



Arab Republic of Egypt
Ministry of Finance



STRATEGIC RESPONSE:

EGYPT ECONOMIC RESILIENCE & CRISIS MANAGEMENT FRAMEWORK

2026
MARCH





Arab Republic of Egypt
Ministry of Finance

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Section 01

Egypt Macroeconomic Developments





Egypt Economy is Showing Strong Growth Momentum,

Driven by strong private investment, rebound in manufacturing and pickup in non-oil exports

Quarterly GDP Growth Rate (%)

During the Period (2022/2023 - Q2 2025/2026)

	FY 22/23	FY 23/24	FY 24/25
Real GDP Growth Rate (%)	3.8	2.4	4.4





Egypt Economy is Showing Strong Growth Momentum, Driven by strong private investment, rebound in manufacturing and pickup in non-oil exports

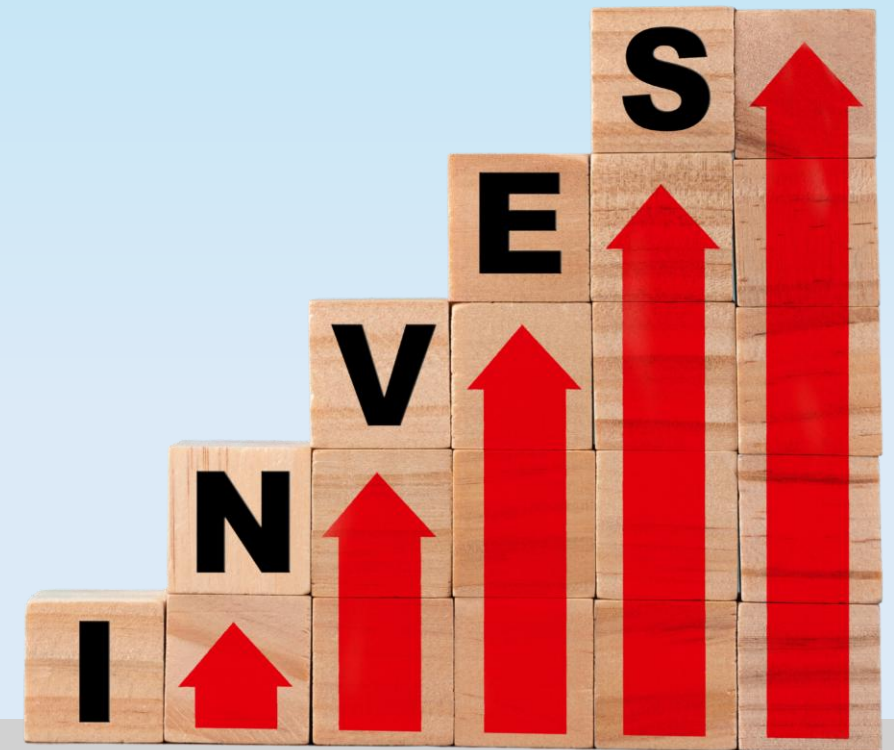
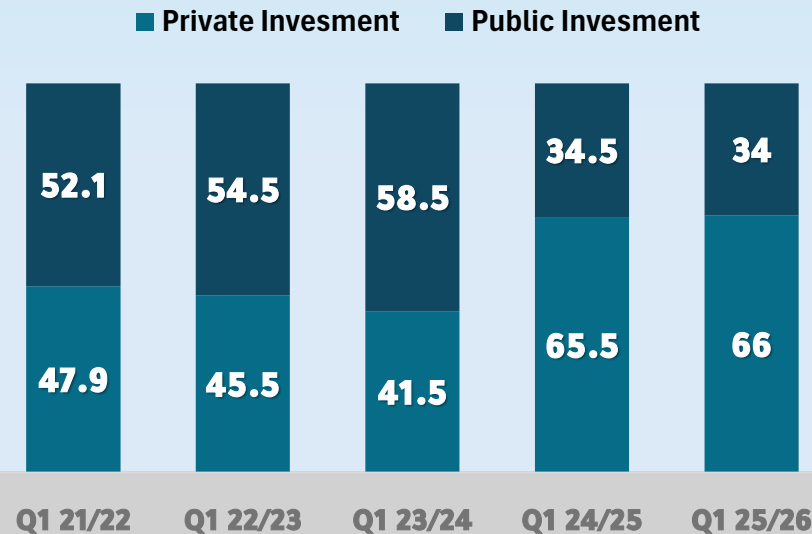


Public & Private Investments [%] During the Period (Q1 2021/2022 - Q1 2025/2026)

Private investments **368.7** *Billion EGP* *In current prices* *grew in Q1 2025/2026 to* *Whereas* **Public investments** **189.8** *EGP Billion* *In current prices* *grew in Q1 2025/2026 to*

The public investments ceiling remains in place during FY25/26 with no real growth compared to previous year

1.0 *Tillion EGP* *In FY 2024/2025* & **1.158** *Tillion EGP* *In FY 2025/2026*

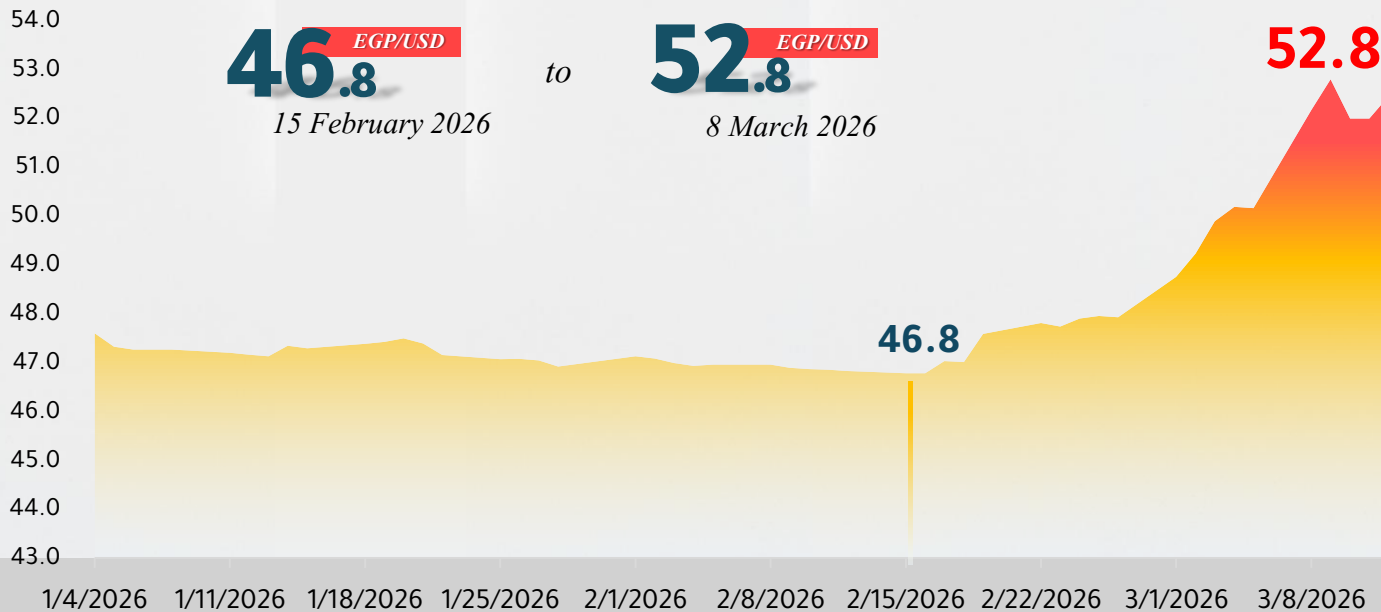




Flexible Exchange Rate Regime is adopted

End of day Exchange rate (EGP/USD)
During the Period (Jan- March 2026)

Due To Ongoing Regional Political Tensions,
The Egyptian Pound reached its lowest level against the Dollar
on 3rd of March since the beginning of the year, surging from



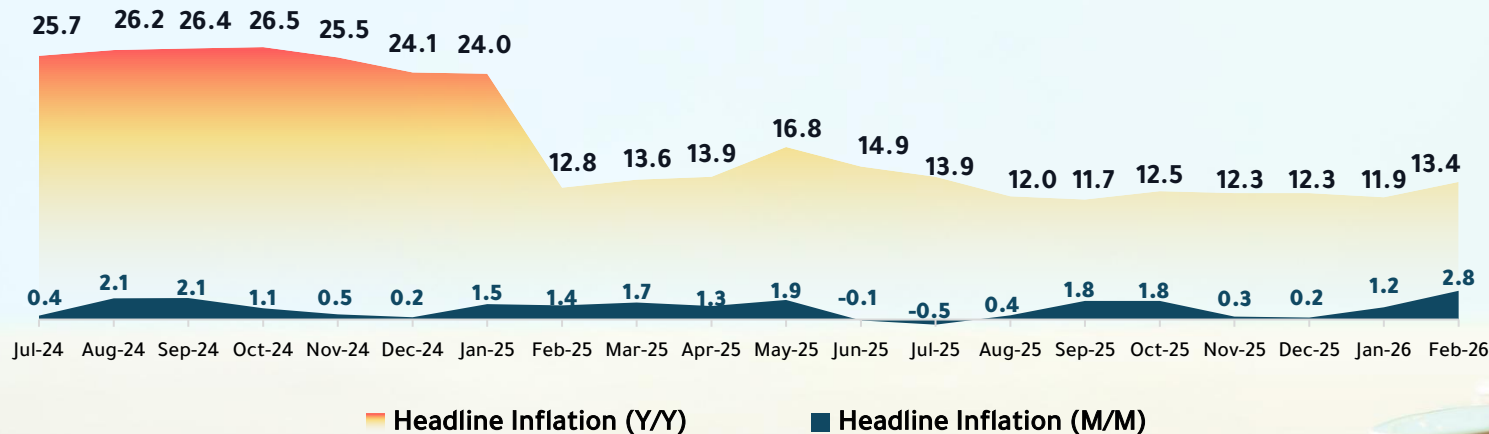


Flexible Exchange Rate Regime is adopted

Headline Inflation rate (%)
During the Period (July 2024- Feb 2026)

Headline inflation rose from **11.9%** in January 2026 to **13.4%** in February 2026

Driven primarily by upward pressures in the education and food baskets.
“The acceleration in food prices reflects **seasonal demand pressures ahead of Ramadan** “.

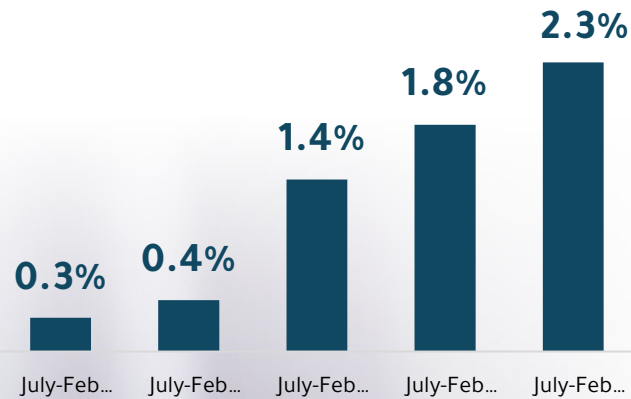


Inflation

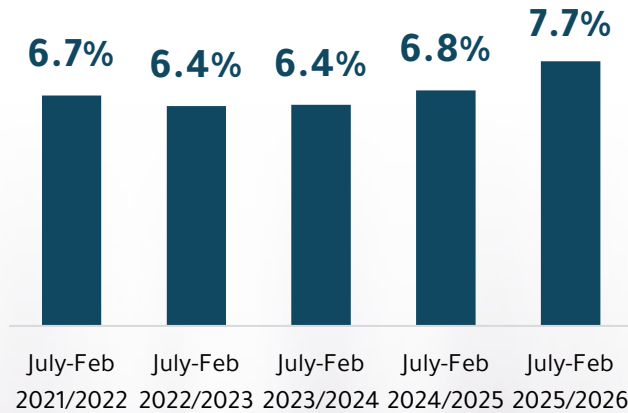


Fiscal Discipline and strong performance has been maintained, driven mainly by very strong tax performance

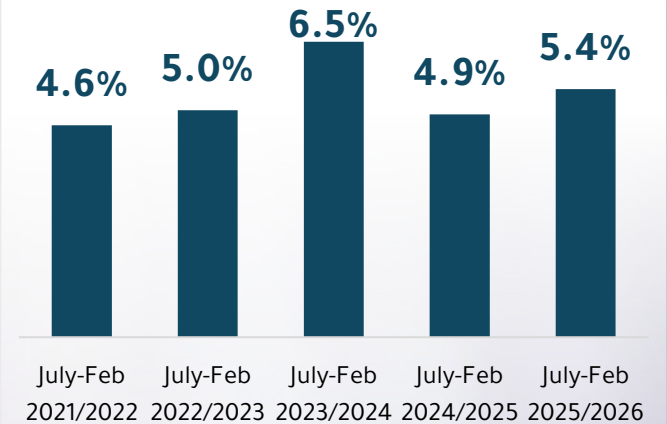
Primary Balance* [% of GDP]



Tax/GDP



Overall Deficit* [% of GDP]



* If Alam El Roum deal is included the primary balance for July-Feb FY25/26 would be 3.1% and the overall deficit would be 4.6%.



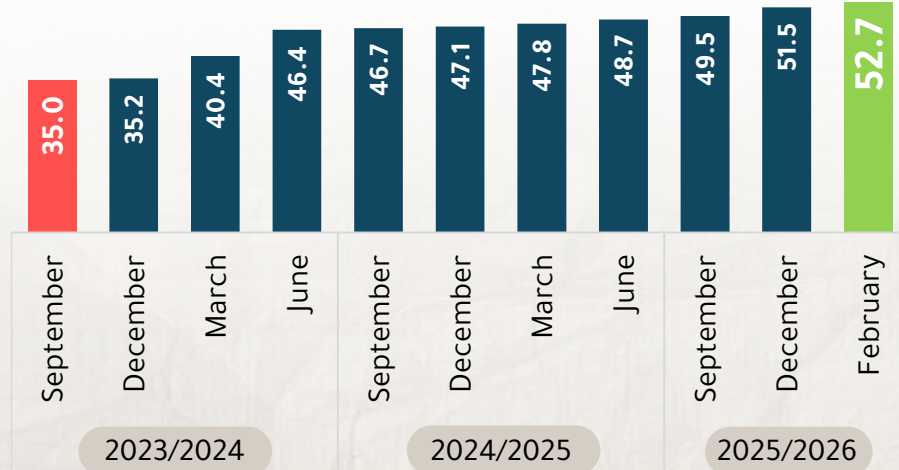


Strong External Buffers In Place

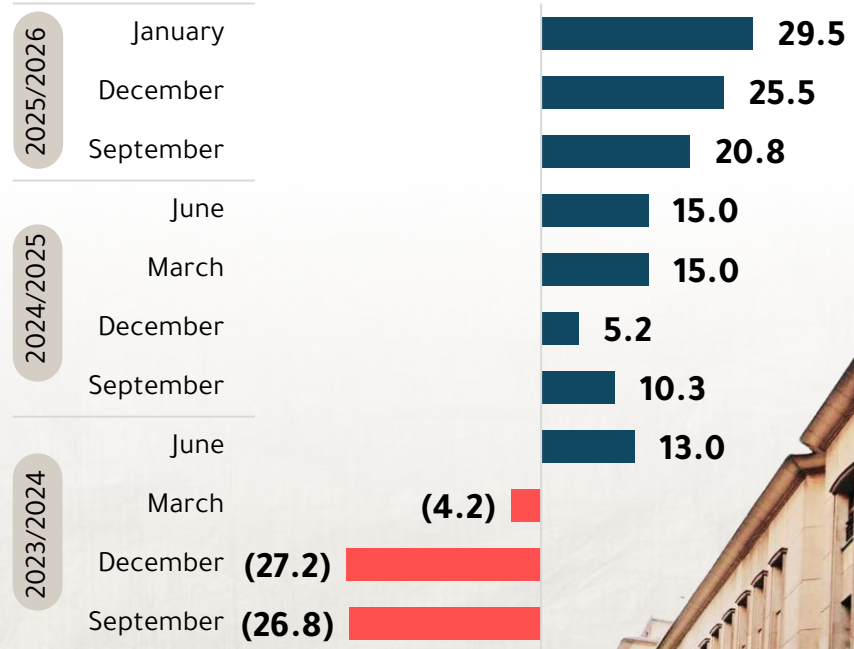
Net international reserves (\$)

Net international reserves have maintained a steady upward trajectory, growing from

35.0 Billion USD in September 2023 to a peak of **52.7** Billion USD in February 2026



Net Foreign Assets (CBE+Banks)

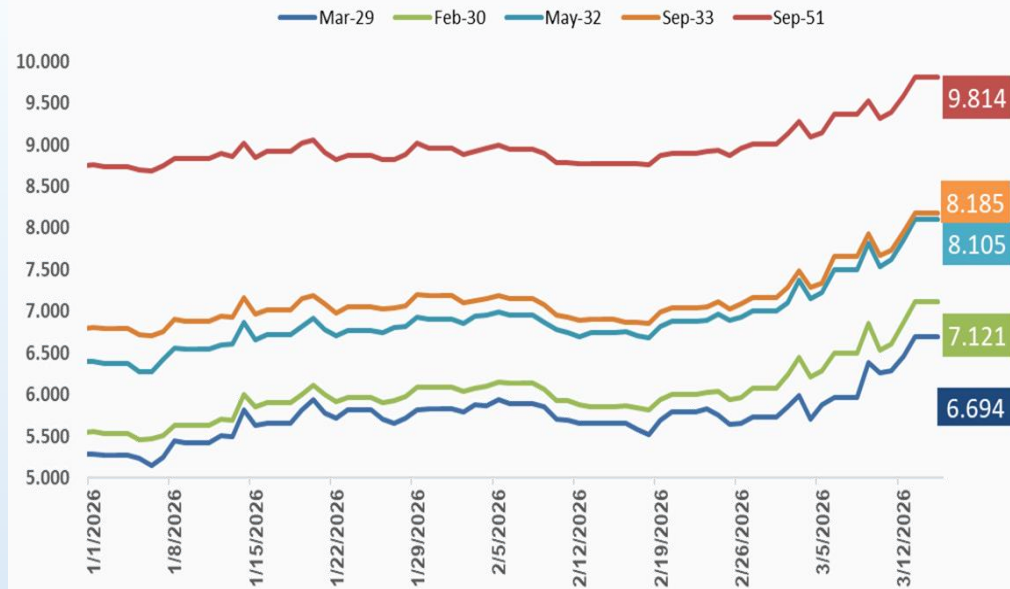




Investors are requesting higher risk premiums considering current developments

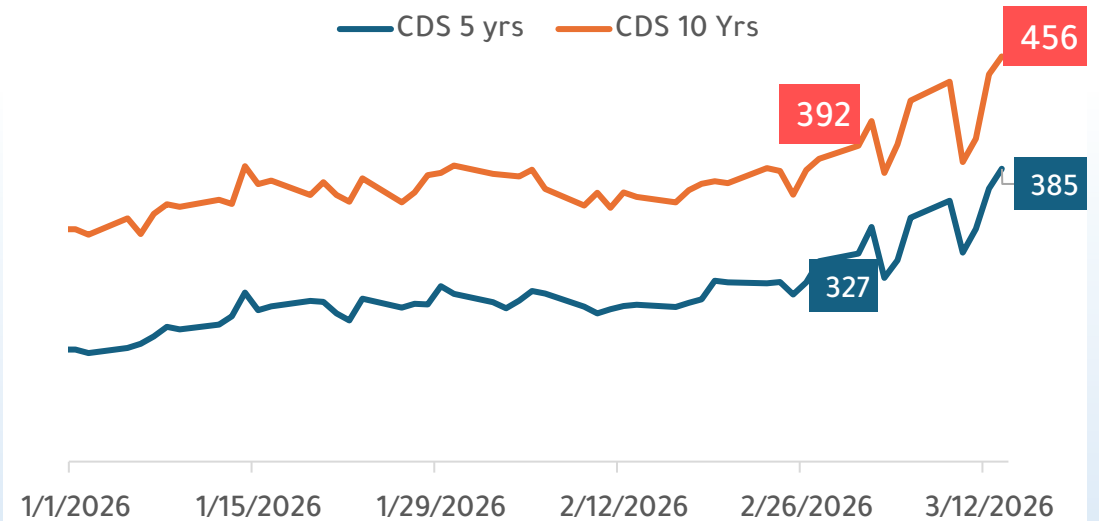
Egypt's Eurobonds

During the Period (Jan- March 2026)



Credit Default Swap For Egypt

During the Period (Jan- March 2026)



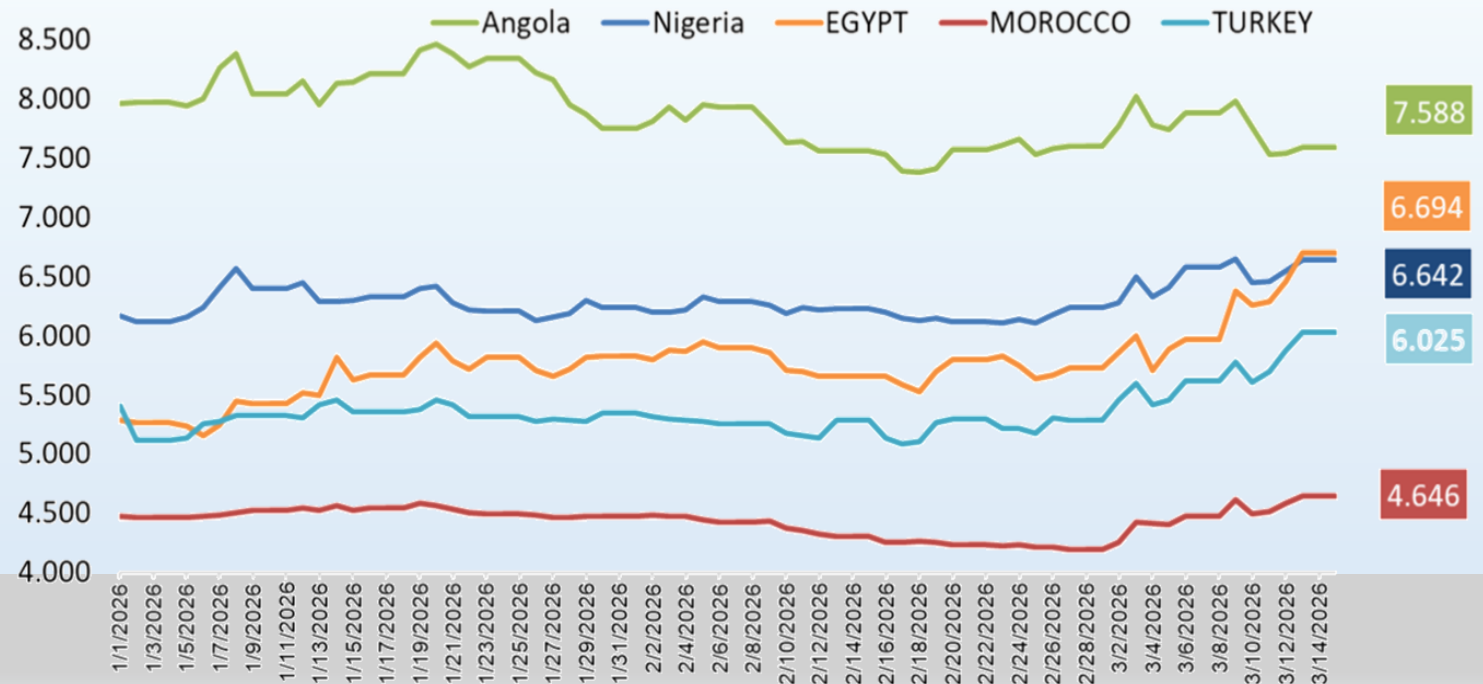


Investors are requesting higher risk premiums considering current developments

Yields of 2-4 YRS Bonds across Emerging Markets

During the Period (Jan- March 2026)

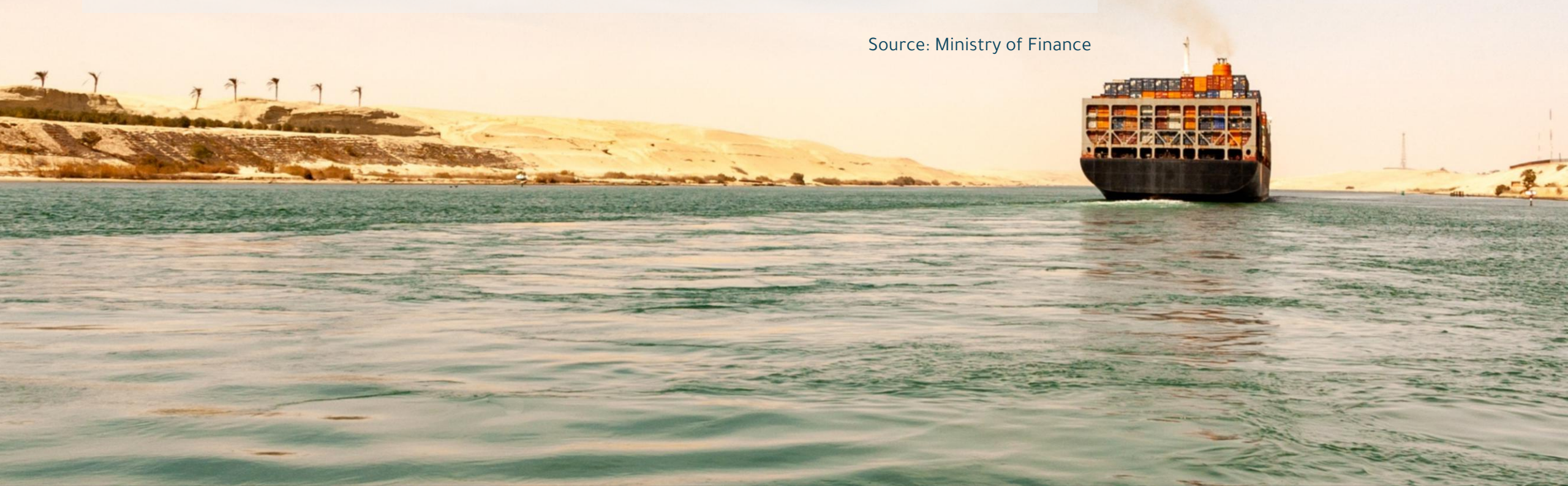
Egypt's bond yields witnessed a significant increase in March to reach 6.694%, placing its risk profile above Nigeria and Turkey, while remaining below Angola's peak levels."



Suez Canal Activity July-Feb (FY 25/26 vs FY 24/25) growing by **21%**

Suez Canal Revenues (USD Mn)	July-Feb FY 24/25	July-Feb FY 25/26	Growth (%)
Total Revenues	\$ 2,469	\$ 2,988	21%

Source: Ministry of Finance





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Section 02

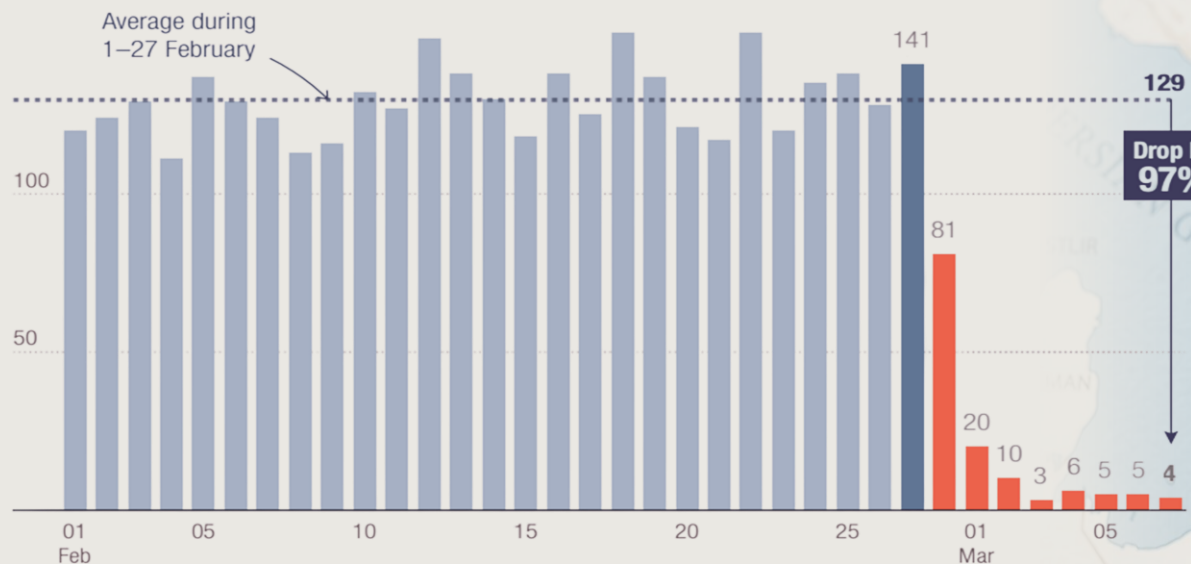
Geopolitical Implications on the Economy



Almost a complete stop of transit through Strait of Hormuz

Total number of daily ship transits through Strait of Hormuz

Since the military escalation in the Middle East, ship transits through the strait have dropped sharply.

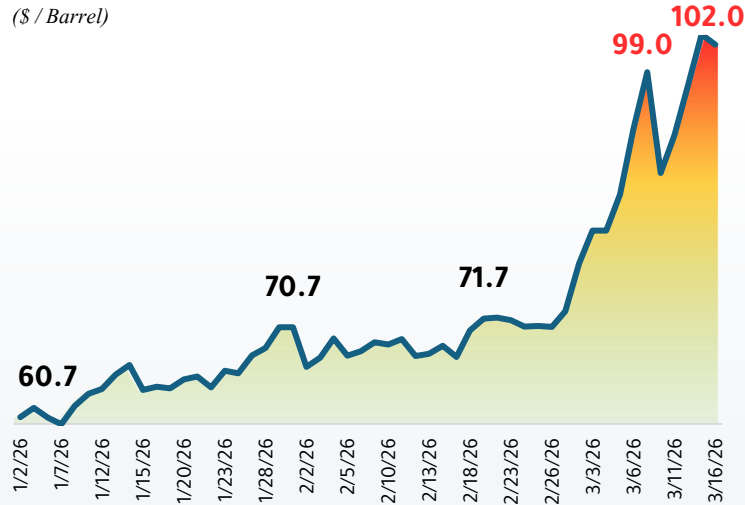


Source: UN Trade and Development, based on data provided by Clarksons Research Shipping Intelligence Network.

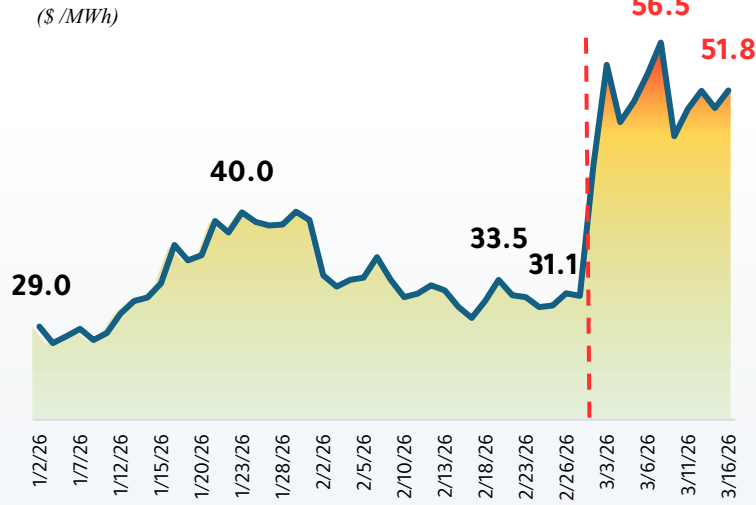


Huge Pickup in Brent and Natural Gas Prices

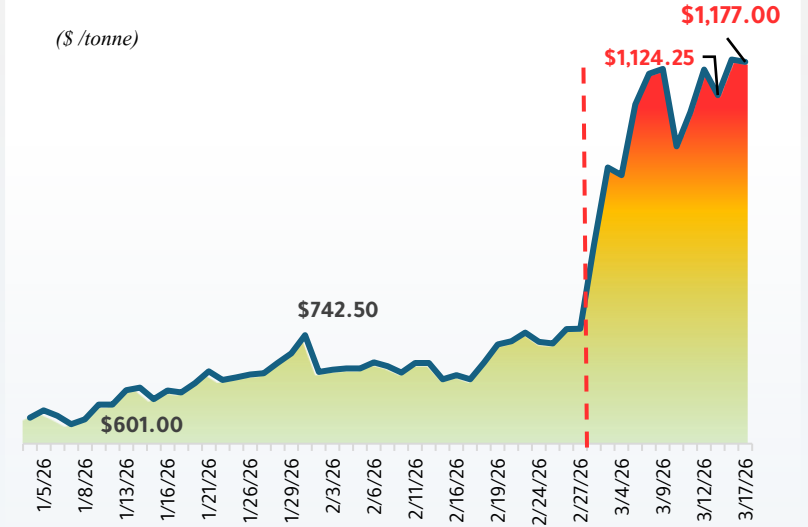
Brent Price (\$)



European Natural Gas Price (TTF) (\$)



ICE Gas Oil



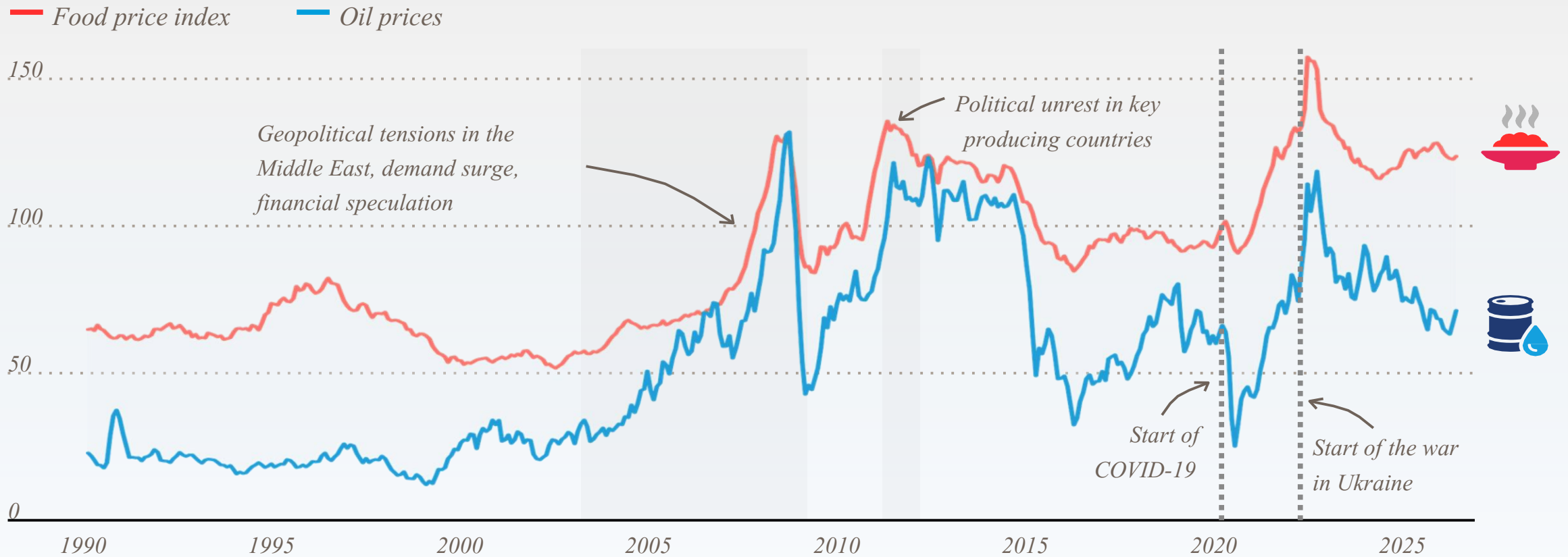
Strategic Commodities Market

Strategic Commodities	Market Close (27-2-2026)	Market Close (06-03-2026)		Change Since Feb	Change % Since Feb
	Average Price	Average price in the First week of the war	Average price in the second week of the war		
Oil - Brent	\$ 72.48	\$ 84.00	\$ 95.37	\$ 22.89	32%
European Natural Gas Price (TTF)	\$ 31.96	\$ 50.00	\$ 51.36	\$ 19.40	61%
ICE GasOil	\$ 752.75	\$ 1,032.00	\$ 1,118.95	\$ 366.20	49%

Source: Bloomberg



Due to higher energy and transportation costs, food prices started to pick up

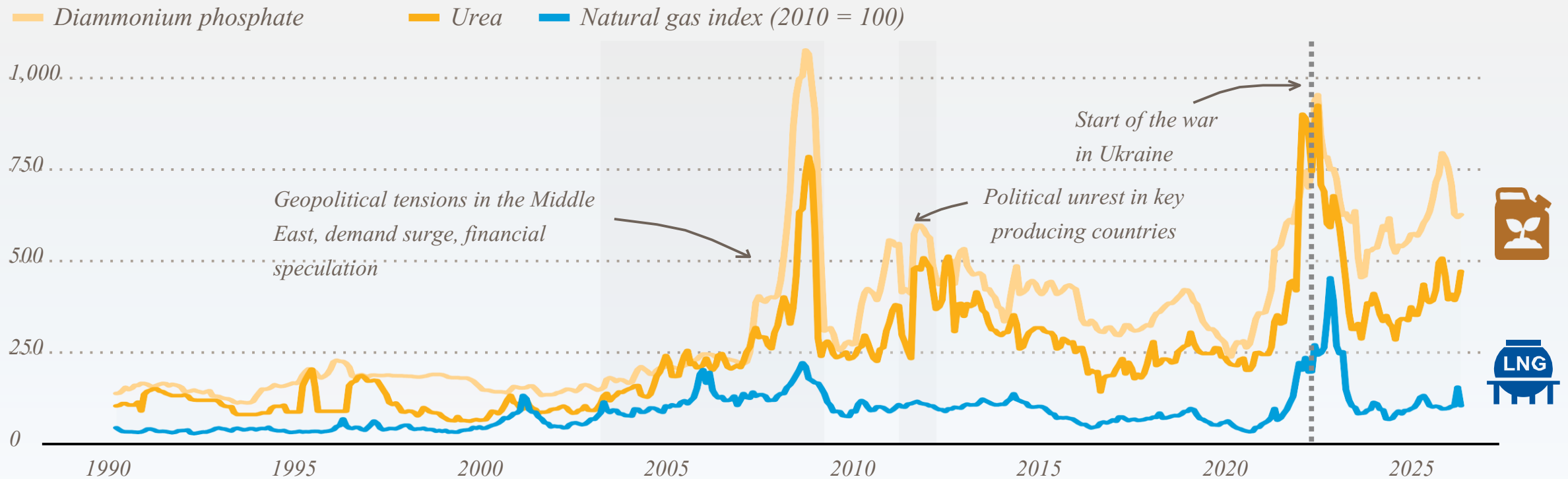


Source: UN Trade and Development, based on the FAO Food Price Index and the World Bank (Pink Sheet).

Note: Oil prices correspond to the price of crude oil, Brent, US\$ per barrel.



Due to higher energy and transportation costs, fertilizers' prices started to pick up



Source: UN Trade and Development, based on World Bank (Pink Sheet).

Note: Fertilizer prices in US\$ per metric tonne. Natural gas index corresponds to the average gas prices of Europe, US and Japan (LNG), with weights based on 5-year average consumption volumes

Higher risk insurance premium for sea transportation **would increase costs charged by transportation companies of all goods**

Ship value used for calculation
\$100 million



Source: UN Trade and Development, based on Kpler, Lloyd's List and Marine Insight.

Note: Ship replacement value corresponds to a very large crude carrier (VLCC). War premiums refer to the Middle East.

▶ War-risk premium
0.25%



Cost per voyage
\$250,000

Typical premium for a \$100M vessel

▶ Premium increase
+100%



Cost per voyage
\$500,000

Insurance costs double

▶ Premium increase
+300%



Cost per voyage
\$1,000,000

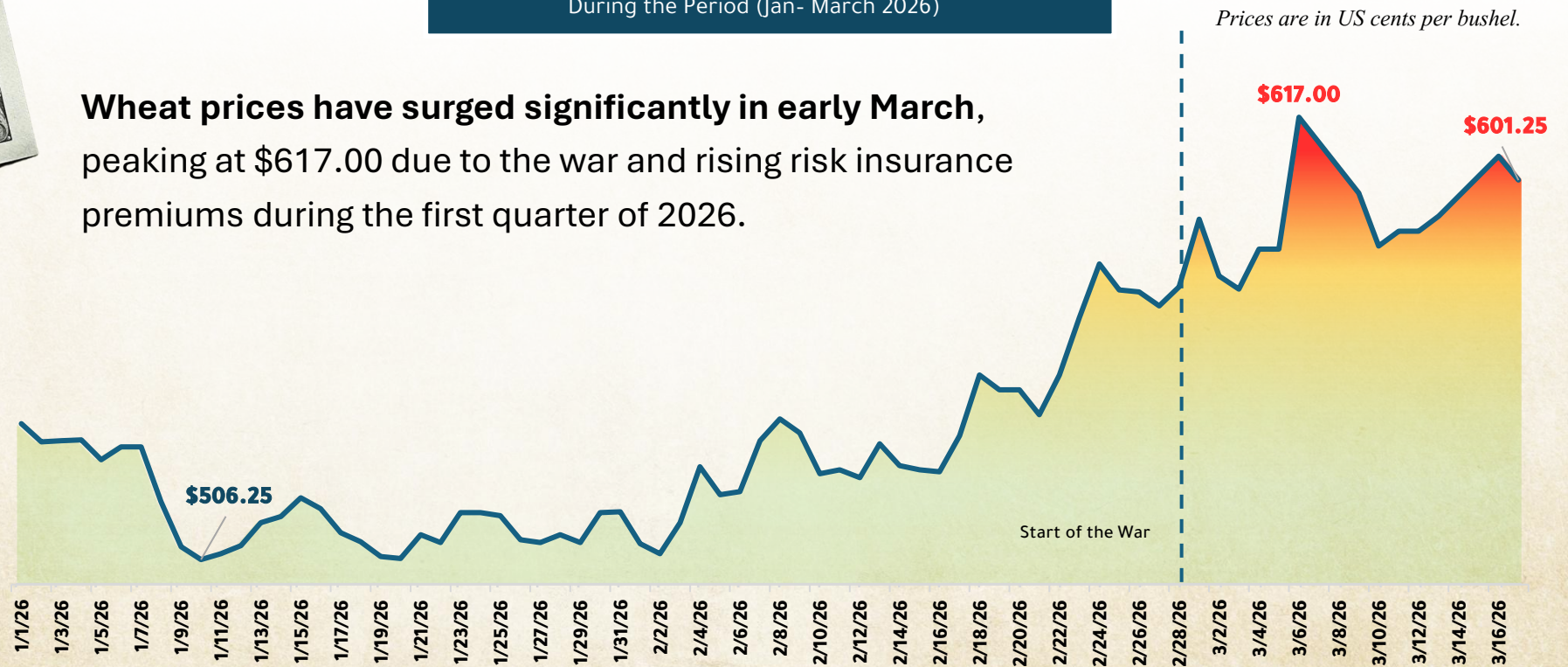
Insurance costs quadruple

Wheat prices impacted by higher risk insurance premium

Wheat Prices in CBOT Exchange (USD)

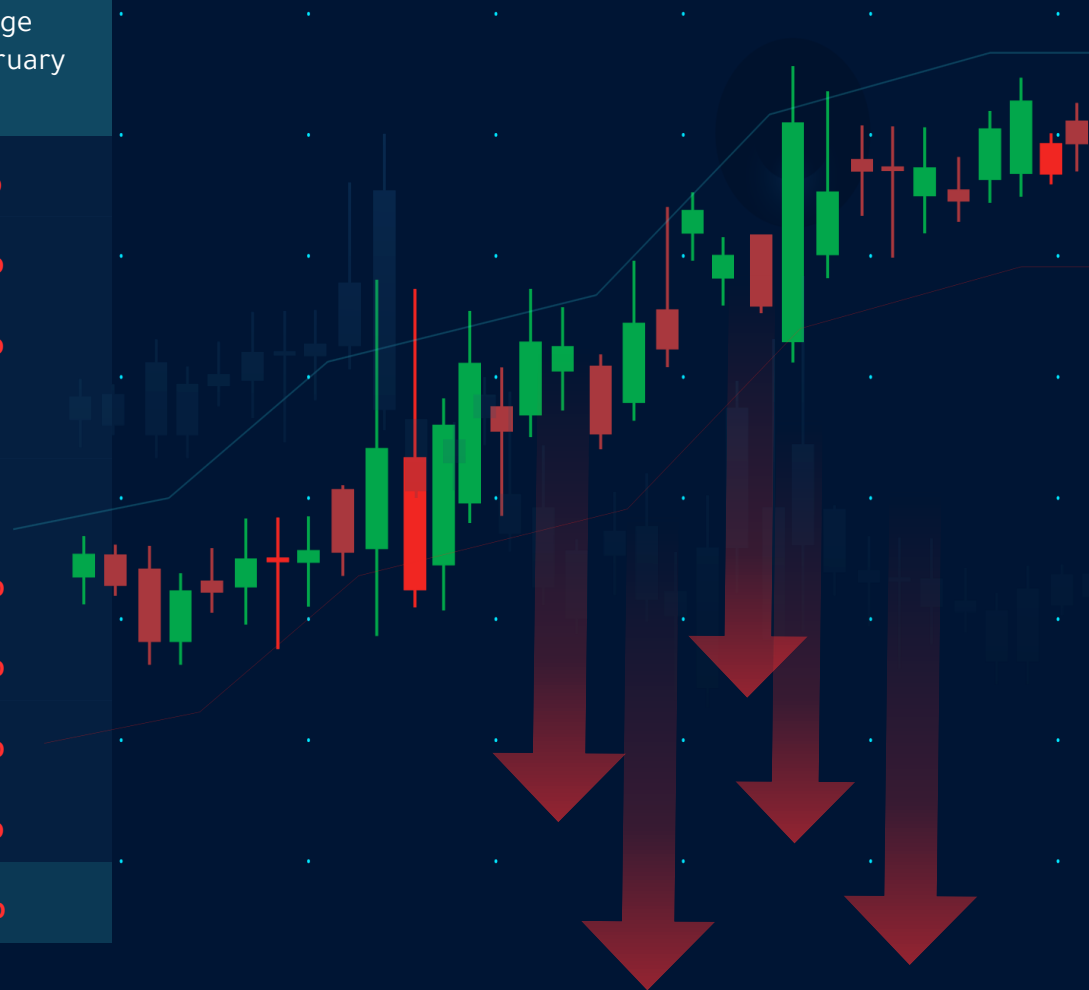
During the Period (Jan- March 2026)

Wheat prices have surged significantly in early March, peaking at \$617.00 due to the war and rising risk insurance premiums during the first quarter of 2026.



Higher Risk Premium **impacting negatively** global stock market performance

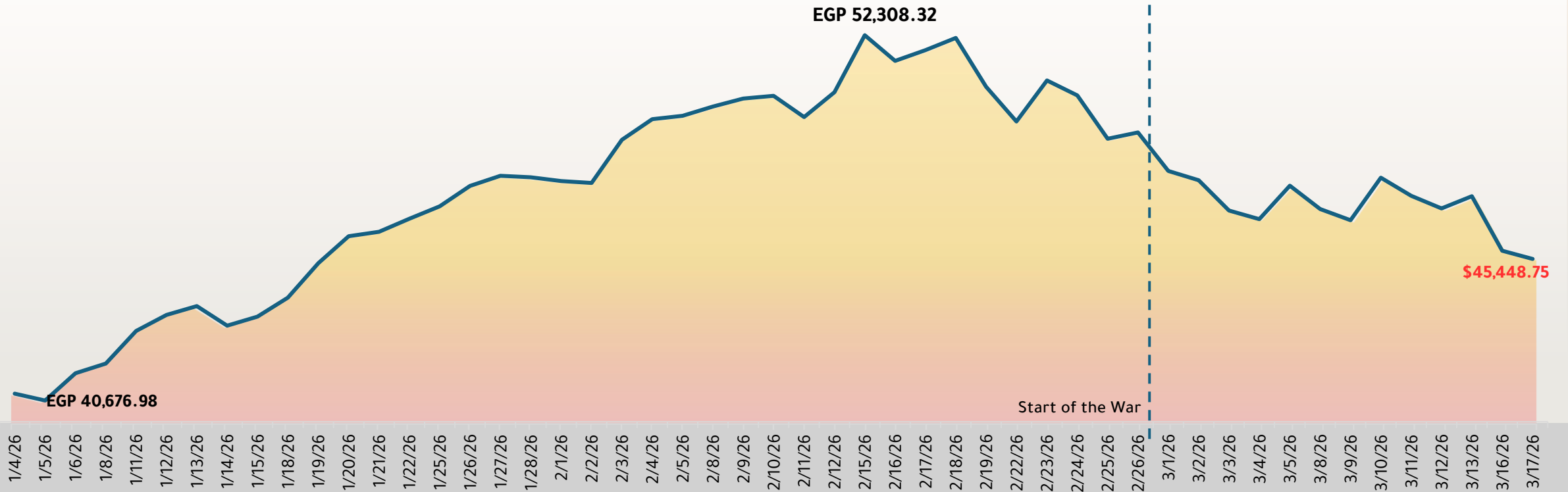
Stock Exchange	Market Close (27 February) (Average Price)	Market Close (6 March) (Average Price in the First Week of the War)	Market Close (12 March) (Average Price)	% Change from February
Nikkei 225	\$ 58,850	\$ 56,197	\$ 54,453	-7%
Shanghai Comp	\$ 13,718	\$ 13,124	\$ 13,299	-3%
Dow Jones	\$ 48,978	\$ 48,320	Closed	-3%
S&P-500	\$ 6,879	\$ 6,828	Closed	-1%
Nasdaq-100	\$ 24,960	\$ 24,894	Closed	0%
DAX	\$ 25,204	\$ 24,199	\$ 23,152	-8%
Eurostoxx-50	\$ 6,138	\$ 5,872	\$ 5,742	-6%
FTSE 100	\$ 10,911	\$ 10,580	\$ 10,301	-6%
Istanbul 100	\$ 312.11	\$ 295.96	\$ 301.24	-3%
EGX 30	\$ 49,213	\$ 47,191	\$ 47,339	-4%



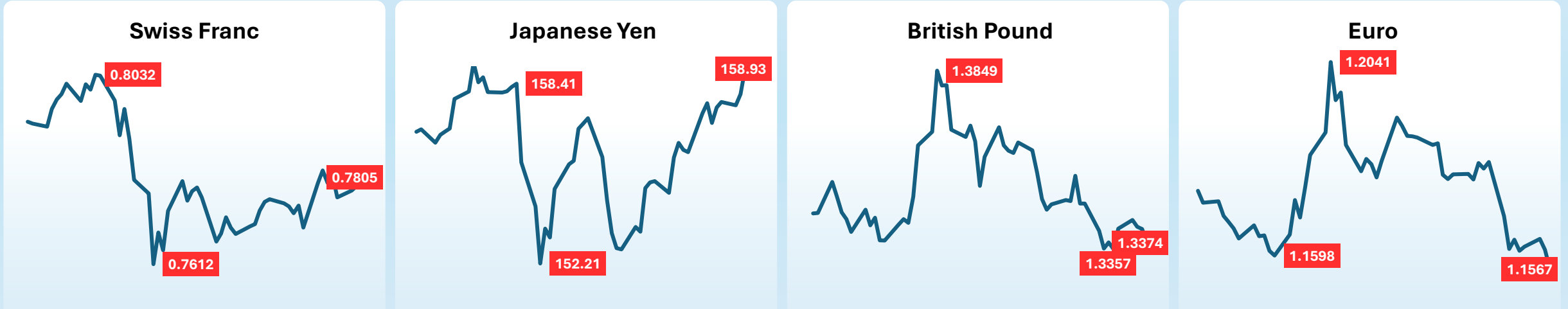


EGX 30 Performance post war

EGX 30-Egyptian Stock Market
During the Period (Jan- March 2026)



Global Exchange Rate



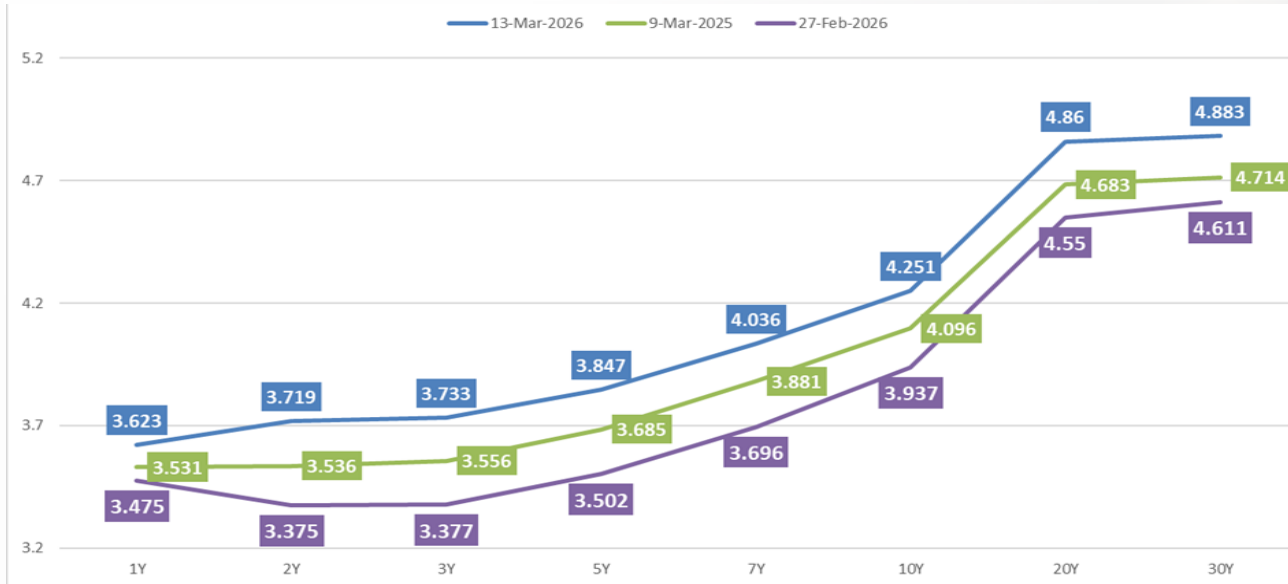
Exchange Rate to USD

FX	Market Close (27 February)	Market Close (6 March)	Market Close (12 March)	% Change
	Average Price	Average Price in the First Week of the War	Average Price	% Change from February
Euro	1.1812	1.16324	1.1545	-2%
Japanese Yen	156.05	157.512	158.93	2%
Swiss Franc	0.7693	0.7795	0.7819	2%
British pound	1.3482	1.3382	1.3374	-1%
EGP	47.9225	50.3206	52.3828	9%
USD/Turkish Lira	43.94	44.07	44.20	0.6%



Yields of US Treasury Bonds

US Treasury Bonds Yields



US Treasury Bonds	27-Feb-26	13-Mar-26	Change
2-Year	3.38%	3.72%	0.34%
5-Year	3.50%	3.85%	0.35%
7-Year	3.70%	4.04%	0.34%
10-Year	3.94%	4.25%	0.31%
30-Year	4.61%	4.88%	0.27%

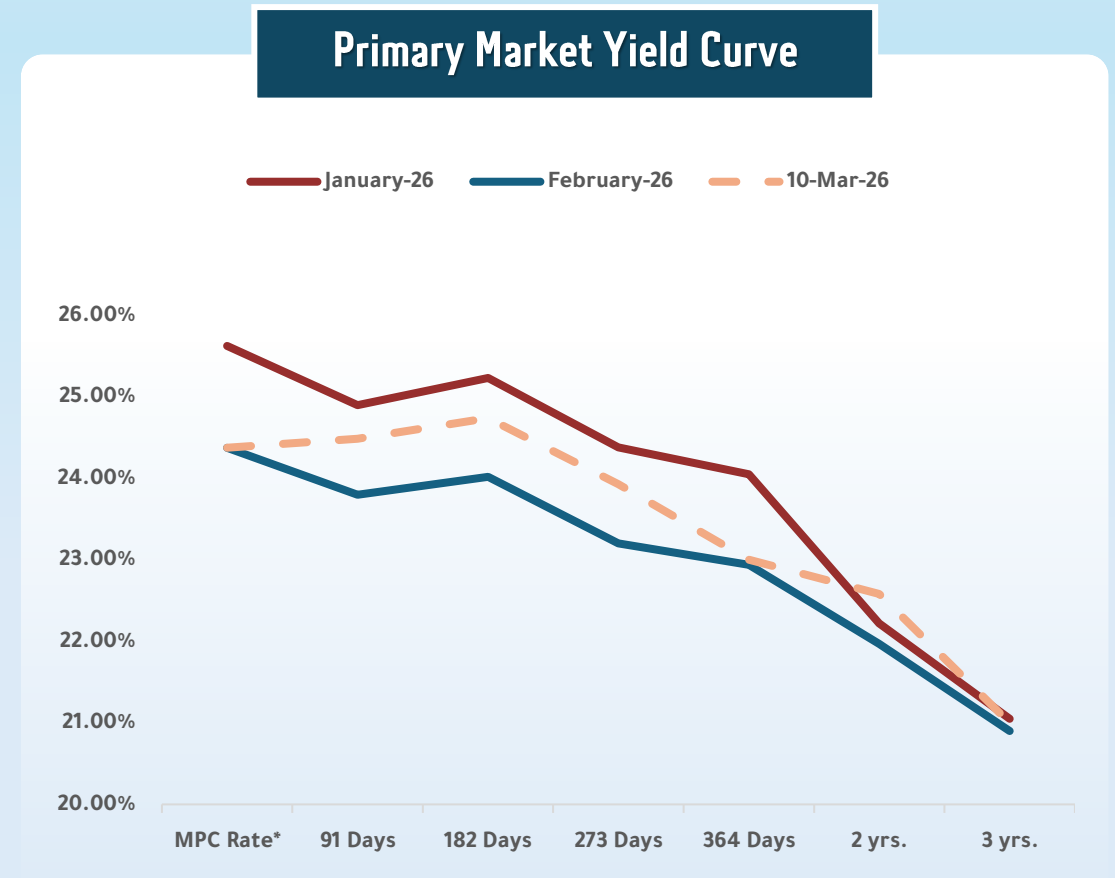


Premium is increasing in Egyptian domestic yields

Market Comparison (Pre and During War):

	Before War			During War		
	Sept-25	Jan-26	Feb-26	Feb-2026 VS Jan-2026	10-Mar-26	10-Mar-2026 VS Feb-2026
MPC Rate (Include 20% tax)	26.88%	25.625%	24.375%	-1.250%	24.375%	0.000%
91 Days	27.34%	24.900%	23.799%	-1.101%	24.488%	0.689%
182 Days	26.93%	25.231%	24.020%	-1.211%	24.739%	0.719%
273 Days	26.60%	24.381%	23.201%	-1.180%	23.930%	0.729%
364 Days	25.96%	24.051%	22.940%	-1.111%	23.001%	0.061%
2 yrs.	23.52%	22.220%	21.970%	-0.250%	22.580%	0.610%
3 yrs.	22.98%	21.050%	20.900%	-0.150%	21.000%	0.100%

* / Accepted rates on 12-March-2026



include 20% tax*



Sensitivity analysis on Exchange Rate and Global Wheat Prices on Budget FY 2026/27

Exchange rate (USD/EGP)	The price of wheat upon arrival at Egyptian ports (USD per ton)								
	270	275	280	285	287	290	295	300	
	Change in Billion EGP								
45	7	6	5	4	3	3	2	1	
46	6	5	3	2	2	1	0	(1)	
47 (Price in Budget)	4	3	2	1	1	0	(1)	(2)	
48	3	2	1	0	(1)	(1)	(2)	(4)	
49	2	1	0	(2)	(2)	(3)	(4)	(5)	
50	1	(1)	(2)	(3)	(3)	(4)	(5)	(6)	
51	(1)	(2)	(3)	(4)	(5)	(5)	(7)	(8)	
52	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
53	(3)	(4)	(6)	(7)	(7)	(8)	(9)	(10)	



Egyptian Exports & Imports

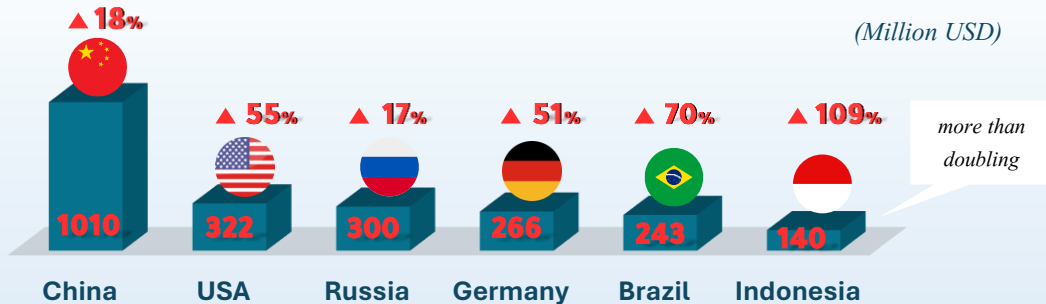
17 Days Since the War (Feb 28 – Mar 16, 2026 vs. same period 2025)

Overall Performance

Import declarations up 6% YoY (35,749 vs. 33,698), with import value up 24% to \$4.28bn



Top Import sources (by value)



Key Import Commodities

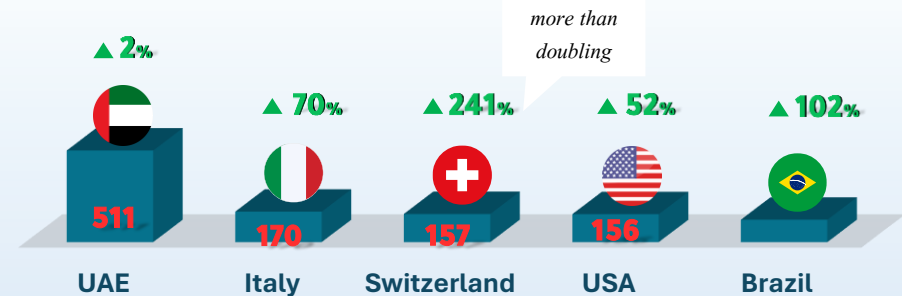
- Wheat imports surged +57% to \$286m “the largest strategic commodity by value”
- Followed by oil at \$206m (+184%), soybean at \$163m (+84%)
- Poultry imports decreased -95%, rice -22%, lentils -51%
- Passenger cars remain the top non-food import in value at \$197m (+66%)

Overall Performance

Export declarations up 19% YoY (34,499 vs. 28,870), with export value up 31% to \$2.93bn



Top Export sources (by value)



Key Export Commodities

- Gold is the top export by value at \$643m (+30%),
- Followed by citrus fruits (\$178m, +74%) and nitrogen fertilizers (157m, +81%)



Source: Egyptian Customs Authority



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Section 03

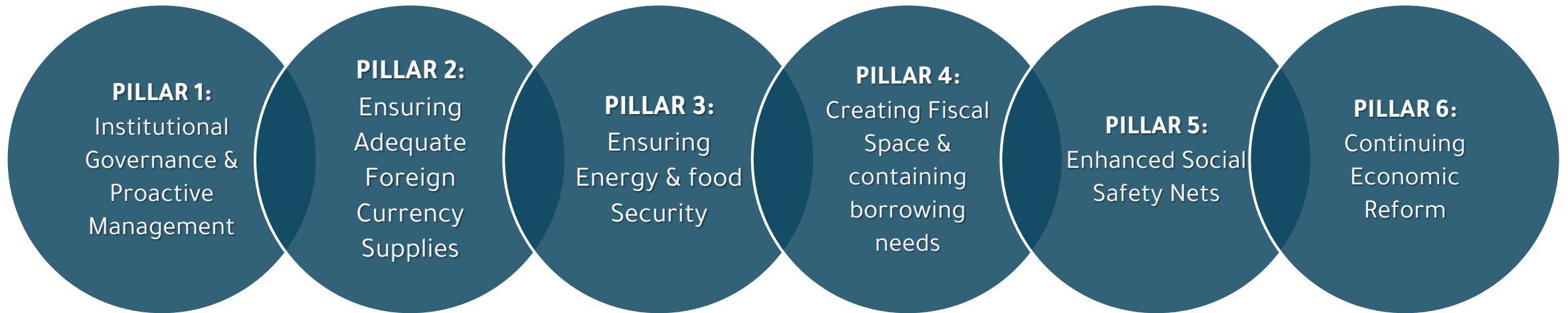
Egypt Mitigation Strategy (6 Pillars)



Egypt Mitigation Strategy – 6 Pillars

The Egyptian Government identified a strategy to mitigate the repercussions of the recent war in order to sustain economic activity and maintain the FDI's as well as to preserve trade and foreign currency inflows.

In this respect, the strategy consists of 6 pillars of policy responses:



Pillar 1 | Institutional Governance & Proactive Management

The committees have two main levels:

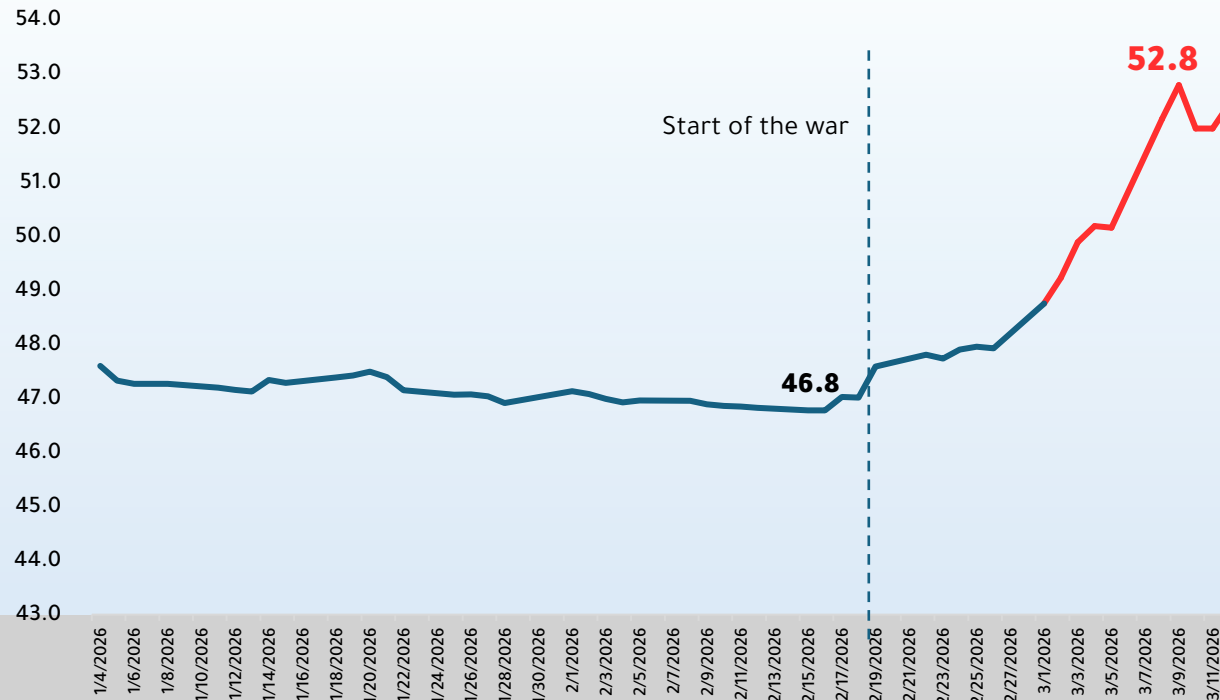
1. The government of Egypt activated Central Crisis Management Committee headed by H.E. Prime Minister. The committee meetings are held twice a week to look into the consequences of Iran war as well as to take immediate actions and policies to deal with the situation.
2. **The Ministry of Finance** activated a crisis management committee inside the Ministry, wherein a weekly meeting is held. Five sub-committees were formed to address all challenges in a fast-track and proactive manner. Those sub-committees are;
 - **Budget Execution Subcommittee:** Focuses on the measures that must be taken to address the repercussions of the crisis, reviews the expenditure items that can be frozen or reduced, as well as the essential items that must continue to be funded.
 - **Resources Subcommittee:** focuses on monitoring revenue collection in a focused manner, and presenting a periodic report.
 - **Debt and Fiscal Risks Subcommittee:** Monitors debt instruments, reviews available financing mechanisms from international institutions, provides alternatives for debt service control measures, and prepares weekly reports.
 - **Indicators Monitoring Subcommittee:** monitoring international reports and indicators affecting the Egyptian economy and the risks associated with them, and submitting the necessary proposals.
 - **Communication Subcommittee:** Monitors all related news and prepares necessary press releases.



Pillar 2 | Ensuring Adequate Foreign Currency Supplies

CBE maintained flexibility of exchange rate as a shock absorber leading to managed portfolio outflows

End of day Exchange rate (EGP/USD)



International Portfolio Investors Net Flow through buying USD from the banking sector (USD 'mn)

01 March	-\$1,050.00
02 March	-\$150.00
03 March	-\$1,060.00
04 March	-\$290.00
05 March	-\$517.00
08 March	-\$1,500.00
09 March	-\$1,500.00
10 March	\$2,000.00
11 March	-\$200.00
12 March	-\$1,450.00
15 March	-\$350.00
Total	-\$6,067.00

Source: CBE

Source: Ministry of Finance



Pillar 2 | Ensuring Adequate Foreign Currency Supplies

The table shows the redemption schedule for FY 2025/2026 and the corresponding financing plans for H2 FY 2025/26:

		Redemption FY 2025/2026			
In Millions	Q1	Q2	Q3	Q4	
Bonds	-	750 USD	2,250 USD	1,000 EUR	

Egypt is highly proactive in managing its external debt, and we have three operations that can secure around USD 2 Bn from Markets:

- **Plan A:** We are ready to tap international markets with labeled issuances
- **Plan B:** We are working on a guaranteed issuance to access the market under more favorable terms and pricing
- **Plan C:** We are actively working on other funding option to be available if needed

Accelerating the concessional financing planned for this fiscal year (Total USD 3.5–4.5 Billion by end of June 2026);

- Second tranche of EU budget support program (1.5 Bn USD)
- Budget support from MDB partners: World Bank and/or Asian Infrastructure Investment Bank (1.5 Bn USD)
- IMF 7th review to be finalized by June (1.5Bn USD)

As part of the mitigation measures for Fx liquidity, Egypt is working to double its currency swap agreement with China to protect the economy from regional instability and falling Suez Canal revenues. Foreign Minister Badr Abdel Ati and Chinese Foreign Minister Wang Yi discussed a plan that allows Egypt to pay for Chinese imports in CNY during a phone call last Thursday.



Pillar 3 | Ensuring Energy & Food Security

The Government have taken the following procedures to ensure energy security is sustained;

1. Raising the prices of oil products at the local market, aiming at providing a monthly liquidity of about EGP 9-10 bn for The Egyptian General Petroleum Corporation (EGPC) to encounter the situation. As shown in the below tables;

Product		Prices			Estimated Savings in FY25/26 March 10th To June 2026 (additional revenues)	Estimated Savings FY2026/2027 (additional revenues)
		Old price	New price	% increase	EGP (million)	
LPG	cylinder	225	275	22%	4,329	13,300
Gasoline (Total)		58	67	47%	10,634	33,657
Gasoline 95	Litres	21	24	14%	1,153	3,669
Gasoline 92		19.25	22.25	16%	5,781	18,768
Gasoline 80		17.75	20.75	17%	3,701	11,220
Diesel		17.5	20.5	17%	17,032	52,890
Total saving amount					31,995	99,847

Pillar 3 | **Ensuring Energy & Food Security**

The Government have taken the following procedures to ensure energy security is sustained;

- 2. The government increased natural gas prices for vehicles and households** which would lead to EGP 10 Bn in savings.
- 3. The government finalized the connection of electricity network with Kingdom of Saudi Arabia to exchange electricity surplus** at the rush times (peaks) of both countries, which would achieve saving for both Egypt and KSA. This highlights the importance of making the best use of this connection and accelerating the development of new and renewable energy sources.





Pillar 3 | Ensuring Energy & Food Security

The Government of Egypt have already **transacted hedging contracts during FY 2025/2026 of around 50% of the needed imports**

Implementation of the Oil Hedging Strategy

- In order to protect the state budget from potential oil price shocks, the Ministry of Finance implemented a comprehensive oil hedging program during FY 2025/2026.

Key elements of the program include:

- Hedging approximately 50% of Egypt's petroleum needs purchased by EGPC and the Ministry of Petroleum, providing protection within a price range of \$76.5 to \$96.5 per barrel.
- This strategy ensures that a significant portion of the country's oil import requirements is shielded from extreme market volatility.

Budget Protection Under High Price Scenarios

Key considerations as per below table:

- The budget assumption for Brent oil prices in FY 2025/2026 is \$80 per barrel.
- The average Brent price since July 2025 is approximately \$67 per barrel, providing additional fiscal space.
- Even under a high-price scenario where Brent remains at \$100 per barrel until the end of June 2026, the annual average price would reach approximately \$76.8 per barrel, which remains below the budget assumption.

	Price
ICE BRENT as per budget	\$ 80.00
Avg. BRENT prices FY25/26	\$ 67.00
Avg. BRENT prices FY 25/26 if prices remained at \$100 till end of June	\$ 76.80
Budgeted Protected Range	\$ 76.5-96.5

Pillar 4 | **Creating Fiscal Space & containing borrowing needs**

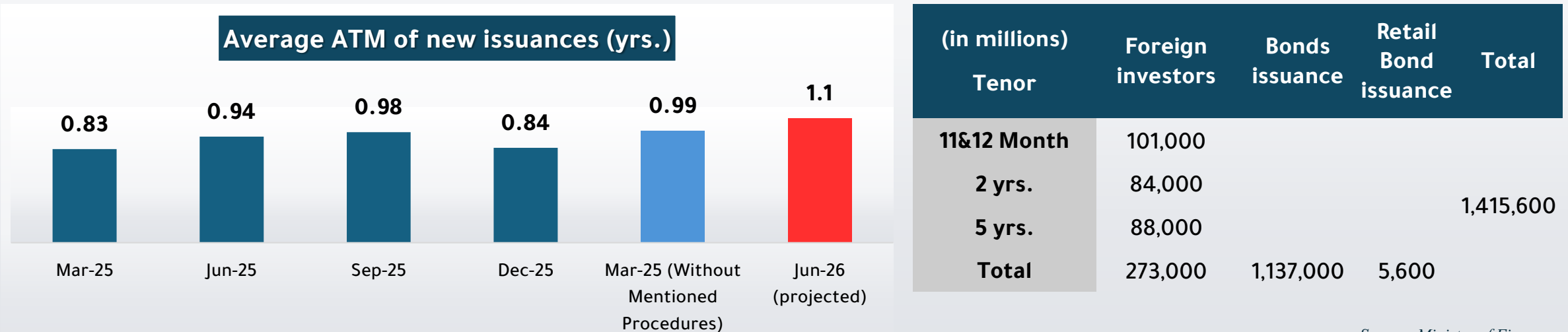
The Government have taken the following procedures to rationalize expenditure and create fiscal space;

1. Promptly issue a decision **to rationalize non-priority spendings till the end of June 2026 with a targeted saving of around EGP 40Bn while adopting the following principle;** Rationalization measures must not impair entities' ability to deliver their mandated services.
 - Disbursement in foreign currency requires prior MoF approval (Financing & Debt Management Units), coordinated with the Central Bank.
 - All entities are directed to develop own-source revenues to reduce reliance on deficit-financed appropriations.
 - Government travel restricted to cases of absolute necessity, requiring Prime Minister approval – unless fully funded by the inviting party with competent authority approval.
2. The Ministry of Finance to **increase contingency reserves for the next year budget 2026-2027** to reach the constitutionally approved ceiling, which is **5% of budget allocations for each chapter**, with a careful use of reserves for the **remainder of the current fiscal year 2025-2026, which still had EGP 50-70 Bn unused contingencies so far.**

Pillar 4 | Creating Fiscal Space & containing borrowing needs

3. Active Debt Management to reduce GFN

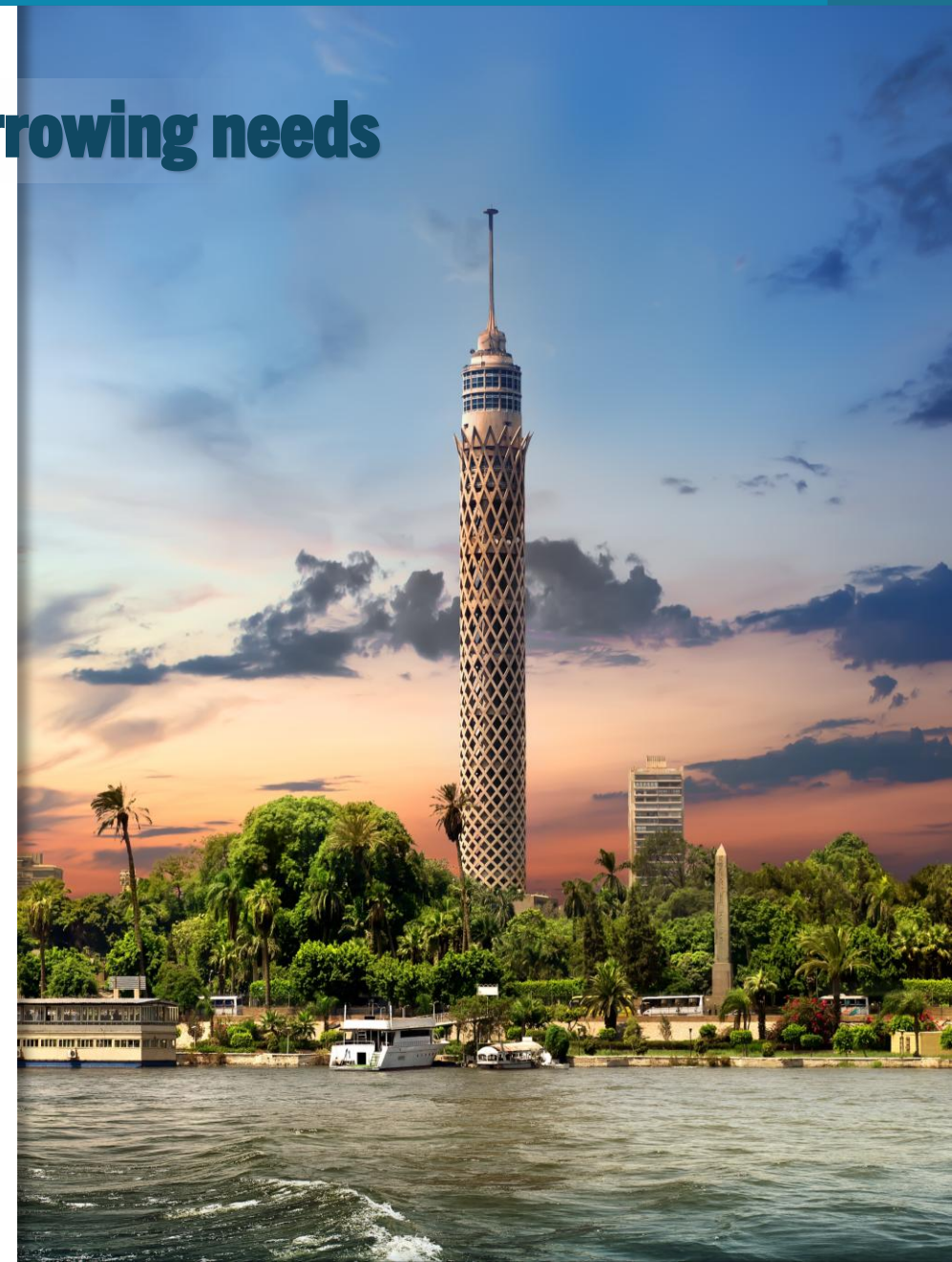
- Despite the geopolitical situation, MOF managed to lengthen the average maturity of the new issuances during Q3 2025/2026 by the following measures:
 - Increasing the issuance of Bonds to total issuance from 11% in Q2 2025/2026 to 17% during Jan/March 2026.
 - ATM of new issuance in Q3 is the longest ATM on quarters since 2024/2025, which helped in decreasing Roll over risk, as well as refinancing needs as though bonds are a substitution of 3 bill issuance.
 - Issuing an 18mth Retail Bond through our Post Office, with the 1st issuance reaching EGP 5.6bln, helping in diversification of investor base and extending the ATM.



Source: Ministry of Finance

Pillar 4 | Creating Fiscal Space & containing borrowing needs

4. hedging gains to be realized this fiscal year will be used to provide additional support to energy sector.
5. Completing **issuances of the Citizen Bond through the post office (already issued EGP 5.6Bn in the first month)**, targeting proceeds of no less than EGP 30 billion by end of April 2026 to finance budget needs
6. **Accelerating the collection of treasury profit share and working on raising treasury share in the profits** realized this year to assist in addressing the current situation.
7. The Ministry of Planning will **set a monthly ceiling for the payment orders issued with respect to public investments**, which should not exceed EGP 20bn per month until the end of the year.
8. Ensuring that entities do not exceed their budget envelopes.



Pillar 5 | Enhanced Social Safety Nets

The Government have taken the following procedures to increase social support in mitigation for the current situation;

1. Extending the decision of providing additional financial support to the beneficiaries of "Takaful and Karama" initiative and the unprivileged segments having ration cards for **additional two months (till May 2026)**.
 - Increase cash transfer by 400 EGP to 15 million families, of which 5 million in takaful and Karama
2. **Targeting a real increase of 10% in wages and salaries for government employees in the next fiscal year 2026/2027.**
3. Increasing contingencies to the maximum legal limit of 5% in the FY 2026/2027 budget (from 3% in FY2025/2026) which will help in dealing better with future shocks



Pillar 6 | Continuing Economic Reform

The Government is committed to continue the economic reform through the following;

1. **Property tax reform** package already approved by parliament and implemented.
2. **Exceptional customs facilities have been introduced for transit shipments through Egyptian ports, allowing procedures to be completed without requiring pre-registration under the Advance Cargo Information (ACI) system** and all its related fees for three months. This aims to facilitate the movement of goods through Egyptian ports to their final destinations.
3. **Finalizing the second package of tax facilitation (expected to be in the coming weeks)**
4. Accelerating the program of **initial public offerings (IPOs)** through Egypt's Stock Exchange and launching at least 2-3 IPOs before June 2026 (including Banque du Caire and Misr Life Insurance Company), in addition to finalizing the transaction of "Jabal Elzait" targeting EGP 70 Bn.
5. **Updating the state-ownership policy.**
6. **Finalizing – and submitting – next year budget by end of March being more conservative on estimates**, based on the developments, such as the impact of the late recovery of Suez Canal revenues and energy prices and with an increase in reserve contingencies to be 5% (highest in legal limit) and targeting a primary surplus of 5%.





Thank You

