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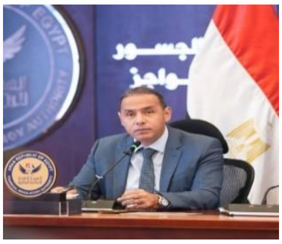
Egypt's Economic Brief Updates

June 2026

Economy & Finance:

Investment funds net assets surge to EGP 410 billion in Q1 2026



The Financial Regulatory Authority (FRA) has released a report highlighting the robust growth of investment funds in Egypt during Q1 2026. Net assets rose to EGP 410.6 billion, driven by the launch of new funds and an expanding investor base, with the number of funds increasing from 172 to 187. Investment fund certificates surged to 31.4 billion units, up from 20.3 billion, reflecting heightened investment awareness. Individuals held the majority of these certificates at 74.34%, indicating growing confidence in regulated investment vehicles managed by the FRA.

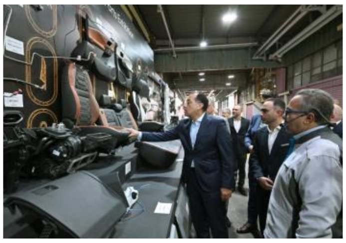
Monetary policy is a key competitive edge for Egypt after recent economic reforms

Egypt's Minister of Investment and Foreign Trade, Mohamed Farid, emphasized that the country's monetary policy enhances its attractiveness for investors amidst economic challenges. Farid outlined the government's strategy—guided by presidential directives—to improve the investment climate, boost exports, and stimulate economic growth. Farid noted that the ministry is executing structural reforms to enhance the efficiency of investment and foreign trade systems, aiming to create a stable and transparent business environment. He stressed the necessity of increased domestic savings to support a targeted 6% economic growth rate, while advocating for the expansion of private sector contributions to overall investments.

Afreximbank Launches $100 Million Gold Refinery Project in Egypt

The African Export-Import Bank (Afreximbank) plans to invest between $50 million and $100 million to establish a gold refinery in an Egyptian free zone, with construction expected to start by late 2026. This project, in collaboration with the Central Bank of Egypt, follows a 2025 Memorandum of Understanding. The refinery aims to make Egypt an international hub for gold refining and trading, enhancing the country's monetary sovereignty, credit ratings, and reducing offshore refining costs.

Prime Minister opens industrial expansions in automotive, pharmaceutical, and food sectors



Mostafa Madbouly, Egypt's Prime Minister, toured major industrial facilities in 6th of October City, focusing on the automotive, pharmaceutical, and food sectors. He inaugurated new production lines and reviewed expansion projects aimed at strengthening local manufacturing and attracting foreign investment. Notably, he observed the launch of the first locally assembled Nissan Magnite, part of a $45 million investment to enhance production capacity. In pharmaceuticals, he visited Nerhadou International, which has invested EGP 2 billion and plans an additional EGP 1.5 billion expansion. He also inaugurated a new production line at Nestlé Egypt, which has invested EGP 7 billion, highlighting its extensive local sourcing and export activities.

FEI's Precious Metals Division establishes export committee to drive gold & jewelry exports

The Gold and Precious Metals Division of the Federation of Egyptian Industries (FEI) has established a specialized export committee to boost industrial exports in line with government strategies. This committee aims to increase exports of gold, silver, and jewelry by developing a comprehensive plan, addressing exporter challenges, and enhancing coordination with trade authorities. The committee's priorities include market research, participation in international exhibitions, and leveraging trade agreements. It will focus on market opportunities, competitiveness, and cooperation with stakeholders to modernize export mechanisms in response to global market demands.

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Egypt aims to double exports to $100 billion by 2030 and announces digital industrial platform

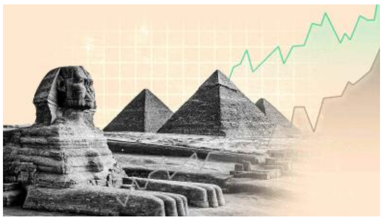
Egypt aims to boost annual exports from $48 billion to $100 billion by 2030 through a new strategy that involves launching a digital B2B platform to connect local manufacturers with global supply chains. Minister of Industry Khaled Hashem announced plans to attract both local and foreign investments, focusing on technological transfer and expertise rather than merely financial input. The platform will facilitate product searches and supplier connections, featuring reviews based on actual transactions to enhance supply chain efficiency. Seven priority industries have been identified, alongside a comprehensive program to develop the SME sector, emphasizing rebuilding the industrial foundation from the ground up.

Egypt Targets Sustainable Growth in Fertilizer Industry as Exports Reach $9.4bn

Minister of Industry Khaled Hashem highlighted the strategic significance of Egypt's fertilizer industry at the 32nd Annual International Conference of the Arab Fertilizer Association (AFA). This sector is crucial for enhancing productivity in major agricultural projects, including New Delta and Mostaqbal Misr. In 2025, chemical and fertilizer exports reached around $9.4 billion, a 7% annual growth, with key markets being Italy, Turkey, Brazil, and Saudi Arabia. To ensure global competitiveness, the ministry is promoting a shift towards sustainable manufacturing, emphasizing energy efficiency and circular economic practices while adhering to international regulations like those of the European Union.

Egypt Targets the Reduction of Its Debt-to-GDP Ratio and Reports 5% Economic Growth in Q3

The Egyptian government targets reducing the debt-to-GDP ratio to 78% by June 2027 and cutting external debt by $1 billion to $2 billion, as announced in the new state budget. Despite regional geopolitical challenges, the economy expanded by 5% in the third quarter of FY 25/26, driven in part by a return to growth in the petroleum sector. The new budget for the coming financial year allocates EGP 837 billion for social safety nets and EGP 80 billion to stimulate industry and exports. Furthermore, the updated State Ownership Policy aims to increase the private sector's share of total investment to 65% by 2030.

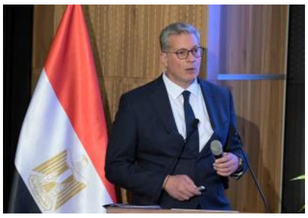


Balance Sheets of Egyptian Banks Surge to EGP 24.9 Trillion Amid Robust Deposit Growth

The Egyptian banking sector's balance sheet reached EGP 24.9 trillion by February 2026, driven by rising customer deposits and credit activities, indicating high liquidity and public confidence. This growth highlights the sector's resilience and its importance in financing national development and private sector expansions, demonstrating its support for the state's industrial and commercial growth strategy despite global economic fluctuations.

Energy:

Egypt fully settles arrears to oil & gas companies



Minister of Petroleum and Mineral Resources Karim Badawi announced that settling $6.1 billion in arrears to oil and gas partners is a pivotal moment for Egypt's energy sector. This initiative, prioritized under President El-Sisi, was crucial for attracting investment and fostering growth. The government significantly reduced arrears over two years, achieving zero outstanding due by June 2026. This milestone is expected to enhance investor confidence, encourage exploration and production investments, and support domestic output, positioning Egypt as an important player in the Eastern Mediterranean energy landscape. Regular monthly payments to partners will further bolster sector recovery and promote production growth.

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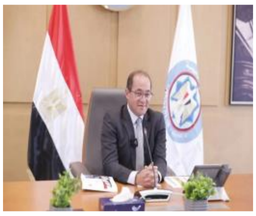
Establishment of Egypt's First Wind Turbine Manufacturing Plant and 2GW Wind Farm

Prime Minister Mostafa Madbouly oversaw the signing of a memorandum of understanding to establish Egypt's first wind turbine manufacturing facility and a 2-gigawatt wind power project in the Gulf of Suez. The agreement involves China's SANY Renewable Energy and aims to localize renewable energy technologies. The facility will have a production capacity of 2 GW and is expected to be completed in two years, supporting Egypt's goal of increasing the renewable energy share to 45% within two years and establishing the country as a regional manufacturing hub.

Trade & Investment:

New customs facilitation measures to boost trade, investment, and logistics efficiency

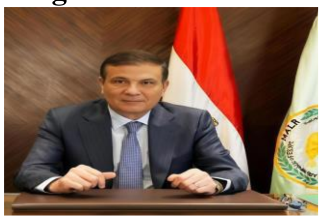


Egypt's Minister of Finance, Ahmed Kouchouk, announced new customs facilitation measures aimed at simplifying procedures for businesses and reducing administrative burdens. These reforms seek to enhance the competitiveness of the Egyptian economy, support trade, and attract investment. Key changes include allowing customs procedures to start upon the arrival of goods without an immediate delivery order and permitting a bill of lading for customs declarations if all required documents are completed for final clearance. Kouchouk emphasized that these initiatives balance expedited trade processes with safeguarding state financial rights. Ahmed Amawi, Head of the Egyptian Customs Authority, noted that these measures resulted from consultations with various stakeholders to improve trade and cargo movement through ports.

Egypt's garment exports rise 15% to $1.15 billion in Q1 of 2026

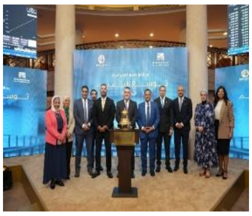
Egypt's ready-made garment exports rose by 15% in the first four months of 2026, totaling approximately $1.15 billion compared to $1.002 billion in the same period of 2025. April saw a notable increase, with a 33% year-on-year surge to $287 million. The U.S. remains the top destination, with exports increasing by 13% to $429 million. European markets accounted for 44.6% of exports, rising 29% to $512 million. Türkiye, Spain, Germany, and the Netherlands followed as key importers, with notable growth in exports to the UK and a substantial 95% increase to Italy.

Egypt opens new export markets for oranges, grapes and strawberry seedlings



Egypt has expanded its agricultural export markets to Peru, Panama, and Mexico for oranges, grapes, and strawberry seedlings, as announced by Minister of Agriculture Alaa Farouk. This initiative aligns with the national vision to increase exports and foreign currency sources. Following negotiations by the Central Administration of Plant Quarantine, Peru authorized Egyptian oranges, Panama opened its market for grapes and seedlings, and Mexico approved strawberry seedlings. CAPQ is finalizing procedures for shipments and ensuring compliance with the technical requirements from the importing countries, marking a significant step in boosting Egypt's agricultural exports globally.

EGX unveils comprehensive plan to boost SME market



Omar Radwan, Chairperson of the Egyptian Exchange (EGX), highlighted the importance of enhancing the small and medium-sized enterprises (SME) market as a key priority. A comprehensive plan developed with the Financial Regulatory Authority aims to support SMEs in operating expansion and listing qualifications. During a bell-ringing ceremony for Tawasoa Factoring Company's transfer to the main market, Radwan noted EGX's commitment to diversifying its offerings and enhancing investor confidence, with daily trading values surpassing $200 million. Tawasoa's transition is seen as a testament to its growth and investor trust, supported by a capital increase to EGP 115 million, enabling further expansion. This increase, the fifth since its inception, was fully subscribed by existing shareholders.

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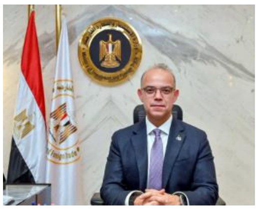
Strategic Investment and Industrial Expansion in the Amriya Public Free Zone



Minister of Investment and Foreign Trade, Mohamed Farid, toured the Amriya Public Free Zone in Alexandria, which hosts 416 projects with over $5.3 billion in expected commodity exports by 2025 and approximately 55,000 jobs. The zone features diverse industrial activities, including textiles, chemicals, petroleum, and electrical appliances. During the visit, Farid highlighted the government's commitment to improving the investment climate by simplifying administrative procedures and supporting high-impact production and export activities.

MSMEDA Marks 35 Years of Supporting Small Enterprises and Entrepreneurship in Egypt

The Micro, Small, and Medium Enterprise Development Agency (MSMEDA) marks 35 years of empowering the small projects sector, having financed over EGP 79.6 billion for more than 4 million projects, resulting in 6.8 million jobs. Since 2014, under President Abdelfattah Al-Sisi, the agency has provided EGP 62.4 billion, comprising 82% of its total historical funding. MSMEDA, in partnership with the UNDP, emphasizes digital transformation, the green economy, and women's economic empowerment.

Planning Ministry Targets 59% Private Sector Share in FY2026/27 Investment Plan

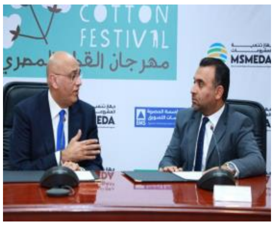
The Minister of Planning and Economic Development, Dr. Ahmed Rostom, announced that the state's investment plan for the 2026/2027 fiscal year targets a 59% share for the private sector. During the launch of an economic impact study for L'Oréal Egypt—which has invested over €100 million in the local market—the Minister reaffirmed the government's commitment to empowering private enterprises. The Ministry focuses on providing incentives to strengthen value chains and localize industry, a commitment reflected in L'Oréal's pledge to export 85% of its Egyptian production. This vision measures investment success not only by financial returns but also by adherence to sustainability and environmental standards.

Comprehensive Reform Measures to Strengthen the Entrepreneurship Ecosystem

The Ministry of Investment and Foreign Trade has launched the "Startup Egypt" platform to connect founders, global investors, and government agencies. Finance Minister Ahmed Kouchouk introduced a simplified tax system for startups with an annual turnover below EGP 20 million to create a transparent fiscal environment. Legislative amendments are being finalized to facilitate convertible notes and modernize startup valuation methodologies. Starting in July 2026, strategic partnerships will introduce specialized accelerators in food processing, industrial manufacturing, and EdTech. The government is also working with the Sovereign Fund of Egypt to establish a publicly listed venture capital firm to attract institutional investments from insurance companies and pension funds.

Industry:

Egypt launches initiative to support cotton-based SMEs, strengthen production clusters



The Micro, Small and Medium Enterprise Development Agency (MSMEDA) has launched the "Egyptian Cotton Festival" initiative in collaboration with the Cairo Governorate and the Egyptian Marketing Studies Foundation. The initiative aims to support MSMEs and production clusters within Egypt's cotton value chain by fostering connections with major brands, enhancing production and marketing efficiency, and expanding market access. It targets businesses in cotton furnishings, textile manufacturing, and related sectors, providing financial and technical support to improve operations. The initiative's aligns with PM Mostafa Madbouly's directives to bolster domestic industries and promote competitive local manufacturing.

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Strategic Blueprint for Egyptian Industrial Growth and $100 Billion Export Goal

Egypt has unveiled its "Egyptian Industrial Strategy 2030," aiming for $100 billion in commodity exports by 2030. The strategy focuses on seven key sectors: ready-made garments, textiles, food processing, pharmaceuticals, automotive manufacturing, electrical and engineering equipment, and electronics. Utilizing the "80/20 rule," it seeks to concentrate resources on the 20% of opportunities that can generate 80% of economic growth. A new digital platform will connect factories with investors, while the "Productive Villages" program aims to localize industry in rural areas by integrating local manufacturing into national supply chains.

Agriculture

Agricultural Development Program to Double Portfolio to EGP 10bn and Launch FX Lending

The Agricultural Development Programme (ADP) is set to double its financing portfolio from EGP 5 billion to EGP 10 billion, relying on international funding rather than state budget. Directed by Hamdy Azzam, ADP will offer foreign currency loans up to $1.5 million per project to boost exports, targeting small farmers, irrigation, food processing, and renewable energy, especially in Upper Egypt. This initiative highlights the agricultural sector's critical role, contributing 15% to Egypt's GDP and employing 18% of the workforce, crucial for national food security.

New Delta expands Egypt's cultivated land by more than 20%

Prime Minister Mostafa Madbouly characterized the New Delta Project as a significant national initiative aimed at enhancing food security and transforming Egypt's agricultural landscape. He noted President Al-Sisi's inauguration of the project, which is one of Egypt's largest development efforts, completed swiftly through coordinated state efforts. The project is set to increase cultivated land by over 20%, create job opportunities in agriculture, and boost production of strategic crops, reflecting the government's commitment to agricultural development and economic growth.

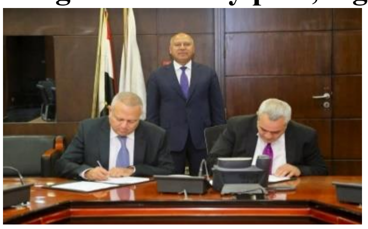
IT & Communications:

Egypt targets $6 billion in outsourcing exports this year

Egypt's Minister of Communications and Information Technology, Raafat Hindi, announced a target of $6 billion in outsourcing exports for this year, up from $5.2 billion in 2024, aiming to position Egypt as a global IT hub. The ministry is preparing investment plans for technology zones to attract outsourcing firms and has signed a protocol with the Ministry of Investment to include electronics design and semiconductor services in export development. During a review meeting with Prime Minister Mostafa Madbouly, Hindi highlighted key investment areas: outsourcing services, mobile phone manufacturing localization, digital infrastructure, and the data center industry. The ministry also discussed expansion opportunities with global outsourcing companies through 2028 and emphasized local mobile phone manufacturing to meet domestic demand and enhance exports.

Logistics:

Egypt signs MoU for financing, development of Borg El Arab dry port, logistics zone



Egypt's Minister of Transport, Kamel Al-Wazir, oversaw the signing of a memorandum of understanding (MoU) for the Borg El Arab dry port and logistics zone, an area of 133 feddans. The agreement, signed between the General Authority for Land and Dry Ports and Sky Ports, aims to finance, design, construct, operate, and maintain the facility. Al-Wazir noted that this aligns with the Ministry's strategy to make Egypt a regional transport and logistics hub as directed by President Abdel Fattah Al-Sisi. This project is part of a national initiative to develop 33 dry ports and logistics zones and seven integrated logistics corridors to connect production centers with seaports, enhancing infrastructure through railway and road networks.