

2025 RECAP

ECONOMIC PULSE OF EGYPT

A graphic element consisting of a white heartbeat line (EKG) that starts with a vertical line, followed by three distinct peaks of varying heights, and ends with a horizontal line.

January

2026



SYNTHESIS

Egypt's economy displayed a marked recovery in FY2024/2025, reflecting resilience after two years of sluggish growth. Real GDP growth rebounded to 5% according to the Ministry of Planning, up from 2.4% in FY2023/2024, while the European Bank for Reconstruction and Development (EBRD) reported a slightly lower figure of 3.8 percent.

This improvement was primarily driven by the manufacturing sector, which regained momentum following the stabilization of foreign exchange (FX) markets, improved access to essential raw materials, and the unification of the exchange rate in March 2024. The extractive sector, including new onshore and offshore oil and gas discoveries, also contributed to output growth, although contraction in energy production remains a key structural concern.

Remittances from Egyptians abroad surged to a record \$26.4 billion from July 2024 to March 2025, up 82.7 percent YoY, providing a critical source of foreign currency alongside tourism, Suez Canal revenues, and foreign direct investment. In particular, remittances maintained strong momentum through Q3 2025, reaching \$9.4 billion between January and March, with March alone contributing \$3.4 billion.

These inflows bolstered the current account, strengthened external reserves, and reinforced economic stability. Net international reserves reached a historic \$48.1 billion by April 2025. Inflation moderated to an average of 14–15 percent, down from 28.3 percent in 2024, supported by tight monetary policy and fiscal consolidation measures. Broad money (M2) growth decelerated to 23.2 percent, reflecting careful liquidity management, while domestic demand pressures remained contained, facilitating disinflation and enhancing investor confidence.

The broader Egyptian economy in FY2024/2025 demonstrated resilience amid external and domestic challenges. Improvements in industrial output and the revitalization of the manufacturing sector signal a gradual closing of the output gap, while rising remittances continue to serve as a stable source of external financing. Structural reforms, including monetary policy adjustments, debt management, and exchange rate unification, have underpinned macroeconomic stability.



SYNTHESIS

Public investment in extractives, transportation, and trade has provided additional growth momentum, while gradual fiscal consolidation and inflation moderation are expected to create a stable environment for private sector activity. The trajectory into FY2025/2026 anticipates GDP growth averaging 4.8 percent, continued disinflation, and a stabilizing money supply, setting the stage for sustainable medium-term growth.

FY2024/2025 also marked significant policy milestones. The National Open Data Policy (August 2025) established a framework for publishing government data in open, machine-readable formats, promoting transparency and evidence-based decision-making. The Executive Regulations for the Personal Data Protection Law (2025/2026) operationalized licensing, consent rules, cross-border data transfers, and DPO frameworks to strengthen data governance.

The New Rental Law (2025) standardized residential and commercial leases, capped increases, and clarified tenant rights. Additionally, the Medical Liability and Patient Safety Law No. 13 (2025) introduced uniform standards for healthcare providers, patient rights, and compensation, reinforcing accountability and quality in the health sector.

Overall, FY2024/2025 has underscored Egypt's capacity to stabilize and rebound through a combination of macroeconomic reforms, targeted fiscal measures, and structural improvements in key sectors. The economy benefited from renewed investor confidence, record remittance inflows, and robust foreign currency reserves, which collectively reinforced financial stability.

At the same time, challenges such as energy sector contractions, inflationary pressures in non-food items, and reliance on external financing highlight the need for sustained policy vigilance. The convergence of monetary, fiscal, and structural reforms has laid a foundation for a more resilient economy, capable of supporting both domestic growth and long-term competitiveness in regional and global markets.

Looking ahead, structural reforms, private sector development, and digital governance will be key to sustaining momentum into FY2025/2026. Coupled with the National Open Data Policy, Personal Data Protection framework, and legal reforms in housing and healthcare, these measures position Egypt for sustainable growth, stronger investment, and improved living standards.

MACROECONOMIC

HIGHLIGHTS

GDP growth in FY 2024/2025 displayed a clear upward trend across all quarters, accelerating from 3.5% in Q1 to 5.0% in Q4, compared to a much weaker performance in FY 2023/2024, where growth ranged between 2.2% and 2.7%. The widening gap year-on-year highlights a strengthening economic recovery, driven by improved investment activity, rising private sector participation, and stronger performance in key sectors, particularly manufacturing and services.

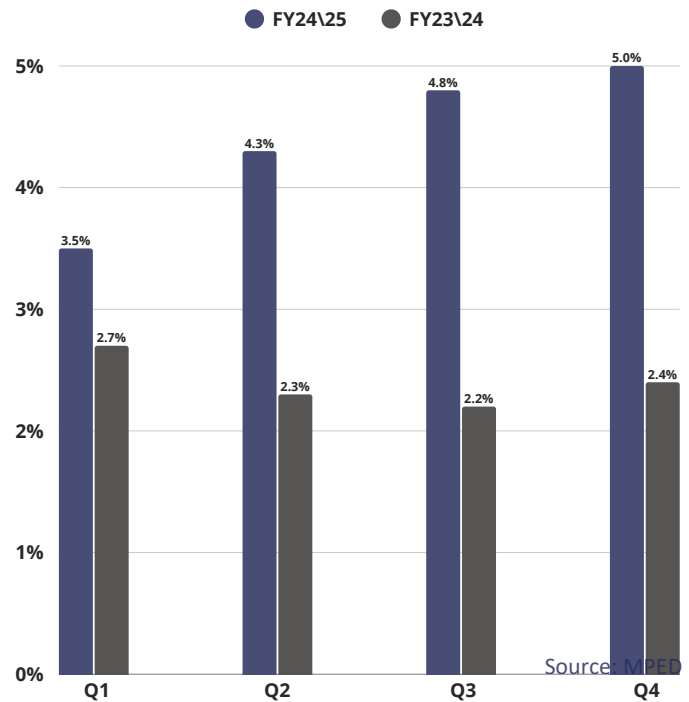
The economic landscape of FY 2024/2025 was defined by a striking divergence between resilient domestic production and external logistical shocks. The 4.4% headline growth was primarily anchored by a "triple engine" consisting of Tourism (17.3%), Non-Oil Manufacturing (14.7%), and ICT (13.76%).

Sectoral growth in FY 2024/2025 was uneven but overall supportive of economic expansion, with strong performance concentrated in productive and service-oriented activities.

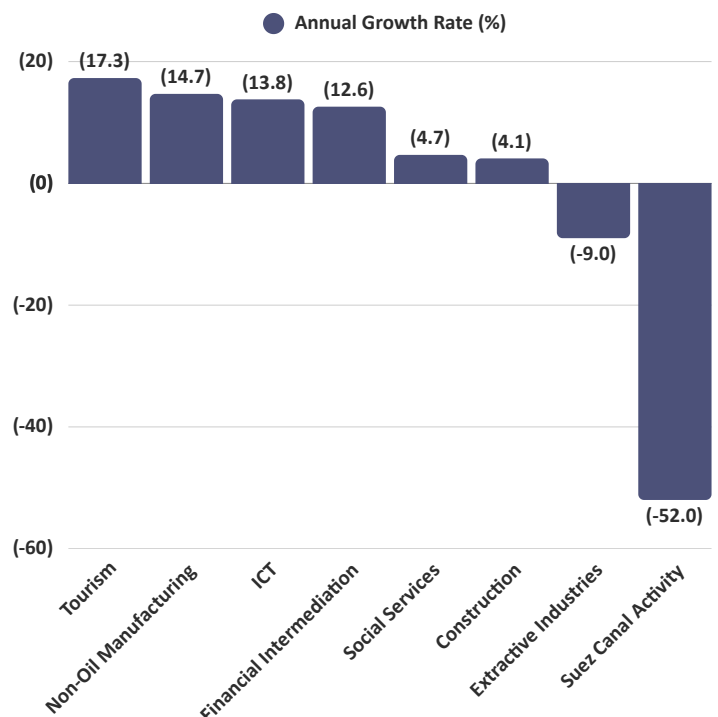
Non-oil manufacturing led growth, recording an annual increase of 14.7%, reflecting its role as a key driver of structural transformation and export-oriented production. **Financial intermediation** also expanded robustly by 12.6%, supported by improved credit conditions and higher economic activity. **Social services** and **construction** recorded moderate growth of 4.7% and 4.1%, respectively, contributing to domestic demand and employment.

In contrast, **extractive industries** contracted by 9.0%, while the **Suez Canal** activity experienced a sharp decline of 52.0% due to geopolitical disruptions, partially offsetting gains in the broader economy.

GDP Growth Trends (FY23/24–FY24/25)



Sectoral Economic Growth in Egypt (2024/25)



MACROECONOMIC

HIGHLIGHTS

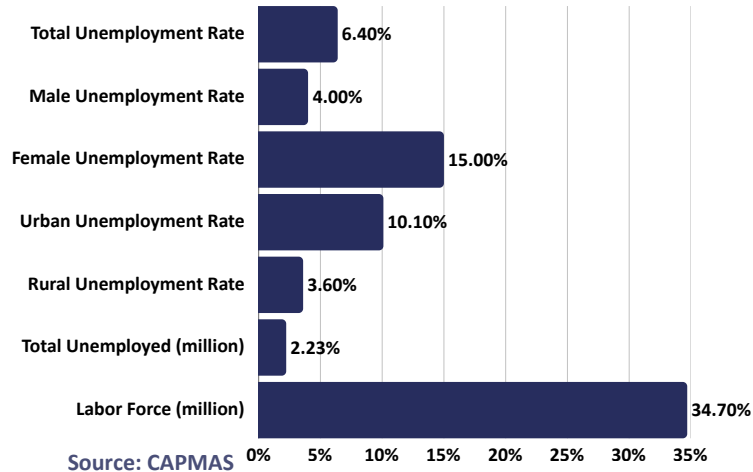
Unemployment Trends

Egypt's unemployment rate **rose to 6.4% in Q3 2025**, up from 6.1% in Q2, despite easing from 6.2% in Q1, according to CAPMAS.

The increase was driven by a **3.3% expansion in the labor force to 34.7 million**, not by job losses. **Although 939,000 jobs were created, unemployment still grew to 2.23 million**, showing that job creation has not kept pace with new entrants.

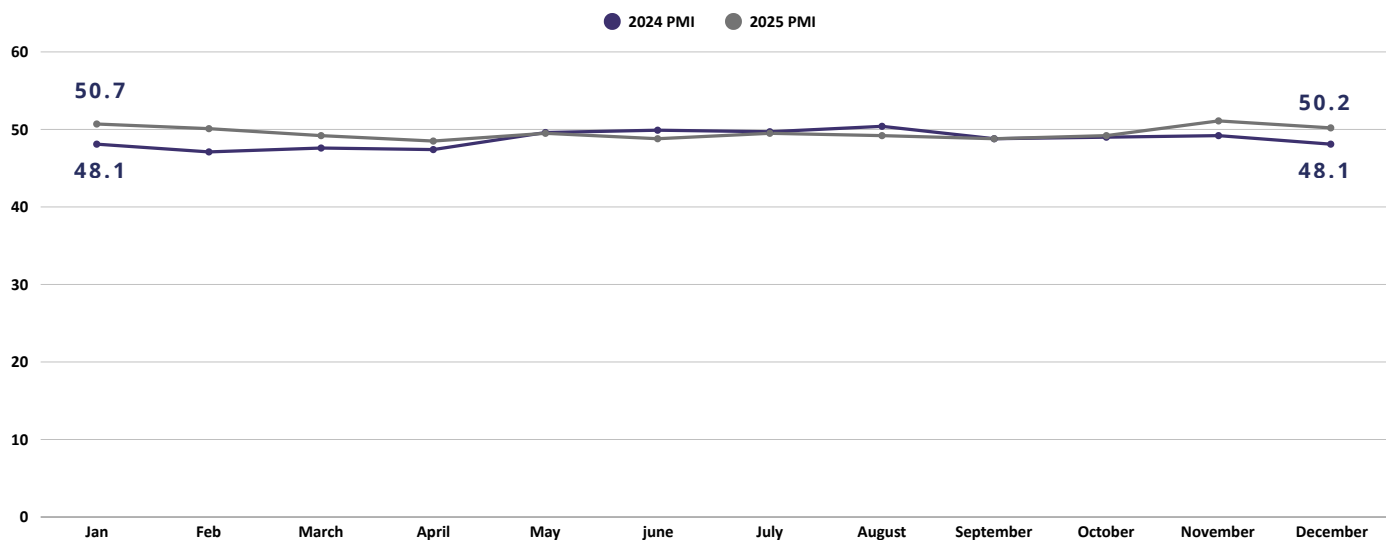
Unemployment remains concentrated among **educated workers (83.1%)** and is **higher in urban areas (10.1%)**, with **female unemployment declining slightly to 15%**. Overall, the data indicate supply-side labor market pressures under ongoing inflation.

Egypt Labor Market Overview
2024/25



Egypt's Non-Oil Private Sector

Egypt PMI Movement (Non-Oil Sector) 2024–2025



Source: S&P

Egypt's Purchasing Managers' Index (PMI) shows a clear improvement in business conditions in 2025 compared to 2024, with a more frequent return to the expansion **threshold of 50**.

In 2024, PMI readings remained **consistently below 50**, indicating sustained contraction throughout the year, with **values largely concentrated in the 47–49 range**, reflecting weak demand, inflationary pressures, and tight financing conditions.

By contrast, 2025 recorded a notable shift toward stabilization and intermittent expansion. **PMI exceeded 50 in January**, February, November and December.



Trade Balance FY 2024/2025

Total Trade Deficit

USD 51.0 bn

In FY 2024/2025, Egypt's trade deficit widened significantly, reaching US\$ 51.0 billion, up from US\$ 39.5 billion in the previous fiscal year, driven by higher non-oil imports and a rise in the oil trade deficit.

Oil Trade Deficit

USD 13.9 bn

In FY 2024/2025, Egypt's oil trade deficit widened to US\$ 13.9 billion, up from US\$ 7.6 billion in the previous fiscal year, reflecting a surge in oil imports despite a slight increase in oil product exports.

Non-oil Trade Deficit

USD 37.1bn

During the same period, the non-oil trade deficit rose to US\$ 37.1 billion, up from US\$ 31.9 billion, driven by higher imports of key commodities such as soya beans, wheat, and industrial parts, partially offset by growth in exports of gold, fruits, and manufactured goods.

Suez Canal receipts FY24\25

USD 3.6 bn

Net tonnage:

482.8 million tons

Vessels: 12.4k (↓38.5%)





2025 IN FIGURES

1 JANUARY 2025

31 DECEMBER 2025

GOLD PRICES

24 Karat per gram

EGP 4,406

EGP 6,354

44.2%

SILVER PRICES

999-purity silver Prices

EGP 50.50

EGP 94

86.1%

EXCHANGE RATE

Average exchange rate of the USD to EGP

EGP 50.84

EGP 47.60

-6.3%

DIESEL PRICES

EGP 13.75

EGP 17.50

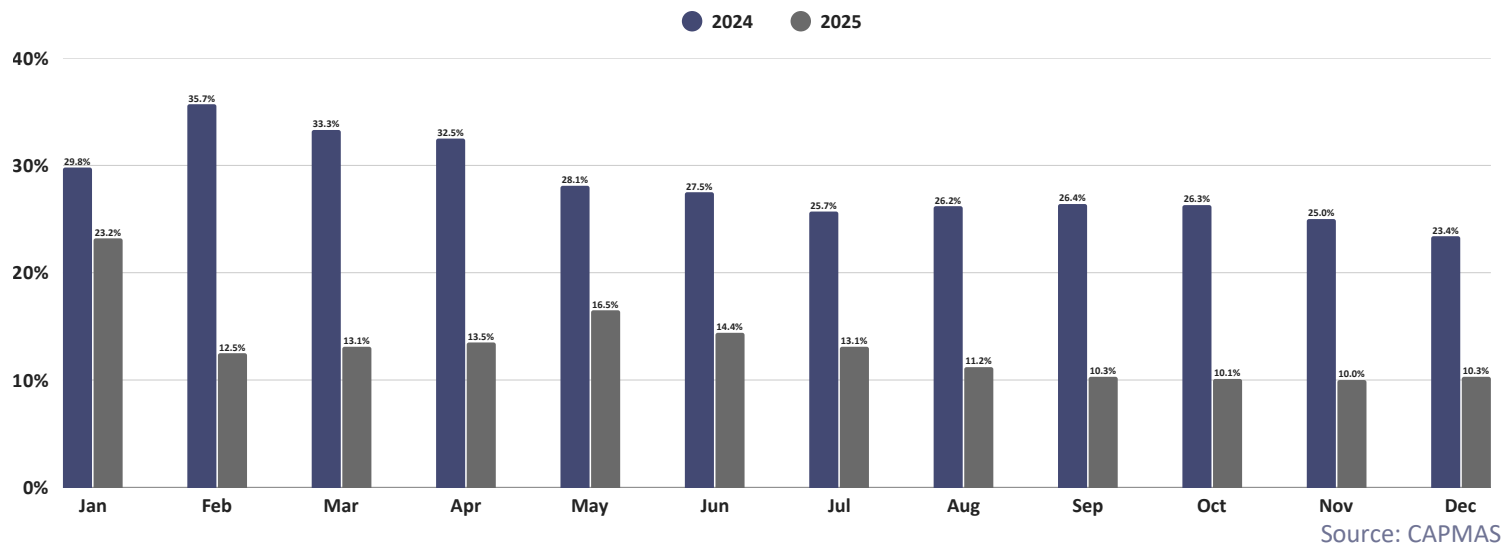
+ 27.2%

MONETARY

POLICIES

Inflation

Year-on-Year Inflation Trends in Egypt(2024\2025)



Egypt’s inflation fell sharply in 2025 compared to 2024, marking a clear shift toward price stability. In 2024, inflation remained persistently high, peaking at 35.7% in February and staying above 25% for most of the year before easing to 23.4% in December. In contrast, 2025 saw rapid disinflation, with inflation dropping from 23.2% in January to around 10% by the final quarter. This improvement reflects strong base effects, tighter macroeconomic policies, and easing supply and exchange rate pressures.

Interest Rate

Decisions on interest rates were made in the final CBE meeting for 2025.

Date	MPC Decision	Deposit Rate	Lending Rate
Feb	Fixation	27.3%	28.25%
Mar	Decrease	25%	26%
Apr	Fixation	25%	26%
May	Decrease	24%	25%
Jun	Fixation	24%	25%
Jul	Fixation	24%	25%
Aug	Decrease	22%	23%
Sep	Decrease	21%	22%
Oct	Fixation	21%	22%
Nov	Fixation	21%	22%
Dec	Decrease	20%	21%

MONETARY

POLICIES

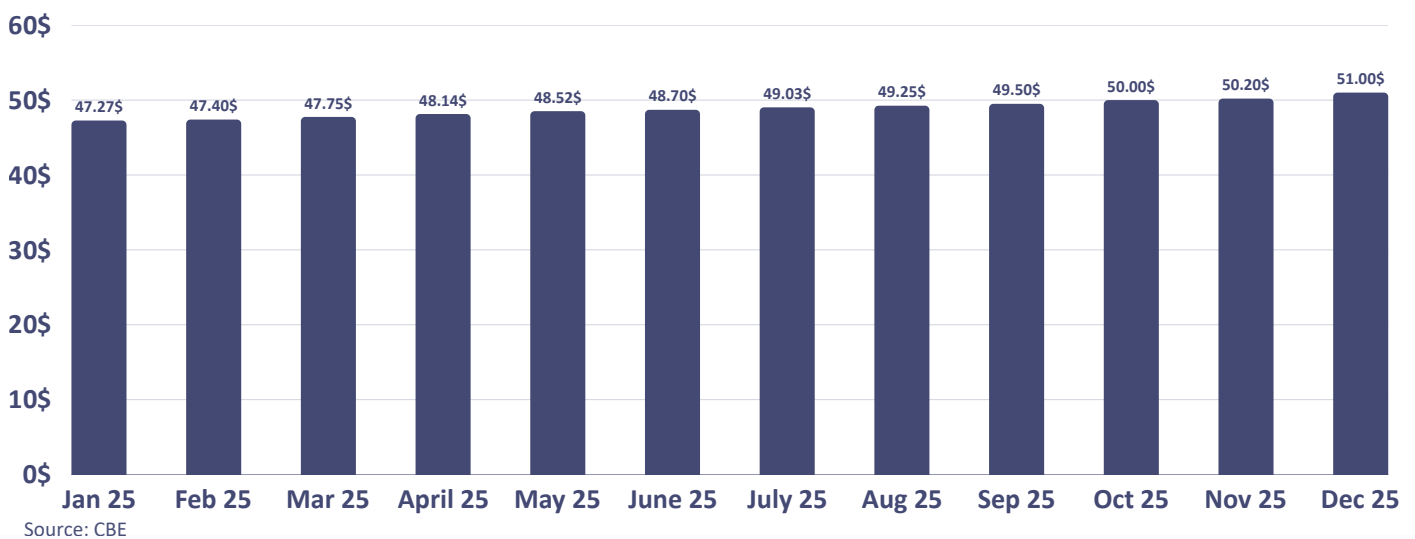
Exchange Rate (USD/EGP)



In 2025, the Egyptian pound (EGP) showed a gradual strengthening against the US dollar, moving from 50.84 EGP/USD in January to 47.60 in December, reflecting an overall appreciation of about 6.3%. The first half of the year saw relative stability with minor fluctuations, but June marked a turning point as the EGP gained value sharply. This strengthening trend continued through Q3, reaching the year's lowest rate of 47.30 in November, before slightly easing in December.

Egypt's Resilient Foreign Reserves

Monthly EGP/USD Exchange Rate 2025

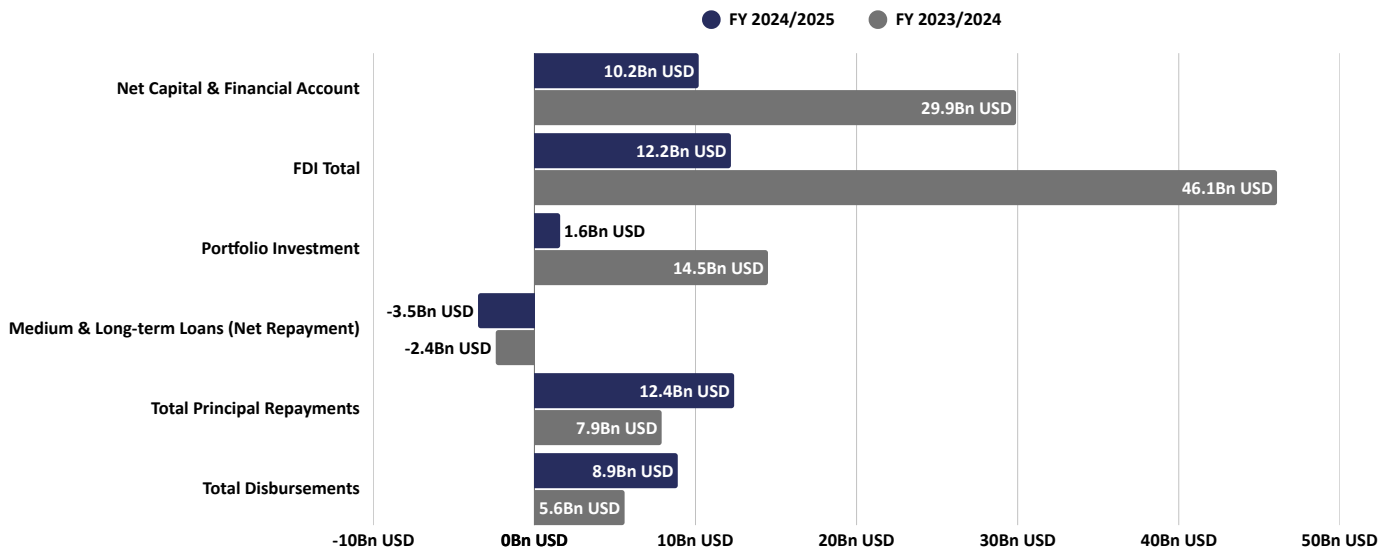


In 2025, Egypt's net foreign reserves rose steadily from \$47.27B in January to \$51B in December, a growth of 7.9%. Monthly gains, especially in H2, reflect stronger external liquidity and macroeconomic confidence, supported by foreign investment, remittances, and trade inflows, enhancing Egypt's ability to manage currency and imports.

INVESTMENT WATCH

Current Account Overview (FY 2024/2025 vs FY 2023/2024)

FDI and Investment Flows in Egypt (FY24/25 vs FY23/24)

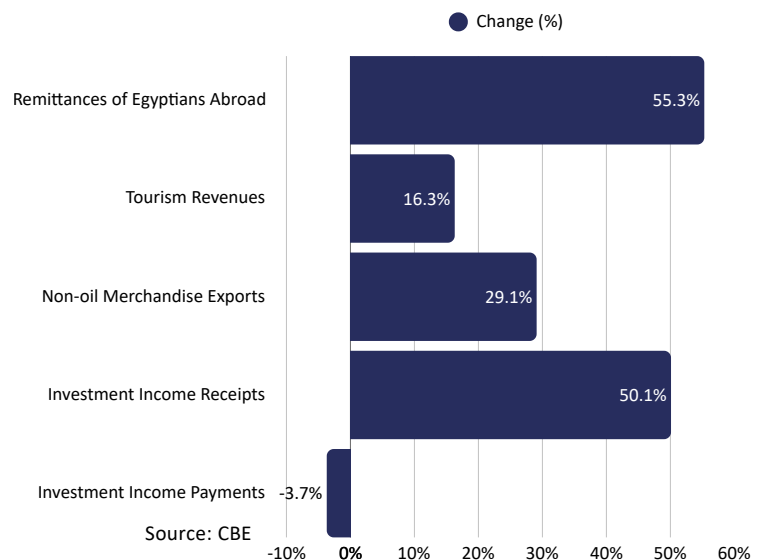


Source: CBE

From FY 23/24 to FY 24/25, Egypt experienced a sharp decline in financial inflows, **marked by a 73.5% drop in FDI** and an **88.9% collapse in portfolio investment**. Last year's unusually large, one-off investment deals were not repeated, leading liquidity to fall back to lower levels. At the same time, debt pressures intensified: **principal repayments rose 57% to \$12.4 billion**, outpacing the **58.9% increase in new disbursements**, resulting in a widening **Net Repayment gap of -\$3.5 billion**. With capital leaving faster than it is replaced, **the Net Capital Account fell 65.9%**, signaling a shift from a windfall surplus period to a more challenging phase of heavy debt servicing and weaker global risk appetite.

Key Drivers of Current Account Improvement

FY 24/25 shows a robust recovery in core engines. **A 55.3% surge** in remittances (\$36.5Bn) and 29.1% growth in **non-oil exports (\$34.6Bn)** signal restored confidence and industrial gains. With **tourism rising 16.3%** and investment payments slightly dipping, the economy is shifting from debt-reliance to sustainable, organic inflows. These pillars provide the stability needed to offset capital account volatility.



Source: CBE



2025 KEY LEGISLATIVE REFORMS MILESTONES

Executive Framework for Personal Data Protection Law



Egypt's PDP Law No. 151/2020 became enforceable with Executive Regulations under Ministerial Decision 81/2025. The regulations operationalize the Personal Data Protection Centre, introduce licensing for data controllers/processors, tighten consent requirements, mandate electronic records, regulate cross-border transfers, and establish a Data Protection Officer framework. Breach notification rules and a one-year compliance grace period apply, ensuring businesses align with data protection obligations.

Egypt's old Rental Law



A new law governs residential and non-residential leases, introducing fixed contract durations—7 years for residential and 5 years for non-residential units. Zoning committees classify areas to determine rent values with capped annual increases of 15%. The law clarifies eviction procedures, protects tenant rights, provides priority access to state-owned units, and establishes a seven-year transition period before repealing outdated laws, creating a unified, transparent rental framework.

Egypt's New Criminal Procedure Law



The new Criminal Procedure Law strengthens fair trial rights, limits pretrial detention, and expedites investigations. Key features include reinforced protection of residences, regulated lawyer presence during interrogations, expanded alternatives to detention, periodic detention reviews, modernised notification procedures, and guarantees for defendants in absentia trials. The law enhances efficiency, transparency, and safeguards for human rights in Egypt's criminal justice system.

Medical Liability and Patient Safety Law No. 13 of 2025



The law sets a unified framework for healthcare provider responsibilities and patient rights, defining medical errors, negligence, informed consent, and liability standards. Providers must follow evidence-based practices, maintain records, uphold confidentiality, and secure patient consent. A High Committee reviews complaints, while a mandatory insurance fund compensates harmed patients. Penalties apply for professional violations, assaults on staff, and malicious complaints, enhancing patient safety and care quality.



ROAD AHEAD

Looking into FY2026, Egypt's economic trajectory is expected to maintain positive momentum, with GDP growth projected at 4.8 percent by the CBE and 4.4–4.5 percent by external institutions like the EBRD. Growth drivers will remain anchored in manufacturing, trade, and the extractives sector, while remittances are expected to continue as a stable source of foreign currency inflows.

Inflation is forecasted to moderate further to 10–12.5 percent, converging toward the CBE's target of 7 percent by Q4 2026, supported by ongoing monetary discipline and fiscal consolidation. Broad money (M2) growth is anticipated to stabilize around 22–23 percent, reflecting careful liquidity management. The government's continued commitment to structural reforms, including energy sector arrears resolution and the reduction of state debt servicing, will enhance economic resilience.

Parliamentary discussions in 2026 are expected to focus on several key legislative priorities. These include comprehensive revisions to the Traffic Law, aimed at improving road safety through stricter enforcement, updated fines, and harmonized licensing procedures. Oversight and regulation in ICT will remain on the agenda, with meetings planned between the legislature and the NTRA/Telecom Egypt to address internet access, package transparency, and infrastructure upgrades.

The government is also planning to advance policies supporting SMEs and startups, building on the unified regulatory guide for startups launched in 2025. In healthcare, the establishment of a national tissue and organ bank is under consideration, complementing reforms in patient safety and liability frameworks.

Overall, Egypt's 2026 economic outlook hinges on the continued implementation of structural reforms, policy consistency, and investment-friendly regulations. While external risks such as global trade volatility and geopolitical uncertainty persist, the combination of robust remittance inflows, sectoral diversification, and targeted legislative measures positions the country for stable growth, enhanced transparency, and improved social outcomes.

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