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Report Highlights:

Egypt’s cotton sector is expected to expand in marketing year (MY) 2026/27 (August - July), with planted area projected to increase approximately 20 percent to 100,000 hectares, driven by strong import demand from China and India. Government liberalization of cotton auctions, eliminating guaranteed floor prices, contributed to reasonable seed cotton prices in MY 2025/26 and improved farmer confidence. Egyptian cotton imports are forecast at 1.2 million bales in MY 2026/27, up from an estimated 1.1 million bales in MY 2025/26, reflecting expansion of spinning capacity, supported by international investments in the Egyptian textile industry, low labor and energy costs, and Egypt's trade agreements. Brazil remains the most price-competitive supplier, while U.S. cotton is respected for quality but challenged by price and transit time. Greek cotton benefits from geographical advantages and long-standing market familiarity.

Cotton Lint

Table 1: Production, Supply, and Demand (1,000 480 lb. Bales)

Cotton	2024/2025		2025/2026		2026/2027	
Market Year Begins	Aug 2024		Aug 2025		Aug 2026	
Egypt	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	130	130	80	80	0	100
Beginning Stocks 1000 480 lb. Bales	232	232	382	382	0	292
Production 1000 480 lb. Bales	425	425	260	260	0	325
Imports 1000 480 lb. Bales	1000	1000	1100	1100	0	1200
Total Supply 1000 480 lb. Bales	1657	1657	1742	1742	0	1817
Exports 1000 480 lb. Bales	175	175	250	250	0	350
Domestic Use 1000 480 lb. Bales	1100	1100	1200	1200	0	1200
Loss 1000 480 lb. Bales	0	0	0	0	0	0
Domestic Use and Loss 1000 480 lb. Bales	1100	1100	1200	1200	0	1200
Ending Stocks 1000 480 lb. Bales	382	382	292	292	0	267
Total Distribution 1000 480 lb. Bales	1657	1657	1742	1742	0	1817
Stock to Use % (PERCENT)	29.96	29.96	20.14	20.14	0	17.23
Yield (KG/HA)	712	712	708	708	0	708
(1000 HA) ,1000 480 lb. Bales ,(PERCENT) ,(KG/HA)						

Production

Post forecasts marketing year (MY) 2026/27 (August-July) Egyptian cotton production at 325,000 bales, driven by a 25 percent increase in harvested area and stable yield prospects on favorable weather conditions. MY 2025/26 production is estimated to be 260,000 bales, in line with the USDA official figure.

Area

The expected area increase reflects strong demand for Egyptian cotton from China and India, successful government cotton auctions in MY 2025/26 that incorporated liberalized pricing based on supply and demand, and reasonable seed cotton prices for farmers. Cotton competes primarily with rice for summer acreage in the Nile Delta. Final planting decisions will depend on relative crop profitability and water allocation policies.

Approximately 80 percent of Egypt's total cotton production occurs in the Nile Delta. With roughly two-hundred sunny days per year, the Nile Delta region produces Egypt's famous namesake "Egyptian Giza cotton." The Nile Delta enjoys near perfect growing conditions for cotton development, including temperature, humidity levels, and dry weather. Egypt's cotton planting season is from mid-March until mid-May while the harvest starts in September and lasts through mid-December.

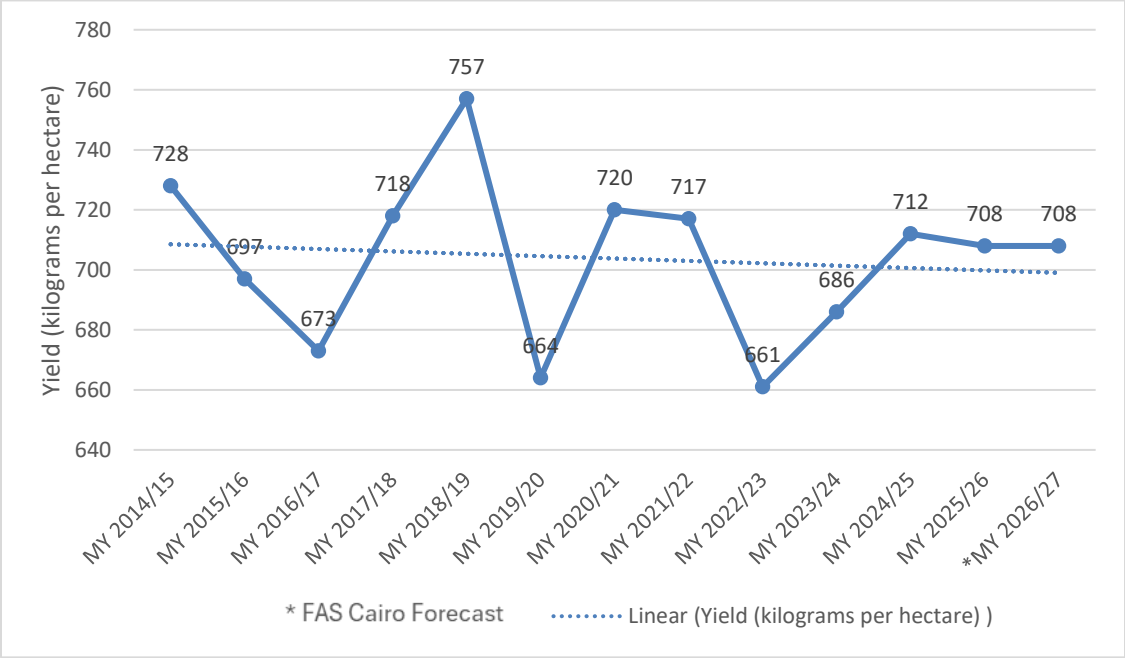
Figure 1: Egypt's Cotton Production and Harvest Season

Source: USDA

Yield

Assuming favorable weather conditions, Post forecasts MY 2026/27 cotton yield will remain stable as the crop is manually harvested and no significant labor shortages are anticipated for the upcoming season. Post's contacts cited the Egyptian government's efforts to control inflation as a broader macroeconomic factor supporting agricultural production stability. Egyptian cotton production is sensitive to fluctuations in the U.S. dollar exchange rate, reflecting the impact on Egyptian cotton export competitiveness and rising imported input costs (e.g., fertilizers and fuel). Notably, the Egyptian pound (EGP) has come under pressure since the outbreak of the recent regional conflict, sliding from 47.7 EGP to the U.S. dollar to 52.6 EGP by March 25.[1]

Figure 2: Egypt's Cotton Yield Trend Since MY 2014/15



Source: FAS Cairo

Egyptian cotton is cultivated on fragmented plots that average less than five hectares, diminishing productivity. Egypt's cotton farmers also regularly rely on manual labor rather than farm equipment. Egyptian cotton grower stands counts average approximately 107,000 plants per hectare. Due to manual weeding and pest management, the row widths are usually about 11-28 inches wide (25-60 cm). Egyptian cotton is 100 percent hand-picked. While hand picking preserves fiber length and reduces

[1] https://www.agbi.com/opinion/economy/2026/03/egyptian-pound-under-pressure-as-carry-trade-unwinds/

mechanical damage, it is also the primary source of contamination. Industry sources estimate that approximately 70 percent of contamination occurring in Egyptian cotton originates from hand picking. Contamination remains one of the primary factors affecting Egyptian cotton's competitiveness. Contamination limits certain end uses and affects spinnability, particularly for high-end white and black garments, resulting in mills sometimes blended Egyptian cotton with Pima cotton to achieve the desired quality for premium black or white shirts.

MY 2025/26 reportedly benefited from favorable weather conditions across the Northern Hemisphere, contributing to strong quality outcomes. Egypt has an arid climate with an annual precipitation ranging between 60-190 mm along the Mediterranean coast and a sparse 25-60 mm in the Nile Delta. In Upper Egypt (the southern portion of Egypt composed of the Nile River valley south of the Nile Delta), arid conditions prevail with less than 25 mm recorded on average. However, shifts in weather patterns, such as increasingly common early heat waves, have shortened the growing season, limiting pollination or boll development later in the growing season. The shorter season also affects farmers' ability to replant seeds or recover lost growing days from weather variability. According to cotton breeders in Egypt, hotter and drier weather conditions are the main factor affecting cotton development and yields. Extra-long staple (ELS) cotton (grown in the Nile Delta) is reportedly yield sensitive to changes in temperature and humidity, while volumes remain modest due to limited acreage. ELS cotton quality is considered strong when weather conditions are favorable.

Varieties and Fiber Characteristics

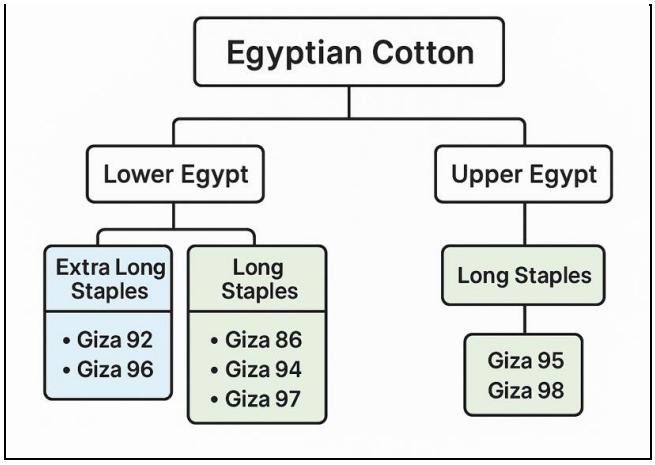
The Egyptian government, through the Cotton Research Institute (CRI), is developing new cotton varieties that reach maturity faster and are drought resistant. CRI is the sole developer and distributor of new varieties of Egypt's Giza cotton seeds, which are developed using conventional breeding techniques. In August 2025, Egypt's Ministry of Agriculture and Land Reclamation (MALR) announced the successful completion of CRI's first desert-based cotton field trials in El Tor, South Sinai, using modern irrigation and optimized fertilization techniques. The trials used six cotton genotypes – including "Super Giza 86," "Super Giza 94," "Super Giza 97," and three new varieties – with the first harvest completed 127 days after planting, accelerated by the region's high temperatures. The trials demonstrate Egypt's capacity to develop drought-, salinity-, and heat-resilient crops, and the government reportedly intends to replicate this success in other governorates and train farmers in the techniques that were used.[2]

The Cotton Arbitration and Testing General Organization (CATGO), which is affiliated with the Egyptian government, identifies cotton varieties under two categories—long staple (LS) and extra-long staple (ELS)—and Egypt continues to produce these established long- and extra-long staple varieties. LS cotton is divided into varieties that grow in Lower Egypt (the northernmost region of Egypt consisting of the Nile Delta) and ones that grow in Upper Egypt. However, traders and industry identify and market the LS cotton from Upper Egypt as medium staple cotton, as it is used to produce the same type of yarn that Upland produces. Giza 94, an LS variety grown in Lower Egypt, was cited by industry contacts as having favorable specifications, although total available quantity remains limited. Egyptian cotton fiber length is regarded as unique in global markets. Demand from mills seeking high-quality fiber was met in

[2] https://www.dailynewsegypt.com/2025/08/13/egypt-cultivates-cotton-in-desert-conditions-for-first-time-in-south-sinai/#:~:text=Egypt's%20Minister%20of%20Agriculture%20and%20Land%20Reclamation%2C,%22Super%20Giza%2097%22%20*%20Three%20new%20genotypes

MY 2025/26, and buyers in China and India have reportedly expressed satisfaction with quality. "Stickiness" or adherence of contaminants and lint to cotton processing equipment, a worldwide problem,[3] which affected Egyptian cotton in prior seasons, has not been reported as a concern in the most recent marketing year.

Figure 3: Egyptian Cotton Varieties in the 2026 Planting Season



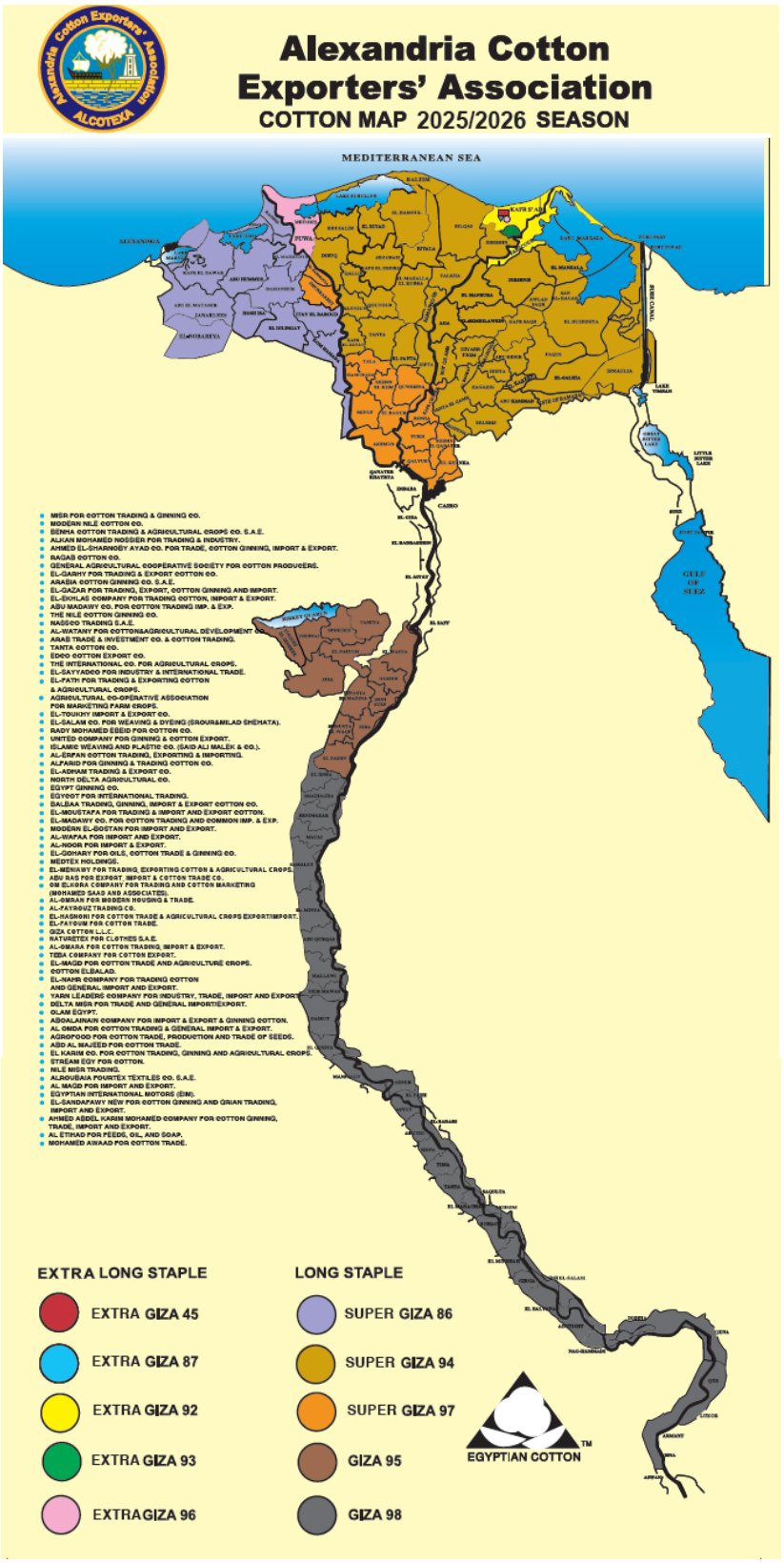
Source: FAS Cairo

Typically, two months before the beginning of the annual planting season, Egypt's Minister of Agriculture and Land Reclamation issues a decree that identifies the cotton varieties allowed for planting by region. On March 15, 2026, the minister issued Ministerial Decree no. 58/2026 (Attachment 1), the 2026 cotton planting season decree that identifies the areas that Egyptian cotton varieties can be cultivated. The decree identifies LS varieties for cultivation, including Giza 86 in El Beheira (Lower Egypt), Giza 94 in Kafr El-Sheikh (Lower Egypt), Giza 97 in Menoufia (Lower Egypt), Giza 95 in Beni Suef (Upper Egypt), and Giza 98 in Sohag and Assiut (Upper Egypt), and identifies ELS varieties for cultivation, including Giza 92 in Damietta (Lower Egypt), and Giza 96 in Kafr El-Sheikh (Lower Egypt).[4] According to the decree, each variety can only be grown in the specified areas. See Map 1 for Egypt's MY 2025/26 regional cotton variety assignments.

On March 15, 2026, Egypt's Minister of Agriculture and Land Reclamation issued Ministerial Decree no. 57/2026 (Attachment 2), the 2026 cotton seed planting decree. The decree identifies areas in Egypt for the propagation and multiplication of certified cotton seeds of Egyptian varieties and prohibits the planting of Upland (American) cotton, other short-staple cotton, and any varieties not specified in the decree (see Attachment 3 for the unofficial translation of Ministerial Decree no. 57/2026).

[3] https://www.ars.usda.gov/is/np/stickycotton/stickycotton.pdf
[4] https://www.egyptcotton-catgo.org/CottonActivityEn.aspx?id=3

Map 1: Egypt's Cotton Map 2025/2026 Season



Source: Alexandria Cotton Exporters' Association (ALCOTEXA)

Ginning

Egypt operates a limited number of primary ginning facilities. Industry sources estimate that approximately 30 percent of contamination occurring in Egyptian cotton originates from single ginning. While modernization efforts have been underway, some industry contacts report continued reliance on manual cleaning processes. Despite these concerns, export demand from China and India remains strong.

Ministerial Decree no. 1320/2011 strictly regulates the movement of cotton, ensuring that specific gins are allocated to specific classes of cotton. In addition to assigning cotton varieties to each region, MALR also assigns the delivery points for ginning cotton varieties.

Consumption

Post forecasts Egyptian cotton consumption in MY 2026/27 at 1.2 million bales, in line with USDA's MY 2025/26 estimate, as cotton consumption remains steady on the back of expanded spinning and weaving capacity resulting from recent investments and a positive export outlook for Egyptian textiles. Continued investments during the past year demonstrate that Egypt remains a competitive market for spinning and weaving operations, supported by its geographical location, extensive trade agreements, affordable electricity, and low labor costs. Notably, in the past month, Egypt's monthly natural gas import bill has surged from $560 million before the regional conflict to $1.65 billion for roughly the same volumes, an increase of about $1.1 billion per month.[5] In response, the Egyptian government has opted for temporary austerity measures – such as earlier closing hours for commercial areas, stricter energy-use limits in government buildings, and remote work for public- and private-sector employees – to contain the impact; however, it remains unclear how these steps will affect the competitiveness and operating costs of Egypt's textile and apparel industry.

Egypt's spinning industry consists of two primary segments: fine-count spinning mills that utilize Egyptian LS and ELS cotton (primarily export-oriented), and coarse-count spinning mills that utilize Upland and short-staple cotton, which account for the majority of textile volume and are often vertically integrated into weaving and garment production. Syrian investors play a significant role in Egypt's spinning sector and primarily consume short-staple cotton. Turkish and Chinese foreign direct investment in integrated textile and apparel production has supported strong Egyptian textile exports in 2025,[6] reaching $3.4 billion, with further plans for growth and aspirations to achieve $4.4 billion in exports in 2026 (or 22 percent growth).[7]

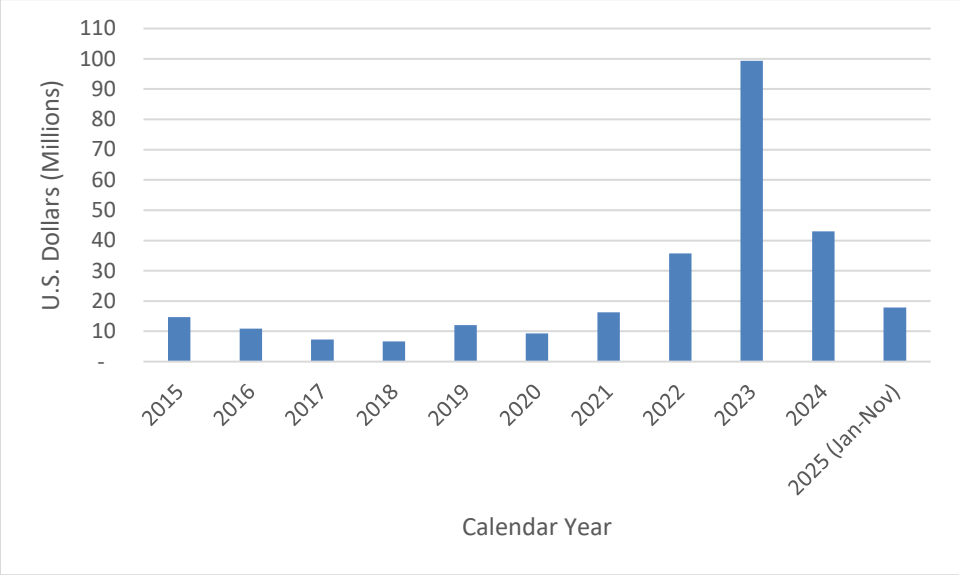
Chinese Textile Investments

China has demonstrated a significant interest in Egypt's cotton and textile supply chain through various investments and partnerships. Post's contacts report that, since 2014, China has sought to offshore 10 percent of its textile sector per year, to be more competitive and reduce the impact of textile production and waste on China's environment. In that vein, China has invested in this sector throughout Africa, with mixed results. However, China is increasingly investing in Egypt's cotton and textile sectors, with a strong emphasis on producing goods for export to third-country markets. Notable projects include an

[5] https://enterpriseam.com/egypt/2026/03/24/egypt-enters-war-economy-mode-with-strict-energy-austerity-measures/
[6] https://finance.yahoo.com/news/egypt-garment-exports-set-see-170342792.html
[7] https://www.agbi.com/manufacturing/2026/03/egypt-sets-out-plan-to-triple-garment-exports-in-five-years/

integrated textile and apparel complex in the West Qantara industrial zone, backed by Chinese company Zhejiang Jasan under an agreement with the General Authority for the Suez Canal Economic Zone (SCZone). Additional investments include a $130 million agreement between Everfar Textile Egypt, a Chinese subsidiary, and SCZone to establish a major export-oriented textile factory, [8] as well as projects by Changzhou Kingcason Printing & Dyeing Co. (a $24.5 million investment) and Shanghai Honour Home Textile.[9]

Figure 4: Egypt Imports of Textile Spinning Machines (USD {Millions}, HS 844520)



Source: Trade Data Monitor

Table 2: Egyptian Cotton Yarn* Exports to the World (MT, August-July)

	2020/21	2021/22	2022/23	2023/24	2024/25	5-Year Average
World	17,033	10,602	20,895	14,944	18,744	16,444
Italy	3,951	3,665	5,147	6,466	7,532	5,352
Pakistan	1,541	232	305	1,253	2,188	1,104
Turkey	3,106	1,790	2,197	1,012	2,138	2,049
Brazil	885	689	849	994	1,285	940
Portugal	897	344	3,564	482	905	1,238
Germany	1,229	1,270	1,433	880	732	1,109
India	78	17	70	712	648	305
Czech Republic	442	299	792	476	555	513
Romania	97	407	428	295	532	352
Austria	55	243	405	764	486	391
Guatemala	26	18	4,217	179	257	939
Nigeria	178	254	290	244	246	242
France	26	49	72	119	202	94
United Kingdom	154	203	267	256	181	212
Saudi Arabia	140	111	63	91	128	107
Spain	150	215	100	46	127	128
Greece	66	48	33	99	120	73
Netherlands	205	50	80	49	66	90
Argentina	16	6	0	0	57	16
United States	2,354	47	102	60	39	520

*HS Code: 5205; Source: TDM

[8] https://www.ecofinagency.com/news-agriculture/2808-48217-china-s-everfar-to-build-130-million-textile-plant-in-egypt-s-growing-textile-hub
[9] https://finance.yahoo.com/news/egypt-garment-exports-set-see-170342792.html

Egypt's global cotton yarn exports reached 18,744 MT in MY 2024/25, an increase of 25.4 percent over MY 2023/24 exports of 14,944 MT and above the five-year average of 16,444 MT. From August to November 2025, Egypt's global cotton yarn exports to the world reached 6,325 MT, a 11.9 percent decrease compared to the same period of the previous year.

Table 2: Egyptian Cotton Yarn* Imports from the World (MT, August-July)

	2020/21	2021/22	2022/23	2023/24	2024/25	5-Year Average
World	86,802	30,137	33,703	64,588	140,240	71,094
India	41,091	20,576	25,769	33,215	67,258	37,582
Uzbekistan	31,222	952	1,580	14,759	28,830	15,469
Turkey	8,766	6,138	4,168	13,780	26,376	11,846
Germany	33	3	0	2	9,067	1,821
China	1,794	341	458	609	3,265	1,293
Indonesia	1,057	300	760	1,211	2,554	1,176
Turkmenistan	19	1,361	69	60	1,155	533
Pakistan	441	183	487	226	1,142	496

*HS Code: 5205; Source: TDM

Egypt's global cotton yarn imports reached 140,240 MT in MY 2024/25, an increase of 117 percent over MY 2023/24 imports of 64,588 MT and well above the five-year average of 71,094 MT. From August to November 2025, Egypt's global cotton yarn imports reached 33,239 MT, a 48.9 percent decrease compared to the same period of the previous year.

Table 4: Egyptian Cotton Fabric* Exports to the World (MT, August-July)

	2020/21	2021/22	2022/23	2023/24	2024/25	5-Year Average
World	19,574	29,979	38,498	33,928	218,376	68,071
Turkey	7,897	7,539	14,413	12,795	108,015	30,132
United Kingdom	152	170	669	480	44,700	9,234
Spain	50	397	502	296	28,990	6,047
Italy	1,089	4,981	4,078	3,759	9,489	4,679
Tunisia	4,578	8,163	9,673	7,178	7,495	7,417
Netherlands	29	162	146	570	6,141	1,410
Morocco	2,141	2,706	2,072	1,895	2,878	2,338
Lebanon	0	13	29	85	2,492	524
Pakistan	204	857	818	1,606	1,866	1,070
Bangladesh	964	414	801	1,139	1,662	996
Algeria	154	23	712	755	1,004	530
United Arab Emirates	318	416	709	390	891	545
Jordan	73	0	285	301	536	239
Syria	399	636	658	933	386	602

*HS Code: 5208, 5209; Source: TDM

Egypt's cotton fabric exports to the world in MY 2024/25 reached 218,376 MT, an increase of 544 percent over MY 2023/24 exports of 33,928 MT and well above the five-year average of 68,017 MT.

From August to November 2025, Egypt's global cotton fabric exports reached 10,847 MT, a 28.2 percent decrease compared to the same period the previous year.

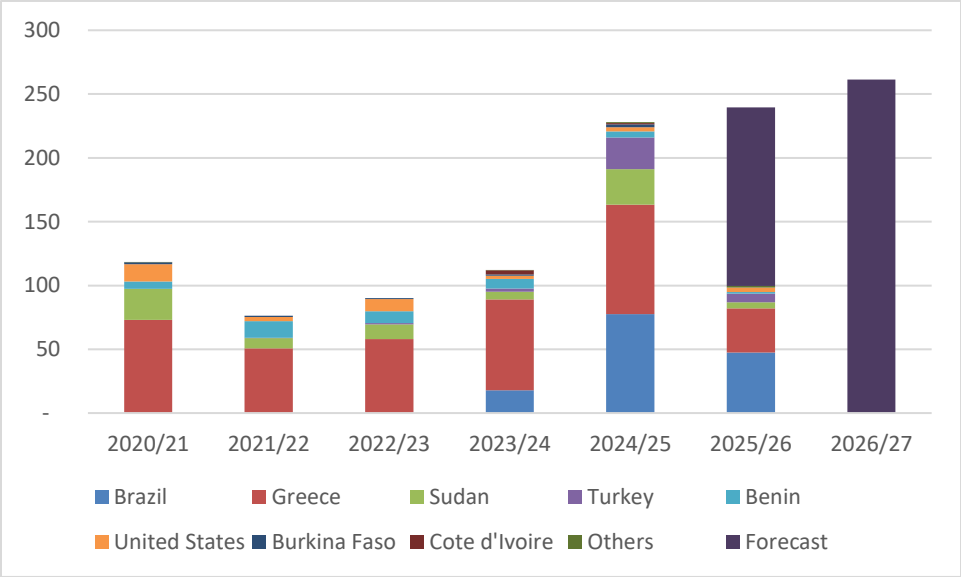
Post's industry contacts note that apparel is typically among the first sectors hit during economic slowdowns. However, despite economic headwinds, Post expects Egypt's textile sector to remain resilient as foreign investment continues to support export-oriented production. Industry contacts report that Egypt's total spinning capacity exceeded 2.4 million spindles and 15,750 rotor spinning units in 2025, up from 2.3 million spindles and 15,000 rotor spinning units in 2024. The number of spinning companies has also increased, from 36 in 2024 to 39 in 2025.

Trade

Imports

In MY 2026/27, cotton imports are projected to reach 1.2 million bales (261,269 MT), a 9 percent increase from USDA's official MY 2025/26 figure, on expanded spinning capacity from foreign investments. Post forecasts MY 2025/26 cotton imports at 1.1 million bales (239,497 MT), in line with USDA official figures. Post's MY 2025/26 forecast is based on partial year trade data (first four months of the season), including Greek, Brazilian, Turkish, and U.S. export data, and incorporates assumptions about likely Egyptian imports by textile companies that operate in the free zone,[10] which are not reported to Trade Data Monitor. The cotton traders that are importing consistently are also exporting, using their export revenue to make purchases.

Figure 5: Egypt Cotton Imports from the World (Thousand MT, Aug.-Jul., HS 5201)



Source: Trade Data Monitor and FAS/Cairo Research

In MY 2025/26, Greece, Brazil, Sudan, Turkey, Benin, and the United States are Egypt's main foreign cotton suppliers. Greek cotton is considered reliable and logistically advantageous, with short transit times (typically 4–10 days) and well-organized port infrastructure. Long-standing familiarity among

[10] https://www.gafi.gov.eg/English/StartaBusiness/InvestmentZones/Pages/FreeZones.aspx

Egyptian spinners, combined with competitive pricing and the ability to ship immediately for prompt delivery, makes Greek cotton especially attractive to Egypt's price-driven spinning sector by limiting exposure to foreign exchange risk and financing costs. In November 2023, Egypt signed agreements to expand market access for Brazilian cotton.[11] Despite reported concerns that roughly 30 percent of shipments from Brazil are considered non-homogeneous and ongoing issues with port congestion and shipping delays in Brazil that create delivery uncertainty, Brazilian cotton remains widely used in Egypt due to its strong price advantage.

U.S. cotton is highly regarded in Egypt for its consistent quality, lower contamination levels, and higher yield realization, and local traders and spinning companies recognize the advantages of both U.S. Pima and Upland cotton. Some firms actively seek yarn produced from Pima cotton and are willing to pay a premium for U.S. cotton's reliability, grading, and traceability. However, U.S. cotton faces headwinds from higher prices relative to Brazil and longer transit times of around 40–50 days, as well as elevated shipping costs.

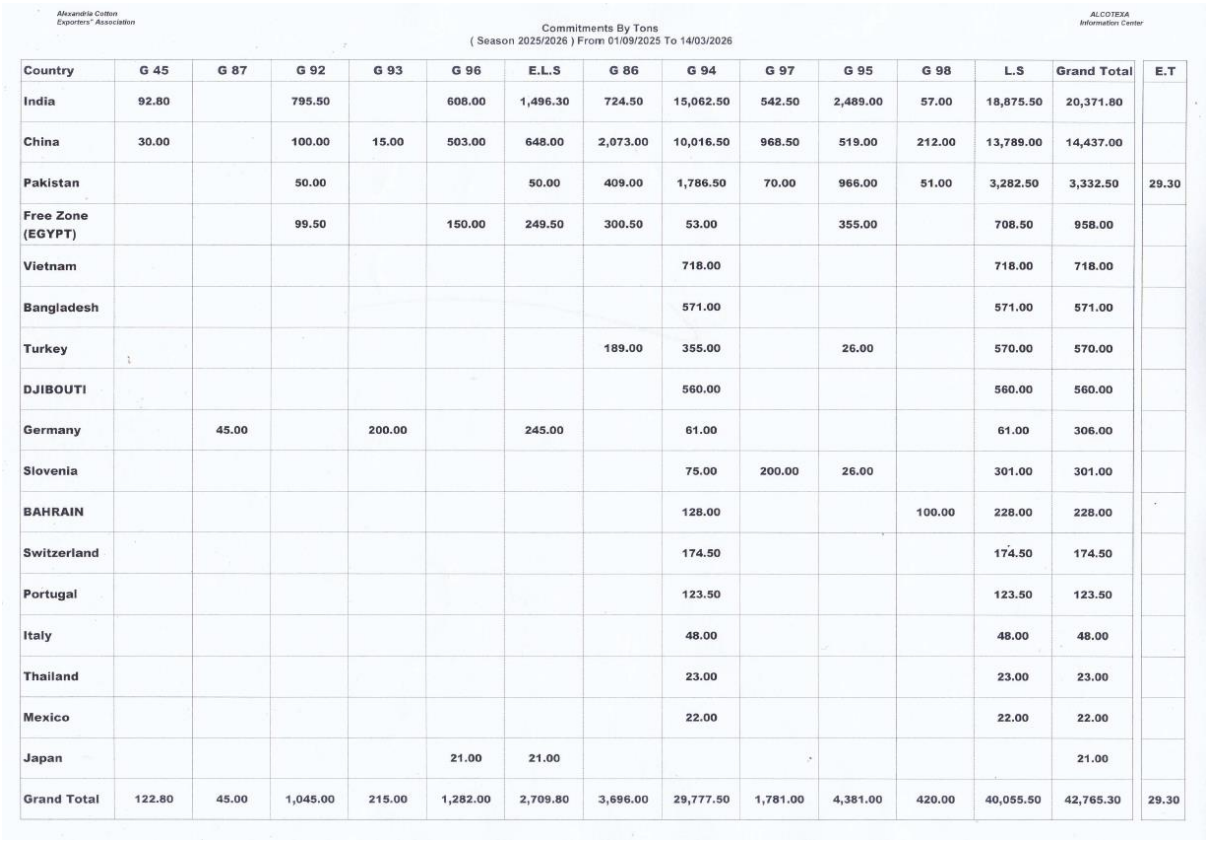
Exports

Post forecasts Egypt's MY 2026/27 cotton exports at 350,000 bales, 40 percent higher than Post's MY 2025/26 forecasted exports of 250,000 bales, on steady demand from India and China, and assuming the Egyptian government continues to allow auction pricing to reflect supply and demand conditions. China has significantly increased purchases over the past two seasons, with frequent mill-level inspections reported. India remains a key buyer, particularly for downstream production of shirts and sheets exported to the United States. Market participants anticipate that evolving U.S.–India trade arrangements may support continued Indian demand for Egyptian cotton. In MY 2025/26, Egypt eliminated guaranteed floor prices and allowed auction pricing to reflect supply and demand conditions.

In MY 2025/26, Post forecasts Egypt's cotton exports at 250,000 bales (54,431 MT), based on the current pace of trade reflected in Alexandria Cotton Exporters Association (ALCOTEXA) partial-year export commitment data. Through March 14, 2026, according to ALCOTEXA, Egypt's total cotton export commitments for the 2025/26 trading season have reached approximately 196,418 bales (42,765 MT), up approximately 76 percent compared to the same period in the 2024/25 trading season.

[11] https://www.gov.br/planalto/en/latest-news/2024/02/brazil-and-egypt-sign-agreements-to-facilitate-meat-export-and-to-expand-cooperation-in-science-and-technology

Figure 6: Egypt's Export Commitments by Destination (September 1, 2024 – March 22, 2025, MT)



Alexandria Cotton Exporters' Association

Commitments By Tons
(Season 2025/2026) From 01/09/2025 To 14/03/2026

ALCOTEXA Information Center

Country	G 45	G 87	G 92	G 93	G 96	E.L.S	G 86	G 94	G 97	G 95	G 98	L.S	Grand Total	E.T
India	92.80		795.50		608.00	1,496.30	724.50	15,062.50	542.50	2,489.00	57.00	18,875.50	20,371.80	
China	30.00		100.00	15.00	503.00	648.00	2,073.00	10,016.50	968.50	519.00	212.00	13,789.00	14,437.00	
Pakistan			50.00			50.00	409.00	1,786.50	70.00	966.00	51.00	3,282.50	3,332.50	29.30
Free Zone (EGYPT)			99.50		150.00	249.50	300.50	53.00		355.00		708.50	958.00	
Vietnam								718.00				718.00	718.00	
Bangladesh								571.00				571.00	571.00	
Turkey							189.00	355.00		26.00		570.00	570.00	
DJIBOUTI								560.00				560.00	560.00	
Germany		45.00		200.00		245.00		61.00				61.00	306.00	
Slovenia								75.00	200.00	26.00		301.00	301.00	
BAHRAIN								128.00			100.00	228.00	228.00	
Switzerland								174.50				174.50	174.50	
Portugal								123.50				123.50	123.50	
Italy								48.00				48.00	48.00	
Thailand								23.00				23.00	23.00	
Mexico								22.00				22.00	22.00	
Japan					21.00	21.00							21.00	
Grand Total	122.80	45.00	1,045.00	215.00	1,282.00	2,709.80	3,696.00	29,777.50	1,781.00	4,381.00	420.00	40,055.50	42,765.30	29.30

Source: ALCOTEXA

Export demand remains concentrated among India and China. Despite a strong start to the season, export growth has slowed in recent months due to shipping disruptions, higher insurance costs, and logistical delays. Some shipments have been rerouted around Africa, increasing freight costs and weighing on the overall export pace.[12]

Stocks

Post forecasts MY 2026/27 ending stocks at 267,000 bales, down from USDA's MY 2025/26 stock estimate of 292,000 bales, as strong export demand suggests lower carryover stocks. While official stock data was not available at the time of reporting, all cotton offered at auction in MY 2025/26 reportedly sold.

Marketing and Auctions

Auctions

As previously mentioned, Egyptian cotton is sold via an auction dedicated specifically to cotton purchases. CATGO established the auction as an endeavor to ensure high returns for cotton growers, coinciding with a guaranteed price established for the season. Under this system, cotton is graded by

[12] https://almalnews.com/2104585/16-%D8%AF%D9%88%D9%84%D8%A9-%D8%B9%D8%B1%D8%A8%D9%8A%D8%A9-%D9%88%D8%A3%D8%AC%D9%86%D8%A8%D9%8A%D8%A9-%D8%AA%D8%B3%D8%AA%D9%82%D8%A8%D9%84-%D8%B5%D8%A7%D8%AF%D8%B1%D8%A7%D8%AA-%D8%A7%D9%84%D9%82%D8%B7%D9%86/

CATGO and sold at auctions with an opening bid equal to the guaranteed price or the international price, whichever is greater. The auction system was introduced in 2019 and expanded in 2020 to an additional 15 governorates. The government continues to utilize auctions as the primary cotton marketing mechanism. In MY 2025/26, Egypt eliminated guaranteed floor prices and allowed auction pricing to reflect supply and demand conditions. Auction prices were considered reasonable for farmers. The previous guaranteed pricing system reportedly resulted in fiscal losses when the government set prices above market levels. While liberalization is viewed positively, stakeholders expressed uncertainty regarding government intervention should international prices decline in future seasons.

Policy

Competitive Advantages
Egypt benefits from a combination of structural advantages, including low labor costs—estimated at roughly one-fifth of Turkish labor costs—competitive electricity pricing, and strong port infrastructure. These factors are reinforced by trade agreements and favorable tariff positioning in certain markets, as well as the Qualifying Industrial Zones (QIZ) framework with the United States.[13]

State-led Textile Sector Effort
In December 2025, Egypt's Prime Minister Mostafa Madbouly chaired a governmental meeting to review the implementation of the country's textile sector development plan. Egypt has designated the textile and spinning sector as a strategic industry and is undertaking a comprehensive effort to overhaul factories, upgrade technology, and improve production efficiency and quality. Through this plan, the government aims to boost output, expand exports, and create sustainable employment. At this December meeting, Prime Minister Madbouly highlighted that the state has already invested billions of Egyptian pounds in the sector and is increasingly relying on private-sector partnerships.[14]

Market Access
Egypt's cotton import regulations stipulate that imported cotton should be free from whole or broken seeds and foreign materials (Annex 15: of the Egyptian Plant Quarantine Rules & Regulations: Ministerial Decree 562/2019 attached, Annex 1). Egypt also requires that imported cotton be fumigated at the country of origin prior to shipment to mitigate potential phytosanitary risks. Fumigating the shipment at country of origin does not preclude it from being fumigated at Egyptian ports.

Attachments:

Ministerial Decree No 58_Arabic.pdf

Ministerial Decree No 57_Arabic.pdf

Unofficial Translation of Ministerial Decree No 57.pdf

[13] http://www.qizegypt.gov.eg/page/overview
[14] https://sis.gov.eg/en/media-center/news/egypt-intensifies-state-led-textile-sector-revamp-to-boost-production-and-exports-pm-says/