



## Press Release

### Balance of Payments Performance

### During the First Half of FY 2025/2026

During the first half of FY 2025/2026 (July/December 2025 – the period prior to the outbreak of the war in the region), Egypt’s transactions with the external sector showed a marked improvement. The improvement was reflected in the positive indicators of the balance of payments, as the current account deficit narrowed by 13.6 percent, reaching US\$ 9.5 billion (compared to US\$ 10.9 billion in the same period of the preceding FY). This came as a result of the increase in net unrequited current transfers by 28.4 percent to register US\$ 22.0 billion. This increase was primarily driven by the surge in the remittances of Egyptians working abroad. In addition, the services balance rose by 20.6 percent recording a surplus of US\$ 8.9 billion, supported by the growth in both tourism revenues and Suez Canal transit receipts.

On the other hand, the capital and financial account recorded a net inflow of US\$ 6.5 billion during the period under review, as FDI in Egypt registered a net inflow of US\$ 9.3 billion, mainly driven by the inflows during the period October/December 2025 due to the conclusion of the Alam El-Roum deal valued at US\$ 3.5 billion. Moreover, portfolio investments in Egypt recorded a net inflow of US\$ 5.0 billion (compared to a net outflow of US\$ 3.2 billion), alongside an increase in banks’ foreign assets abroad by US\$ 9.7 billion.

As a result, the BoP yielded an overall deficit of US\$ 2.1 billion during the period under review (against a deficit of US\$ 502.6 million).

#### **Hereunder are the key developments in the BoP during H1 of FY 2025/2026:**

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

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

- **Remittances of Egyptians working abroad increased by 29.6 percent to record US\$ 22.1 billion (against US\$ 17.1 billion).**

- **Tourism revenues rose** by 17.3 percent to US\$ 10.2 billion (against US\$ 8.7 billion).
- **Suez Canal transit receipts went up** by 19.0 percent to US\$ 2.2 billion (against US\$ 1.8 billion), owing to the increase in both the net tonnage by 16.1 percent to 284.0 million tons and the number of transiting vessels by 5.8 percent to 6.7 thousand vessels.

**However, the following factors have curbed the pace of improvement in the current account balance:**

- **The oil trade deficit widened** by US\$ 2.3 billion to US\$ 8.9 billion (against US\$ 6.7 billion), essentially driven by the growth in oil imports, as follows:
  - **Oil imports went up** by US\$ 1.9 billion to US\$ 11.6 billion (against US\$ 9.7 billion), as the imports of natural gas and crude oil increased by US\$ 2.1 billion and US\$ 305.8 million, respectively (due to increased imported quantities for each), while imports of oil products fell by US\$ 522.4 million (due to the decrease in the imported quantities).
  - **Oil exports fell** by US\$ 352.3 million, reaching just US\$ 2.6 billion (against US\$ 3.0 billion), driven by lower exports of both crude oil and oil products by US\$ 343.1 million and US\$ 169.7 million, respectively (due to the lower quantities exported for each). Meanwhile, natural gas exports grew by US\$ 160.5 million (as exported quantities increased).
- **The non-oil trade deficit widened** by around two billion dollars to US\$ 22.8 billion (against US\$ 20.8 billion), essentially resulting from the increase in non-oil imports, as follows:
  - **Non-oil merchandise import payments went up** by US\$ 4.5 billion to US\$ 41.1 billion (against US\$ 36.6 billion). The increase was concentrated in the imports of passenger vehicles, spare parts and accessories for cars and tractors, corn, telephones, and soy beans.
  - **On the other hand, non-oil merchandise export proceeds grew** by US\$ 2.5 billion to US\$ 18.3 billion (against US\$ 15.7 billion),

with the increase concentrated in the exports of gold; household electrical appliances; fresh/chilled/ cooked vegetables; fresh /dried fruits; and ready-made clothes.

- **Investment income deficit widened** by 8.0 percent, reaching US\$ 8.6 billion (against US\$ 7.9 billion), as a combined result of the increase in both investment income payments by 7.7 percent to US\$ 9.9 billion and investment income receipts by 5.7 percent to US\$ 1.4 billion.

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

The capital and financial account recorded a net inflow of US\$ 6.5 billion during the reporting period (compared with a net inflow of US\$ 8.9 billion during the same period of the previous FY), due to the following key developments:

- **FDI in Egypt recorded a net inflow** of US\$ 9.3 billion (against US\$ 6.0 billion), as follows:
  - **FDI to non-oil sectors posted** a net inflow of US\$ 9.4 billion, due to the following key developments:
    - Greenfield investments or capital increases of existing companies recorded a net inflow of US\$ 6.1 billion, primarily driven by inflows during the period October/December 2025, in light of the implementation of the Alam El-Roum deal valued at US\$ 3.5 billion.
    - Net investment inflows for real-estate purchases by non-residents rose to US\$ 1.0 billion (against US\$ 732.1 million during the corresponding period).
    - Reinvested earnings went up to achieve a net inflow of US\$ 2.4 billion (against US\$ 2.2 billion during the corresponding period).
    - Proceeds from selling local entities to non-residents registered a net inflow of US\$ 388.9 million (against US\$ 321.9 million during the corresponding period).

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

- **FDI in the oil and mineral resources sector achieved** a net outflow of US\$ 159.5 million (against a net inflow of US\$ 196.9 million), as a result of the increase in outflows (representing the cost recovery for exploration, development and operations previously incurred by foreign partners) to reach US\$ 3.1 billion (against US\$ 2.7 billion). Meanwhile, inflows to the sector (representing greenfield investments by foreign companies) stabilized at US\$ 2.9 billion.
  
- **Portfolio investment in Egypt** recorded a net inflow of US\$ 5.0 billion (against a net outflow of US\$ 3.2 billion).
- **The change in banks' foreign assets** posted a net outflow of US\$ 9.7 billion (representing an increase in assets).
- **Medium- & long-term loans and facilities** recorded a net repayment of US\$ 380.7 million (against US\$ 2.0 billion), as total principal repayments recorded US\$ 3.9 billion (against US\$ 7.7 billion), while total disbursements registered US\$ 3.5 billion (against US\$ 5.7 billion), reflecting the reduced reliance on external borrowing during the period under review.
- **The change in the CBE's liabilities** posted a net outflow of US\$ 435.1 million (representing a decrease in liabilities), against a net inflow of US\$ 704.5 million.

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

# Balance of Payments

(US\$ mn)

	<u>July/Dec. 2024*</u>	<u>July/Dec. 2025*</u>
<b><u>Trade Balance</u></b>	<b><u>-27501.0</u></b>	<b><u>-31753.2</u></b>
<u>Exports</u>	<u>18711.3</u>	<u>20893.8</u>
<i>Petroleum</i>	<i>2992.8</i>	<i>2640.5</i>
<i>Other Exports</i>	<i>15718.5</i>	<i>18253.3</i>
<u>Imports</u>	<u>-46212.3</u>	<u>-52647.0</u>
<i>Petroleum</i>	<i>-9660.9</i>	<i>-11590.3</i>
<i>Other Imports</i>	<i>-36551.4</i>	<i>-41056.7</i>
<b><u>Services Balance (net)</u></b>	<b><u>7354.5</u></b>	<b><u>8868.0</u></b>
<b><u>Receipts</u></b>	<b><u>16298.3</u></b>	<b><u>18279.5</u></b>
Transportation	4700.2	4887.0
<i>of which: Suez Canal dues</i>	<i>1812.1</i>	<i>2156.2</i>
Travel	8725.9	10236.2
Government Receipts	494.4	224.4
Other	2377.8	2931.9
<b><u>Payments</u></b>	<b><u>8943.8</u></b>	<b><u>9411.5</u></b>
Transportation	1910.0	1823.1
Travel	1959.7	2360.0
Government Expenditures	1193.0	1567.2
Other	3881.1	3661.2
<b><u>Income Balance (net)</u></b>	<b><u>-7924.9</u></b>	<b><u>-8557.9</u></b>
Income receipts	1309.0	1383.0
Income payments	9233.9	9940.9
<i>of which: Interest Paid</i>	<i>3801.4</i>	<i>3832.5</i>
<b><u>Transfers</u></b>	<b><u>17126.4</u></b>	<b><u>21988.3</u></b>
Private Transfers (net)	17025.9	21952.7
<i>of which: Worker Remittances</i>	<i>17069.4</i>	<i>22126.5</i>
Official Transfers (net)	100.5	35.6
<b><u>Current Account Balance</u></b>	<b><u>-10945.0</u></b>	<b><u>-9454.8</u></b>

## Balance of Payments (cont.)

	<u>(US\$ mn)</u>	
	<u>July/Dec. 2024*</u>	<u>July/Dec. 2025*</u>
<b><u>Capital &amp; Financial Account</u></b>	<b><u>8876.2</u></b>	<b><u>6453.9</u></b>
<b><u>Capital Account</u></b>	<b><u>-90.6</u></b>	<b><u>-118.0</u></b>
<b><u>Financial Account</u></b>	<b><u>8966.8</u></b>	<b><u>6571.9</u></b>
Direct Investment Abroad (net)	-232.8	-404.6
Direct Investment In Egypt (net)	6043.4	9271.8
Portfolio Investment Abroad(net)	-87.2	45.1
Portfolio Investment in Egypt (net)	-3192.7	5047.2
<i>of which: Bonds</i>	<i>187.6</i>	<i>119.9</i>
<b><u>Other Investment (net)</u></b>	<b><u>6436.1</u></b>	<b><u>-7387.6</u></b>
<u>Net Borrowing</u>	<u>-567.6</u>	<u>1717.2</u>
<u>M&amp;L Term Loans</u>	<u>-1050.2</u>	<u>-105.9</u>
<i>Drawings</i>	<i>3079.1</i>	<i>2952.3</i>
<i>Repayments</i>	<i>-4129.3</i>	<i>-3058.2</i>
<u>M&amp;L Term buyers' and suppliers' Credit</u>	<u>-924.2</u>	<u>-274.8</u>
<i>Drawings</i>	<i>2661.0</i>	<i>522.8</i>
<i>Repayments</i>	<i>-3585.2</i>	<i>-797.6</i>
<u>Short Term buyers' and suppliers' Credit (net)</u>	<u>1406.8</u>	<u>2097.9</u>
<u>Other Assets</u>	<u>4576.7</u>	<u>-11235.3</u>
<i>Central Bank</i>	<i>-72.3</i>	<i>-280.3</i>
<i>Banks</i>	<i>7367.4</i>	<i>-9724.0</i>
<i>Other</i>	<i>-2718.4</i>	<i>-1231.0</i>
<u>Other Liabilities</u>	<u>2427.0</u>	<u>2130.5</u>
<i>Central Bank</i>	<i>704.5</i>	<i>-435.1</i>
<i>Banks</i>	<i>1722.5</i>	<i>2565.6</i>
<b><u>Net Errors &amp; Omissions</u></b>	<b><u>1566.2</u></b>	<b><u>872.4</u></b>
<b><u>Overall Balance</u></b>	<b><u>-502.6</u></b>	<b><u>-2128.5</u></b>
<b><u>Change in CBE's reserve assets (increase = -)</u></b>	<b><u>502.6</u></b>	<b><u>2128.5</u></b>

\* Preliminary.