



ECONOMIC PULSE OF EGYPT



Cairo | Riyadh | Dubai

September

2026



SYNTHESIS

Egypt's macroeconomic outlook showed signs of improvement in August 2026, supported by stronger external buffers, easing inflation, and a notable recovery in private-sector business conditions. The Central Bank of Egypt's (CBE) net international reserves (NIRs) increased by approximately **1.6% month-on-month to a record USD 57.22 billion at the end of August 2026, up from USD 56.29 billion in July 2026**, representing **an increase of around USD 920 million** and further strengthening Egypt's external position.

Inflation also resumed its downward trend, with annual headline inflation easing to **12.7% in August 2026 from 13.0% in July 2026**. Against this backdrop, the CBE maintained its key policy rates unchanged, keeping the **overnight deposit rate at 19.0%, the overnight lending rate at 20.0%, and the main operation and discount rates at 19.5%**, reflecting a continued cautious monetary stance.

Private-sector conditions improved considerably during the month. The S&P Egypt PMI increased to **49.6 in August 2026 from 46.8 in July 2026**, moving close to the 50-point threshold separating expansion from contraction and signalling only a marginal deterioration in non-oil private-sector business conditions. The improvement suggests that pressures on private-sector activity moderated significantly compared with previous months.



SYNTHESIS

Egypt's external performance also remained supportive, particularly in the processed food sector. Processed food exports reached **USD 5.13 billion during January–August 2026, up by USD 499 million from USD 4.63 billion during the same period of 2025**, marking the highest export value recorded by Egypt's food industries sector for the January–August period.

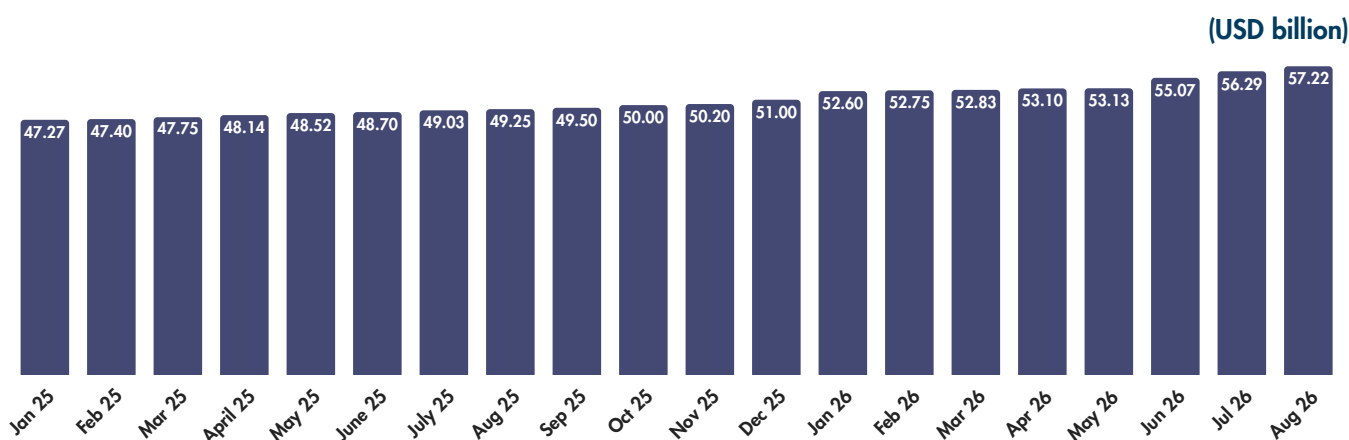
Overall, Egypt entered the final months of 2026 with stronger foreign-exchange buffers, moderating inflation, and improving private-sector conditions. Record international reserves and continued export growth provide greater external resilience, while the PMI's movement closer to the expansion threshold points to easing pressures on the non-oil private sector.

Nevertheless, sustaining the disinflationary trend, strengthening private-sector activity, attracting investment, and advancing structural reforms will remain critical to translating improved macroeconomic stability into stronger and more sustainable growth.



UPDATES IN FIGURES

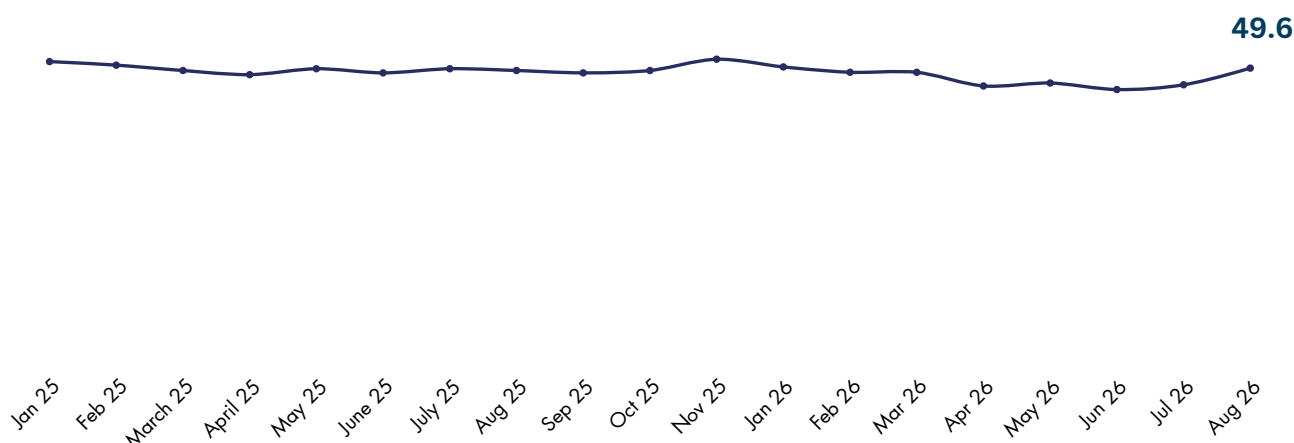
➤ Net International Reserves



Source: CBE

Egypt's net international reserves (NIRs) increased by approximately **1.6%** month-on-month to **USD 57.22 billion at the end of August 2026**, up from **USD 56.29 billion in July 2026**, representing an increase of around **USD 920 million**.

➤ Private Sector Performance (Purchasing Managers' Index)



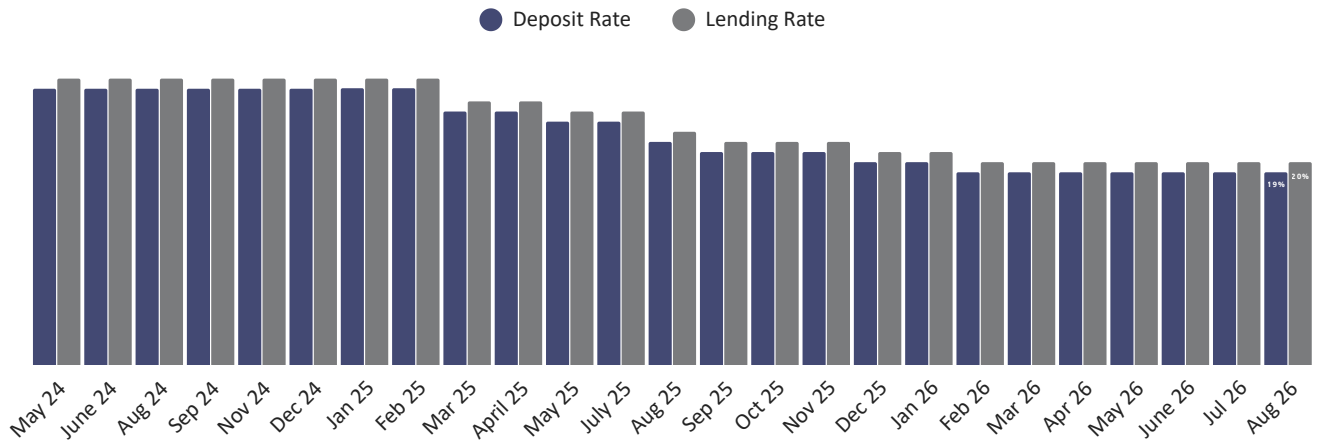
Source: S&P Global PMI

The Purchasing Managers' Index (PMI) increased from **46.8 in July 2026** to **49.6 in August 2026** signalling only a marginal decline in business conditions.

UPDATES IN FIGURES



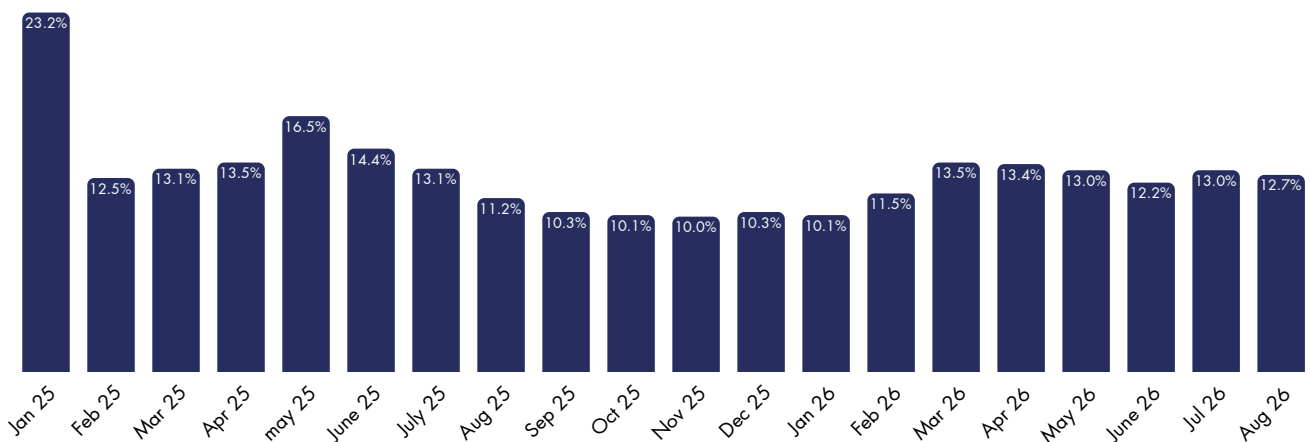
➤ Interest Rates



Source: CBE

The Central Bank of Egypt (CBE) maintained its policy rates unchanged in August 2026, keeping the overnight **deposit rate at 19.0%**, the **overnight lending rate at 20.0%**, and the main operation and discount rates at 19.5%.

➤ Monthly Inflation Trends



Source: CAPMAS

Egypt's annual headline inflation rate eased to **12.7% in August 2026**, down from **13.0% in July 2026**, indicating a modest resumption of the disinflationary trend following the increase recorded in the previous month.



Egypt's Processed Food Exports

(Jan-Aug 2026)

Exports Value

USD 5.13 bn

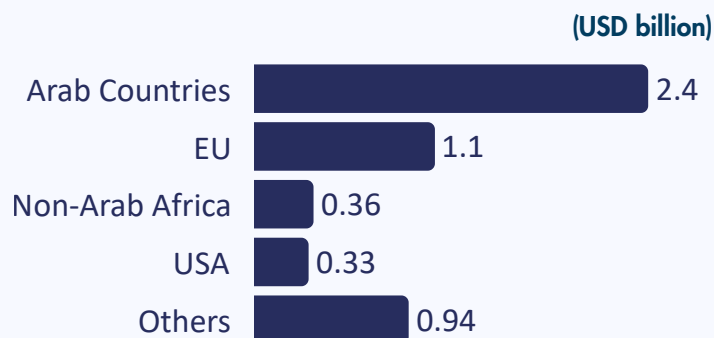
Egypt's Processed food exports increased by USD 499 million from USD 4.63 billion in (Jan-Aug 2025), to USD 5.13 billion in (Jan-Aug 2026) marking the highest export value recorded by Egypt's food industries sector for the January-August period

11%

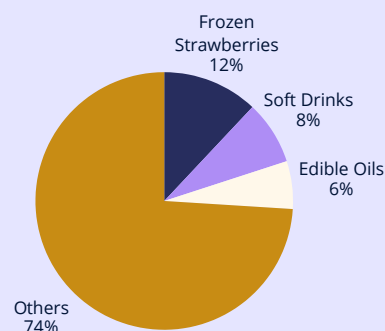
Growth Rate Compared to Jan-Aug 2025

Source: Food Export Council

Top Importers from Egypt by Value (Jan-Aug 2026)



Egypt's Top Exported Products to the World (Jan-Aug 2026)





POLICY UPDATES

DISCUSSIONS ON FOREIGN INVESTMENT IN EGYPT



During H1 2026, **5,022 foreign companies** were established in Egypt, representing a **33.7% year-on-year increase**, while their total issued capital **rose by 20.9% to EGP 21.4 billion**.

SUSTAINABLE FINANCE AND CARBON MARKET FRAMEWORK



The FRA is expanding the Regional Centre for Sustainable Finance (RCSF) to strengthen expertise in sustainable finance, carbon markets, emissions reporting, and climate disclosure.

EGYPT'S STATE OWNERSHIP POLICY IMPLEMENTATION PLAN



Egypt's Cabinet approved **the proposed 2026–2030 State Ownership Policy** implementation plan, setting out measures to manage state assets and expand private-sector participation.

ESSENTIAL COMMODITIES PRICE INITIATIVE



Egypt will roll out a **six-month price-reduction initiative covering up to 30 essential commodities**, expanding participating retail outlets nationwide to support supply availability and price stability through March 2027.



ROAD AHEAD

Egypt's near-term outlook remains shaped by geopolitical uncertainty, inflation, and monetary policy. The EBRD expects GDP growth of **4.6% in 2026 and 5% in 2027**, supported by communications, trade, petroleum refining, remittances, and tourism, while financing needs and regional instability remain key risks. Intesa Sanpaolo expects rates to remain stable through end-2026, with easing **after Q1 2027 and around 500 basis points of cumulative cuts during 2027**.

Alongside macroeconomic developments, structural reform and private-sector participation will remain key priorities, with the new State Ownership Policy (2026–2030) advancing divestment and IPOs and targeting a private-sector contribution of **over 65% by 2030**, as Egypt approaches the conclusion of its IMF-supported programme.

Looking ahead to October 2026, Egypt will host a dense calendar of business, investment, and sector-focused events. These include the **EnterpriseAM Egypt Forum – AI Edition (5 October)**, **Egypt Women's Health Summit (10–11 October)**, **Green Business Expo (10–11 October)**, **Egypt Energy Conference (12–14 October)**, **Agrena (15–17 October)**, the **UfM Economic Forum (19–22 October)**, and **IEX Egypt (26–28 October)**. Together, these platforms will bring attention to AI, healthcare, green and circular industries, energy, agriculture, investment facilitation, regional trade, and education technology.

In 2015, IPA was established as the vital arm of Influence Group, a renowned marketing communications consultancy in MEA since 2007. With a robust portfolio boasting over 90 local and regional clients and offices in Cairo, Dubai, and Riyadh, IPA is regarded as a premier public policy and public affairs firm.

Expertise is leveraged by our seasoned professionals to shape government policies and foster meaningful stakeholder communication. Beyond conventional roles, IPA serves a distinguished think tank, delving deep into MEA's political landscape, regulatory frameworks, and socioeconomic dynamics to enact positive societal change.

Dedicated to the economic and public policy landscape of Egypt and MEA region, invaluable insights and strategic guidance are provided by IPA. Our expertise is seen as a beacon of knowledge, guiding through the evolving business environment, ensuring endeavors are rooted in wisdom and poised for success



www.ipa-mea.com



6 building-204st-Degla Square- Maadi

Cairo | Riyadh | Dubai



(+2) 25213210/1

ipa@influence-me.com