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ECONOMIC PULSE
OF EGYPT

Cairo I Riyadh I Dubai

October **2026**

SYNTHESIS

Egypt's macroeconomic performance in September 2026 reflected continued growth in foreign-exchange reserves, renewed inflationary pressures, and a deterioration in private-sector business conditions. The Central Bank of Egypt's (CBE) net international reserves (NIRs) increased by approximately **0.24% month-on-month to USD 57.35 billion at the end of September 2026, up from USD 57.21 billion in August 2026,** representing an increase of around **USD 136 million** and reinforcing Egypt's external liquidity position.

Inflation edged upward, with annual headline inflation increasing to **12.8% in September 2026 from 12.7% in August 2026**, indicating renewed price pressures. 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 policy stance.

Private-sector business conditions weakened during the month. The S&P Global Egypt Purchasing Managers' Index (PMI) declined to **47.2 in September 2026 from 49.6 in August 2026,** moving further below the 50-point threshold separating expansion from contraction. The deterioration was primarily driven by sharper declines in output and new orders, indicating renewed pressures on non-oil private-sector activity.

SYNTHESIS

Meanwhile, Egypt's export performance remained strong in the chemicals and fertilizers sector. Chemicals exports increased by **30.2% year-on-year to USD 8.25 billion during January–August 2026, compared to approximately USD 6.34 billion during the same period in 2025.** The sector's performance was supported by exports of fertilizers, petrochemicals, plastics, and intermediate chemicals, highlighting its contribution to Egypt's non-oil export earnings.

Overall, Egypt entered the final quarter of 2026 with stronger foreign-exchange reserves and robust chemicals export growth, although rising inflation and weakening private-sector activity signalled persistent economic challenges. Continued reserve accumulation and export expansion supported external resilience, while the decline in PMI highlighted renewed pressures on domestic production and demand. Looking ahead, containing inflationary pressures, revitalizing private-sector activity, sustaining export growth, and accelerating structural reforms will remain essential to strengthening macroeconomic stability and supporting sustainable economic growth.

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UPDATES IN FIGURES

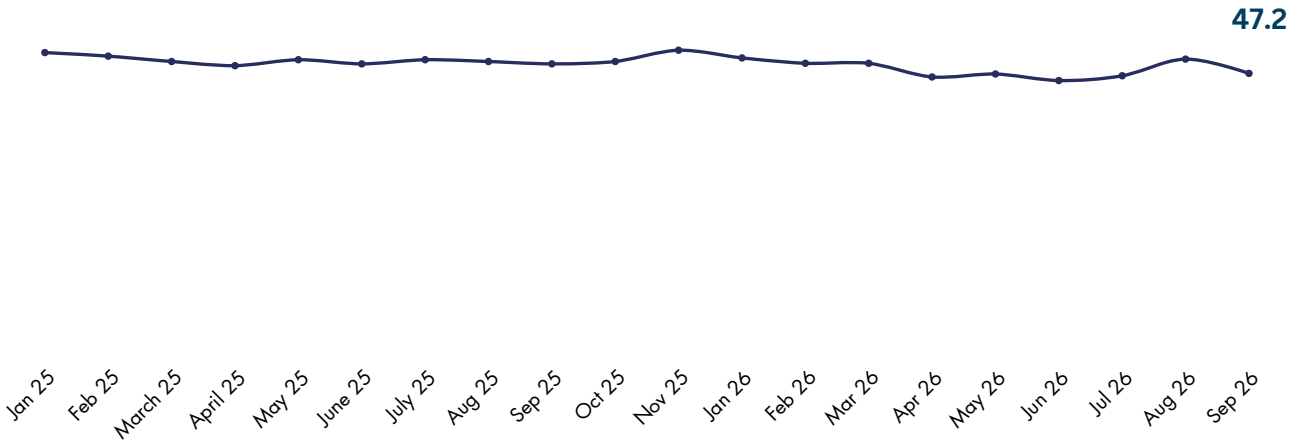
Net International Reserves



Source: CBE

Egypt's net international reserves (NIRs) increased by approximately **0.24%** month-on-month to USD **57.35** billion at the end of September 2026, up from **USD 57.22 billion** in August 2026, representing an increase of around **USD 136 million**.

Private Sector Performance (Purchasing Managers' Index)



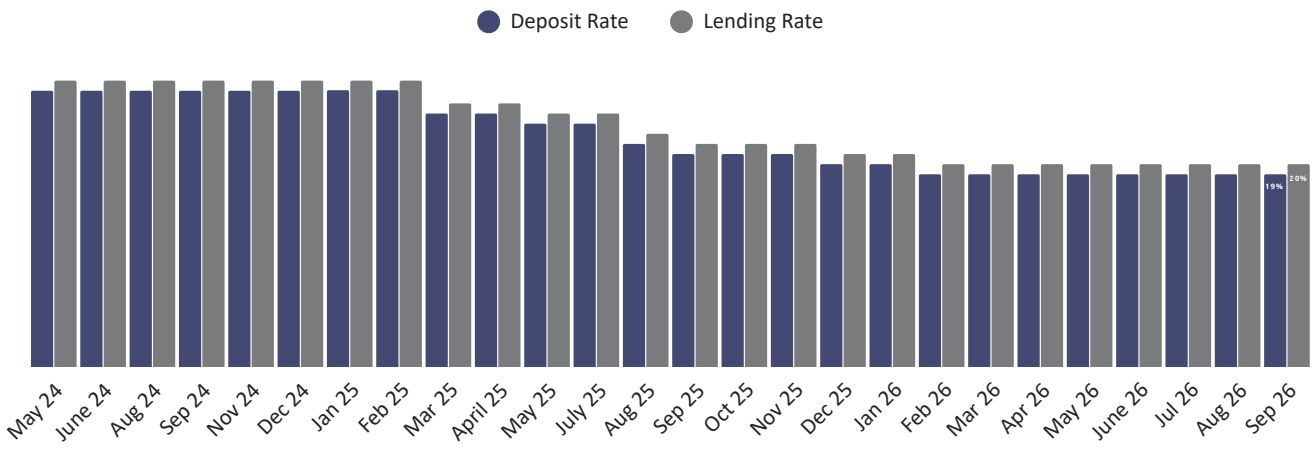
Source: S&P Global PMI

The Purchasing Managers' Index (PMI) decreased from **49.6 in August 2026 to 47.2 in September 2026.** The deterioration was driven primarily by sharper declines in output and new orders

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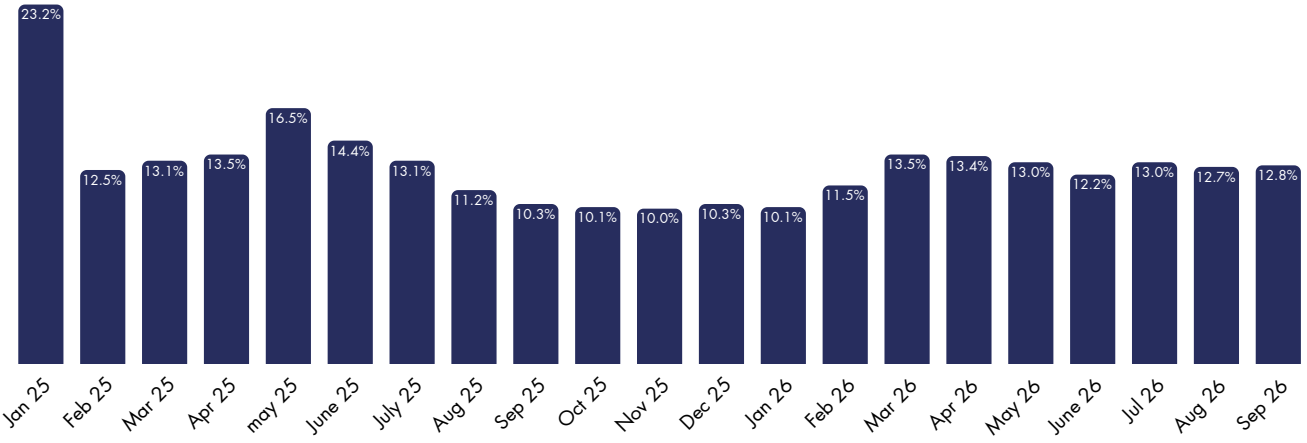
Interest Rates



Source: CBE

The Central Bank of Egypt (CBE) maintained its policy rates unchanged in September 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 increased slightly to **12.8% in September 2026**, up from **12.7% in August 2026**, indicating renewed price pressures following the previous month's moderation.

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Egypt's Chemicals & Fertilizers Exports
(Jan-Aug 2026)

Exports Value

USD 8.25 bn

Egypt's chemicals and fertilizers exports increased by 30.2% year-on-year, reaching USD 8.25 billion during January–August 2026, compared to approximately USD 6.34 billion during the same period in 2025, reflecting strong growth in the sector's export performance.

30.2%

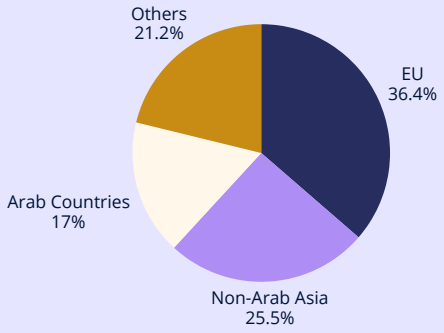
Exports Growth Rate

Jan-Aug 2026 vs Jan-Aug 2025

Top Chemical Export Categories by Value (Jan-Aug 2026)



Chemicals Exports by Destination Region (Jan-Aug 2026)





Source: Chemical and Fertilizers Export Council,

POLICY UPDATES

EGYPT BOOSTS INFRASTRUCTURE INVESTMENT

Egypt's Planning Minister Ahmed Rostom highlighted the World Bank-backed Infrastructure Financing Guarantee Facility (IFGF) to attract private investment in renewable energy, water desalination, and sustainable urban development.

EGYPT PRIORITIZES PRIVATE SECTOR-LED INDUSTRIAL GROWTH

Egypt's Planning Minister Ahmed Rostom outlined the **2027–2030** industrial strategy, focusing on private sector investment, green manufacturing, export growth, and innovative financing to boost industrial competitiveness and job creation.

EGYPT BOOSTS AFRICAN INDUSTRIAL INTEGRATION

Egypt's Industry Minister Khaled Hashem announced plans for an African Industrial Integration Initiative to boost joint investment, local manufacturing, and intra-African trade, particularly in the agro-processing and pharmaceutical sectors.

EGYPT APPROVES RENEWABLE ENERGY AND ECONOMIC MEASURES

Egypt's Cabinet approved golden licenses for two wind power projects totaling **1.8 GW**, capital increases for two state-owned pharmaceutical companies, **a 30%** electricity discount for eligible consumers, and measures to strengthen workforce skills and housing support.

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ROAD AHEAD

Egypt's near-term economic outlook remains shaped by inflationary pressures, subdued private-sector activity, external financing requirements, and geopolitical uncertainty, despite continued improvements in foreign-exchange reserves and export performance. The IMF has revised its forecast for Egypt's economic growth in **FY2026/2027** upward to **4.7%, from 4.4%** previously, while the EBRD projects growth of **4.6% in 2026 and 5.0% in 2027**. Monetary policy is expected to remain cautious, with Intesa Sanpaolo anticipating interest-rate stability through end-2026, followed by potential easing **after Q1 2027.**

Against this backdrop, **Egypt's Economic Transformation Programme** aims to address structural challenges and strengthen the foundations for sustainable growth by enhancing productivity, improving competitiveness, and accelerating exports across goods and services sectors. According to Finance Minister Ahmed Kouchouk, the programme prioritizes stimulating private-sector activity, creating employment opportunities, improving incomes, and expanding access to quality services.

Looking ahead to November 2026, Egypt will host several major business and industry events, including the **ICA Conference & Exhibition (5–7 November), Cairo ICT and PAFIX (7–10 November), Destination Africa (14–15 November), and Cairo WoodShow (26–29 November)**. Together, these events will highlight opportunities in financial markets, digital transformation, industrial investment, manufacturing, and regional trade, supporting private-sector growth and business partnerships.

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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

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