



## **Press Release**

### **Balance of Payments**

### **Performance in FY 2024/2025**

During FY 2024/2025, Egypt's balance of payments showed positive indicators, with the current account deficit narrowing significantly by 25.9 percent to record US\$ 15.4 billion (against US\$ 20.8 billion in the previous fiscal year). This came as a reflection of the marked improvement in external transactions which was mainly concentrated in the second half of FY 2024/2025 (January/June 2025). Specifically, the current account deficit dramatically decreased by 59.9 percent in comparison with the corresponding half a year earlier, driven by the noticeable rise in the remittances of Egyptians working abroad by 55.3 percent and the growth in the services surplus by 49.6 percent due to the higher tourism revenues by 21.0 percent. Moreover, the strong jump in non-oil merchandise exports by 38.9 percent played a role in driving down the non-oil trade deficit. This is in addition to the slight decline in the investment income deficit.

The capital and financial account registered net inflows of US\$ 10.2 billion during the reporting year (against US\$ 29.9 billion a year earlier) as the FDI recorded net inflows of US\$12.2 billion (against US\$ 46.1 billion a year earlier, which included exceptional inflows of US\$ 35.0 billion from the Ras El Hekma deal). Meanwhile, inflows of portfolio investment registered US\$ 1.6 billion (against US\$ 14.5 billion). Accordingly, the balance of payments recorded an overall deficit of only US\$ 2.1 billion during the year under review (compared to an overall surplus of US\$ 9.7 billion in the previous fiscal year), reflecting the continuous improvement in the current account and the lower impact of the exceptional flows in the preceding year.

#### **Hereunder are the key developments in the BoP during FY 2024/2025:**

##### **First: The Current Account**

**The following factors contributed to the improvement in the current account deficit:**

- **Remittances of Egyptians working abroad recorded** unprecedentedly high inflows of US\$ 36.5 billion (against US\$ 21.9 billion).
- **Tourism revenues rose** by 16.3 percent to US\$ 16.7 billion (against US\$ 14.4 billion), due to the pickup in the number of tourist nights to 179.3 million nights (against 154.1 million nights).
- **Investment income deficit retreated** by 9.6 percent to only US\$ 15.8 billion (from US\$ 17.5 billion), as an outcome of the rise in investment income receipts by 50.1 percent to US\$ 2.9 billion (against US\$ 1.9 billion), and the decline in investment income payments by 3.7 percent to US\$ 18.7 billion (against US\$ 19.5 billion).

**The following factors have curbed the improvement in the current account balance during the year under review:**

- **The oil trade deficit widened** to register US\$ 13.9 billion (against US\$ 7.6 billion), primarily due to the rise in oil imports, as shown below:
  - **Oil imports increased** by US\$ 6.1 billion to US\$ 19.5 billion (against US\$ 13.4 billion), driven by the surge in imports of natural gas by US\$ 3.9 billion, oil products by US\$ 1.7 billion, and crude oil by US\$ 495.3 million (due to the pickup in imported quantities).
  - **Oil exports declined** by US\$ 128.2 million to record only US\$ 5.6 billion, reflecting the decrease in the exports of both crude oil by US\$ 698.3 million and natural gas by US\$ 512.6 million (due to the decline in exported quantities). However, this decline was curbed by the increase in exports of oil products by US\$ 1.1 billion (owing to the rise in exported quantities).
- **The non-oil trade deficit widened** to US\$ 37.1 billion (against US\$ 31.9 billion), as follows:
  - **Non-oil merchandise import payments** increased by US\$ 13.0 billion to US\$ 71.7 billion (against US\$ 58.8 billion). The increase was concentrated in the imports of soya beans, wheat, spare parts and accessories for cars and tractors, corn, and raw tobacco.
  - **Non-oil merchandise export proceeds** grew by US\$ 7.8 billion, reaching US\$ 34.6 billion (against US\$ 26.8 billion). The rise was mostly pronounced in the exports of gold; fresh/dried fruits; ready-made clothes; fresh/chilled/cooked vegetables; and aluminum and articles thereof.
- **The Suez Canal transit receipts declined** by 45.5 percent to US\$ 3.6 billion (against US\$ 6.6 billion), due to a decrease in both the net tonnage by 55.1 percent to just 482.8 million tons, and the number of transiting vessels by 38.5

percent to 12.4 thousand vessels. However, the second half of FY 2024/2025 (Jan./June 2025) witnessed a slight decline of 1.4 percent in the Suez Canal transit receipts, to stand at just US\$ 1.80 billion (against US\$ 1.83 billion in Jan/June 2024).

### **Second: The Capital and Financial Account\***

The capital and financial account registered a net inflow of US\$ 10.2 billion in the year under review (against US\$ 29.9 billion in the previous fiscal year), due to the following key developments:

- **FDI in Egypt recorded a net inflow** of US\$ 12.2 billion (against US\$ 46.1 billion in the previous FY), as follows:
  - **FDI to non-oil sectors posted** a net inflow of US\$ 11.6 billion, due to the following key developments:
    - Greenfield investments or capital increases of existing companies recorded a net inflow of US\$ 5.5 billion (of which, US\$ 354.5 million were greenfield investments).
    - Net investment inflows for real-estate purchases by non-residents recorded US\$ 1.9 billion.
    - Proceeds from selling local entities to non-residents registered a net inflow of US\$ 399.8 million.
    - Reinvested earnings recorded a net inflow of US\$ 4.2 billion.
  - **FDI to the oil sector achieved** a net inflow of US\$ 598.3 million (against a net outflow of US\$ 351.6 million), as a result of the increase in the inflows to the oil sector that recorded US\$ 6.2 billion (representing greenfield investments by foreign oil companies) against US\$ 5.7 billion, and the decline in outflows (representing the cost recovery for exploration, development and operations previously incurred by foreign partners) to reach only US\$ 5.6 billion (against US\$ 6.0 billion).
- **Portfolio investment in Egypt** recorded a net inflow of US\$ 1.6 billion (against US\$ 14.5 billion).
- **Medium- & long-term loans and facilities** registered a net repayment of US\$ 3.5 billion (against US\$ 2.4 billion), due to the hike in total principal repayments to US\$ 12.4 billion (against US\$ 7.9 billion). In the meantime, total disbursements reached US\$ 8.9 billion (against US\$ 5.6 billion).

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\* Including foreign direct investment (FDI), portfolio investment, net external borrowing, and change in the net foreign assets of the banking sector.

- **The change in the CBE's liabilities** recorded a net inflow of US\$ 3.6 billion (representing an increase in liabilities), against a net outflow of US\$ 7.8 billion.
- **The change in banks' liabilities** posted a net inflow of US\$ 3.4 billion (representing an increase in liabilities), against a net outflow of US\$ 2.0 billion.

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• Numbers expressed in US\$ billion have been rounded.

# Balance of Payments

	<u>(US\$ mn)</u>	
	<u>2023/24*</u>	<u>2024/25*</u>
<b><u>Trade Balance</u></b>	<b><u>-39573.7</u></b>	<b><u>-51009.2</u></b>
<u>Exports</u>	32561.0	40205.2
<i>Petroleum</i>	5722.5	5594.3
<i>Other Exports</i>	26838.5	34610.9
<u>Imports</u>	-72134.7	-91214.4
<i>Petroleum</i>	-13371.8	-19488.8
<i>Other Imports</i>	-58762.9	-71725.6
<b><u>Services Balance (net)</u></b>	<b><u>14355.1</u></b>	<b><u>15126.2</u></b>
<b><u>Receipts</u></b>	<b><u>30247.2</u></b>	<b><u>32087.2</u></b>
Transportation	10717.1	9376.0
<i>of which: Suez Canal dues</i>	<i>6632.4</i>	<i>3616.0</i>
Travel	14376.0	16725.3
Government Receipts	1135.1	821.5
Other	4019.0	5164.4
<b><u>Payments</u></b>	<b><u>15892.1</u></b>	<b><u>16961.0</u></b>
Transportation	3262.1	3555.3
Travel	5112.4	3884.8
Government Expenditures	1827.2	2288.0
Other	5690.4	7232.9
<b><u>Income Balance (net)</u></b>	<b><u>-17537.2</u></b>	<b><u>-15845.7</u></b>
Income receipts	1931.5	2899.6
Income payments	19468.7	18745.3
<i>of which: Interest Paid</i>	<i>7905.9</i>	<i>7315.6</i>
<b><u>Transfers</u></b>	<b><u>21949.2</u></b>	<b><u>36304.1</u></b>
Private Transfers (net)	21912.2	36192.0
<i>of which: Worker Remittances</i>	<i>21937.8</i>	<i>36460.3</i>
Official Transfers (net)	37.0	112.1
<b><u>Current Account Balance</u></b>	<b><u>-20806.6</u></b>	<b><u>-15424.6</u></b>

## Balance of Payments (cont.)

	<u>(US\$ mn)</u>	
	<u>2023/24*</u>	<u>2024/25*</u>
<b><u>Capital &amp; Financial Account</u></b>	<b><u>29879.2</u></b>	<b><u>10204.6</u></b>
<b><u>Capital Account</u></b>	<b><u>-140.8</u></b>	<b><u>-203.1</u></b>
<b><u>Financial Account</u></b>	<b><u>30020.0</u></b>	<b><u>10407.7</u></b>
Direct Investment Abroad (net)	-502.0	-524.1
Direct Investment In Egypt (net)	46064.5	12224.3
Portfolio Investment Abroad (net)	-250.4	-93.0
Portfolio Investment in Egypt (net)	14531.9	1628.6
<i>of which: Bonds</i>	<i>-1604.7</i>	<i>1135.1</i>
<b><u>Other Investment (net)</u></b>	<b><u>-29824.0</u></b>	<b><u>-2828.1</u></b>
<u>Net Borrowing</u>	<u>4850.3</u>	<u>-671.2</u>
<u>M&amp;L Term Loans</u>	<u>-2760.1</u>	<u>-2309.7</u>
Drawings	4118.2	5940.2
Repayments	-6878.3	-8249.9
<u>M&amp;L Term buyers' and suppliers' Credit</u>	<u>383.0</u>	<u>-1211.3</u>
Drawings	1445.3	2969.5
Repayments	-1062.3	-4180.8
<u>Short Term buyers' and suppliers' Credit (net)</u>	<u>7227.4</u>	<u>2849.8</u>
Other Assets	-24868.9	-9135.8
Central Bank	-129.6	-180.6
Banks	-18409.5	-5426.6
Other	-6329.8	-3528.6
Other Liabilities	-9805.4	6978.9
Central Bank	-7787.9	3569.7
Banks	-2017.5	3409.2
<b><u>Net Errors &amp; Omissions</u></b>	<b><u>614.0</u></b>	<b><u>3145.7</u></b>
<b><u>Overall Balance</u></b>	<b><u>9686.6</u></b>	<b><u>-2074.3</u></b>
<b><u>Change in CBE's reserve assets (increase = -)</u></b>	<b><u>-9686.6</u></b>	<b><u>2074.3</u></b>

\* Preliminary.