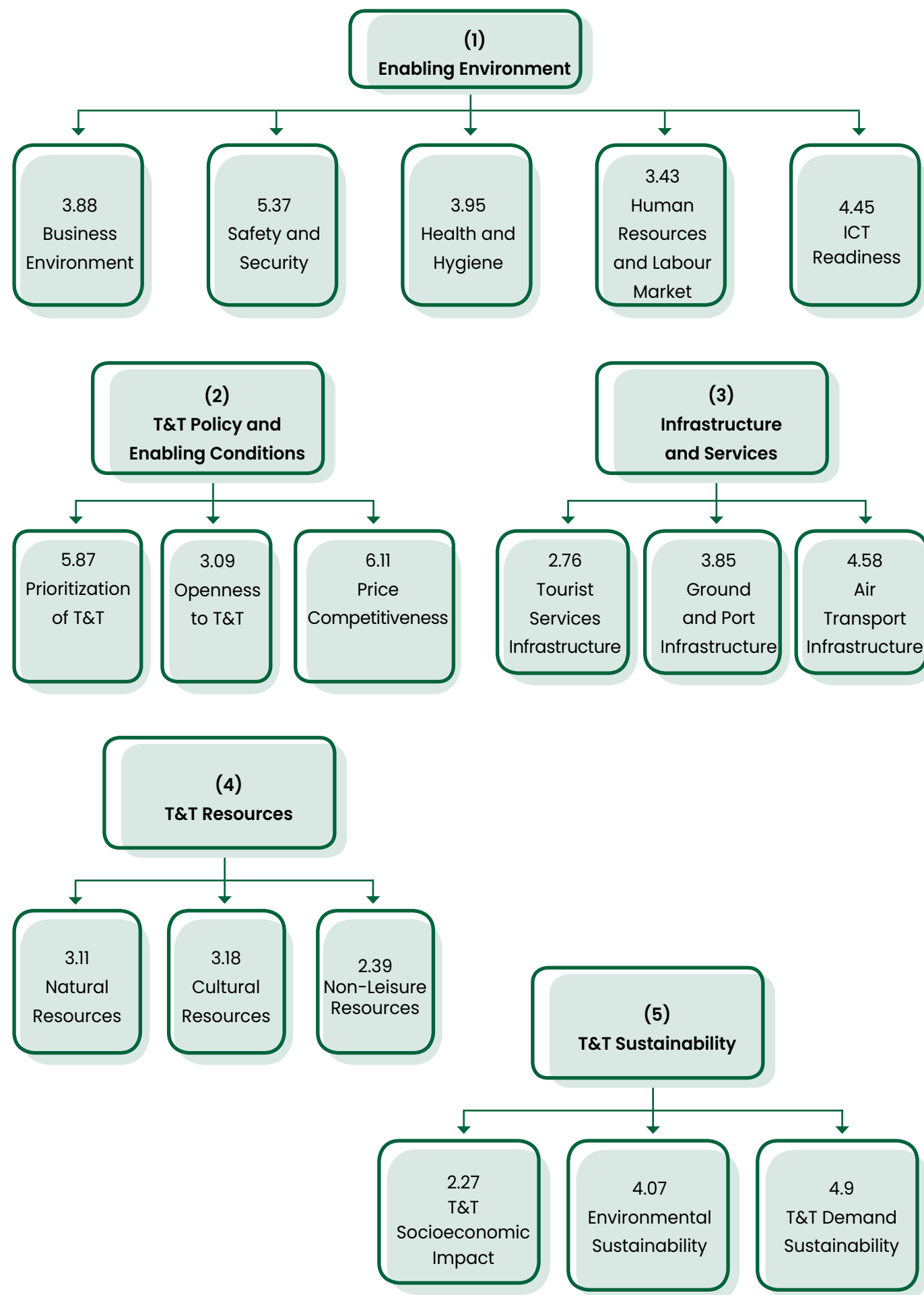
Index components: TTDI assesses each country by giving scores rated on a scale of 1 to 7. It is based on five dimensions, containing 17 pillars. The 2024 index covered 119 countries.



Source: World Economic Forum, Travel & Tourism Development Index 2024.

Egypt's ranking and scores in 2024 index





Source: World Economic Forum, Travel & Tourism Development Index 2024.

The Grand Egyptian Museum: Egypt's gift to the world

The idea of establishing the Grand Egyptian Museum dates back to the 1990s, with the foundational stone laid in 2002. The museum is built at one of the most ancient and historic locations, overlooking the Giza Pyramids. Work has progressed on the construction of the museum until its completion.

The Grand Egyptian Museum is an integrated global civilization, cultural, and entertainment edifice, housing venues for cultural activities and events. The museum is expected to effectively contribute to promoting Egypt's inbound tourism in general, and cultural and educational tourism in particular.

The museum is projected to be the number one destination for anyone interested in ancient Egyptian heritage

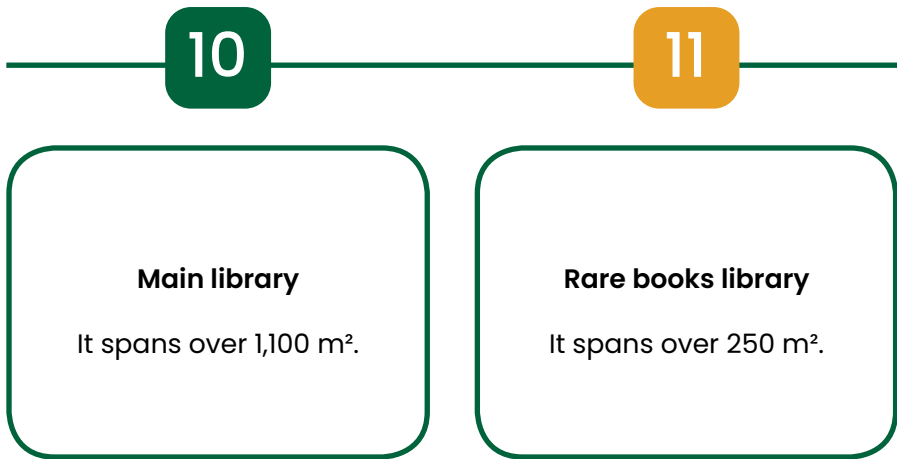
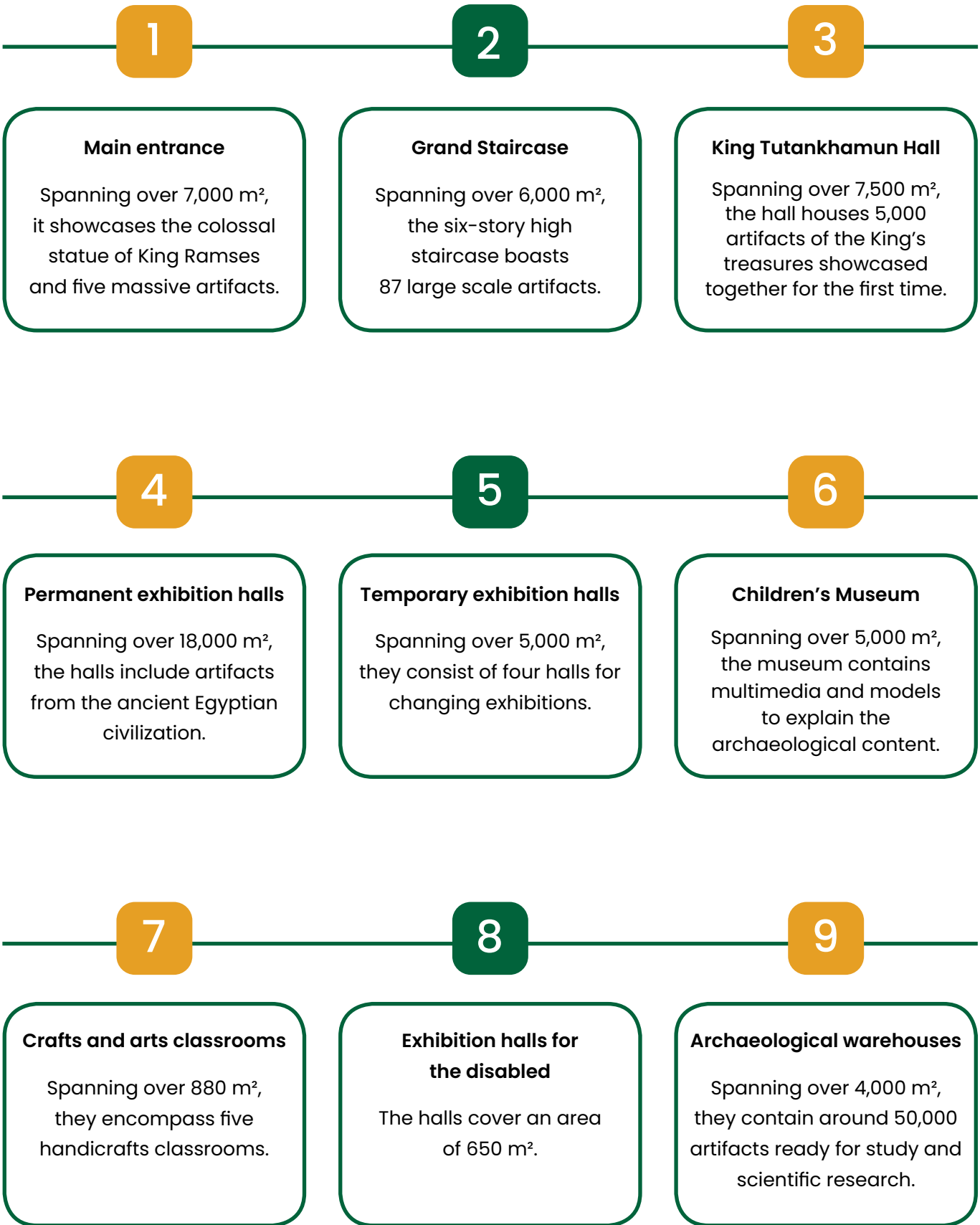
The largest museum in the world dedicated to the ancient Egyptian civilization

100,000 artifacts on public display for the first time ever

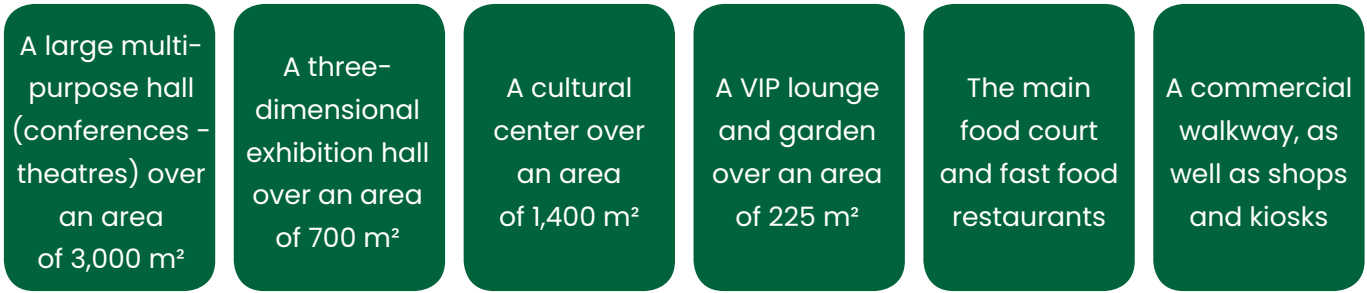
500,000 m² The total area on which the museum is built



Components of the museum:



Conference center:

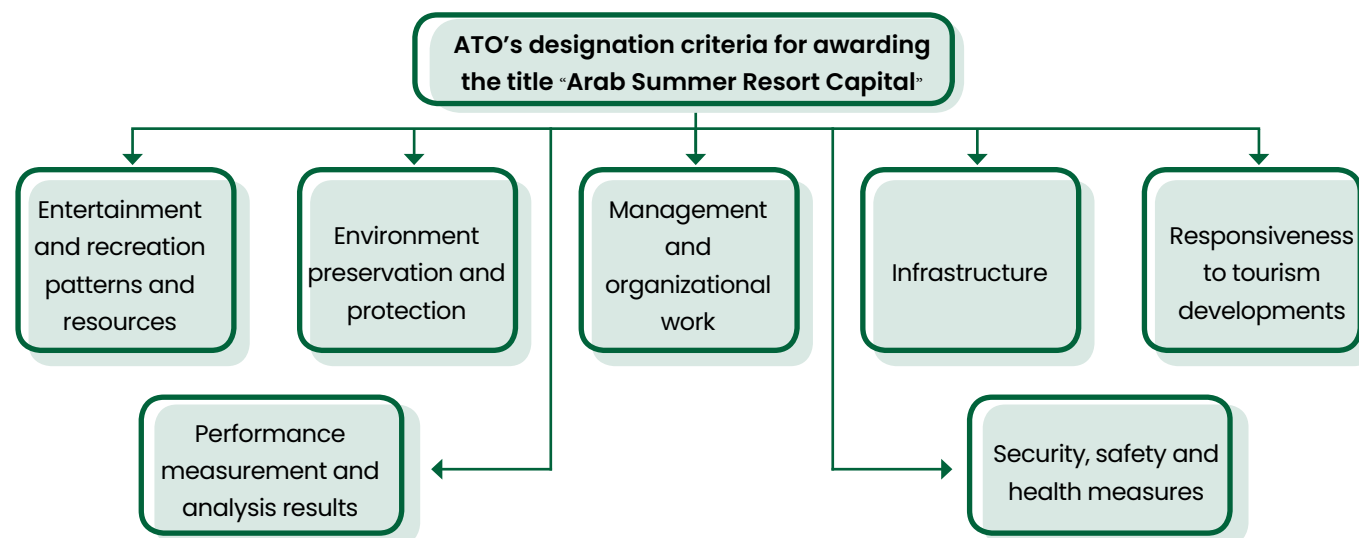


Responsibilities of the Grand Egyptian Museum Authority:

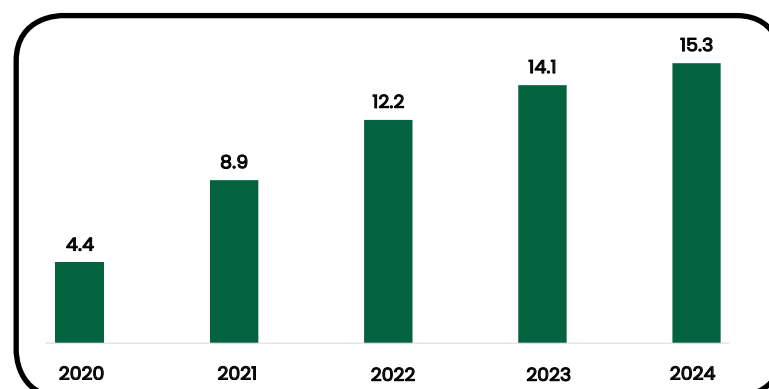


ATO: New Alamein designated Arab Summer Resort Capital for 2025

The Arab Tourism Organization (ATO) has announced the designation of New Alamein city as the Arab Summer Resort Capital for 2025. This recognition is based on the city's fulfillment of the ATO's criteria. Such designation also highlights New Alamein's rapid development into a top-tier tourist hotspot, both within Egypt and the wider region. The city also stands out for its diverse recreational and cultural offerings, its world-class hotel facilities, and its ability to host major events and festivals during summer.



Egypt's tourism revenues (USD bn.)



Source: Central Bank of Egypt (CBE)

In this regard, it is noteworthy that ATO bestows this annual title upon an Arab city that excels in beach and summer tourism. This, in turn, fosters competition among Arab cities and encourages a better exchange of successful experiences and expertise in the tourism sector, with previous title-winners achieving a noticeable increase in the number of tourists as compared to earlier seasons.

IMF: Global economy to grow at a slower pace

After enduring a prolonged and unprecedented series of shocks over recent years, the global economy showed signs of stabilization through much of 2024 – albeit below expected levels – and was anticipated to maintain that pace, according to the International Monetary Fund's (IMF) January 2025 forecasts. However, the landscape underwent rapid shifts, primarily when the United States announced multiple waves of tariffs against nearly all countries including trading partners, some of which have invoked countermeasures. Governments around the world reorder policy priorities, influenced by the rapid escalation of trade tensions and high levels of policy uncertainty. This prompted the IMF to revise its global growth forecasts in its April 2025 World Economic Outlook (WEO) report, titled "A Critical Juncture amid Policy Shifts".

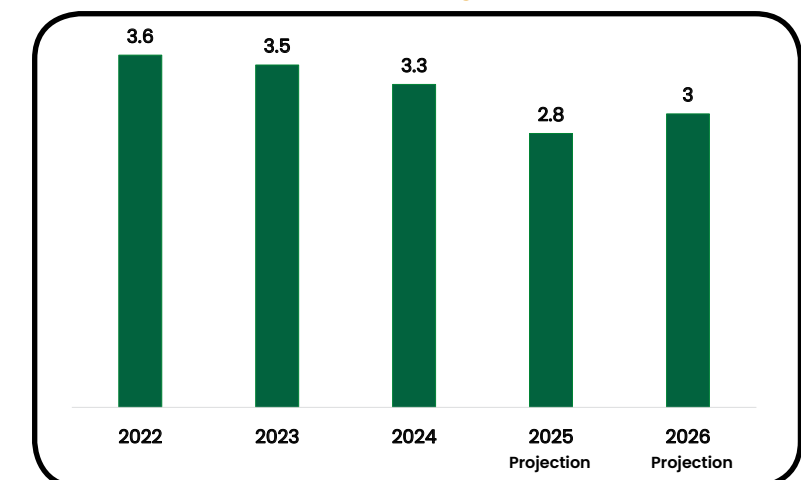
Globally

GDP growth rate

The IMF projects a slowdown in global economic growth to 2.8% in 2025, before recovering to 3% in 2026. This is lower than the IMF's previous projections in the January 2025 WEO Update by 0.5 percentage point for 2025 and 0.3 percentage point for 2026, down from 3.3% for both years. This signals the projected slowdown in growth in both advanced economies and emerging market and developing economies (EMDEs) alike, including:

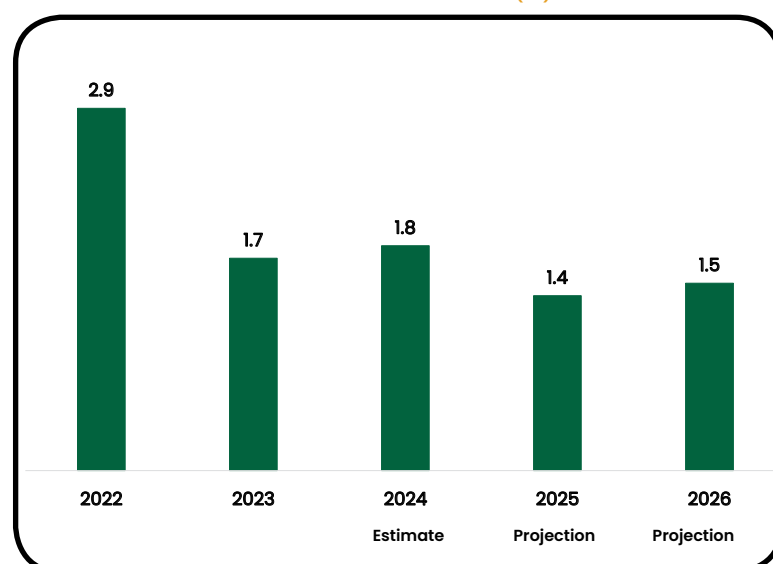
- For advanced economies, growth is projected to drop to 1.4% in 2025 and 1.5% in 2026. For the United States, growth is projected to decrease in 2025 to 1.8%, against 2.8% in the previous year. Growth in the euro area is expected to decline slightly to 0.8% in 2025.
- For EMDEs, growth under the reference projections is projected to drop to 3.7% in 2025 and 3.9% in 2026, with significant downgrades for countries affected most by recent trade measures, such as China.

Global economic growth (%)

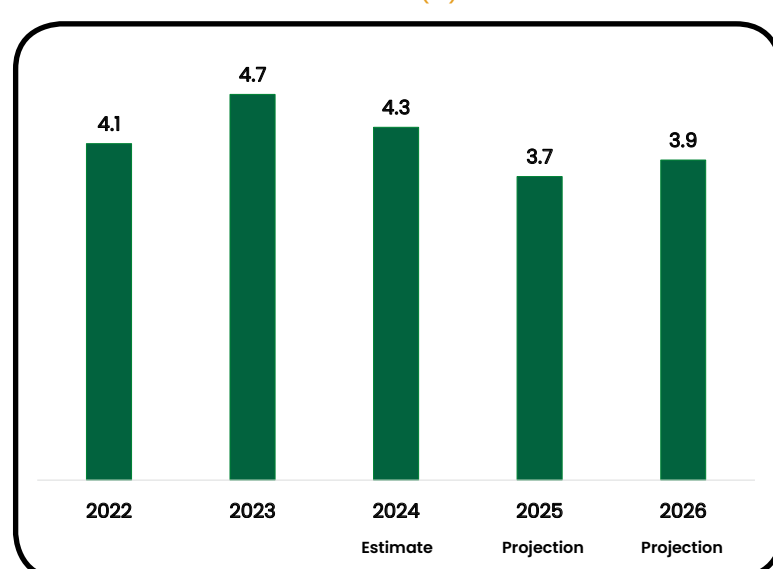


Source: IMF, WEO, Apr. 2025

Advanced economies (%)



EMDEs (%)



Source: IMF, WEO, Apr. 2025

Real GDP
growth rate (%)Differences from
January 2025
projectionsDifferences from
October
2024 projections

(percentage point)

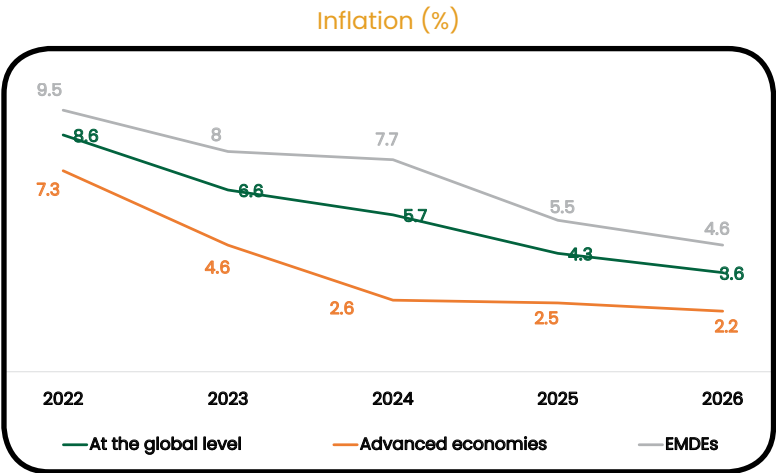
	2024	2025	2026	2025	2026	2025	2026
World output	3.3	2.8	3	-0.5	-0.3	-0.4	-0.3
Advanced economies	1.8	1.4	1.5	-0.5	-0.3	-0.4	-0.3
United States	2.8	1.8	1.7	-0.9	-0.4	-0.4	-0.3
Euro area	0.9	0.8	1.2	-0.2	-0.2	-0.4	-0.3
Germany	-0.2	0	0.9	-0.3	-0.2	-0.8	-0.5
France	1.1	0.6	1	-0.2	-0.1	-0.5	-0.3
Italy	0.7	0.4	0.8	-0.3	-0.1	-0.4	0.1
Spain	3.2	2.5	1.8	0.2	0	0.4	0
Japan	0.1	0.6	0.6	-0.5	-0.2	-0.5	-0.2
United Kingdom	1.1	1.1	1.4	-0.5	-0.1	-0.4	-0.1
Canada	1.5	1.4	1.6	-0.6	-0.4	-1	-0.4
Other advanced economies	2.2	1.8	2	-0.3	-0.3	-0.4	-0.3
EMDES	4.3	3.7	3.9	-0.5	-0.4	-0.5	-0.3
Emerging and developing Asia	5.3	4.5	4.6	-0.6	-0.5	-0.5	-0.3
China	5	4	4	-0.6	-0.5	-0.5	-0.1
India	6.5	6.2	6.3	-0.3	-0.2	-0.3	0.2-
Emerging and developing Europe	3.4	2.1	2.1	-0.1	-0.3	-0.1	-0.4
Russia	4.1	1.5	0.9	0.1	-0.3	0.2	-0.3
Latin America and the Caribbean	2.4	2	2.4	-0.5	-0.3	-0.5	-0.3
Brazil	3.4	2	2	-0.2	-0.2	-0.2	-0.3
Mexico	1.5	-0.3	1.4	-1.7	-0.6	-1.6	-0.6
Middle East and Central Asia	2.4	3	3.5	-0.6	-0.4	-0.9	-0.7
Saudi Arabia	1.3	3	3.7	-0.3	-0.4	-1.6	-0.7
Sub-Saharan Africa	4	3.8	4.2	-0.4	0	-0.4	-0.2
Nigeria	3.4	3	2.7	-0.2	-0.3	-0.2	-0.3
South Africa	0.6	1	1.3	-0.5	-0.3	-0.5	-0.2

Source: IMF, WEO, Apr. 2025

Inflation rate:

Global headline inflation is expected to decline at a pace that is slightly slower than what was expected in January, reaching 4.3% in 2025, which is largely attributed to the slower decline in inflation rates of advanced economies. In this regard, the IMF points out that the year 2025 is anticipated to bring:

- A decrease in the prices of fuel commodities by 7.9% in 2025, with a 15.5% decline in oil prices and a 15.8% drop in coal prices during the year, offset by a 22.8% increase in natural gas prices; and
- An increase in the nonfuel commodity prices by 4.4%. In this regard, IMF's projected food and beverage prices have been revised upward compared with those in the January 2025 WEO Update.

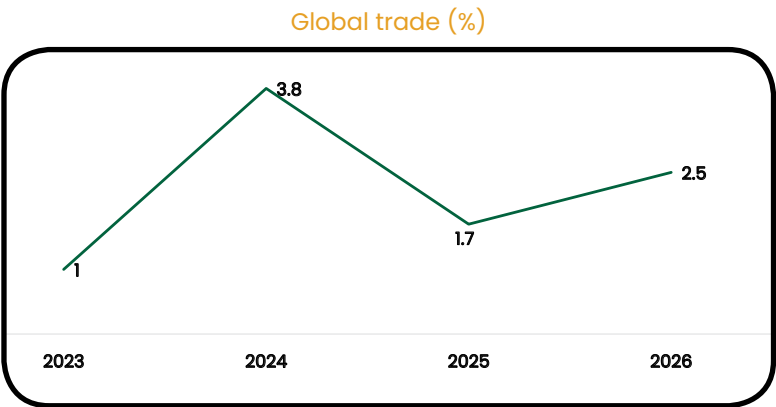


Source: IMF, WEO, Apr. 2025

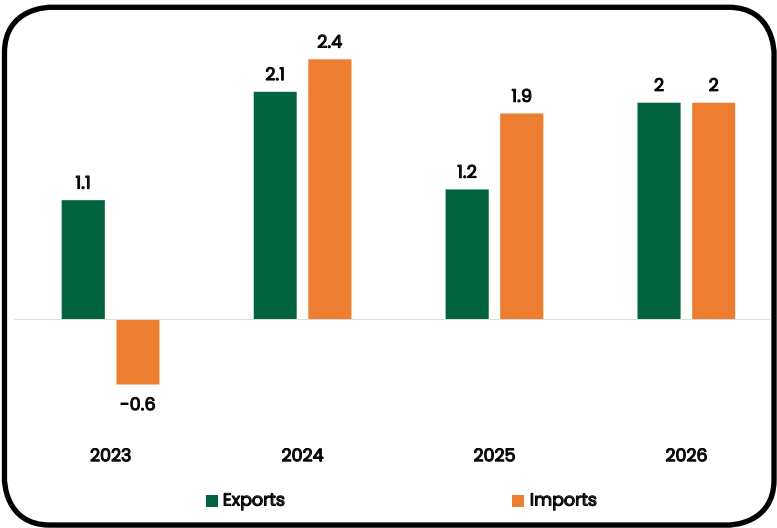
World trade outlook

Global trade growth is expected to decline in 2025 to 1.7% down from 3.8% during the previous year, a downward revision of 1.5 percentage points since the January 2025 WEO Update, reflecting the high levels of uncertainty and escalation of trade tensions, followed by a partial recovery in global trade growth in 2026.

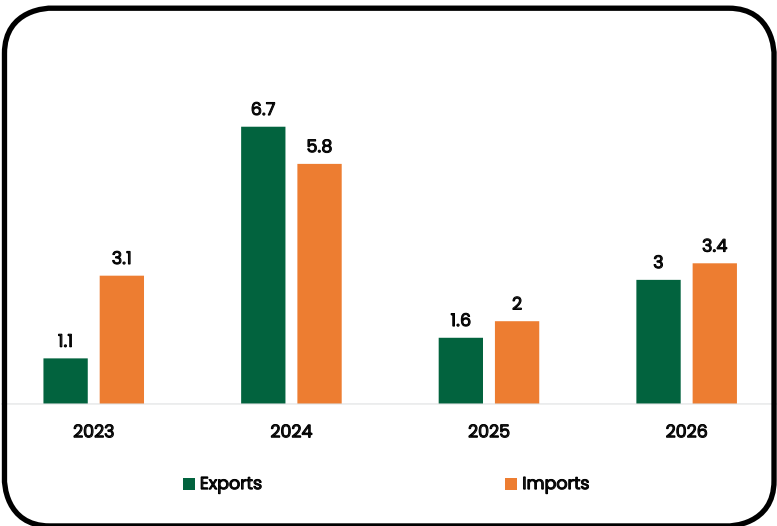
Change in volume of trade (goods and services)



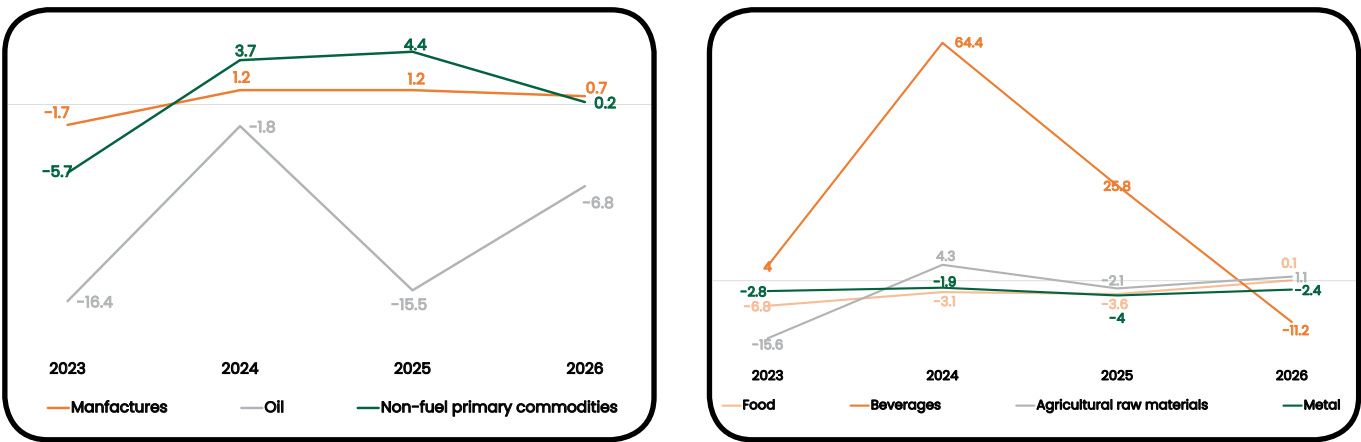
Advanced economies (%)



EMDEs (%)



Price deflator in USD (%)

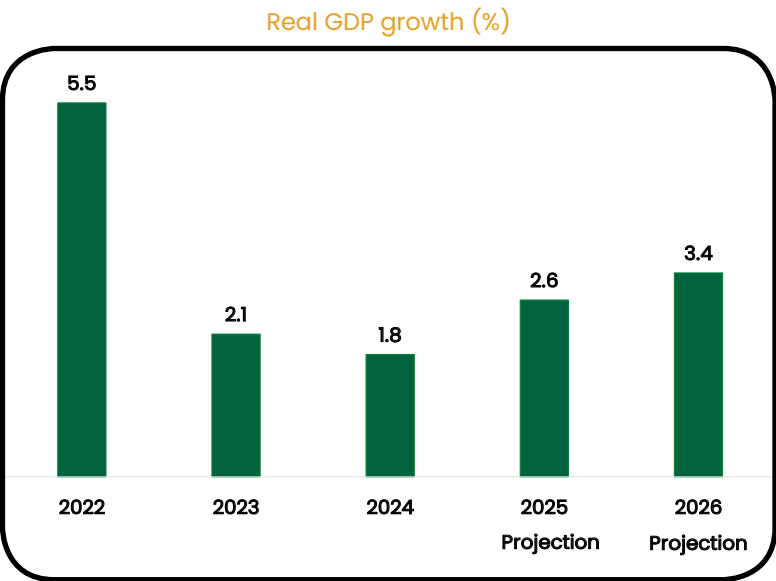


Source: IMF, WEO, Apr. 2025

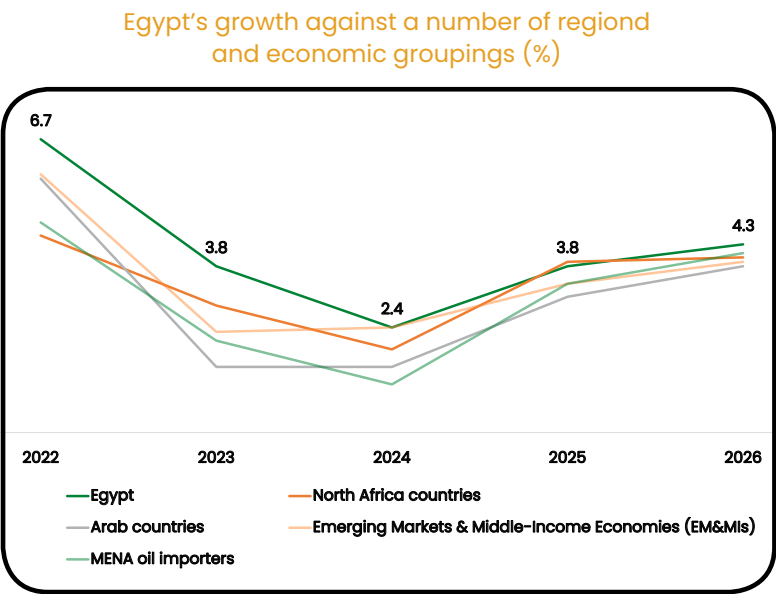
Middle East and North Africa (MENA)

Real GDP growth

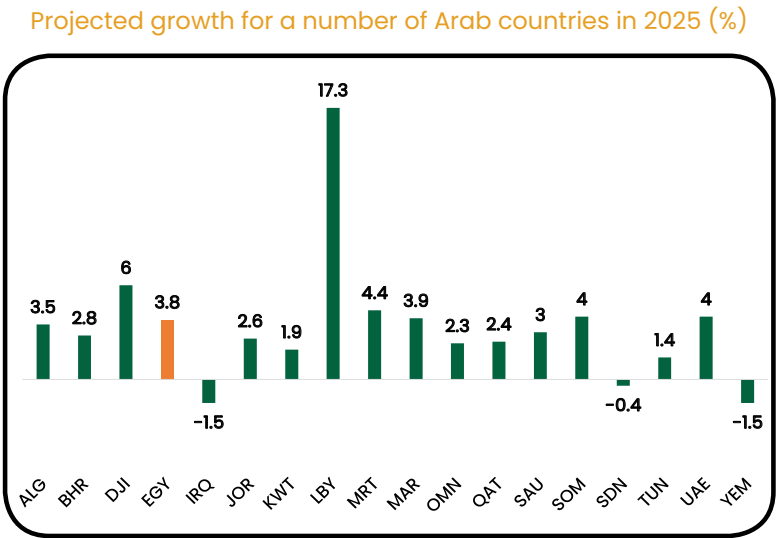
- The IMF sharply lowered its growth projections for the MENA region, cutting its forecasts from 4% to 2.6% for 2025 and from 4.2% to 3.4% for 2026. The downward revision is a result of spillovers from global trade tensions, heightened global uncertainty, geopolitical tensions in the region and slower-than-expected progress on structural reforms in a number of MENA countries, in addition to a more gradual recovery in oil production.



- The IMF pointed out that higher tariffs are expected to have only small direct effects on MENA countries given the exemptions on hydrocarbon goods representing a significant share of MENA’s exports to the United States. However, the indirect impact could be more significant, as lower global demand will hinder remittances and tourism inflows, tighter financial conditions will raise financing pressures on countries with high debt, trade uncertainty will lower domestic confidence and investment, and lower oil prices will dampen activity in oil exporters, even though they may help oil importers.



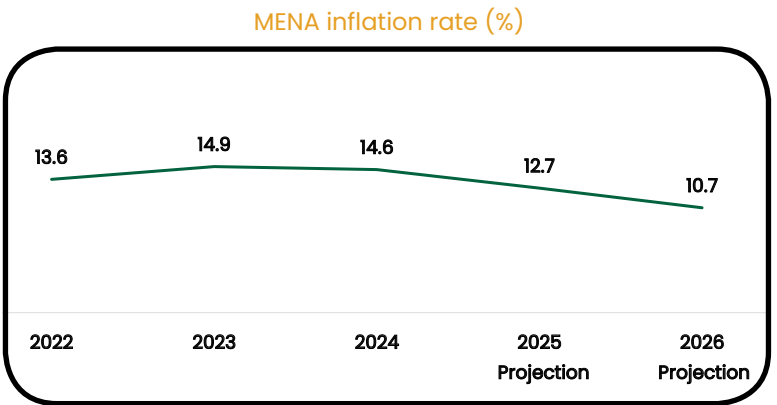
- The IMF stressed Egypt’s vulnerability to geopolitical tensions in the region, expecting an economic recovery in 2025, albeit below predicted levels. Over the medium term, an improvement in the regional security situation is projected to lead to a gradual recovery in exports, Suez Canal activity, and tourism inflows, resulting in a narrower current account deficit.



No data is available for Syria, Lebanon and the West Bank and Gaza for the outlook year.
Source: IMF, Regional Economic Outlook for Middle East and Central Asia, May 2025

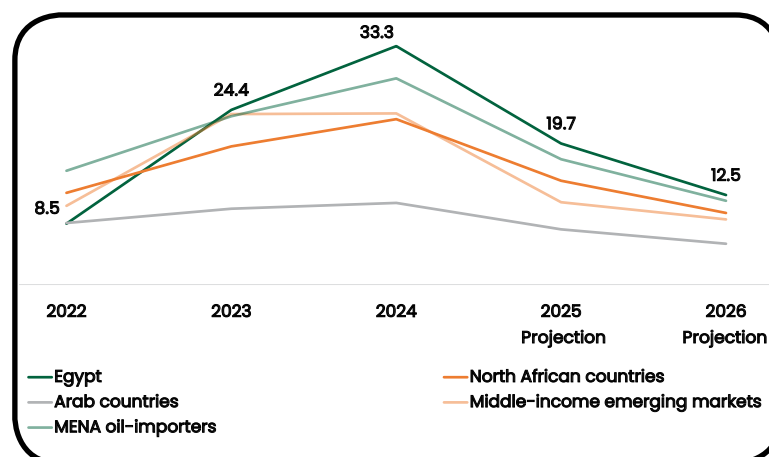
Inflation rate

- Inflation declined across most MENA oil importers, mainly because of lower food inflation. However, supply shocks related to geopolitical conflicts kept inflation levels above historical averages in some economies “Somalia, Sudan, West Bank and Gaza, and Yemen”.

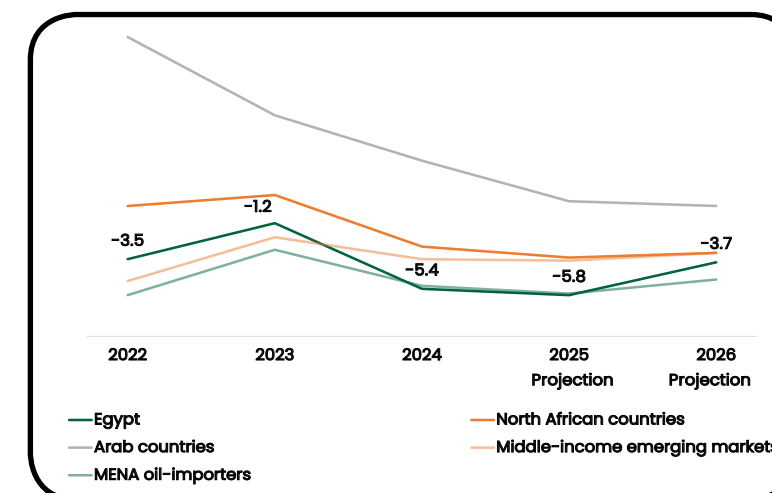


- According to the IMF, inflation is generally projected to continue to decline gradually in several MENA countries over the medium term, in line with the global trends. However, inflation is projected to remain elevated in some countries, such as “Sudan and Yemen”, because of continued supply constraints.

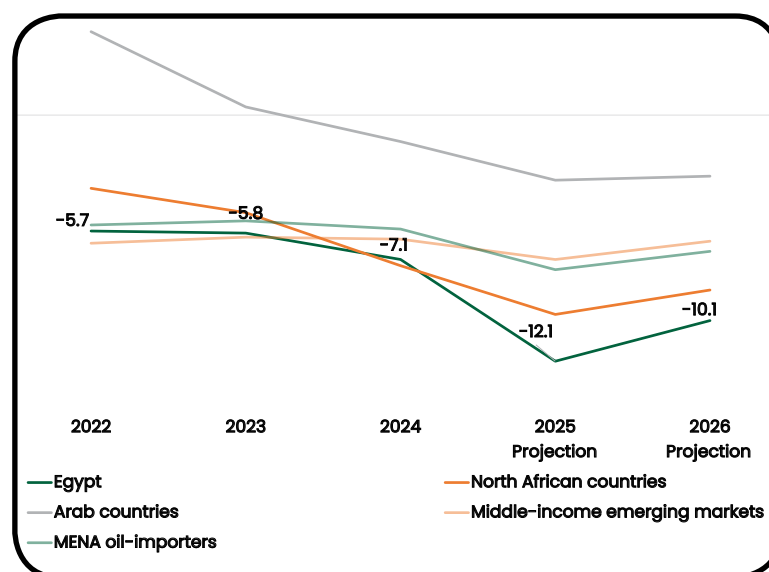
Inflation in Egypt vs. corresponding regional and economic groups (%)



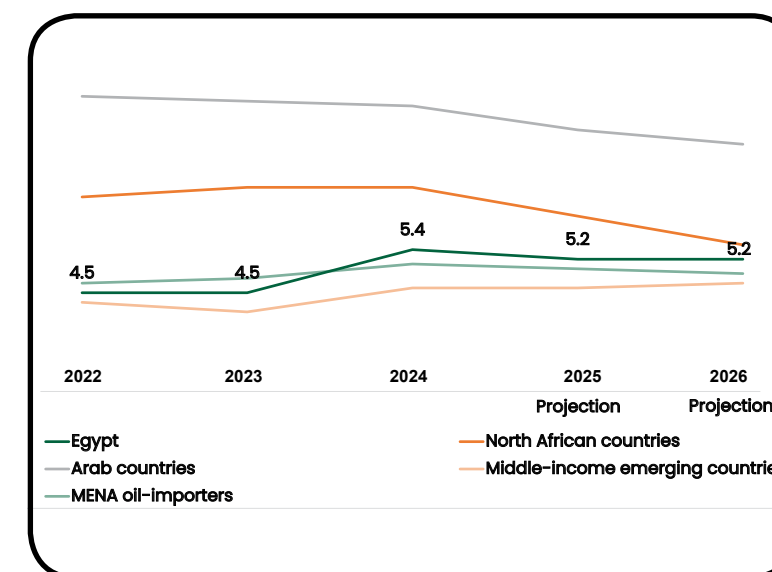
Current account balance to GDP (%)



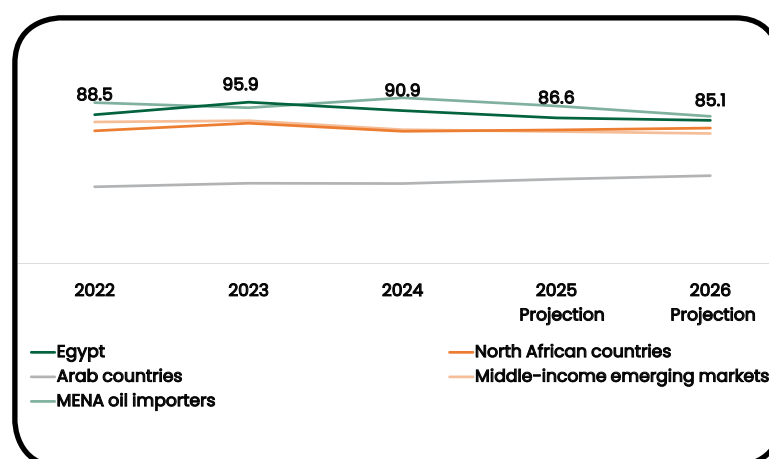
Budget deficit to GDP (%)



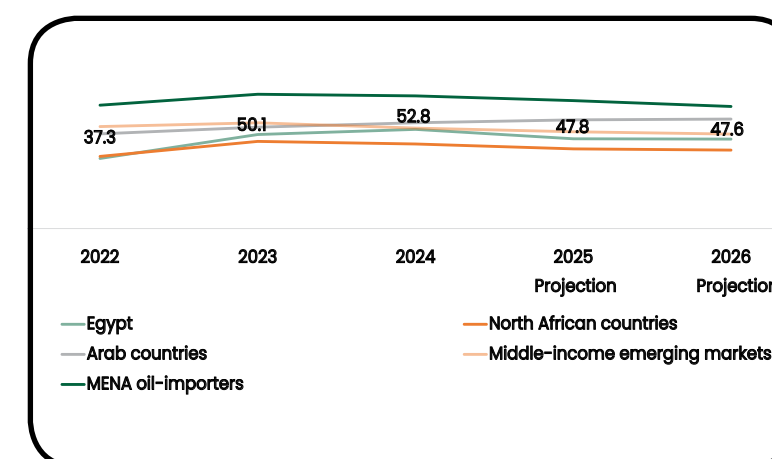
Months covered by reserves (month)



Government debt to GDP (%)



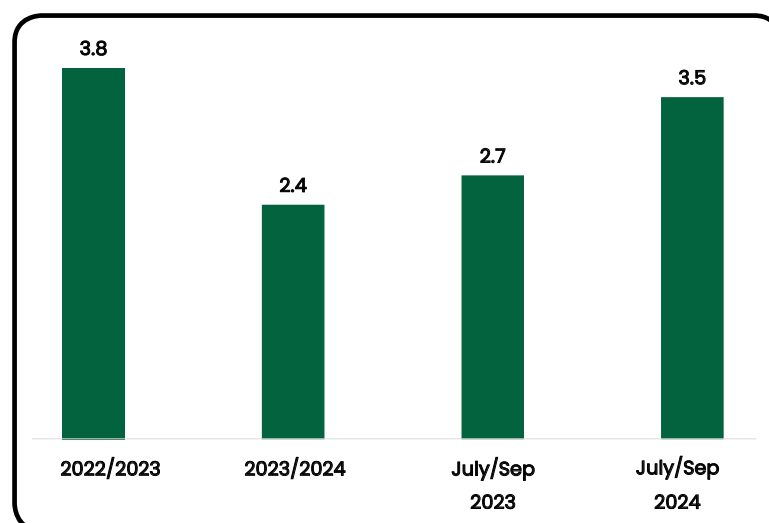
External debt to GDP (%)



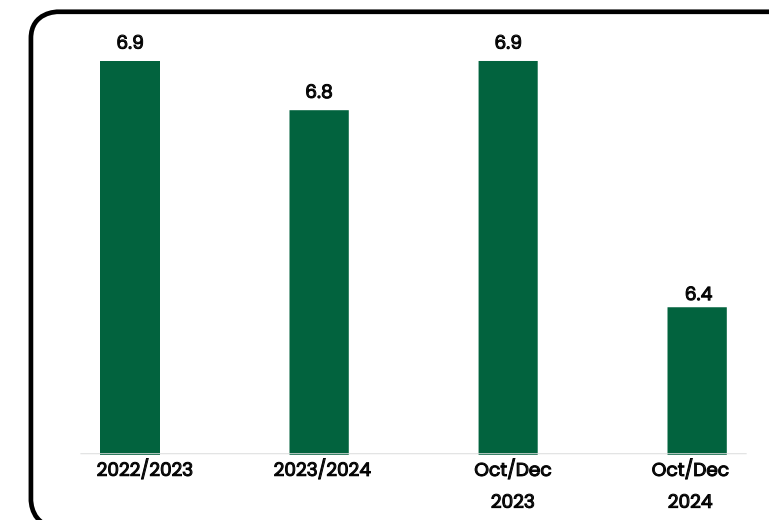
Source: IMF, Regional Economic Outlook: Middle East and Central Asia, May 2025.

Egyptian Economy in Brief

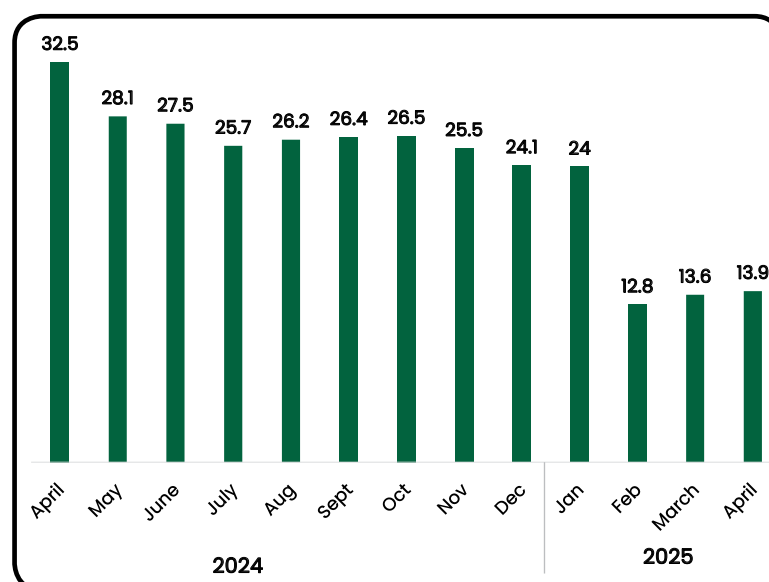
Real GDP growth rate (current prices) (%)



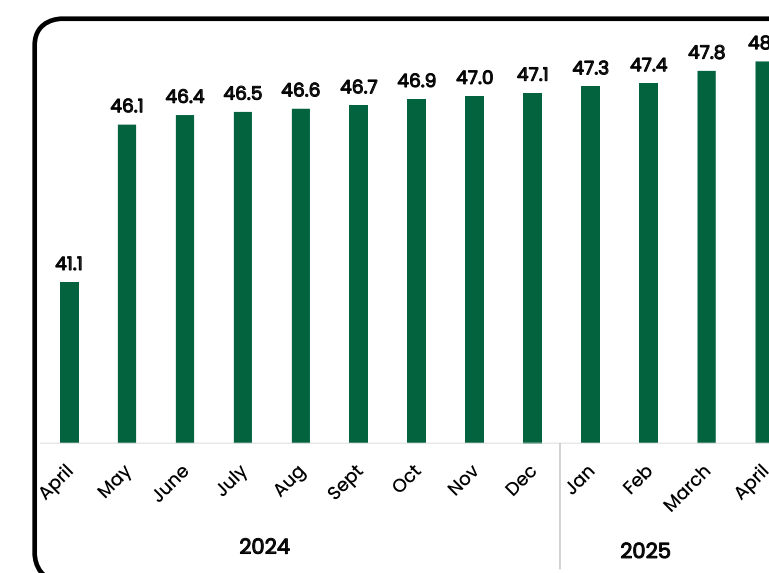
Unemployment rate (%)



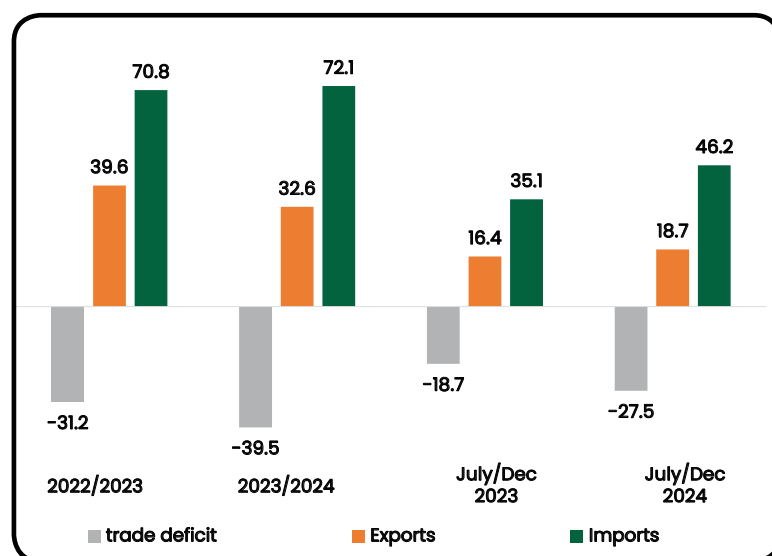
Inflation rate (%)



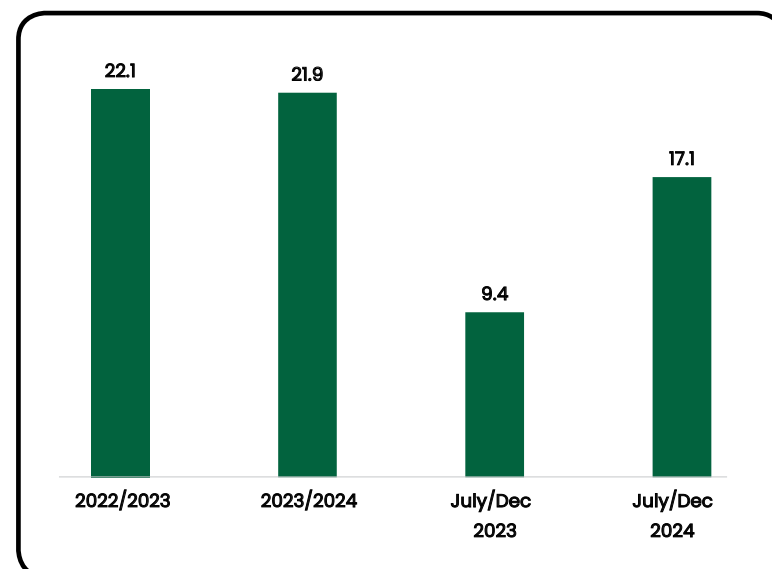
Net international reserves (USD bn.)



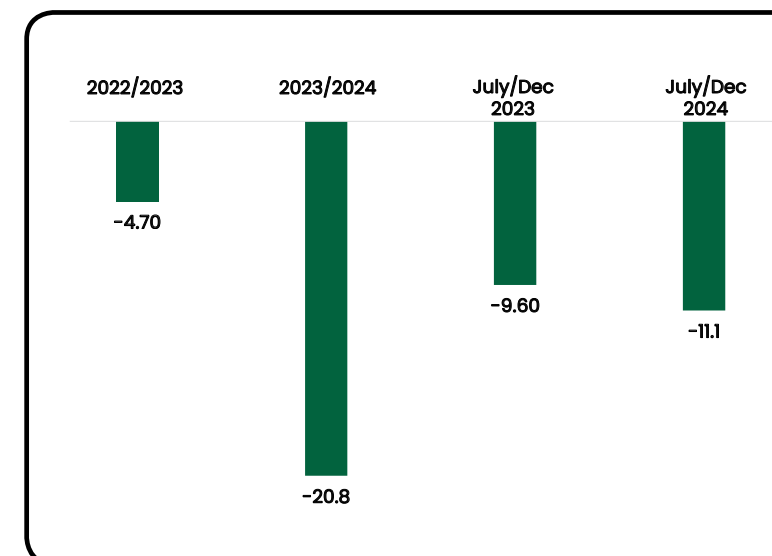
Trade balance (USD bn.)



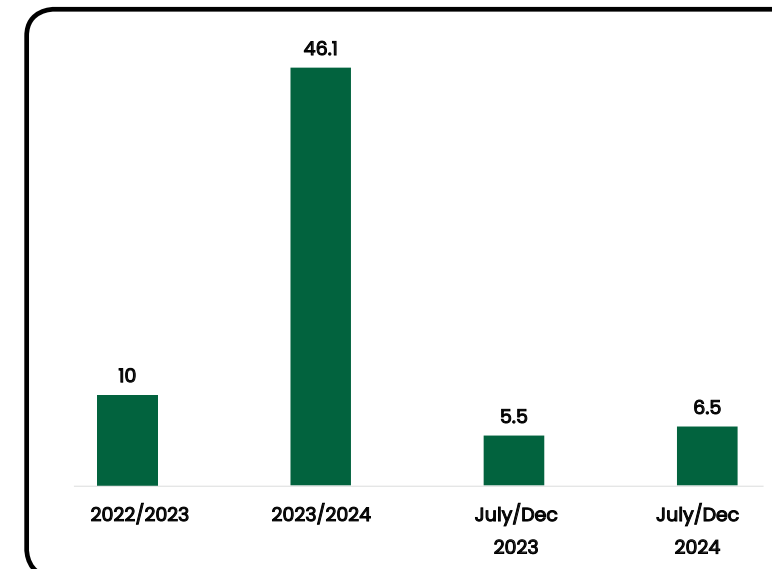
Remittances of Egyptians working abroad (USD bn.)



Current Account (USD bn.)



Net foreign direct investment (USD bn.)



Best Regards

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