

MASHREQ GLOBAL DIGEST

Egypt

April 13 – April 19



This edition of Market Digest focuses on Egypt's key macroeconomic indicators, along with the latest deals and rating updates, providing valuable insights into current economic trends.

Macroeconomic News

Egypt's Economy to Grow by More Than 4% in FY2025

According to Egypt's Minister of International Cooperation, Rania Al Mashat, Egypt's GDP is projected to reach EGP20.4 trillion (\$399.8 billion) in the upcoming fiscal year, with real growth expected to rise to 4.5%. The government aims for a 17% growth in total investments, with private sector investments expected to increase to 62.7% of total investments. Fitch forecasts a 4% GDP growth for FY2025, driven by recovering confidence. However, the outlook faces fiscal challenges, including a widening deficit and the impact of regional conflicts on Suez Canal revenues, which are expected to partially recover by 2026.



Reference: [Economy Middle East, Zawya](#)

Limited Impact of Tariffs on Egypt, Says Standard Chartered

Standard Chartered expects recent U.S. tariffs to have limited impact on Egypt, citing the country's strategic trade position, including control of the Suez Canal, and a U.S. trade surplus. Carla Slim, the bank's economist for the Middle East and Pakistan, forecasts the Egyptian pound to reach EGP 52/USD in 2025 and EGP 54/USD in 2026, supported by international financial aid, rising canal revenues, and stable FX flows. Inflation is expected to ease to 10–15%, interest rates may be cut by 2%, and GDP growth is projected to rebound to 4.5% in 2025 and 6% in 2026.

Reference: [Ahram Online](#)

Egypt's 2025/2026 Budget Focuses on Reforms and Growth

Egypt has presented its 2025/2026 budget to parliament, outlining record-high spending and revenues amid ongoing economic reforms. The plan includes a 23% increase in revenues to EGP 3.1 trillion—mostly from taxes—and a primary surplus target of 4% of GDP. However, with expenses reaching EGP 4.6 trillion, Egypt will borrow EGP 3.6 trillion to cover the gap, as debt servicing continues to consume half the budget. The government is cutting subsidies—especially on fuel—as part of its \$8B IMF deal, with further energy price hikes expected. The government is boosting private sector investment, aiming to increase its share of the economy from 30% to 50% by 2026.



Reference: [The National News](#)

Egypt Cuts Rates 225 Basis Points as Inflation Drops

Egypt's annual urban inflation rose to 13.6% in March 2025, up from 12.8% in February, surpassing analysts' forecast of 12.6%. This increase was mainly driven by a 3.5% monthly rise in food and beverage prices. Meanwhile, core inflation, which excludes volatile items, eased to 9.4% in March from 10% in February, suggesting a potential slowdown in underlying price pressures. Despite this slight uptick, urban inflation remains significantly lower than the 38% recorded in September 2023. In response, Egypt's central bank implemented its first interest rate cut in over five years, lowering the deposit rate by 225 basis points to 25%, and the lending rate to 26%. The central bank has signaled that further rate cuts may follow.

Reference: [Reuters](#), [Investing.com](#), [Reuters](#)

Egypt Raises Fuel Prices to Cut Subsidies

Egypt has increased fuel prices by up to 15% as part of efforts to reduce fuel subsidies, a condition of its \$8B IMF loan. The hikes, affecting diesel and gasoline, are aimed at achieving cost recovery for petroleum by year-end. Despite previous price increases, Egypt still spends 10 billion pounds monthly on subsidies, adding to its ongoing economic challenges.

Reference: [Reuters](#)



Egypt to Privatize Military-Owned Companies

Egypt plans to sell stakes in military-owned companies through its sovereign wealth fund to meet International Monetary Fund (IMF) requirements for expanding the private sector. The companies involved include Wataniya Petroleum, Chillout, Safi, Silo Foods, and the National Company for road building. The sales will be promoted by financial services firms EFG Hermes Holdings and CI Capital. The IMF has made increasing the private sector's role a condition for Egypt's \$8B loan. Additionally, the wealth fund will offer historic Cairo buildings for redevelopment.

Reference: [Reuters](#)

Egypt's Remittances Increase by 81% in First Seven Months of FY2024/2025

Remittances from Egyptians abroad surged 81% in the first seven months of the 2024/2025 fiscal year, reaching around \$20 billion, up from \$11 billion in the same period last year. This significant increase, driven by economic reforms, has bolstered Egypt's GDP and foreign exchange reserves. The CBE's new Instant Payment Network also facilitated faster transfers.

Reference: [Ahram Online](#)

Rise every day

Egypt to Issue \$2B Sukuk in 2025

Egypt is moving forward with a \$2 billion sovereign sukuk issuance in 2025 to diversify funding and strengthen its Islamic finance presence. Finance Minister Ahmed Kouchouk confirmed the plan, with international banks managing the process. The government is also exploring debt-for-investment swaps to attract foreign currency. The sukuk may be issued in multiple phases, structured in three tranches with staggered maturities to reduce yields and appeal to a wider investor base.

Reference: [Egypt Today](#)

Deals/Events

Qatar to Invest \$7.5B in Egypt

During President Abdel Fattah El-Sisi's visit to Doha on April 13–14, 2025, Egypt and Qatar reinforced their strong economic partnership by agreeing on a \$7.5 billion package of Qatari investments in Egypt, aimed at supporting sustainable development and advancing shared economic interests. The talks between El-Sisi and Amir Sheikh Tamim bin Hamad Al-Thani highlighted a mutual commitment to deepening multi-sector cooperation, enhancing trade and investment ties, and opening new horizons for integration and long-term partnership between the two nations.



Reference: [Zawya](#)

Saudi-Egyptian Business Forum Explores \$30B Investment Opportunities

The Saudi-Egyptian Business Forum, held on April 12, 2025, in Cairo, aimed to unlock \$30 billion in investment opportunities, focusing on sectors such as food security, industry, and real estate. With over 100 investors and 10 Egyptian ministers in attendance, the forum underscored the growing economic partnership between the two nations. The event also marked the signing of key agreements and highlighted a 29% rise in bilateral trade, reaching \$16.2 billion in 2024.

Reference: [Arab News](#)

Egypt Targets \$6.5B in Kuwaiti Investments by 2026

Egypt is targeting \$6.5 billion in new Kuwaiti investments by the end of 2026, with \$4 billion expected in 2025. This initiative comes amid President Abdel Fattah El-Sisi's visit to Kuwait. The investments will cover various sectors, including automotive, tourism, real estate, pharmaceuticals, and energy. Egypt is offering new incentives, such as land allocations for industrial projects, especially in the automotive sector, to attract Kuwaiti capital. Currently, Kuwait ranks fifth among foreign investors in Egypt, with over 1,400 joint projects and trade reaching \$507 million in 2024.

Reference: [Zawya](#)

Rating

Egypt's 'B' Rating Maintained by Fitch and S&P

Fitch Ratings affirmed Egypt's 'B' rating with a stable outlook, supported by strong external support but challenged by high debt. S&P Global Ratings revised Egypt's outlook from positive to stable, maintaining a 'B-/B' rating, citing fiscal reforms and risks from global conditions. Both agencies highlight geopolitical risks and external financing pressures.

Reference: [Fitch Ratings](#), [Zawya](#)

Markets

Market Dashboard

- U.S. stocks ended the week lower, with all major indexes posting losses as investor sentiment remained cautious amid ongoing trade tensions and uncertainty over interest rate cuts. Despite brief rebounds midweek, concerns over economic growth, high costs in the healthcare sector, and regulatory pressures weighed on the market. It marked the third decline in four weeks, with the S&P 500 down 1.5%, the Nasdaq falling 2.6%, and the Dow dropping 2.7%. Investors are now focused on upcoming trade negotiations and economic data for clearer direction.
- Bitcoin ended the week slightly higher at around \$85,000, reflecting investor caution amid political and economic tensions in the U.S. While traders are placing bullish bets on a move toward \$90K–\$100K, they're also hedging against possible declines, especially with concerns about stagflation and uncertainty surrounding the Fed. Overall, Bitcoin stayed range-bound between \$83K and \$86K, showing little momentum despite broader market volatility.
- Gold prices hit a record high of \$3,357 per ounce amid concerns that Trump's tariff policies could drive up inflation and hinder economic growth, with Fed Chair Powell warning of potential risks. In response to rising recession risks and strong central bank demand, Goldman Sachs raised its year-end gold price forecast to \$3,700, while Citi increased its three-month target to \$3,500, driven by increased buying from Chinese insurers and demand for gold as a safe-haven asset. China's move to let insurers invest more in gold is expected to further boost demand.
- Oil prices saw a significant increase this week, driven by optimism surrounding a potential U.S.-EU trade deal and new U.S. sanctions targeting Chinese importers of Iranian oil. The sanctions, aimed at refineries in China, are expected to disrupt Iranian oil exports, tightening global supply. Additionally, OPEC+ announced plans for further output cuts to stabilize the market. However, concerns over global trade disruptions and U.S. tariffs led to lower forecasts for oil prices.
- The euro rose earlier in the week but dipped ahead of the ECB meeting on expectations of a rate cut to support a slowing economy under U.S. tariff pressure. The impact on the euro may be limited as markets had already priced it in.

Indicators	11-Apr-25	17-Apr-25	% Change
S&P 500	5,363.36	5,282.70	-1.50%
Bitcoin	83,404.84	84,895.75	1.79%
Gold	3,236.21	3,327.54	2.82%
Crude Oil	64.76	67.68	4.51%
EUR/USD	1.1258	1.1397	1.23%