CONTEXT

1. **The macroeconomic situation has improved amid sustained stabilization efforts.** Tight monetary policy has led to a marked decline in inflation, helping to alleviate cost-of-living pressures. A flexible exchange rate regime, supported by foreign exchange inflows, has improved the external position and enhanced the external financing environment. Fiscal consolidation, together with a slowdown in public investment implementation, has contained demand pressures and eased the crowding out of private investment. Successive energy price adjustments and clearance of arrears are strengthening the financial position of the energy sector, thus ensuring a stable energy supply, and reducing fiscal risks. As a result, economic growth is gaining momentum, the debt-to-GDP ratio is gradually declining, and foreign exchange reserves remain broadly adequate, provided exchange rate flexibility is maintained. The authorities have successfully executed planned external debt issuances amid narrowing spreads, while non-resident inflows into the domestic debt market have continued, reaching record highs by end-2025.

2. **However, the transformative reforms that are needed to reduce long-standing vulnerabilities and ensure more dynamic and inclusive growth are lagging.** Progress towards the initial program objectives has been slow under three major reform areas in particular:

- **Reducing the State Footprint and Leveling the Playing Field.** Divestment, anchored in the State Ownership Policy (SOP), was envisaged as the primary mechanism for the state to exit non-strategic sectors, thereby enabling greater private sector participation without explicit or implicit barriers to fair competition, including those arising from military involvement. To date, divestment progress has fallen short of the commitments made at program approval, and prospects for a meaningful acceleration of the divestment agenda in the near term appear limited. At the same time, military encroachment in various economic activities appears to persist. The authorities took steps to level the playing field and strengthen economic competition, removing tax exemptions for SOEs and seeking amendments to the Competition Law to enhance the independence and enforcement powers of the Egyptian Competition Authority. Ensuring that these reforms are implemented as intended will require additional efforts.

- **Reducing Debt Vulnerabilities.** The program's debt reduction strategy was built on three pillars: achieving sustained primary surpluses, using proceeds from state asset sales to reduce debt, and lengthening debt maturities to mitigate rollover risks. While the authorities have delivered the planned primary adjustment, progress on divestment has stalled, gains from maturity lengthening have been modest, and fiscal adjustment under the baseline alone remains insufficient to restore fiscal buffers. Debt has remained sustainable, but not with high probability. Gross financing needs are elevated, and interest payments absorb about 73 percent of revenues, significantly constraining fiscal space for priority spending.

- **Reforming the Financial Sector.** The significant presence of state-owned banks underscores the need for strong governance frameworks to safeguard financial stability, ensure effective market-based transmission of monetary policy, and promote fair competition with private banks. The authorities have commissioned an independent assessment of policies, procedures, and controls at state-owned banks.

3. The authorities are stepping up reform efforts to work toward the program's initial objectives. On ***accelerating growth,*** under the Narrative for Economic Development plan, reforms are being initiated to streamline business procedures, rationalize non-tax financial charges, accelerate digital trade facilitation, and strengthen competition policy, with the aim of unlocking medium-term growth gains. These measures are expected to improve the business environment and help in levelling the playing field, but their growth dividends are unlikely to be sustained without a meaningful reduction in the state's footprint in the economy (see Annex III). The completion of the updated State Ownership Policy is expected by end-March 2026, and the newly established SOE institutional framework should facilitate the acceleration of the divestment strategy in the remainder of the program and beyond. On ***reducing debt vulnerabilities***, the authorities have committed to reducing gross financing needs by 6 percent of GDP by FY2025/26 and by 10 percent of GDP, cumulatively, by FY2026/27 (new structural benchmark). Achieving this objective will require a more ambitious liability management strategy focused on extending maturities and lowering interest service costs. Sovereign asset–liability management initiatives should be carefully designed to ensure transparency, alignment with strategic objectives, and careful management of macro-fiscal and macro-financial risks. In addition, the authorities have committed to ***strengthening risk management practices at state-owned banks***, in line with the findings of recent diagnostic studies (new structural benchmark).

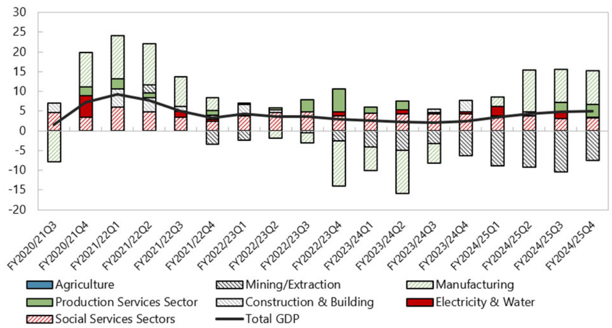
4. Domestic and geopolitical uncertainties continue to pose risks to program implementation. Following parliamentary elections, which began in November 2025, Egypt's newly constituted parliament convened its first session on January 12. In line with constitutional provisions, the current government and its approved program remain in force. Nonetheless, a cabinet reshuffle remains possible and could affect the pace and continuity of program implementation. At the same time, regional geopolitical shocks remain a key risk, although to date their economic impact has been largely concentrated in persistent and significant shortfalls in Suez Canal revenues.

RECENT DEVELOPMENTS

5. Economic activity strengthened in FY2024/25, with GDP expanding by 4.4 percent y/y, compared to 2.4 percent in the previous year. The recovery was largely broad-based, supported by robust performance in non-oil manufacturing, transportation, finance, and tourism, which more than offset declines in Suez Canal activity and the mining and extraction sectors (Figures 1 and 3). This momentum carried into Q1 of FY2025/26, with growth accelerating to 5.3 percent y/y, up from 3.5 percent y/y in Q1 of FY2024/25. This is further reflected by high frequency indicators such as the Purchasing Managers' Index (PMI), which recorded consecutive expansions in non-oil private sector activity in November and December 2025, marking the first instance of back-to-back monthly expansions in more than five years (Figure 2); Suez Canal trade activity gradually recovering (Figure 3); air travel and hotel occupancy rates increasing (Figure 4); and exports, imports, and remittances showing solid gains.

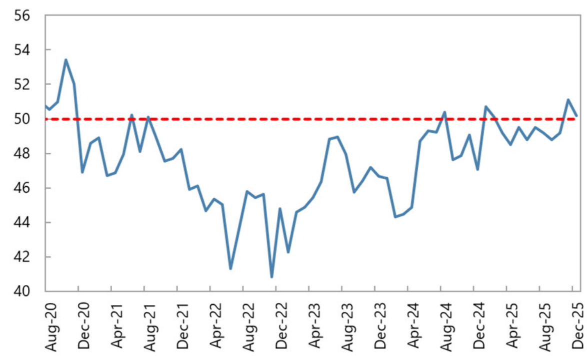
6. Headline urban inflation continued its downward trajectory, albeit with fluctuations, reaching 12.3 percent y/y in December 2025. The significant disinflation observed since end-FY2023/24 reflects the combined effects of tighter monetary and fiscal policies, elimination of FX shortages (which curbed speculative activity), and the fading impact of earlier exchange rate depreciation. Core inflation also fell markedly from 26.6 percent at end-FY2023/24 to 11.8 percent by December 2025.

Figure 1. Egypt: Quarterly Sectoral Contributions to Real GDP Growth



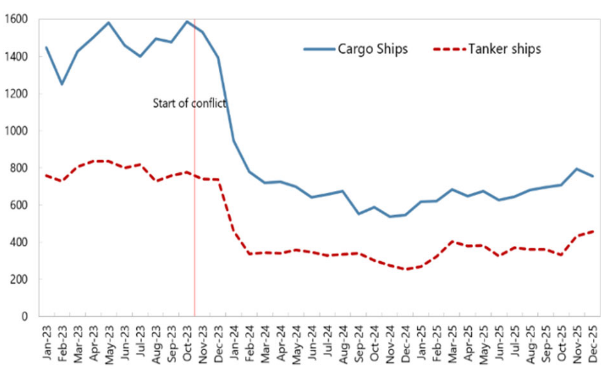
Source: Haver Analytics; IMF Staff Calculations

Figure 2. Egypt: Purchasing Manager Index
(SA, 50+=Expansion)



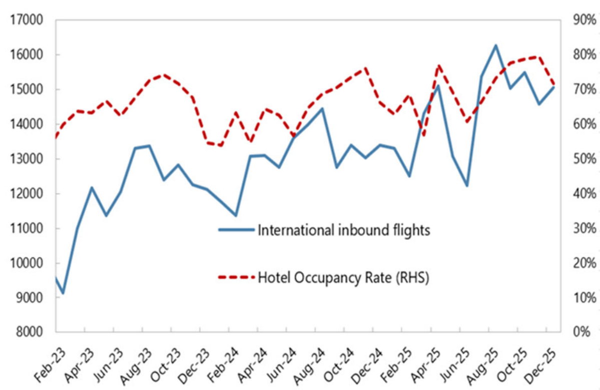
Source: Standard & Poor's; and IMF staff calculations.

Figure 3. Egypt: Monthly Suez Canal Traffic
(Number of Ships)



Source: IMF Port Watch.

Figure 4. Egypt: Monthly Tourism Indicators
(Number of flights and Percentage of Hotel Rooms Occupied)

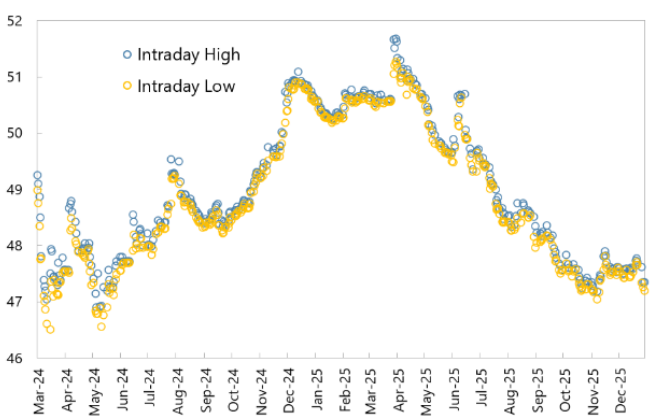


Source: FlightRadar 24, CoStar and IMF Staff Calculations

7. **Since April, the nominal exchange rate has fluctuated significantly, reflecting an initial depreciation in response to external and regional shocks, followed by an appreciation as market conditions and capital inflows improved (see Figures 5–8).** The official rate fluctuated within EGP/USD 46.99–51.75 range between April and December 2025, peaking on April 6 before appreciating to its strongest level since May 2024 in November 2025, supported by the U.S. dollar depreciation, higher foreign inflows in the local-currency (LC) T-bill/bond market and smaller current account deficit (CAD). The spread with parallel market measures remained closed, with no FX backlogs or CBE interventions. Exchange rate volatility reached its highest since April 2024, with sharp spikes in trading volumes and dispersion during events such as the April 2 U.S. tariff announcement and June 22 strikes on Iran.

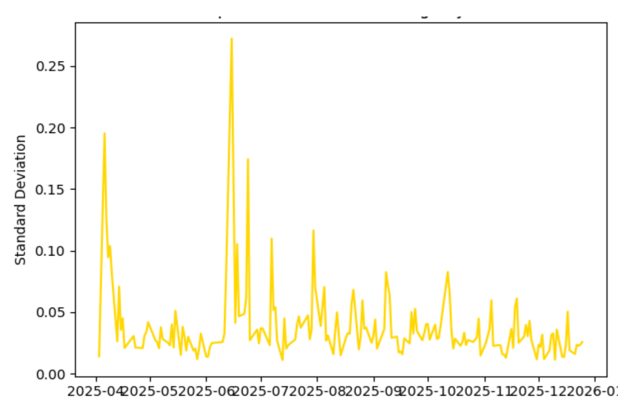
8. **State-owned banks (SOBs) continued to play a central role in smoothing exchange rate volatility during stress episodes in 2025.** Bank-level FX interbank transaction level data show SOBs acted as key FX suppliers during two distinct periods of heightened volatility on April 6-7 and during the week of June 15-19, selling heavily without appearing to target a specific EGP/USD level. These two major negative shocks also coincided with the highest FX turnover days, driven by large foreign outflows from the LC T-bill market, underscoring their exceptional nature. SOBs provided over 83 percent of daily USD sales (USD 1.1 billion) on April 6–7 after the tariff announcement and followed a similar pattern during the volatility induced by the June 13 escalation in the Israel-Iran conflict, in contrast to daily average SOBs participation shares of around 30 percent. Between April and December, SOBs recorded net FX sales of USD 1.1 billion, while private and foreign banks were net buyers. More generally, daily bank-by-bank FX interbank transaction data shows high concentration and segmentation: SOBs are typically net sellers, private and foreign banks net buyers. On normal days both trade at small margins of 2–3 piasters, but in stress periods SOBs sell larger amounts and at deeper discounts, while private banks adjust prices more aggressively with their positions. The evidence points to asymmetric dynamics with some SOBs playing a stabilizing role during shocks through FX liquidity provision, reinforcing their role in FXI under stress, rather than as a part of regular exchange rate management; and private banks responding flexibly to market conditions.

Figure 5. Egypt: Intraday High and Low Exchange Rates, (EGP per USD)
Mar 6, 2024 – Jan 8, 2026



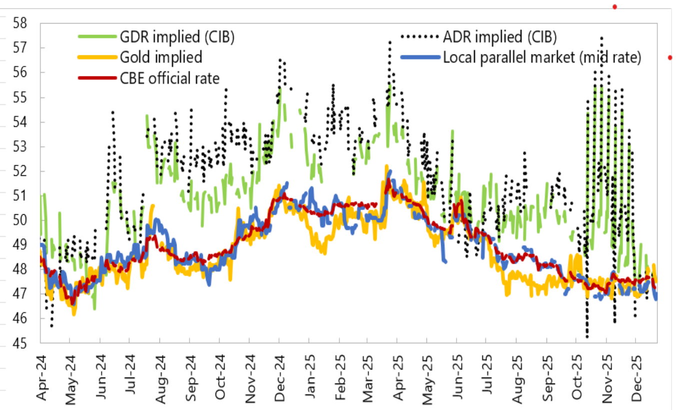
Source: Bloomberg; IMF staff calculations

Figure 6. Egypt: Daily FX Rate Dispersion – Standard Deviation



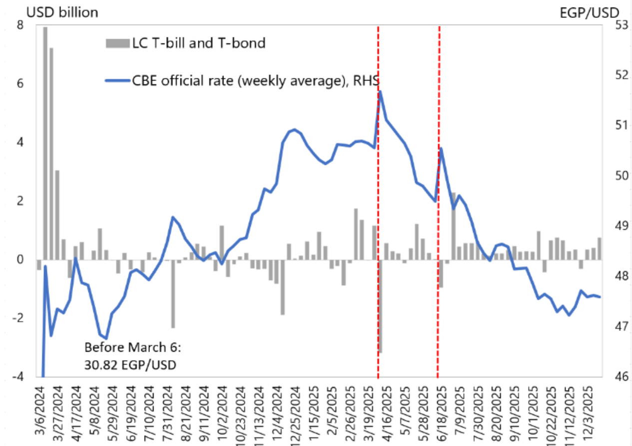
Source: CBE and IMF Staff Calculations.

Figure 7. Egypt: Measures of Market Clearing Exchange Rate and the Official Rate
(EGP per USD)
Mar 6, 2024-Jan 8, 2026



Source: CBE, Bloomberg, IMF staff calculations

Figure 8. Egypt: Change in Weekly Nonresident Holdings of Egypt LC T-bills/bonds and EGP/USD
Mar 6, 2024-Dec 17, 2025



Source: CBE, Bloomberg, IMF staff calculations

9. **The fiscal outturn for FY2024/25 showed an improvement in the budget sector primary balance, excluding net acquisition of financial assets.** The balance increased to 3.6 percent of GDP, from 2.4 percent the previous year, primarily driven by a decline in primary expenditure of 1.05 percent of GDP, accompanied by a 0.16 percent of GDP increase in revenues and grants. Tax revenues increased by 0.43 ppt of GDP, with taxes on T-bills/bonds' payable interest and taxes on goods and services contributing approximately 0.48 and 0.15 percent of GDP[1], respectively, while taxes on corporate profits declined by 0.36 percent owing to lower taxes from EGPC and Suez Canal Authority. However, in the absence of divestment proceeds, which are included in the program's primary balance target, the primary balance fell well short of the program target by around 0.6 percent of GDP.

10. **The current account deficit narrowed to 4.2 percent of GDP in FY2024/25 from 5.4 percent of GDP in the previous year (Figure 9).** The improvement was driven by a surge in remittances (from 5.7 to 9.9 percent of GDP) and strong tourism receipts (from 3.8 to 4.6 percent). Trade flows normalized as FX shortages eased. Despite robust exports, the nonhydrocarbon trade deficit widened by 1.9 percent of GDP amid a worsening of the terms of trade and a rebound in imports. The hydrocarbon trade balance also deteriorated significantly, with the past accumulation of arrears to international companies constraining investment and domestic output. Suez Canal disruptions continued to weigh on receipts.

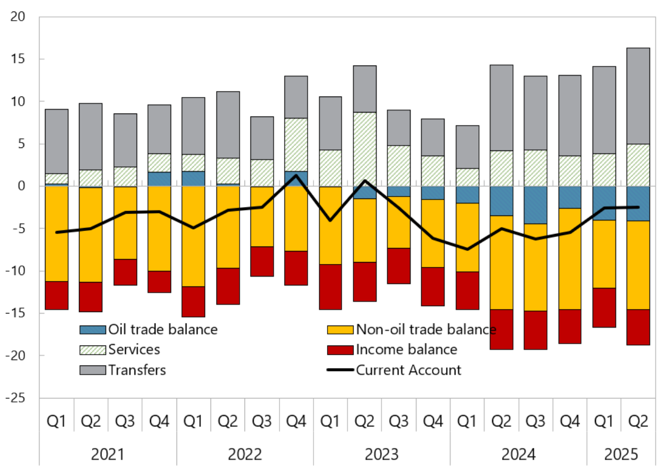
11. **FDI and portfolio inflows were strong, and external borrowing helped offset delayed divestments and program disbursements (Figure 10).** Egypt issued US$3 billion in Eurobonds and Sukuks during FY2024/25, and a $1.5 billion in Sukuks in October 2025. Temporary outflows from LC T-bills/bonds markets around U.S tariff announcements in April and regional conflicts in June

[1] Tax reforms on VAT on electronic services and the widening of tax brackets for tobacco excise tax contributed to the improvement.

reversed quickly, with nonresident holdings surging to US$32.8 billion at the end of 2025, doubling in one year. In addition, CBE's borrowing from external private creditors in FY2024/25 Q4 and soaring gold prices contributed to a rise in net international reserves (NIR) to US$36.9 billion at end-November, up by US$4.2 billion since the end of 2024.[2] In November, an investment agreement was signed with a Qatari investor for the development of a large residential and touristic project, including US$3.5 billion for the acquisition of land, which was settled in cash at end-December. The total value of the project is US$29.7 billion, but the implementation timeline is yet to be disclosed.

Figure 9. Egypt: Current Account

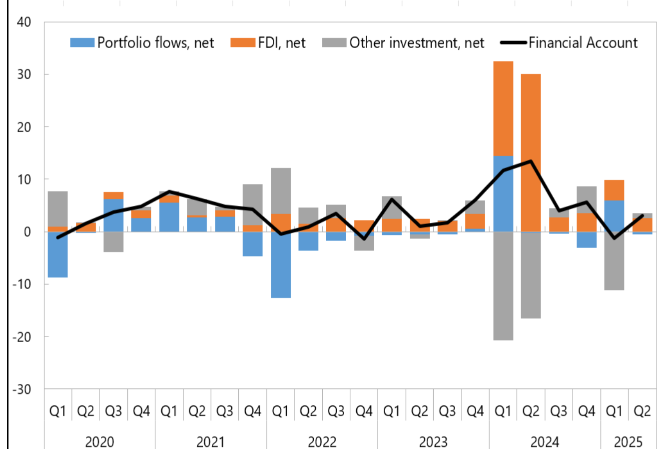
(In percent of GDP)



Sources: CBE, IMF staff calculations.

Figure 10. Egypt: Financial Account

(In percent of GDP)

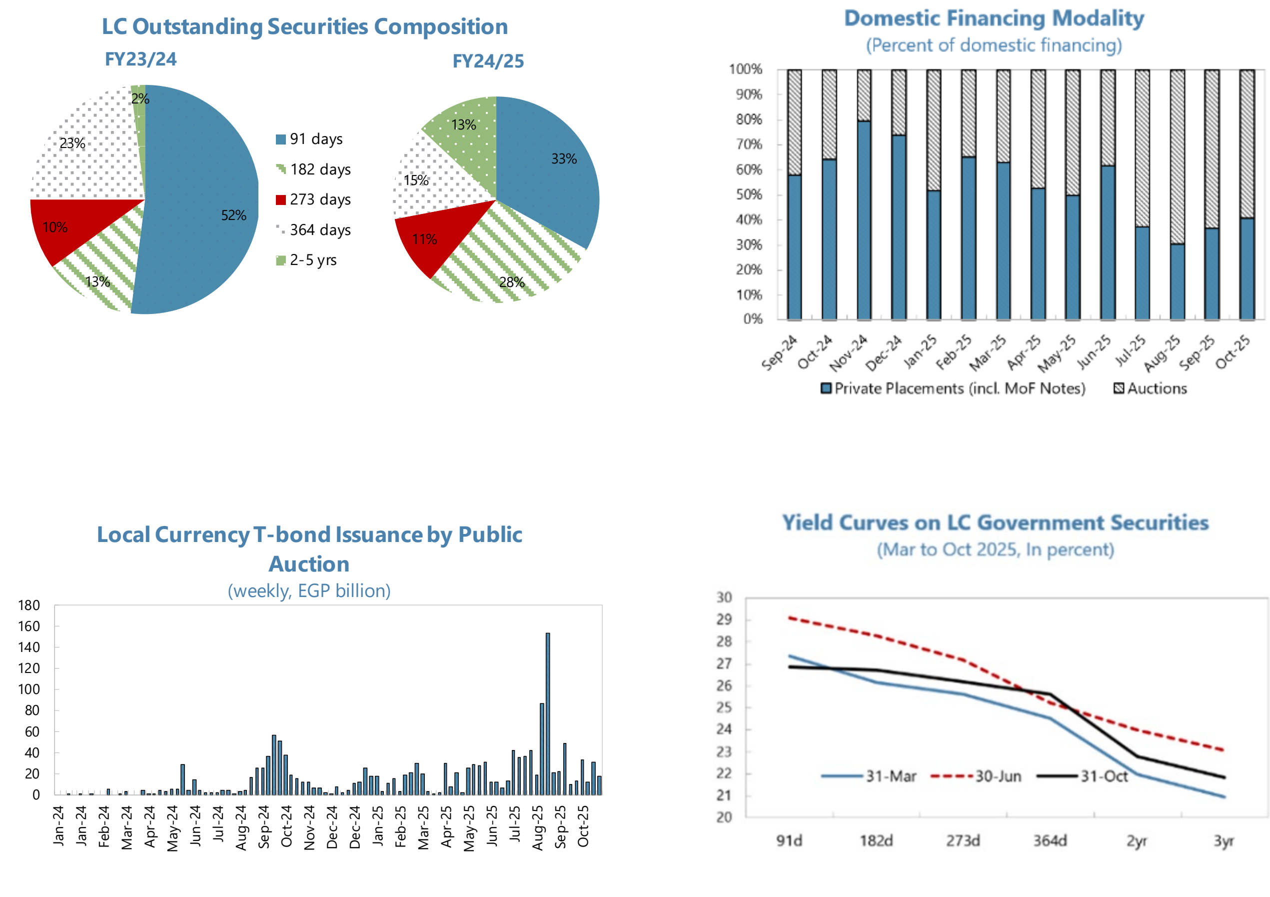


Sources: CBE, IMF staff calculations.

12. **Domestic financing is gradually shifting towards auction modalities, though short-term non-market securities remain significant.** Since November 2024, the MoF has started phasing out access to privately placed T-bills/bonds in favor of market auctions. As a result, the share of private placements (including MoF Notes) in LC financing fell from a high of around 80 percent to below 30 percent for the first time in over a year. Auction maturities have lengthened, with the average rising to 1 year at issuance from 0.52 years a year ago. As a result, outstanding medium-term T-bonds reached close to 13 percent of the overall LC portfolio by end-July 2025, up from only 2 percent a year ago, with the August-December 2025 outturn reinforcing this trend. Nonresident demand is supporting longer tenors, while yield curves have started to flatten compared to earlier in the year, with elevated real rates due to a combination of imperfect monetary transmission, market fragmentation and banking liquidity concentration, and increased risk premiums related to perceived vulnerabilities in the domestic debt-market portfolio (Figure 11).

[2] In line with recently updated IMF guidance, liabilities associated with swaps with foreign central banks are classified as reserve-related liabilities and deducted from both the actual NIR figures and the corresponding targets. This has resulted in a downward revision of NIR compared to previously reported figures.

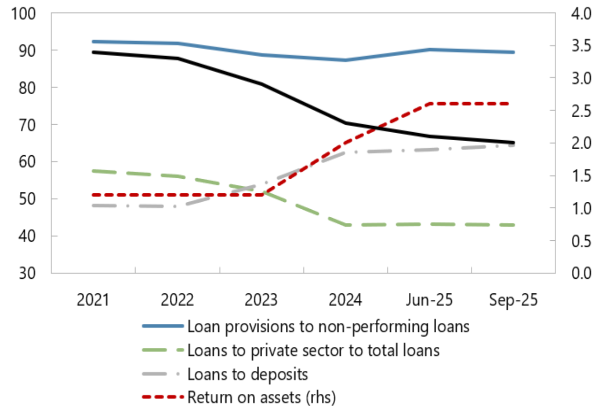
Figure 11. Egypt: LC Financing



Source: MoF; IMF staff calculations

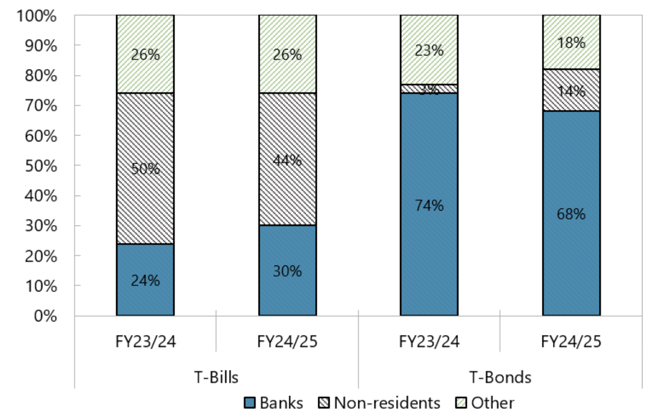
13. **The banking system remains on average resilient, though lending to private sector is subdued, and exposure to public sector remains elevated.** Banks' NFA, which had been eroding since May 2024, rebounded by August 2025 and stood at record high since 2020 at USD 10.9 billion in October 2025, on the back of strong nonresident inflows into LC government securities. Bank assets grew by 24 percent year-on-year by June 2025, with 36 percent growth in investments in government securities. Asset quality has improved, with gross NPLs at 2 percent as of end-September 2025, while ROA rose to around 2.6 percent on strong net interest income from lending and government securities holdings, coupled with somewhat lower overall provisioning levels. However, lending to the private sector remains subdued currently at less than 43 percent of total lending and on a declining trend since 2020, with banks' assets heavily concentrated in government securities, increasingly tilted in 2025 towards relatively more profitable T-bills and fewer bonds (Figure 12 and 13).

Figure 12. Egypt: Banks Profitability
(In percent)



Source: CBE, IMF staff calculations

Figure 13. Egypt: LC Securities Investor Base
(In percent, FY23/25 and FY 25/26)



Source: CBE, IMF staff calculations

OUTLOOK AND RISKS

- Growth is projected to reach 4.7 percent in FY2025/26, supported by stronger-than-expected performance in FY2024/25 that has been sustained in Q1 FY2025/26. Over the medium term, growth is expected to accelerate further to 5.7 percent by FY2027/28 as ongoing reforms take effect and strengthen non-oil manufacturing, trade, and business and investor sentiment. However, growth is projected to taper off in the outer years to about 4.8 percent by FY2029/30, as these reforms are likely to yield only temporary gains unless underpinned by deeper changes to the economic model. Inflation is projected to maintain its downward trajectory, converging toward the CBE's target over the medium term.

- The debt-to-GDP ratio is projected to decline due to sustained primary surpluses and favorable interest-growth differentials and driven by external deleveraging. However, gross financing needs (GFN) are projected to hover around 40 percent of GDP over the next three years, and the interest burden, and rollover risks remain elevated.

- The CAD is projected to narrow to 3.8 percent of GDP in FY2025/26, reflecting an improvement in the overall trade balance. The direct impact from US tariffs is expected to be limited as the United States only accounts for about 5 percent of total goods exports (mostly textiles).[3] NIR are projected to rise to US$ 43.5 billion, equivalent to 108 percent of the ARA metric. The CAD is projected to narrow to 3 percent of GDP in the medium term, as structural reforms support nonhydrocarbon export growth and moderate import demand, Suez Canal activity gradually normalizes and domestic hydrocarbon production recovers partially. NIR are projected to continue rising in the medium term, offering some buffer against shocks, conditional on a flexible exchange rate regime.

[3] The U.S. administration applied the lowest announced tariff rate of 10 percent to Egyptian exports to the U.S.

14. Risks to the outlook are significant and skewed to the downside (Annex I). Domestic risks include insufficient action to restore sustainability in the energy sector, address large gross financing needs, and materially step up implementation of structural reforms – all of which could dampen growth prospects and worsen debt dynamics. Inflation risks stem from global commodity price volatility, greater pass-through from administrative price adjustments, and unanchored expectations. Egypt faces elevated *external risks* from global trade and commodity price shocks, and tighter financial conditions that could widen external deficits, trigger outflows, and increase borrowing costs. On the upside, a faster pickup in the Suez Canal activity or rebound in hydrocarbon production could support growth and strengthen the fiscal and external positions. Gulf-backed mega projects announced in recent years pose upside risks to FDI projections.

PROGRAM PERFORMANCE

15. Performance has been broadly satisfactory vis-a-vis targets related to macro-stabilization policies. The controlling QPCs for the 5th and 6th reviews are the end-December 2025 QPCs. The authorities met the end-June 2025 QPCs on NIR and tax revenues, the and the continuous PC on the non-accumulation of external arrears. With regard to the CBE overdraft, all the end-June and end-December QPCs and end-September IT were met. The end-September IT and end-December QPC on NIR were missed, despite an improvement in BoP outcomes, due to lower-than-projected government external market debt issuance and the absence of FX purchases by the CBE. However, the CBE's commitment to the newly established FX reserve accumulation framework is expected to bring NIR back onto its programmed path. Repayment of the legacy stock of central bank lending to public agencies progressed more slowly than planned, resulting in the authorities missing the end-June 2025 QPC and end-September IT, while corrective actions allowed them to meet the end-December QPC. The CBE adopted a tight monetary stance, driving inflation consistently below the MPCC upper outer band, however inflation breached the MPCC upper inner band at end-June, end-September, and end-December 2025, largely reflecting increases in administered prices and services.

16. Performance on divestment- and debt-reduction–related targets was less satisfactory. Shortfalls in divestment led to a miss of the end-June 2025 primary balance QPC, and the end-June IT on the debt ceiling was also not met. As a corrective measure, the authorities finalized a US$3.5 billion real estate deal with Qatar for the development of a major tourism and urban project on Egypt's Mediterranean coast in the Alam El Roum area, and allocated the proceeds, received in late December 2025, to reducing budget-sector debt.[4]

17. The authorities met twelve of the fourteen structural benchmarks (SBs) and made efforts towards delivering on the remaining reform objectives (MEFP, Table 2).

[4] Data to assess end-December ITs are broadly missing (e.g., social spending, public investments, maturities and debt). The change in guarantees was EGP 179.8 billion, below the end-September ceiling. Regarding FX interventions, the CBE and state-owned banks refrained from intervening in Q4 2025, in the absence of significant shocks or excessive market disorder.

- **Of the six recurring structural benchmarks (SBs), one remains unmet.** The authorities have maintained a flexible exchange rate regime and continued to report on payment arrears. They have begun the regular publication of quarterly debt bulletins, reflecting expanded coverage of the general government, while staff continues to engage on methodological issues to ensure full alignment of debt reporting with international best practices. As a result of efforts to broaden coverage, the monthly reports on public (budget sector) procurement contracts and procurement awards by state-owned enterprises (SOEs) and Economic Authorities (EAs) are now assessed as meeting the relevant SB requirements. However, the aggregate annual reports on Egypt's SOE portfolio continue to fall short, as they do not cover all SOEs included under the State Ownership Policy (SOP) and lack sufficient detail on financial performance and governance arrangements. Accordingly, this structural benchmark remains unmet. The authorities have reiterated their commitment to expanding the scope and depth of SOE reporting. In this regard, the recently enacted Law No. 170 of 2025 on the regulation of state ownership establishes an SOE unit under the Prime Minister's Office, tasked with creating a centralized SOE database to serve as the official source of information and to support more comprehensive reporting for the government's SOE triage policy.

- **Of the eight non-recurring structural benchmarks (SBs), one was not met and has been converted into a prior action.** The authorities submitted on time a Cabinet-approved strategy to restore EGPC's financial health; developed an indicator to track implementation of the State Ownership Policy (SOP); increased cash and in-kind support to beneficiaries of the conditional cash transfer program (Takaful and Karama); published a fiscal risk statement; issued a report on measures to ensure tax collection from state-owned enterprises (SOEs); hired advisors for at least two proposed divestment transactions; and strengthened risk-based customs inspections. The structural benchmark related to the adoption of a tax package of high-quality measures in the context of the FY2026/27 budget was not met. The authorities have committed to secure a Cabinet approval of the agreed package of high-quality tax measures yielding 1 percent of GDP as a prior action.

18. Performance under the RSF has been strong. The authorities completed both reform measures due by June 2025 (RM1 and RM2), reflecting strong implementation capacity, sustained commitment, and effective coordination. Progress is ongoing with the remaining reform measures, supported by a proactive use of technical assistance from the Fund and other development partners.

PROGRAM DISCUSSIONS

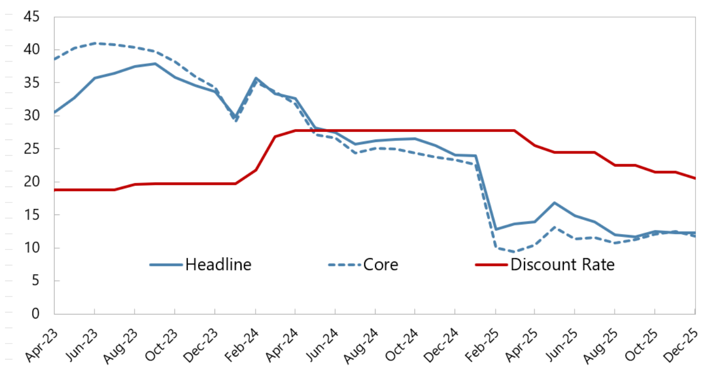
Containing public investment, tight monetary policy, exchange rate flexibility, and fuel price adjustment have been central to restoring macroeconomic stability. However, slow progress on deeper reforms, particularly in divestment, debt management, and state-owned bank governance, continues to weigh on medium-term growth prospects, elevate gross financing needs, and constrain fiscal space for priority spending, putting key program objectives at risk. Going forward, greater exchange rate flexibility, disinflation, revenue-led fiscal consolidation supported by a comprehensive debt management strategy, *strengthened SOE bank governance, effective implementation of the State Ownership Policy, and levelling the playing field further should remain core reform priorities. The updated Memorandum of Economic and Financial Policies (MEFP) reflects the authorities' commitment to these goals.*

A. Exchange Rate and Monetary Policies

19. The Central Bank of Egypt has demonstrated its strong commitment to price stability with a prudent and data-driven approach to easing in an environment of heightened uncertainty. By keeping rates steady at elevated levels from March 2024 to February 2025, before starting the easing cycle in April 2025; cutting rates by a cumulative 725 bps between April and December, and bringing the discount rate to 20.5 percent, the CBE effectively balanced the need to support disinflation with the need to safeguard market stability. Monetary policy should remain adequately restrictive to ensure disinflationary pressures become firmly entrenched, preserve market confidence, and reduce risks.

Figure 14. Egypt: Inflation and Discount Rate

(In percent)



Source: Central Bank of Egypt; and IMF staff calculations.

20. Further steps were taken to reduce monetary financing. While the MoF's Treasury Single Account (TSA) pools cash flows from the central government, other budget entities, and Economic Authorities (EAs), the central government may not have legal control over EAs' deposits. To address this, the authorities have initiated a transfer of the relevant EA deposits to the central government's Treasury account at the CBE, which is expected to be reflected in the end-December analytical accounts of the CBE. The outstanding stock of the CBE's lending to public sector agencies outside of the MoF is expected to be gradually reduced to zero by end-June 2029.

21. Exchange rate flexibility remains the first line of defense against external shocks, complemented by a stronger FX intervention framework and a market-based accumulation program to enhance overall reserve adequacy. Despite sizable external shocks and pronounced capital flow volatility, the CBE refrained from direct FX intervention in 2025, but SOBs instead conducted all FX sales to smooth volatility during episodes of market stress, potentially increasing risks to their balance sheets. This underscored the need to strengthen the CBE's FX intervention framework to ensure interventions are transparent, undertaken by the CBE, limited to disorderly market conditions, and firmly anchored within CBE's regulatory and policy mandate. This includes a review of the CBE's FX intervention rule and budget using newly available transaction-level data, as part of a broader effort to evolve the framework. Staff also urged the potential use of complementary FX risk management instruments, such as FX forwards, swaps, and repos. Staff confirmed that there was no introduction nor intensification of exchange restrictions or multiple currency practices (MCPs), which are inconsistent with Article VIII of the IMF's articles of agreement, nor introduction of capital flow management measures (CFMs) in 2025.

22. **Staff emphasized the importance of continuing ongoing efforts to strengthen the CBE's FX reserves.** Headline reserves remain adequate, however external risks remain important. Stemming from Egypt's exposure to fluctuations in commodity prices, shocks to tourism and remittances and potential reversal of portfolio inflows amid record nonresident holdings of mostly short-term local-currency debt. The CBE agreed in principle to the introduction of a market-based reserve accumulation program, which would support the achievement of the program's NIR targets. Staff cautioned against reliance on CBE commercial borrowing for reserves accumulation, and emphasized that transparent, market-based FX purchases should remain the primary tool for building high-quality reserves.

B. Fiscal Policy

23. **The FY2025/26 budget targets a primary balance (excluding net acquisition of financial assets) of 4 percent of GDP, a slight tightening from FY2024/25 outturn.** While the approved budget revenue projections are not fully aligned with program tax revenue targets, the authorities reaffirmed their commitment to meeting the program tax targets. More specifically, the authorities have submitted to parliament a tax package yielding 1 percent of GDP as agreed at the time of the 4th review. The full tax package, however, has not yet been enacted, as the withholding tax on free zones sales to the domestic market and the real estate tax have not yet been approved by Parliament (Text Table 1). The authorities are committed to seeking approval of amendments to these pending items in the context of the FY26/27 budget discussions starting in March 2026, with Parliamentary approval expected by end-June 2026 (see next paragraph). In the interim, to meet FY25/26 program targets, the authorities will temporarily reallocate to the Ministry of Finance the portion of the Free Zone turnover tax accruing to the General Authority for Investment and Free Zones (GAFI). Furthermore, increases in revenue from higher tobacco prices starting in January are expected to further contribute to closing the revenue gap resulting from the delayed approval.

24. **The authorities remain committed to a further consolidation of 1 percent of GDP to reach a primary surplus (excluding net acquisition of financial assets) of 5 percent of GDP in FY2026/27.** This will be supported by the legislation of another tax package, including high-quality tax measures, such as further removal of VAT exemptions, transfer pricing taxation, and a dividend tax on SOE distributable profits. The package will help to meet the program's tax revenue objective of increasing the tax-to-GDP by 2 percent over the two-year period of FY2024/25-FY2026/27. Cabinet approval for the FY2026/27 tax package will be secured as *prior action,* and the package will be submitted to Parliament by end of March 2026. To ensure that all committed tax revenue measures are in place, the FY2026/27 tax package and the remaining tax measures originally planned for FY2025/26 will be included in the FY2026/27 budget and Parliamentary approval will be secured by end-June 2026 *(new structural benchmark*).

Text Table 1. Egypt: Tax Reforms, 2025/26		
Tax Reforms	**Progress**	**% of GDP**
Cigarettes' Additional 1 EGP Excise Tax	Completed with a increase 0.5 EGP tax	0.02
Cigarettes' Increase in Price by 3 EGP (Excise Tax)	Completed, companies increase prices by around 7 EGP	0.04
Increase in corporate tax estimates due to the price increase	Completed	0.01
Crude Oil (10%)	Completed	0.21
Construction Activities	Completed	0.27
Non-Residential Units (Administrative Buildings)	Completed	0.05
Services of News Agencies and Exempted Advertisements	Completed	0.03
VAT and Other Excise Taxes from Cars for the Disabled	Completed	0.05
Real Estate Tax	The reform has been submitted to Parliament and pending approval	0.05
Customs (Cars for the Disabled)	Completed	0.03
Withholding Tax in 2025/2026	Not yet completed	0.10
SME's Corporate Tax	Completed	0.02
SME's VAT	Completed	0.12
Total		**1.00**

25. **The authorities have achieved cost recovery for all products covered under the retail fuel indexation mechanism (gasoline 95, 92 and 80, diesel and mazut).** Retail gasoline and diesel prices were raised by EGP 2 in April and again in October, equivalent to cumulative increases of 11–15 percent depending on product. The automatic fuel price indexation mechanism will resume at the end of the second quarter of 2026, further institutionalizing sound pricing practices. As a result of the price adjustments already implemented (including fuel, diesel, Mazut, LPG and gas), hydrocarbon subsidies are projected to decline by about EGP 97 billion, or 0.5 percent of GDP, in FY25/26.

26. **With higher tax revenues and reduced untargeted energy subsidies the authorities have more fiscal space for priority spending.** Social spending has been moderately increased in the FY2025/26 budget, particularly for the Takaful and Karama (T&K) program and related cash and in-kind support (Text Table 2).[5] T&K spending rose from EGP 43billion in FY2024/25 to EGP 54 billion in FY2025/26, while in-kind support for beneficiaries increased from EGP 6 billion to EGP 31.2 billion.

Text Table 2. Egypt: Announced Measures		
	FY 24/25	**FY 25/26**
	EGP Billion	
25% increase in Takaful and Karama monthly transfers staring April 2025 (ongoing)	43	54
Economic empowerment to those who exit Takaful and Karama program, and those who are eligible but not enrolled in the program by offering them job opportunities and skills enhancement	0	11
Medical treatment for emergency and critical cases (around 60K cases) prioritizing those who are registered in Takaful and Karama	3	3.2
Additional spending on health targeting preventive health programs and activities serving low-income households	3	16
Other social protetcion measures	0	12
Total	**49**	**96.2**

[5] The T&K programs currently cover 4.67 million households (roughly 17 million individuals).

Overall, cash and in-kind social spending for T&K beneficiaries is projected to rise from about 0.3 percent of GDP in FY2024/25 to 0.4 percent of GDP in FY2025/26.

27. The authorities successfully contained public investment spending in FY2024/25 and met the end-June 2025 indicative ceiling. Total public investment amounted to EGP 924 billion and had a broad coverage of the public sector, including budget sector entities, public companies, and all Economic Authorities. For FY2025/26, the public investment ceiling has been set at EGP 1,158 billion, while achieving a sustained reduction in the public investment–to–GDP ratio (currently at 5.4 percent of GDP). The authorities also remain committed to strengthening the evaluation and prioritization of all public investment projects, including public–private partnerships, to ensure efficient use of fiscal resources.

28. The authorities have made progress with strengthening the financial position of the national oil company (EGPC). In March 2025, the Cabinet approved a comprehensive reform package to place EGPC on a sustainable footing (structural benchmark), building on measures initiated in 2024. The package includes fuel, gas, and electricity price adjustments to achieve full cost recovery for retail fuels by end-2025; budget allocations of EGP 75 billion to EGPC and a further EGP 75 billion to the electricity company (EEHC) to clear arrears; initiatives to boost domestic oil and gas production and exports; and continued expansion of renewable energy. These measures are already yielding positive results. EGPC’s arrears to international suppliers have declined from US$6.2 billion in October 2024 to about US$2 billion by December 2025, supporting the resumption of domestic oil and gas production. Looking ahead, the reform plan is expected to strengthen EGPC’s liquidity and profitability, reduce government guarantees to EGPC, currently at 18 percent of GDP, by 25 percent in FY2026/27, and increase revenues through higher production, energy price adjustments, and improved collections.

C. Debt Management

29. While Egypt’s general government public debt is declining, gross financing needs remain elevated and debt service continues to absorb a large share of revenues, crowding out development spending. Public debt is assessed as sustainable in the medium term but not with high probability, and overall risks of sovereign stress are high (Annex II). Debt declined from 97.2 percent of GDP in FY2023/24 to 91.8 percent in FY2024/25, reflecting favorable contributions from real growth, the primary balance, and real interest rates,[6] and is projected to fall below 75 percent by 2031. However, gross financing needs are expected to remain around 40 percent of GDP over the next three years and above 30 percent in the medium term. Interest payments absorb roughly 83 percent of tax revenues, while the heavy reliance on short-term domestic debt (about 60 percent of total domestic debt) leaves the sovereign highly exposed to rollover and interest rate risks.

30. With the slow execution of the divestment agenda, achieving a durable reduction in debt and gross financing needs over the near term will require additional effort. At program

[6] The decline in debt was partly offset by adverse stock–flow adjustment (SFA), primarily reflecting effects arising from the difference between the real and nominal value of T-bills, as reported by authorities.

approval, the debt reduction strategy rested on three pillars: delivering sustained primary surpluses, using proceeds from state asset sales for debt reduction, and lengthening debt maturities to lower rollover risks. While the authorities have delivered the planned primary adjustment, progress on divestment has stalled, maturities lengthening results have been marginal, and fiscal adjustment under the baseline alone is insufficient to restore key fiscal metrics.[7] In this context, a well-designed, targeted, and market-friendly reprofiling of short-term domestic debt could help ease rollover pressures and reduce interest costs.

31. The authorities have stepped up efforts on active debt management to reduce gross financing needs with an objective of anchoring public sector debt at sustainable levels. While they have committed to extending the issuance maturity of domestic debt through auctions (an existing indicative target), the results so far have not translated into significant reduction in GFNs, reflecting in part concentrated demand in the domestic market. To materially reduce GFNs in the near term, the authorities have advanced a strategy that includes (i) debt swap operations with key institutional holders of domestic debt to roll over maturing short-term debt with longer-term debt and equity claims on sovereign assets (backed by land), (ii) a new weekly sukuk issuance program with 3–5 year maturity instruments, and (iii) a commitment to allocate the full proceeds from the Qatari investment deal, and 50 percent of all future divestment proceeds, towards debt reduction. Together, these measures are expected to reduce gross financing needs by about 6 percent of GDP in FY2025/26, with additional measures planned to deliver a further 4 percent reduction of GDP reduction in FY 2026/27 (new structural benchmark). Meanwhile, the authorities agreed on a more ambitious calibration of the indicative target on issuance maturities from December 2025 onwards, supported by the expanded issuance of longer-term bonds and sukuks. The introduction of a new QPC target improving the quality of financing through a ceiling on the share of non-market local currency debt.

32. In parallel, there is a need to urgently strengthen the broader public debt management function with comprehensive reforms. This will require a clear break from past policies and practices, supported by a credible communication strategy. Priority reforms include strengthening the institutional and regulatory framework of debt management, centered on establishing a dedicated Debt Management Office with exclusive mandate over the entire public debt portfolio, and further development of the domestic debt market. The authorities should also adopt a comprehensive medium-term debt management strategy that enables a more integrated approach to portfolio management and better coordination of borrowing across all available financing sources, with a focus on prioritizing concessional financing. The authorities are expected to publish a multi-year medium-term debt management strategy (MTDS) and the FY2025/26 Annual Borrowing Plan (ABP) in January.

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[7] Stochastic simulations indicate that, under program general government primary balance of about 3.7 percent of GDP, the 70 percent debt-to-GDP anchor and the 25 percent GFN ceiling can be met in most scenarios with joint probability of 90 percent (using a simplified approach that ignores FX and SFA shocks, which are only reflected to the extent they are embedded in the debt level, growth, and IR outcomes). Same time the 30 percent interest-to-revenue cap remains the most binding constraint, breached in over three-quarters of cases. As noted by Escolano et al. (2011), crossing this threshold is linked to heightened fiscal distress, as debt service begins to crowd out essential expenditures. This metric is particularly relevant for Egypt, where interest payments on cash basis already account for 83 percent of government tax revenues.

The ABP will quantify borrowing needs for FY2025/26 and outline, within indicative ranges, the allocation of financing across domestic and external instruments. It should serve as a key signaling tool for markets and stakeholders to help anchor expectations. In addition, quarterly public debt reporting (a recurring structural benchmark) has been strengthened by expanding coverage of domestic financing instruments, including auction results, private placements, and overdraft borrowing, thereby improving market communication as part of an active investor relations strategy.

D. Financial Sector Policies

33. Strengthening governance practices and competition in the banking sector remains a key financial sector policy priority.[8] The large presence of state-owned banks requires robust governance practices to safeguard financial health, ensure a market-based transmission mechanism for monetary policy, and promote fair competition with private banks. To this end, the CBE commissioned an independent assessment of policies, procedures, and controls of the two biggest state-owned banks by two internationally recognized firms in February 2025, based on terms of reference prepared in consultation with IMF staff. One has been completed, and the authorities have committed to ensure the completion of the second study in February 2026.

34. To ensure progress on this agenda within the program horizon, the CBE plans to instruct the two SOBs as their supervisory authority to close, by end-September 2026, the identified gaps in risk management practices. The draft results of one study were made available to IMF staff in early December 2025 and have also been transmitted to the SOB's senior management staff for factual corrections. The second study findings are still outstanding, but the CBE is committed to delivering the draft findings to IMF staff by early February 2026. The CBE is in the process of evaluating the main findings of the first study with a view to deciding on and initiating the appropriate supervisory response within a corrective action plan covering eventually common and specific findings from both studies once available. As such, the CBE will prepare the details of the corrective action plan for the two SOBs by end-March 2026 (*new structural benchmark*). The CBE will also deliver a final status report by end-September 2026 detailing progress on the status of the corrective action plan, including addressing any potential regulatory breaches identified by the studies. (*new structural benchmark*).

E. Structural Reform Policies

35. Divestment, a key pillar of the State Ownership Policy (SOP), has stalled, precluding reaching the program's original objectives. The program's structural agenda has been anchored on the SOP, endorsed by the President. The SOP aims to encourage private sector activity by reducing the state's economic footprint through divestment, leveling the playing field, and improving the business environment. Divestment was intended as visible signal of the authorities' policy commitment and a source for program financing and debt reduction, with the SOP targeting exit from non-strategic sectors by 2027. However, no material divestment has occurred over the last

[8] An FSAP for Egypt is currently under preparation and is expected to produce findings by early-2027.

24 months, while new military entities were created. The authorities' divestment strategy seems to increasingly focus on selling non-controlling stakes in public entities while also introducing airport management and operations concessions, which would limit resources for debt reduction.

36. In light of the above, the authorities have identified four major transactions for financial closure before the end of the program. Expected proceeds from divestment amount to US$1.5 billion, roughly half of which is anticipated to be allocated to the budget. Even after adding the Qatari land sale valued at US$3.5 billion, this is well short of the US$6.5 billion required to meet the program's original divestment objective. Moreover, while the full Qatari land-sale proceeds will go to debt reduction, the transaction does little to level the playing field between SOEs and the private sector.

37. The authorities have recently made progress in establishing a robust institutional framework to support SOP implementation, including beyond the program horizon. The new SOE unit, established under the Prime Minister's Office and already headed by a CEO, will be responsible for triaging state-owned companies. Non-strategic and market-ready firms will be transferred to the Government Offerings Unit, established in 2023 under the Prime Minister's office, for listing on the stock exchange, entities deemed strategic or with potential for value maximization will be moved to the Sovereign Fund of Egypt, while companies requiring further restructuring will remain with the unit's oversight. Efforts are also underway to strengthen the Fiscal Risk Unit within the Ministry of Finance. The authorities are in the process of updating the SOP to reflect recent institutional developments and newly established priorities (*new end-March 2026 structural benchmark*). Going forward, it will be essential to ensure clear mandates, strong governance, and fiscal and financial oversight within the new SOE institutional architecture, supported by robust reporting requirements based on a central data repository accessible to all stakeholders. It will also be important to ensure that all SOEs across the various entities remain fully integrated into fiscal risk analysis, with regular publication of consolidated financial information.

38. The authorities' National Narrative for Economic Development represents a key step in advancing Egypt's structural reform agenda and promoting sustainable growth. The strategy aims to shift toward a more competitive, private-sector-driven economy by focusing on governance, business regulation, and external liberalization to improve the investment climate, reduce the state's footprint, and strengthen institutional capacity. IMF staff analysis estimates that these reforms could generate positive but modest and potentially temporary output gains, with business regulation reforms in particular requiring complementary credit market reforms to deliver sustained benefits (Annex III). Their impact would be significantly larger and more durable if measures to reduce state ownership and strengthen market competition were accelerated, as the state's pervasive role remains the main constraint on private-sector activity. According to IMF analysis in Annex III, accelerating privatization and divestment in Egypt could deliver up to three times greater and longer-lasting dividends, helping the country align more closely to frontier emerging-market peers.

39. Given staff's analysis suggesting significant dividends from the ongoing reforms and building on the authorities' accelerated implementation of reforms in trade facilitation, digitalization, and the business environment, two key measures from the narrative are being

formalized through structural benchmarks. On trade facilitation, the authorities have already streamlined risk-based control systems among border authorities (end-April 2025 structural benchmark), contributing to a sharp reduction in customs clearance times at ports from 16 days in 2021 to 5.8 days, with a target of 2 days by Q1 2026. To lock in these gains and ensure uniform application across ports, the Cabinet will submit to Parliament amendments to Article 39 of the Customs Law (Law No. 207 of 2020) to make advance customs clearance mandatory (new end-February 2026 structural benchmark). In parallel, progress on digitalization and business-environment reforms is being scaled up through the establishment of a fully digital Integrated Economic Entities Platform to streamline business registration, licensing, and operations, creating a unified and predictable system for investors. To support its rollout, the authorities will publish, by end-June 2026, an action plan to review and reengineer procedures for establishing a business across 275 economic activities, based on an inception report prepared by a competitively selected consultant (new end-2026 structural benchmark). Quarterly updates will track progress, including the number of reengineered activities.

40. Additional measures complement ongoing structural reforms under the program. The authorities expanded the SOP monitoring framework by adding an indicator related to divestment (end-March 2025 structural benchmark). The indicator has three main components: (i) SOP implementation, tracking divestment, state's footprint reduction, and competitive neutrality (60 percent weight); (ii) business climate improvements (20 percent); and (iii) overall macroeconomic impact (20 percent). Following its first release in January 2026, the indicator will be published semiannually, providing added incentives to advance SOP implementation. In line with structural benchmarks, the authorities also published a report detailing SOEs' tax collections following the removal of special exemptions, including CIT, VAT, and others; and have issued cabinet level instructions to budgetary units and designated SOEs to provide the necessary procurement data to the GAGS.

RESILIENCE AND SUSTAINABILITY FACILITY ARRANGEMENT

Performance under the RSF has been strong. The authorities completed all reform measures due by June 2025, reflecting strong implementation capacity, sustained commitment, and effective coordination. Progress continues on the remaining reform measures, with a proactive approach to leveraging technical assistance from the Fund and other development partners. These efforts underscore the authorities' ownership of the RSF agenda and their commitment to advancing Egypt's climate adaptation and mitigation objectives, consistent with the priorities set out in the NDC strategy.

41. The authorities completed the first two reform measures due in June 2025. The authorities adopted and published a plan of renewable energy implementation by 2030, detailing the technology type, capacity, location, timeline, and funding source (RM1).[9] Alongside this, they

[9] The announcement by Cabinet can be found here: https://www.cabinet.gov.eg/News/Details/82372

submitted a budget plan for Cabinet approval, outlining the annual investments needed in grid and network enhancement for 2026-2029 to support the renewable energy projects described in the plan. The CBE issued a directive on June 15, 2025 mandating all banks to monitor and report their exposures to firms that may face material transition risks due to the Carbon Border Adjustment Mechanism (CBAM) and also included provisions related to the United Kingdom's CBAM, set to be implemented in 2027 (RM2).[10] By the end of first quarter of 2026, the necessary information about the directive that needs to be conveyed to the banks, including the supervisory implications of the directive, as well as the amended reporting template of CBAM directive, will be uploaded on CBE website to provide banks with the required data under the mentioned directive. In the meantime, the CBE will be monitoring banks' inquiries about the directive in order to look into the possibility of amendments by end of 2026.

42. Agreement was reached on a revised formulation of RM10 to strengthen Egypt's water allocation framework. The authorities remain committed to establishing the National Water Council (NWC) through a Prime Ministerial decree, chaired by the Prime Minister and including key ministers and stakeholders from MALR, MWRI, MHUUC, MoE, MPEDoIC and the NWC. The NWC will (i) issue a circular by June 2026 clarifying roles and responsibilities for generating, sharing, and publishing water supply and demand data to support allocation decisions; and (ii) develop and publish the National Water Allocation Framework (NWAF) by August 2026, setting transparent prioritization criteria, processes, and rules for licensing, allocation, and monitoring under normal and drought conditions, aligned with international best practices and national needs. This reform will establish a much-needed inter-agency coordination mechanism for sustainable water management. The NWAF will provide a unified, formally endorsed framework for water allocation, addressing a long-standing gap, by defining overarching processes and rules, with scope for further refinement and operationalization by the NWC over time.

43. Good progress is also being made in the preparation and implementation of the remaining reform measures. For RM3, MoPEDIC has updated climate-related criteria in the national project selection manual, circulated it to all ministries, and begun applying the new framework to all major FY2025/26 projects above EGP 500 million. including two recently added projects focused on mitigation and adaptation. For RM4, MoPEDIC established a unified climate-risk data framework, set up ministerial technical teams, and upgraded its investment planning system to integrate climate risk assessments; it is now cataloguing new fixed assets, collecting risk data, coordinating with the Ministry of Environment, and preparing a December 2025 progress report outlining identified risks and mitigation measures. For the RMs on fiscal risk statement and disaster risk financing, the authorities will rely on technical assistance from the IMF's Fiscal Affairs Department to implement these reform measures by the expected date of completion. For the RM on methane reduction, the World Bank's Environment Team is expected to support the implementation of the MRV system and the non-compliance framework.

[10] The circular issued by CBE can be found here.

PROGRAM ISSUES AND RISKS

44. The Fund-supported program is fully financed. The total financing needed to reach NIR targets is about US$13 billion for FY2025/26 and US$4 billion in FY2026/27, including IMF purchases (Table 11). The authorities have secured firm financing commitments from multilateral and bilateral partners for budget support financing of about US$4.4 billion in FY2025/26 and US$2.5 billion in FY2026/27. In December 2025, US$3.5 billion was received from the sale of land rights to Qatar, and divestment proceeds are expected to reach US$1.5 billion by end-June 2026. Market issuances, including guaranteed and new innovative instruments, will cover the remaining financing needs. Firm assurances remain that US$18.3 billion in GCC official deposits at the CBE will not be withdrawn before the EFF concludes in December 2026, except for equity purchases, with FX proceeds retained in CBE's foreign reserves. The authorities remain committed to adjusting policies as needed to ensure full program financing.

45. Program extension and rephasing. With accumulated delays in completing earlier reviews, staff supports the authorities' request to recalibrate the EFF program. Staff proposes to extend the arrangement to December 15, 2026, bringing the total duration to 48 months. To preserve strong conditionality, the March 2026 indicative targets are proposed to be elevated to quantitative performance criteria for the seventh review, while the eighth review would assess performance against end-June QPCs and end-September ITs. This revised schedule would help demonstrate tangible progress on key reforms and support achievement of core program objectives. Delays in completing reviews have also led to a more backloaded reform agenda. To address this and ensure program objectives are met, staff proposes rephasing of access, with the completion of the combined 5th and 6th reviews resulting in a total purchases of SDR 1,465.44 million, and that of each of the 7th and 8th review in a purchase of SDR 1,113 million (Table 12b). Staff also supports the authorities' request for extension and rephasing under the RSF to align the length and availability dates with EFF review schedule.

46. Modification of conditionality. The authorities request a waiver for the non-observance of the end-December 2025 QPCs on the floor of NIR, as the CBE's commitment to the newly established FX reserve accumulation framework is expected to bring NIR back onto its programmed path. The authorities request to introduce a QPC ceiling on the share of total local currency financing activities (e.g., financing of budget deficit and maturing debt) conducted via non-market modalities, which is considered necessary to ensure a greater reliance on market-based instruments for budget deficit and debt refinancing, while indirectly steering more financing towards longer-dated auction instruments by definition. In addition, seven new structural benchmarks are being proposed to support implementation of critical reforms, supporting the implementation of the authorities' tax reform, GFN reduction plan, reflecting the results of the study of state-owned banks, and supporting the refocused structural agenda.

47. Capacity to repay the Fund is adequate but subject to risks and contingent on full program implementation and the materialization of all projected financing (Table 10). Egypt is the Fund's fifth largest exposure in the General Resources Account (GRA). However, total IMF outstanding credit has halved between program inception in December 2022 and October 2025, with net repayments of SDR 6.6 billion despite difficult economic and geopolitical conditions. Outstanding credit is expected to rise to SDR9.17 billion by the end of the program in December 2026, still about one third below its level at program inception. Going forward, Fund credit outstanding, including projected purchases under the proposed arrangement, will peak in 2026/27 at 2.6 percent of GDP, equivalent to around 14.4 percent of exports of goods and services and 18.3 percent of gross international reserves. Total debt service to the Fund will peak at 4.8 percent of exports of goods and services and 5.8 percent of gross international reserves in 2025/26, decreasing significantly compared to 2024/25. Risks that may affect capacity to repay include commodity price shocks and policy slippages that could lead to higher trade deficits, disruptive capital outflows, and materialization of significant contingent liabilities from SOEs. However, Egypt's stock of gross and net international reserves exceeds its obligations to the Fund, providing a buffer for repayments. Improvements in the fiscal and external positions are expected to support continued market access and capacity to repay.

48. Additional efforts are needed to implement the remaining recommendations from the 2023 safeguards assessment. In particular, while some important actions have been implemented—including measures to reduce the CBE's legacy claims on public sector agencies—the recommended transition to full compliance with Egyptian Accounting Standards is still pending, undermining the transparency of the CBE's financial statements.

49. Enterprise risks remain significant, but with no material changes in the underlying risk drivers. Incomplete program implementation, Egypt's high debt levels and reliance on short-term domestic financing, outstanding structural reform gaps, and vulnerabilities related to data quality and non-standard accounting practices continue to pose enterprise risks. That said, the proposed re-phasing of remaining purchases modestly reduces the Fund's enterprise financial risk relative to the previous configuration, as it strengthens incentives for implementation and limits front-loaded financial commitments.

STAFF APPRAISAL

50. The macroeconomic environment and near-term outlook have improved as stabilization measures continue to take effect. Tight monetary policy has significantly reduced inflation, easing cost-of-living pressures. Exchange rate flexibility, supported by foreign inflows, has improved the external position and financing conditions. Fiscal consolidation, along with slowdown of public investment, has reduced demand pressures and eased the crowding out of private investment. Adjustments in energy prices and clearance of arrears are reinforcing the energy sector's financial health. Consequently, economic growth is picking up, debt ratios are declining, reserves remain broadly sufficient, and market access has improved, reflected in successful external issuances and record nonresident inflows into the domestic debt market by end-2025.

51. Nevertheless, limited progress on deeper reforms, particularly in divestment, debt management, and the governance of state-owned banks, poses risks to achieving key program

objectives. Going forward, greater exchange rate flexibility, completing disinflation, pursuing revenue-driven fiscal consolidation under a comprehensive debt management strategy remain the priorities on the macroeconomic front. At the same time, with macroeconomic stability in place, the authorities should focus more on accelerating structural reforms. This entails strengthening state-owned bank governance, advancing the State Ownership Policy to further level the playing field, and implementing a climate agenda that addresses growing adaptation and mitigation needs. Achieving a more dynamic, resilient, and inclusive growth model and related benefits will require bolder and more decisive reforms.

52. **Maintaining an open foreign exchange system within a flexible exchange rate regime remains essential to preventing the re-emergence of external imbalances.** Exchange rate movements should continue to be market-determined, with FX intervention—undertaken transparently by the CBE only and firmly anchored in its policy and regulatory mandate—confined to mitigating disorderly market conditions and underpinned by adequate, high-quality international reserves. Greater flexibility also supports export diversification by reducing the risk of persistent exchange rate misalignment that can undermine external competitiveness.

53. **Sustaining the required primary surplus will require a strong commitment to improving domestic revenue mobilization.** Egypt's low tax revenue, both in absolute terms and relative to peers, leaves limited fiscal space to respond to shocks and meet priority development and social spending needs. Continued efforts are therefore needed to broaden the tax base by further removing exemptions, particularly within the VAT, streamlining tax incentives in the corporate income tax regime, and building on recent improvements in tax administration to enhance compliance. Building public support for these reforms and strengthening trust with taxpayers will be critical to their success. Furthermore, incidence analysis, especially for VAT reforms, should inform the design of compensatory and redistributive social policies.

54. **To safeguard debt sustainability, Egypt will need to pursue a comprehensive strategy to address high gross financing needs and significant domestic rollover risks.** Fiscal consolidation on its own is unlikely to be sufficient, underscoring the need for broader measures to durably reduce debt and gross financing pressures. These should include accelerating divestment with proceeds directed toward debt reduction, tightening oversight and transparency of off-budget investments and fiscal activities, designing and publishing an enhanced medium-term debt management strategy, extending debt maturities, further deepening and developing the domestic debt market, broadening the base of market participants, improving debt reporting, and strengthening investor relations. Sovereign asset–liability management initiatives should be carefully designed to ensure transparency, alignment with strategic objectives, and careful management of macro-fiscal and macro-financial risks. Staff welcomes the authorities' commitment to reducing GFN by 6 percent of GDP for the current fiscal year through a multi-pronged plan that includes liability management operations and using divestment and investment proceeds to repay debt.

55. **Strengthening governance practices and competition in the banking sector remains a key financial sector policy priority.** The large presence of state-owned banks requires robust governance practices to safeguard financial health, ensure a market-based transmission mechanism

for monetary policy, and promote fair competition with private banks. It is critical that the authorities strengthen, and without further delays, risk management practices at state-owned banks, in line with the findings of recent diagnostic studies and the agreed framework on ways forward to ensure tangible results within the EFF timeline. The studies' findings and CBE's planned actions present an opportunity to develop a broader supervisory engagement plan that covers all remaining banks as needed.

56. The National Narrative for Economic Development is a very positive step toward structural reform and sustainable growth, but its impact will remain limited without progress with deeper reforms to reduce the state's role. Rapid progress in trade facilitation, digitalization, and business climate reforms is expected to yield positive growth effects. However, these gains would be larger and more durable if reforms to reduce state ownership and strengthen competition were accelerated, as the state's dominant role continues to constrain private activity. This calls for consistent implementation of the State Ownership Policy, including a renewed push on divestment from non-strategic sectors. The current pause in divestment is unfortunate, given its low social costs and high potential growth returns; a visible restart would help anchor private investment. Continued efforts to crowd in private investment, including for the green transition, should be supported by integrating mitigation and adaptation goals into macroeconomic policies, notably energy pricing and public investment planning.

57. Performance under the RSF is strong. The authorities successfully completed both RMs that were due by June 2025, demonstrating their effective execution and sustained policy commitment. Authorities are also on track with the implementation of the remaining RMs and are seeking technical assistance as needed. Overall, the authorities demonstrate strong ownership of the RSF framework and a firm commitment to delivering Egypt's climate adaptation and mitigation objectives in line with the NDC.

58. Staff supports the authorities' requests for modifications of program conditionality. Staff supports the authorities' request to extend the arrangement till December 15, 2026, bringing the total duration to 48 months, and a corresponding extension of the RSF arrangement. with rephasing of access under both arrangements. Staff also supports the authorities' requests for a waiver for the non-observance of the end-December 2025 QPC on the floor of NIR and the introduction of a QPC on the share of total local currency financing conducted via non-market modalities. In addition, seven new structural benchmarks are being proposed to support implementation of critical reforms, supporting the implementation of the authorities' tax reform, GFN reduction plan, reflecting the results of the study of state-owned banks, and supporting the refocused structural agenda. Implementation and enterprise risks are significant.

59. Staff recommends completion of the combined fifth and sixth reviews under the EFF arrangement and the first review under the RSF arrangement.

Table 1. Egypt: Selected Macroeconomic Indicators, 2021/22–2030/31 1/

	2021/22	2022/23	2023/24	2024/25		2025/26		2026/27	2027/28	2028/29	2029/30	2030/31
				4th review	Est.	*4th review*	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
Output and prices					(percent change)							
Real GDP	6.7	3.8	2.4	3.6	4.4	4.1	4.7	5.4	5.7	5.2	4.8	4.8
Consumer prices (end of period)	13.2	35.7	27.5	16.6	14.9	13.4	11.7	8.7	7.0	5.3	5.1	5.2
Consumer prices (period average)	8.5	24.4	33.3	22.4	20.4	15.3	12.4	9.3	7.5	6.1	5.3	5.2
Public finances 2/					(percent change)							
Gross debt, general government 3/	88.5	95.9	90.9	86.8	86.8	83.6	87.0	84.4	81.9	78.2	74.9	71.5
External	19.5	25.1	27.3	24.0	21.5	21.3	20.7	18.6	16.3	14.9	13.7	12.5
Domestic	69.0	70.8	63.6	62.8	65.3	62.3	66.3	65.8	65.7	63.3	61.2	59.0
Gross debt, general government 4/	87.2	94.7	90.0	...	...	...	...	...	...	...	...	...
Budget sector 5/					(percent of GDP)							
Revenue and grants 9/	17.2	15.4	14.3	15.0	14.6	16.0	15.2	16.4	16.3	15.9	15.8	15.6
Expenditure (incl. net acquisition of financial assets)	23.4	21.4	17.9	25.5	21.4	24.9	24.5	23.4	21.4	18.6	17.6	16.8
Of which: Energy subsidies	0.8	1.3	1.2	0.9	0.9	0.7	0.7	0.5	0.5	0.5	0.5	0.5
Overall balance 6/	-6.2	-6.0	-3.6	-10.6	-6.8	-8.8	-9.4	-7.0	-5.1	-2.7	-1.8	-1.2
Overall balance, excl. grants 6/	-6.2	-6.1	-3.7	-10.6	-6.9	-8.9	-9.4	-7.0	-5.2	-2.7	-1.8	-1.2
Primary balance (incl. net acqusition of financial assets)	1.3	1.6	6.2	4.4	3.8	4.4	4.8	4.8	5.0	5.0	5.0	5.0
Primary balance (excl. net acqusition of financial assets)		*1.6*	*2.5*	*3.5*	*3.6*	*4.0*	*4.0*	*5.0*	*5.0*	*5.0*	*5.0*	*5.0*
Monetary sector					(percent change)							
Credit to the private sector	24.3	25.4	27.8	28.0	23.1	18.0	18.0	18.0	23.1	24.1	25.1	26.1
Real credit to the private sector	18.5	10.9	-5.8	0.4	-3.4	1.2	5.6	8.6	10.3	16.9	18.0	18.9
Reserve money	20.8	28.2	28.5	9.3	18.1	10.6	7.5	13.4	15.6	17.6	19.9	19.5
Broad money (M2)	23.5	24.7	28.7	15.9	23.1	17.4	16.8	13.6	15.7	17.2	19.3	17.8
Policy rate (end of period, in percent)	11.75	18.75	27.75		24.5	...	...	...	...	...	...	...
External sector				(percent of GDP, unless otherwise indicated)								
Exports of goods (in US$, percentage change)	53.1	-9.8	-17.8	5.9	23.5	15.6	-0.7	3.3	3.2	7.2	7.4	2.6
Imports of goods (in US$, percentage change)	23.4	-18.9	1.9	11.1	26.5	5.5	2.9	5.2	5.9	8.3	7.7	2.5
Merchandise trade balance	-9.1	-7.9	-10.3	-12.9	-14.0	-11.5	-12.6	-12.5	-12.1	-12.0	-11.9	-11.3
Current account	-3.5	-1.2	-5.4	-5.8	-4.2	-3.4	-3.9	-3.9	-3.5	-3.4	-3.1	-2.9
Capital and financial account (incl. errors and omissions)	1.4	1.0	7.0	3.2	3.3	3.2	2.7	3.6	4.0	3.5	3.7	3.0
Foreign direct investment (net, in billions of US$)	8.6	9.7	45.6	13.2	11.7	15.6	12.6	13.5	14.5	15.5	17.2	18.4
External debt 7/	32.8	41.8	39.9	46.1	44.2	46.6	41.6	40.2	36.8	34.0	31.9	29.5
Gross international reserves (in billions of US$)	31.5	32.8	44.3	44.9	46.4	49.2	51.3	52.6	55.1	55.5	56.9	56.5
In months of next year's imports of goods and services	3.5	5.1	6.0	6.2	6.0	6.2	6.1	5.8	5.5	5.1	5.1	4.7
In percent of short-term external debt 8/	105.3	103.7	136.0	88.2	122.9	91.9	116.3	106.6	115.6	110.7	109.3	104.4
Nominal GDP (in billions of Egyptian pounds)	7,843	10,156	13,903	17,673	18,136	21,262	21,200	24,539	27,899	31,183	34,484	38,036
Unemployment rate (period average, percent)	7.3	7.2	6.8	...	6.4	...	...	...	...	...	...	...
Population (in millions)	103.6	105.2	106.6	109.5	107.9	111.6	111.6	113.9	116.1	118.5	122.0	126.9

Sources: Egyptian authorities; and IMF staff estimates and projections.
1/ Fiscal year ends June 30.
2/ General government includes the budget sector, the National Investment Bank (NIB), and social insurance funds.
3/ As defined in the program.
4/ Ministry of Finance financial statements audited by the State Audit Agency in line with the Government Accounting Law for FY2021/22.
5/ Budget sector comprises central government, local governments, and some public corporations.
6/ Accrued interest expense is not included in the overall balance through FY2023/24 as per the authorities' presentation, while it is included in the overall balance from FY2024/25 onwards as in GFSM 2014.
7/ Includes multilateral and bilateral public sector borrowing, private borrowing and prospective financing.
8/ Debt at remaining maturity and stock of foreign holding of T-bills.
9/ In FY2023/24, a portion of the decrease in revenue and grants is related to lower self-financed investment projects. The financing associated with such projects is a component of non-tax revenue.

Table 2a. Egypt: Balance of Payments, 2021/22–2030/31

(In billions of US$, unless otherwise indicated)

	2021/22	2022/23	2023/24	2024/25		2025/26		2026/27	2027/28	2028/29	2029/30	2030/31
				4th review	Est.	*4th review*	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
Current account	-16.6	-4.7	-20.8	*-20.4*	-15.4	*-13.3*	-16.6	-17.7	-17.8	-19.0	-19.1	-19.3
Balance on goods and services	-32.2	-9.2	-25.2	*-33.0*	-35.9	*-28.5*	-36.7	-37.6	-39.9	-43.1	-45.7	-47.1
Exports of goods and services	70.8	74.2	62.8	*62.7*	72.3	*73.8*	75.8	81.8	88.2	95.8	104.1	107.0
Imports of goods and services	-103.1	-83.4	-88.0	*-95.7*	-108.2	*-102.3*	-112.5	-119.4	-128.1	-138.8	-149.7	-154.1
Trade balance	-43.4	-31.2	-39.6	*-45.7*	-51.0	*-44.7*	-53.9	-57.5	-62.0	-67.6	-73.0	-74.8
Oil and gas	4.4	0.4	-7.6	*-9.8*	-13.9	*-4.3*	-13.4	-14.9	-15.8	-17.2	-18.4	-19.0
Other	-47.8	-31.6	-31.9	*-35.9*	-37.1	*-40.5*	-40.5	-42.6	-46.2	-50.4	-54.6	-55.8
Exports of goods	43.9	39.6	32.6	*34.5*	40.2	*39.8*	39.9	41.3	42.6	45.6	49.0	50.3
Oil and gas	18.0	13.8	5.7	*4.8*	5.6	*9.3*	3.8	3.7	3.8	3.6	3.7	3.7
Other	25.9	25.8	26.8	*29.6*	34.6	*30.6*	36.1	37.5	38.7	42.0	45.3	46.6
Imports of goods	-87.3	-70.8	-72.1	*-80.2*	-91.2	*-84.6*	-93.9	-98.7	-104.6	-113.3	-122.0	-125.1
Oil and gas	-13.5	-13.4	-13.4	*-14.7*	-19.5	*-13.5*	-17.2	-18.6	-19.6	-20.8	-22.1	-22.7
Other	-73.8	-57.4	-58.8	*-65.5*	-71.7	*-71.0*	-76.7	-80.1	-85.0	-92.5	-100.0	-102.4
Of which: from Ras El-Hekma	...	...	0.0	*-1.7*	0.0	*-3.3*	0.0	0.0	0.0	0.0	0.0	0.0
Services (net)	11.2	21.9	14.4	*12.7*	15.1	*16.2*	17.3	19.9	22.1	24.6	27.4	27.7
Receipts	26.9	34.6	30.2	*28.2*	32.1	*34.0*	35.9	40.5	45.6	50.1	55.1	56.7
Of which: Tourism receipts	10.7	13.6	14.4	*15.2*	16.7	*17.1*	19.9	21.1	23.6	26.0	28.2	28.7
Of which: Suez canal receipts	7.0	8.8	6.6	*3.6*	3.6	*6.3*	4.2	6.0	7.0	7.8	9.1	9.5
Payments	-15.8	-12.6	-15.9	*-15.5*	-17.0	*-17.8*	-18.6	-20.7	-23.5	-25.6	-27.7	-29.0
Of which : Transportation	-3.0	-2.8	-3.3	*-3.7*	-3.6	*-4.0*	-3.8	-4.0	-4.2	-4.6	-5.0	-5.1
Of which: Travel	-4.5	-5.0	-5.1	*-4.1*	-3.9	*-4.5*	-4.6	-5.9	-7.8	-8.6	-9.3	-10.0
Primary income (net)	-15.8	-17.3	-17.5	*-19.1*	-15.8	*-18.1*	-19.3	-19.8	-19.5	-19.8	-19.6	-19.7
Receipts	1.0	2.1	1.9	*2.2*	2.9	*2.1*	2.6	2.4	2.7	3.0	3.2	3.0
Payments	-16.8	-19.5	-19.5	*-21.3*	-18.7	*-20.2*	-21.9	-22.2	-22.2	-22.8	-22.9	-22.7
Transfers	31.4	21.8	21.9	*31.7*	36.3	*33.3*	39.4	39.7	41.7	43.9	46.2	47.5
Official grants	-0.3	-0.1	0.0	*0.1*	0.1	*0.1*	0.1	0.1	0.1	0.1	0.1	0.1
Private remittances	31.7	21.9	21.9	*31.7*	36.2	*33.2*	39.3	39.6	41.5	43.8	46.1	47.4
Capital and financial account	12.5	7.2	26.4	*10.0*	8.8	*12.4*	12.8	16.7	20.3	19.8	22.5	20.2
Capital account	-0.1	-0.1	-0.1	*0.0*	0.0	*0.0*	0.0	0.0	0.0	0.0	0.0	0.0
Financial account	12.6	7.3	26.5	*10.0*	8.8	*12.4*	12.8	16.7	20.3	19.8	22.5	20.2
Medium- and long-term loans and supplier credit (net)	2.2	2.4	1.2	*1.0*	0.3	*1.8*	1.2	0.0	2.8	-0.4	1.2	-1.1
Drawings	7.6	5.7	4.7	*7.4*	6.9	*7.5*	6.5	8.0	13.2	6.5	8.7	5.8
Amortization	5.5	3.3	3.5	*6.4*	6.5	*5.7*	5.2	8.0	10.3	6.9	7.5	6.9
FDI (net)	8.6	9.7	45.6	*13.2*	11.7	*15.6*	12.6	13.5	14.5	15.5	17.2	18.4
Of which Ras El-Hekma 1/	...	...	35.0	*2.5*	0.0	*5.0*	0.0	0.0	0.0	0.0	0.0	0.0
Portfolio investment (net)	-21.1	-4.1	14.3	*1.4*	1.5	*3.5*	5.9	2.8	2.7	4.2	3.6	2.3
Commercial banks' NFA	13.5	5.2	-20.4	*-1.4*	-2.0	*-2.0*	-5.2	-1.0	-1.0	-1.0	-1.0	-1.0
Incurrance of CBE foreign liabilities 1/ 2/	15.7	0.3	-14.9	*-2.1*	-1.9	*0.0*	-2.9	0.0	0.0	0.0	0.0	0.0
Short-term supplier credit	-2.9	0.0	7.2	*2.4*	2.8	*-2.0*	1.6	1.9	1.7	1.8	2.0	2.0
Other	-3.3	-6.2	-6.5	*-4.7*	-3.7	*-4.6*	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4
Errors and omissions (net)	-5.8	-3.3	0.6	*1.1*	3.1	*0.0*	-1.1	0.0	0.0	0.0	0.0	0.0
Overall balance	-9.8	-0.8	6.2	*-9.2*	-3.5	*-0.9*	-5.0	-0.9	2.6	0.8	3.5	0.9
Financing	9.8	-1.1	-14.1	*-5.4*	-6.6	*-7.3*	-7.9	-3.1	-2.6	-0.8	-3.5	-0.9
Reserves (w/o RSF; "-" indicates increase)	10.5	-3.4	-14.9	*0.5*	-1.7	*-4.2*	-4.8	-1.3	-1.3	0.1	-2.4	0.4
Other below the line adjustments 3/	0.0	3.5	5.2	*-0.1*	0.8	*0.0*	0.0	0.0	0.0	0.0	0.0	1.0
Net use of IMF resources (excl. 2022 EFF)	-0.7	-1.3	-4.4	*-5.8*	-5.8	*-3.0*	-3.1	-1.8	-1.3	-0.9	-1.0	-1.3
Other financing	0.0	0.0	0.0	*0.0*	0.0	*0.0*	0.0	0.0	0.0	0.0	0.0	-1.0
Financing gap	0.0	2.0	7.9	*14.6*	10.1	*8.2*	12.9	4.0	0.0	0.0	0.0	0.0
Extended Fund Facility	0.0	0.3	0.8	*3.3*	2.1	*2.4*	3.5	1.5	0.0	0.0	0.0	0.0
Other prospective financing	0.0	1.6	7.1	*11.4*	8.0	*5.8*	9.4	2.5	0.0	0.0	0.0	0.0
Residual Gap	0.0	0.0	0.0	*0.0*	0.0	*0.0*	0.0	0.0	0.0	0.0	0.0	0.0
RSF disbursement	...	...	...	*...*	...	*0.4*	0.4	1.0	0.0	0.0	0.0	0.0
Change in reserves (with RSF; "-" indicates increase)	...	...	...	*...*	...	*-4.6*	-5.2	-2.3	-1.3	0.1	-2.4	0.4
Memorandum items:												
Current account excluding grants	-16.3	-4.7	-20.8	*-20.5*	-15.5	*-13.4*	-16.7	-17.8	-17.9	-19.1	-19.2	-19.4
Terms of trade (percent change)	8.3	1.6	-0.6	*-0.2*	0.7	*-1.6*	-1.1	-0.4	0.1	0.0	0.0	-100.0
GIR & FX deposits in domestic banks (Excl. RSF) 4/	32.4	37.2	53.8	*54.4*	56.8	*58.6*	61.6	63.0	65.4	65.8	67.2	66.8
In months of next year's imports of G&S	3.5	5.1	6.0	*6.2*	6.0	*6.2*	6.1	5.8	5.5	5.1	5.1	4.7
In percent of ARA metric (floating)	65	77	112	*112*	113	*112*	114	108	107	100	95	89
GIR & FX deposits in domestic banks (with RSF) 4/	32.4	37.2	53.8	*54.4*	56.8	*59.0*	62.0	64.3	66.8	67.2	68.6	68.2
In percent of ARA metric (floating)	65	80	119	*112*	113	*112*	114	111	109	102	97	91
Tier 1 GIR (with RSF) 4/	31.5	32.8	44.3	*44.9*	46.4	*49.6*	51.7	54.0	55.1	55.5	56.9	56.5
External debt 4/	155.7	164.7	152.9	*162.7*	161.3	*180.6*	178.3	184.4	189.1	191.7	195.6	195.6
External debt service	24.5	24.6	31.6	*48.0*	55.4	*46.6*	60.5	63.4	66.6	68.4	68.5	71.2
External debt service (in percent of exports of GNFS)	34.6	33.2	50.3	*76.6*	76.6	*63.1*	79.8	77.5	75.5	71.5	65.8	66.5
Stock of external arrears 4/	0.0	0.0	0.0	*0.0*	0.0	*0.0*	0.0	0.0	0.0	0.0	0.0	0.0
Real effective exchange rate (period avg, percent change)	2.2	-22.1	-16.3	*...*	...	*...*	...	...	...	...	...	...

Sources: Central Bank of Egypt; and IMF staff estimates and projections.

1/ Includes USD 11 bn of UAE deposits converted in FY23/24.

2/ Includes foreign official creditors' deposits at the CBE and the 2021 SDR allocation.

3/ This line includes changes in gold valuation and a statistical correction for program purposes, eliminates transfers from Tier 1 to Tier 2 from errors and omissions.

4/ End of period.

Table 2b. Egypt: Balance of Payments, 2023/24–2030/31

(In percent of GDP, unless otherwise indicated)

	2023/24	2024/25		2025/26		2026/27	2027/28	2028/29	2029/30	2030/31
		4th review	Est.	*4th review*	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
Current account	-5.4	*-5.8*	-4.2	*-3.4*	-3.9	-3.9	-3.5	-3.4	-3.1	-2.9
Balance on goods and services	-6.6	*-9.3*	-9.8	*-7.4*	-8.6	-8.2	-7.8	-7.6	-7.4	-7.1
Exports of goods and services	16.4	*17.7*	19.8	*19.1*	17.7	17.9	17.2	17.0	17.0	16.2
Imports of goods and services	-23.0	*-27.1*	-29.7	*-26.4*	-26.2	-26.1	-25.0	-24.6	-24.4	-23.3
Trade balance	-10.3	*-12.9*	-14.0	*-11.5*	-12.6	-12.5	-12.1	-12.0	-11.9	-11.3
Oil and gas	-2.0	*-2.8*	-3.8	*-1.1*	-3.1	-3.3	-3.1	-3.0	-3.0	-2.9
Other	-8.3	*-10.1*	-10.2	*-10.4*	-9.4	-9.3	-9.0	-8.9	-8.9	-8.4
Exports	8.5	*9.8*	11.0	*10.3*	9.3	9.0	8.3	8.1	8.0	7.6
Oil and gas	1.5	*1.4*	1.5	*2.4*	0.9	0.8	0.7	0.6	0.6	0.6
Other	7.0	*8.4*	9.5	*7.9*	8.4	8.2	7.5	7.4	7.4	7.0
Imports	-18.8	*-22.7*	-25.0	*-21.8*	-21.9	-21.5	-20.4	-20.1	-19.9	-18.9
Oil and gas	-3.5	*-4.1*	-5.3	*-3.5*	-4.0	-4.1	-3.8	-3.7	-3.6	-3.4
Other	-15.3	*-18.5*	-19.7	*-18.3*	-17.9	-17.5	-16.5	-16.4	-16.3	-15.5
Of which: from Ras El-Hekma ..	0.0	-0.5	0.0	*-0.9*	0.0	0.0	0.0	0.0	0.0	0.0
Services (net)	3.7	*3.6*	4.1	*4.2*	4.0	4.3	4.3	4.4	4.5	4.2
Receipts	7.9	*8.0*	8.8	*8.8*	8.4	8.8	8.9	8.9	9.0	8.6
Of which: Tourism receipts	3.8	*4.3*	4.6	*4.4*	4.6	4.6	4.6	4.6	4.6	4.3
Of which: Suez canal dues	1.7	*1.0*	1.0	*1.6*	1.0	1.3	1.4	1.4	1.5	1.4
Payments	-4.1	*-4.4*	-4.7	*-4.6*	-4.3	-4.5	-4.6	-4.5	-4.5	-4.4
Of which : Transportation	-0.9	*-1.0*	-1.0	*-1.0*	-0.9	-0.9	-0.8	-0.8	-0.8	-0.8
Of which: Travel	-1.3	*-1.2*	-1.1	*-1.2*	-1.1	-1.3	-1.5	-1.5	-1.5	-1.5
Primary income (net)	-4.6	*-5.4*	-4.3	*-4.7*	-4.5	-4.3	-3.8	-3.5	-3.2	-3.0
Receipts	0.5	*0.6*	0.8	*0.6*	0.6	0.5	0.5	0.5	0.5	0.4
Payments	-5.1	*-6.0*	-5.1	*-5.2*	-5.1	-4.8	-4.3	-4.0	-3.7	-3.4
Transfers	5.7	*9.0*	10.0	*8.6*	9.2	8.7	8.1	7.8	7.5	7.2
Official grants	0.0	*0.0*	0.0	*0.0*	0.0	0.0	0.0	0.0	0.0	0.0
Private remittances	5.7	*9.0*	9.9	*8.6*	9.2	8.6	8.1	7.8	7.5	7.2
Capital and financial account	6.9	*2.8*	2.4	*3.2*	3.0	3.6	4.0	3.5	3.7	3.0
Capital account	0.0	*0.0*	0.0	*0.0*	0.0	0.0	0.0	0.0	0.0	0.0
Financial account	6.9	*2.8*	2.4	*3.2*	3.0	3.6	4.0	3.5	3.7	3.0
Medium- and long-term loans and supplier credit (net)	0.3	*0.3*	0.1	*0.5*	0.3	0.0	0.5	-0.1	0.2	-0.2
Drawings	1.2	*2.1*	1.9	*1.9*	1.5	1.7	2.6	1.2	1.4	0.9
Amortization	0.9	*1.8*	1.8	*1.5*	1.2	1.8	2.0	1.2	1.2	1.0
FDI (net)	11.9	*3.7*	3.2	*4.0*	2.9	3.0	2.8	2.8	2.8	2.8
Of which: from Ras El-Hekma 1/	9.1	*0.7*	0.0	*1.3*	0.0	0.0	0.0	0.0	0.0	0.0
Portfolio investment (net)	3.7	*0.4*	0.4	*0.9*	1.4	0.6	0.5	0.7	0.6	0.4
Commercial banks' NFA	-5.3	*-0.4*	-0.6	*-0.5*	-1.2	-0.2	-0.2	-0.2	-0.2	-0.2
Incurrance of CBE foreign liabilities 1/ 2/	-3.9	*-0.6*	-0.5	*0.0*	-0.7	0.0	0.0	0.0	0.0	0.0
Short-term supplier credit	1.9	*0.7*	0.8	*-0.5*	0.4	0.4	0.3	0.3	0.3	0.3
Other	-1.7	*-1.3*	-1.0	*-1.2*	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Errors and omissions (net)	0.2	*0.3*	0.9	*0.0*	-0.3	0.0	0.0	0.0	0.0	0.0
Overall balance	1.6	*-2.6*	-1.0	*-0.2*	-1.2	-0.2	0.5	0.1	0.6	0.1
Financing	-3.7	*-1.5*	-1.8	*-1.9*	-1.9	-0.7	-0.5	-0.1	-0.6	-0.1
Reserves (w/o RSF; "-" indicates increase)	-3.9	*0.1*	-0.5	*-1.1*	-1.1	-0.3	-0.2	0.0	-0.4	0.1
Other below the line adjustments 3/	1.4	*0.0*	0.2	*0.0*	0.0	0.0	0.0	0.0	0.0	1.0
Net use of IMF resources (excl. 2022 EFF)	-1.2	*-1.6*	-1.6	*-0.8*	-0.7	-0.4	-0.3	-0.2	-0.2	-0.2
Other financing	0.0	*0.0*	0.0	*0.0*	0.0	0.0	0.0	0.0	0.0	-1.0
Financing gap	2.1	*4.1*	2.8	*2.1*	3.0	0.9	0.0	0.0	0.0	0.0
Extended Fund Facility	0.2	*0.9*	0.6	*0.6*	0.8	0.3	0.0	0.0	0.0	0.0
Other prospective financing	1.9	*3.2*	2.2	*1.5*	2.2	0.5	0.0	0.0	0.0	0.0
Residual Gap	0.0	*0.0*	0.0	*0.0*	0.0	0.0	0.0	0.0	0.0	0.0
RSF disbursement	...	...	...	*0.1*	0.1	0.2	0.0	0.0	0.0	0.0
Change in reserves (with RSF; "-" indicates increase)		...	...	*-1.2*	-1.2	-0.5	-0.2	0.0	-0.4	0.1
Memorandum items:										
Current account excluding grants	-5.4	*-5.8*	-4.3	*-3.5*	-3.9	-3.9	-3.5	-3.4	-3.1	-2.9
External debt 4/	39.9	*46.1*	44.2	*46.6*	41.6	40.2	36.8	34.0	31.9	29.5
External debt service	8.2	*13.6*	15.2	*12.0*	14.1	13.8	13.0	12.1	11.2	0.0

Sources: Central Bank of Egypt; and IMF staff estimates and projections.

1/ Includes USD 11 bn of UAE deposits converted in FY23/24.

2/ Includes foreign official creditors' deposits at the CBE and the 2021 SDR allocation.

3/ This line includes changes in gold valuation and a statistical correction for program purposes, eliminates transfers from Tier 1 to Tier 2 from errors and

4/ End of period.

Table 3a. Egypt: Budget Sector Operations, 2021/22–2030/31 1/

(In billions of Egyptian pounds, unless otherwise indicated)

	2021/22	2022/23	2023/24	2024/25		2025/26		2026/27	2027/28	2028/29	2029/30	2030/31
				4th review	Est.	*4th review*	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
Revenue and grants	1,347	1,564	1,988	*2,640*	2,646	*3,408*	3,221	4,020	4,538	4,954	5,438	5,920
Tax revenue	991	1,259	1,630	*2,184*	2,204	*2,829*	2,788.11	3,472	3,911	4,252	4,655	5,053
Income and property	477	641	862	*1,068*	1,157	*1,336*	1,377	1,674	1,921	2,050	2,239	2,446
Personal income tax	152	194	285	*371*	383	*458*	470	555	630	705	779	860
Corporate income tax	234	322	398	*425*	454	*540*	547	718	892	998	1,117	1,236
EGPC	31	51	59	*63*	54	*64*	54	74	84	93	103	114
Suez Canal Authority	39	97	101	*68*	92	*129*	104	120	142	161	191	215
Other	165	175	238	*294*	307	*347*	389	524	666	744	823	907
Property	90	125	179	*272*	320	*338*	361	402	399	347	343	350
Tax on T-bill/T-bonds interests	75	108	157	*245*	292	*295*	318	352	342	283	273	272
Goods and services	454	556	683	*948*	918	*1,293*	1,192	1,433	1,584	1,750	1,917	2,068
International trade	43	59	75	*114*	111	*142*	137	156	168	186	204	214
Other taxes	18	2	10	*27*	18	*27*	18	37	42	47	52	57
Tax revenue from unidentified Measures	…	…	…	*26*	0	*32*	63	173	197	220	243	268
Nontax revenue 8/	352	300	352	*453*	425	*575*	423	537	614	687	768	850
Oil-related nontax revenue	31	35	11	*8*	10	*9*	12	14	16	18	20	22
Other nontax revenues	321	265	341	*445*	415	*565*	411	523	598	669	748	828
Grants	4	5	6	*4*	17	*4*	10	11	13	14	16	18
Expenditure	1,831	2,185	3,017	*4,672*	3,905	*5,341*	5,378	5,684	5,968	5,788	6,052	6,377
Wages and other remunerations	359	412	513	*575*	588	*686*	685	793	903	1,014	1,129	1,255
Purchases of goods and services	100	128	140	*167*	186	*222*	239	301	342	383	423	467
Interest 2/	585	774	1,363	*2,647*	1,919	*2,811*	3,005	2,891	2,824	2,393	2,338	2,359
Domestic 2/	528	666	1,174	*2,341*	1,688	*2,505*	2,697	2,587	2,514	2,083	2,004	2,000
External	56	108	189	*306*	231	*306*	308	304	310	311	334	358
Subsidies, grants, and social benefits	343	454	559	*655*	645	*744*	718	807	876	958	1,052	1,011
Energy subsidies	60	128	167	*159*	166	*154*	154	123	132	151	167	184
Of which: fuel subsidy	60	126	165	*156*	156	*79*	79	78	81	94	103	114
Food subsidies 3/	98	122	134	*142*	168	*153*	138	152	151	155	172	48
Transfer to SIF 4/	120	127	135	*143*	143	*151*	151	160	170	180	191	202
Other	66	77	123	*212*	169	*286*	275	372	423	472	522	576
Other current	115	127	144	*162*	179	*218*	224	303	344	385	425	469
Investment	330	289	299	*466*	387	*660*	507	590	678	655	684	817
Cash balance	-484	-621	-1,029	*-2,032*	-1,260	*-1,933*	-2,157	-1,664	-1,429	-834	-614	-457
Net acquisition of financial assets (including divestment proceeds)	1	-11	-526	*-167*	-29	*-53*	-174	53	0	0	0	0
Overall balance 2/	-484	-610	-503	*-1,865*	-1,230	*-1,880*	-1,982	-1,717	-1,429	-834	-614	-457
Financing	484	610	503	*1,865*	1,230	*1,880*	1,982	1,717	1,429	834	614	457
Net domestic	440	640	608	*1,846*	1,306	*1,845*	1,813	1,558	1,564	791	626	531
Net external	44	-30	-105	*19*	-76	*35*	170	159	-135	43	-13	-74
Of which RSF financing				*0*	0	*22*	20	51	0	0	0	0
Memorandum items:												
Primary balance (including net acquisition of financial assets)	100	164	860	*782*	689	*931*	1,022	1,174	1,395	1,559	1,724	1,902
Primary balance (excluding net acquisition of financial assets)		164	341	*618*	660	*849*	848	1,227	1,395	1,559	1,724	1,902
Domestic financing without RSF				*1,846*	1,306	*1,867*	1,833	1,609	1,564	791	626	531
Domestic financing with RSF				*1,846*	1,306	*1,845*	1,813	1,558	1,564	791	626	531
Divestment proceeds flowing to the budget		N.A.	519	*165*	0	*82*	211	0	0	0	0	0
of which: from Ras El-Hekma			510									
Gross budget sector debt 5/	7,183	9,981	12,827	*15,474*	15,325	*17,804*	17,760	19,711	21,456	22,538	23,460	24,227
Gross budget sector debt 6/	6,931	9,672	…	…	…	…	…	…	…	…	…	…
Net debt 7/	6,313	8,616	…	…	…	…	…	…	…	…	…	…
Nominal GDP (in billions of Egyptian pounds)	7,843	10,156	13,903	*17,643*	18,136	*21,262*	21,200	24,539	27,899	31,183	34,484	38,036

Sources: Ministry of Finance; and IMF staff estimates.

1/ Budget sector comprises central and local governments, and some public corporations. Fiscal year ends June 30. Cash basis.

2/ Through FY2023/24, data is shown as per the authorities' presentation, whereby interest does not include accrued interest expense on T-bills and zero coupon bonds, which is instead included in non-deficit debt creating flows.

Beginning in FY2024/25, interest is defined as in GFSM 2014, and it includes accrued interest expense.

Accrued interest expense is not included in the overall balance through FY2023/24, while it is included in the overall balance beginning in FY2023/24.

3/ Food subsidies include subsidies paid to farmers.

4/ Increased transfers to the SIF starting in 2020/21 reflect impact of pension reform approved in 2019/20.

5/ As defined in the program.

6/ Ministry of Finance financial statements audited by the State Audit Agency in line with the Government Accounting Law.

7/ Difference between gross debt (authorities' financial statement basis) and budget sector deposits with commercial banks.

8/ It includes resources of budget entities to finance their own capital investments. It is budget-neutral.

Table 3b. Egypt: Budget Sector 'Operations, 2023/24–2030/31 1/
(In percent of GDP)

	2023/24	2024/25		2025/26		2026/27	2027/28	2028/29	2029/30	2030/31
		4th review	Est.	*4th review*	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
Revenue and grants 8/	14.3	*15.0*	14.6	*16.0*	15.2	16.4	16.3	15.9	15.8	15.6
Tax revenue	11.7	*12.4*	12.2	*13.3*	13.2	14.2	14.0	13.6	13.5	13.3
Income and corporate tax	6.2	*6.1*	6.4	*6.3*	6.5	6.8	6.9	6.6	6.5	6.4
Personal income tax	2.0	*2.1*	2.1	*2.2*	2.2	2.3	2.3	2.3	2.3	2.3
Corporate income tax	2.9	*2.4*	2.5	*2.5*	2.6	2.9	3.2	3.2	3.2	3.3
EGPC	0.4	*0.4*	0.3	*0.3*	0.3	0.3	0.3	0.3	0.3	0.3
Suez Canal Authority	0.7	*0.4*	0.5	*0.6*	0.5	0.5	0.5	0.5	0.6	0.6
Other	1.7	*1.7*	1.7	*1.6*	1.8	2.1	2.4	2.4	2.4	2.4
Property	1.3	*1.5*	1.8	*1.6*	1.7	1.6	1.4	1.1	1.0	0.9
Tax on T-bill/T-bond interest	1.1	*1.4*	1.6	*1.4*	1.5	1.4	1.2	0.9	0.8	0.7
Goods and services	4.9	*5.4*	5.1	*6.1*	5.6	5.8	5.7	5.6	5.6	5.4
Oil excises	0.2	*0.2*	0.1	*0.2*	0.1	0.1	0.1	0.1	0.1	0.1
VAT and nonoil excises	4.7	*5.2*	4.9	*5.9*	5.5	5.7	5.5	5.5	5.4	5.3
International trade	0.5	*0.6*	0.6	*0.7*	0.6	0.6	0.6	0.6	0.6	0.6
Other taxes	0.1	*0.2*	0.1	*0.1*	0.1	0.2	0.2	0.2	0.2	0.2
Tax revenue from unidentified measures	...	*0.2*	0.0	*0.2*	0.3	0.7	0.7	0.7	0.7	0.7
Nontax revenue 8/	2.5	*2.6*	2.3	*2.7*	2.0	2.2	2.2	2.2	2.2	2.2
Oil-related nontax revenue	0.1	*0.0*	0.1	*0.0*	0.1	0.1	0.1	0.1	0.1	0.1
Other nontax revenues	2.5	*2.5*	2.3	*2.7*	1.9	2.1	2.1	2.1	2.2	2.2
Grants	0.0	*0.0*	0.1	*0.0*	0.0	0.0	0.0	0.0	0.0	0.0
Expenditure	21.7	*26.5*	21.5	*25.1*	25.4	23.2	21.4	18.6	17.6	16.8
Wages and other remunerations	3.7	*3.3*	3.2	*3.2*	3.2	3.2	3.2	3.3	3.3	3.3
Purchases of goods and services	1.0	*0.9*	1.0	*1.0*	1.1	1.2	1.2	1.2	1.2	1.2
Interest 2/	9.8	*15.0*	10.6	*13.2*	14.2	11.8	10.1	7.7	6.8	6.2
Domestic 2/	8.4	*13.3*	9.3	*11.8*	12.7	10.5	9.0	6.7	5.8	5.3
External	1.4	*1.7*	1.3	*1.4*	1.5	1.2	1.1	1.0	1.0	0.9
Subsidies, grants and social benefits	4.0	*3.7*	3.6	*3.5*	3.4	3.3	3.1	3.1	3.1	2.7
Energy subsidies	1.2	*0.9*	0.9	*0.7*	0.7	0.5	0.5	0.5	0.5	0.5
Of which: fuel subsidy	1.2	*0.9*	0.9	*0.4*	0.4	0.3	0.3	0.3	0.3	0.3
Food subsidies 3/	1.0	*0.8*	0.9	*0.7*	0.6	0.6	0.5	0.5	0.5	0.1
Transfers to SIF 4/	1.0	*0.8*	0.8	*0.7*	0.7	0.7	0.6	0.6	0.6	0.5
Other	0.9	*1.2*	0.9	*1.3*	1.3	1.5	1.5	1.5	1.5	1.5
Other current	1.0	*0.9*	1.0	*1.0*	1.1	1.2	1.2	1.2	1.2	1.2
Investment	2.1	*2.6*	2.1	*3.1*	2.4	2.4	2.4	2.1	2.0	2.1
Cash balance	-7.4	*-11.5*	-6.9	*-9.1*	-10.2	-6.8	-5.1	-2.7	-1.8	-1.2
Net acquisition of financial assets (including divestment proceeds)	-3.8	*-0.9*	-0.2	*-0.3*	-0.8	0.2	0.0	0.0	0.0	0.0
Overall balance 2/	-3.6	*-10.6*	-6.8	*-8.8*	-9.4	-7.0	-5.1	-2.7	-1.8	-1.2
Financing	3.6	*10.6*	6.8	*8.8*	9.4	7.0	5.1	2.7	1.8	1.2
Net domestic	4.4	*10.5*	7.2	*8.7*	8.5	6.3	5.6	2.5	1.8	1.4
Net external	-0.8	*0.1*	-0.4	*0.2*	0.8	0.6	-0.5	0.1	0.0	-0.2
Of which RSF financing		*0.0*	0.0	*0.1*	0.1	0.2	0.0	0.0	0.0	0.0
Memorandum items:										
Primary balance (including net acquisition of financial assets)	6.2	*4.4*	3.8	*4.4*	4.8	4.8	5.0	5.0	5.0	5.0
Primary balance (excluding net acquisition of financial assets)	2.5	*3.5*	3.6	*4.0*	4.0	5.0	5.0	5.0	5.0	5.0
Domestic financing without RSF		*10.5*	7.2	*8.8*	8.6	6.6	5.6	2.5	1.8	1.4
Domestic financing with RSF		*10.5*	7.2	*8.7*	8.5	6.3	5.6	2.5	1.8	1.4
Divestment proceeds flowing to the budget	3.7	*0.9*	0.0	*0.4*	1.0	0.0	0.0	0.0	0.0	0.0
of which: from Ras El-Hekma	3.7									
Gross budget sector debt 5/	92.3	*87.7*	84.5	*83.7*	83.8	80.3	76.9	72.3	68.0	63.7
Gross budget sector debt 6/	...	...	...	...	...	...	...	...	...	...
Net debt 7/	...	...	...	...	...	...	...	...	...	...

Sources: Ministry of Finance; and IMF staff estimates.

1/ Budget sector comprises central and local governments, and some public corporations. Fiscal year ends June 30. Cash basis.

2/ Through FY2023/24, data is shown as per the authorities' presentation, whereby interest does not include accrued interest expense on T-bills and zero coupon bonds, which is instead included in non-deficit debt creating flows.

Beginning in FY2024/25, interest is defined as in GFSM 2014, and it includes accrued interest expense.

Accrued interest expense is not included in the overall balance through FY2023/24, while it is included in the overall balance beginning in FY2024/25.

3/ Food subsidies include subsidies paid to farmers.

4/ Increased transfers to the SIF starting in 2020/21 reflect impact of pension reform approved in 2019/20.

5/ As defined in the program.

6/ Ministry of Finance financial statements audited by the State Audit Agency in line with the Government Accounting Law.

7/ Difference between gross debt (authorities' financial statement basis) and budget sector deposits with commercial banks.

8/ It includes resources of budget entities to finance their own capital investments. It is budget-neutral.

Table 4. Egypt: General Government Operations, 2021/22–2030/31 [1/]

	2021/22	2022/23	2023/24	2024/25		2025/26		2026/27	2027/28	2028/29	2029/30	2030/31
				4th review	Proj.	*4th review*	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
				(In billions of Egyptian pounds)								
Revenue and grants	1,506	1,724	2,199	2,905	2,923	3,727	3,539	4,389	4,957	5,422	5,956	6,491
Tax revenue	991	1,259	1,630	2,184	2,204	2,829	2,788	3,472	3,911	4,252	4,655	5,053
Income and property	477	641	862	1,068	1,157	1,336	1,377	1,674	1,921	2,050	2,239	2,446
Personal income tax	152	194	285	371	383	458	470	555	630	705	779	860
Corporate income tax	234	322	398	425	454	540	547	718	892	998	1,117	1,236
EGPC	31	51	59	63	54	64	54	74	84	93	103	114
Other	165	175	238	294	307	347	389	524	666	744	823	907
Goods and services	454	556	683	948	918	1,293	1,192	1,433	1,584	1,750	1,917	2,068
Oil excises	57	37	31	39	26	47	31	36	41	45	50	55
VAT and nonoil excises	397	519	652	909	892	1,246	1,161	1,397	1,544	1,705	1,867	2,013
International trade taxes	43	59	75	114	111	142	137	156	168	186	204	214
Other taxes	18	2	10	27	18	27	18	37	42	47	52	57
Nontax revenue	510	460	563	717	702	894	741	905	1,032	1,155	1,285	1,420
Of which: Interest income	68	31	47	55	-59	62	60	66	71	77	82	88
Grants	4	5	6	4	17	4	10	11	13	14	16	18
Expenditure	1,956	2,310	3,188	5,053	4,111	5,878	6,049	6,465	6,866	6,802	7,197	7,678
Unidentified Spending Measures 2/	0	0	0	0	0	0	0	0	0	0	0	0
Wages and other remunerations	331	380	473	531	543	633	633	732	833	936	1,042	1,158
Purchases of goods and services	106	128	140	168	187	223	240	302	343	384	424	468
Interest 2/	555	724	1,274	2,579	1,830	2,786	3,116	3,008	2,957	2,542	2,518	2,589
Domestic interest 2/	499	616	1,085	2,272	1,598	2,480	2,808	2,704	2,646	2,231	2,184	2,230
External interest	56	108	189	306	231	306	308	304	310	311	334	358
Subsidies, grants, and social benefits	518	660	859	1,147	986	1,358	1,330	1,531	1,711	1,901	2,103	2,178
Other current	116	127	144	162	179	218	225	303	344	385	425	469
Investment	330	289	299	466	387	660	507	590	678	655	684	817
Net acquisition of financial assets	27	-6	-498	-164	-45	-51	-172	55	2	2	2	2
Overall balance 2/	-477	-580	-492	-1,983	-1,144	-2,100	-2,338	-2,132	-1,911	-1,382	-1,243	-1,189
Financing	477	580	492	1,983	1,144	2,100	2,338	2,132	1,911	1,382	1,243	1,189
Net domestic	433	610	597	1,964	1,220	2,066	2,168	1,973	2,046	1,339	1,256	1,263
Net external	44	-30	-105	19	-76	35	170	159	-135	43	-13	-74
of which: RSF financing				0	0	22	20	51	0	0	0	0
				(In percent of GDP, unless otherwise indicated)								
Revenue and grants	19.2	17.0	15.8	16.5	16.1	17.5	16.7	17.9	17.8	17.4	17.3	17.1
Tax revenue	12.6	12.4	11.7	12.4	12.2	13.3	13.2	14.2	14.0	13.6	13.5	13.3
Nontax revenue	6.5	4.5	4.0	4.1	3.9	4.2	3.5	3.7	3.7	3.7	3.7	3.7
Grants	0.1	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Expenditure	24.9	22.7	22.9	28.6	22.7	27.6	28.5	26.3	24.6	21.8	20.9	20.2
Wages and other remunerations	4.2	3.7	3.4	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Purchases of goods and services	1.3	1.3	1.0	0.9	1.0	1.0	1.1	1.2	1.2	1.2	1.2	1.2
Interest 2/	7.1	7.1	9.2	14.6	10.1	13.1	14.7	12.3	10.6	8.2	7.3	6.8
Subsidies, grants, and social benefits	6.6	6.5	6.2	6.5	5.4	6.4	6.3	6.2	6.1	6.1	6.1	5.7
Other current	1.5	1.3	1.0	0.9	1.0	1.0	1.1	1.2	1.2	1.2	1.2	1.2
Investment	4.2	2.8	2.1	2.6	2.1	3.1	2.4	2.4	2.4	2.1	2.0	2.1
Net acquisition of financial assets	0.3	-0.1	-3.6	-0.9	-0.2	-0.2	-0.8	0.2	0.0	0.0	0.0	0.0
Overall balance	-6.1	-5.7	-3.5	-11.2	-6.3	-9.9	-11.0	-8.7	-6.9	-4.4	-3.6	-3.1
Financing	6.1	5.7	3.5	11.2	6.3	9.9	11.0	8.7	6.9	4.4	3.6	3.1
Net domestic	5.5	6.0	4.3	11.1	6.7	9.7	10.2	8.0	7.3	4.3	3.6	3.3
Net external	0.6	-0.3	-0.8	0.1	-0.4	0.2	0.8	0.6	-0.5	0.1	0.0	-0.2
of which RSF financing				0.0	0.0	0.1	0.1	0.2	0.0	0.0	0.0	0.0
Memorandum items:												
Primary balance (incl net acquisition of financial assets)	1.0	1.4	5.6	3.4	3.8	3.2	3.7	3.6	3.7	3.7	3.7	3.7
Gross general government debt 3/	88.5	95.9	90.9	86.8	86.8	83.6	87.0	84.4	81.9	78.2	74.9	71.5
Gross general government debt 4/	87.2	94.7	90.0	...	...	...	...	...	...	...	...	...
Nominal GDP (in billions of EGP)	7,843	10,156	13,903	17,643	18,136	21,262	21,200	24,539	27,899	31,183	34,484	38,036

Sources: Ministry of Finance; and IMF staff estimates.

1/ General government includes budget sector, National Investment Bank (NIB) and Social Insurance Funds (SIF). Fiscal year ends June 30. Cash basis.

2/ Through FY2023/24, data is shown as per the authorities' presentation, whereby interest does not include accrued interest expense on T-bills and zero coupon bonds, which is instead included in non-deficit debt creating flows. Beginning in FY2024/25, interest is defined as in GFSM 2014, and it includes accrued interest expense. Accrued interest expense is not included in the overall balance through FY2023/24, while it is included in the overall balance beginning in FY2024/25.

3/ As defined in the program.

4/ Ministry of Finance financial statements audited by the State Audit Agency in line with the Government Accounting Law for FY2021/22.

Table 5. Egypt: Central Bank Accounts, 2021/22–2030/31

	2021/22	2022/23	2023/24	2024/25		2025/26		2026/27	2027/28	2028/29	2029/30	2030/31
				4th review	Est.	*4th review*	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
	(end-period, in billions of EGP, unless otherwise indicated)											
Net foreign assets	-153	-305	495	*650*	500	*935*	954	1031	1126	1134	1298	1303
Foreign assets	611	1046	2162	*2373*	2352	*2756*	2789	2875	3014	3042	3246	3292
Foreign liabilities	764	1351	1667	*1723*	1852	*1821*	1835	1845	1887	1908	1948	1989
Net domestic assets	1346	1834	1471	*1499*	1821	*1441*	1540	1798	2145	2713	3313	4208
Net domestic credit	449	420	507	*1173*	1508	*1096*	1146	765	1013	561	-177	-625
Net credit to central government	1059	1413	1985	*2038*	2258	*2152*	2300	2355	2423	2486	2543	2591
Net credit to public economic authorities	-58	-73	-634	*-616*	-606	*-616*	-606	-606	-606	-605	-605	-604
Credit to banks	400	530	875	*1017*	939	*1092*	1164	1226	1363	1467	1622	1762
Banks' deposits in foreign currency	-216	-508	-601	*-672*	-682	*-712*	-743	-747	-765	-774	-791	-808
Open market operations	-736	-942	-1117	*-594*	-399	*-820*	-968	-1463	-1401	-2013	-2947	-3566
Other items net	897	1414	964	*326*	313	*345*	394	1033	1132	2152	3490	4833
o/w lending to government agencies 1/	515	765	658	*408*	454	*308*	308	208	108	0	0	0
Reserve money	1193	1529	1965	*2149*	2321	*2376*	2494	2829	3272	3847	4611	5511
Currency in circulation	779	1009	1227	*1310*	1381	*1582*	1647	1982	2539	2987	3651	4383
Reserves and highly liquid assets of banks	414	520	738	*839*	940	*794*	847	847	733	860	961	1128
Cash in vaults	59	74	102	*102*	126	*102*	126	126	126	126	126	126
Reserves	355	446	636	*737*	814	*692*	721	721	607	734	834	1002

Sources: Central Bank of Egypt; and IMF staff estimates and projections.

1/ Balance for FY 2022/23 is as of end-February 2023.

Table 6. Egypt: Monetary Survey, 2021/22–2030/31

	2021/22	2022/23	2023/24	2024/25		2025/26		2026/27	2027/28	2028/29	2029/30	2030/31
				4th review	Est.	*4th review*	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
	(End-period, in billions of EGP)											
Net foreign assets	-372	-835	627	*869*	771	*1,281*	1,526	1,660	1,826	1,897	2,134	2,216
Central bank	-153	-305	495	*650*	500	*935*	954	1,031	1,126	1,134	1,298	1,303
Commercial banks	-219	-530	132	*220*	272	*346*	572	629	699	763	836	912
Net domestic assets	6,987	9,083	9,992	*11,438*	12,302	*13,168*	13,747	15,684	18,247	21,625	25,920	30,832
Net claims on central and local government	3,971	5,075	5,919	*7,287*	8,415	*8,715*	9,904	11,203	12,520	13,214	13,772	14,243
Net claims on public economic authorities	452	765	1,263	*1,726*	1,779	*1,924*	1,898	1,818	2,361	3,133	4,168	5,432
Claims on public sector companies	155	165	370	*393*	447	*416*	466	477	573	694	848	1,030
Claims on private sector	2,178	2,732	3,493	*4,469*	4,301	*5,273*	5,075	5,988	7,368	9,142	11,433	14,413
Net other items	231	346	-1,053	*-2,438*	-2,641	*-3,161*	-3,596	-3,803	-4,575	-4,558	-4,301	-4,287
Broad money (M2)	6,614	8,248	10,619	*12,307*	13,073	*14,449*	15,273	17,344	20,073	23,522	28,054	33,047
Domestic currency component (M2D)	5,768	6,732	8,091	*9,497*	9,981	*11,470*	11,943	13,996	16,645	20,056	24,513	29,429
Currency outside banks	779	1,009	1,227	*1,310*	1,381	*1,582*	1,647	1,982	2,539	2,987	3,651	4,383
Domestic currency deposits	4,990	5,723	6,864	*8,187*	8,600	*9,888*	10,296	12,014	14,106	17,069	20,862	25,046
Foreign currency deposits	846	1,516	2,528	*2,810*	3,092	*2,979*	3,329	3,348	3,427	3,466	3,542	3,618
	(Annual percent change, unless otherwise indicated)											
Broad money (M2)	23.5	24.7	28.7	*15.9*	23.1	*17.4*	16.8	13.6	15.7	17.2	19.3	17.8
Domestic currency component (M2D)	22.6	16.7	20.2	*17.4*	23.4	*20.8*	19.7	17.2	18.9	20.5	22.2	-100.0
Reserve money	20.8	28.2	28.5	*9.3*	18.1	*10.6*	7.5	13.4	15.6	17.6	19.9	19.5
Contribution to broad money growth	23.5	24.7	28.7	*15.9*	23.1	*17.4*	16.8	13.6	15.7	17.2	19.3	17.8
Net foreign assets	-11.6	-7.0	17.7	*2.2*	1.4	*3.3*	5.8	0.9	1.0	0.4	1.0	0.3
Net domestic assets	35.1	31.7	11.0	*13.6*	21.8	*14.1*	11.1	12.7	14.8	16.8	18.3	17.5
Credit to the private sector	24.3	25.4	27.8	*28.0*	23.1	*18.0*	18.0	18.0	23.1	24.1	25.1	26.1
Credit to government, public economic authorities and public sector companies	24.9	31.2	25.8	*24.6*	40.9	*17.5*	15.3	10.0	14.5	10.3	10.2	10.2
Memorandum items:												
Velocity												
Velocity GDP/M2D (level)	1.5	1.6	1.9	*2.0*	2.0	*2.0*	1.9	1.9	1.8	1.7	1.5	1.6
Velocity GDP/M2 (level)	1.3	1.4	1.5	*1.5*	1.5	*1.6*	1.5	1.5	1.5	1.4	1.3	1.2
M2 (in percent of GDP)	84.3	81.2	76.4	*69.8*	72.1	*68.0*	72.0	70.7	71.9	75.4	81.4	86.9
Money multiplier (M2D/reserve money)	4.8	4.4	4.1	*4.4*	4.3	*4.8*	4.8	4.9	5.1	5.2	5.3	5.3
Money multiplier (M2/reserve money)	5.5	5.4	5.4	*5.7*	5.6	*6.1*	6.1	6.1	6.1	6.1	6.1	6.0
M2 (in real terms)	17.7	10.2	-5.1	*-9.1*	-3.4	*0.7*	1.7	1.6	6.5	9.5	13.3	12.0
Domestic currency deposits (in real terms)	17.9	1.4	-11.6	*-6.4*	-1.7	*3.5*	4.2	4.4	8.1	13.1	16.1	14.2
Claims on private sector (in real terms)	18.5	10.9	-5.8	*0.4*	-3.4	*1.2*	5.6	8.6	10.3	16.9	18.0	18.9
Foreign currency deposits (in percent of total deposits)	14.5	20.9	26.9	*25.6*	26.4	*23.1*	24.4	21.8	19.5	16.9	14.5	12.6

Sources: Central Bank of Egypt; and IMF staff estimates and projections.

Table 7a. Egypt: Summary of National Accounts, 2021/22–2030/31

(In percent)

	2021/22	2022/23	2023/24	2024/25		2025/26		2026/27	2027/28	2028/29	2029/30	2030/31
				4th review	Est.	*4th review*	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
	(Annual change, in percent)											
Real GDP at market price 1/	6.7	3.8	2.4	*3.6*	4.4	*4.1*	4.7	5.4	5.7	5.2	4.8	4.8
Domestic demand (absorption)	5.4	-0.7	5.3	*5.0*	6.5	*3.5*	4.7	5.8	6.4	5.9	5.5	4.9
Private	7.6	-0.1	5.7	*6.5*	9.1	*3.3*	4.5	5.6	6.5	6.0	5.5	4.8
Public	-12.3	-9.3	2.4	*-10.5*	-5.7	*6.0*	7.0	8.1	5.8	5.7	5.5	5.4
Consumption	3.8	3.0	7.4	*7.4*	7.3	*2.6*	3.2	4.1	5.2	4.4	2.8	1.4
Private	6.2	3.6	8.0	*8.5*	8.0	*2.3*	2.9	3.8	5.2	4.3	2.6	1.1
Public	-17.3	-2.8	0.2	*-6.9*	-2.0	*6.4*	6.4	8.4	5.9	5.7	5.6	5.4
Investment	13.4	-17.0	-6.1	*-12.3*	1.4	*11.3*	14.8	15.6	12.5	13.6	17.7	19.0
Gross fixed capital formation	15.3	-34.0	17.0	*-9.6*	4.6	*10.1*	14.8	12.8	12.9	13.7	18.1	19.4
Private	10.5	-28.4	16.4	*15.0*	47.0	*17.0*	17.0	17.0	17.0	18.0	24.0	25.0
Public	18.7	-37.7	17.5	*-22.8*	-27.5	*4.5*	11.5	5.9	5.7	5.4	5.1	4.9
Net exports of goods and services 2/	0.8	4.5	-3.0	*-1.7*	-2.4	*0.3*	-0.3	-0.7	-1.1	-1.2	-1.1	-0.6
Exports of goods and services	51.7	31.4	-10.6	*3.6*	18.8	*12.1*	3.2	3.9	5.1	5.6	5.2	0.5
Imports of goods and services	25.2	1.1	4.7	*10.3*	30.7	*7.0*	3.6	5.6	7.8	8.3	7.5	2.4
Real GDP at factor cost	6.2	3.6	2.3	*3.6*	4.4	*4.1*	4.7	5.4	5.7	5.2	4.8	4.8
Agriculture	4.0	4.1	3.8	*3.6*	2.8	*3.6*	3.3	3.4	3.5	3.5	3.5	3.5
Construction	7.0	5.2	5.7	*3.8*	4.1	*4.0*	4.2	4.8	5.5	5.5	4.9	4.9
Industry	6.4	-2.2	-4.2	*4.0*	4.8	*3.0*	4.8	5.2	5.9	4.0	3.0	3.0
Services	6.5	6.2	5.9	*4.4*	6.0	*5.0*	5.3	6.3	6.5	6.4	6.1	6.0
General government	4.4	3.2	4.1	*3.1*	4.1	*3.1*	2.5	2.8	2.8	3.1	3.1	3.1
Suez Canal	11.7	18.4	-30.0	*-17.5*	-52.0	*8.0*	15.0	18.0	8.0	8.0	8.0	8.0
	(Contribution to real growth, in percent 3/)											
Real GDP at market price	6.7	3.8	2.4	*3.6*	4.4	*4.1*	4.7	5.4	5.7	5.2	4.8	4.8
Domestic demand (absorption)	5.9	-0.7	5.4	*5.3*	6.8	*3.7*	5.0	6.2	6.8	6.4	6.0	5.4
Private	5.7	3.6	4.3	*7.5*	9.0	*3.1*	4.0	5.3	6.1	5.7	5.3	4.8
Public	0.2	-4.3	1.2	*-2.2*	-2.2	*0.6*	1.0	0.9	0.7	0.7	0.6	0.6
Consumption	3.4	2.6	6.4	*6.9*	6.6	*2.5*	2.9	3.7	4.7	4.0	2.5	1.2
Private	5.0	2.8	6.4	*7.3*	6.7	*2.1*	2.5	3.2	4.3	3.6	2.1	0.9
Public	-1.6	-0.2	0.0	*-0.4*	-0.1	*0.4*	0.4	0.5	0.4	0.4	0.4	0.4
Investment	2.5	-3.4	-1.0	*-1.6*	0.2	*1.2*	2.1	2.4	2.1	2.5	3.5	4.2
Gross fixed capital formation	2.5	-6.1	2.0	*-1.1*	0.6	*1.0*	1.9	1.8	2.0	2.3	3.2	3.9
Private	0.7	-2.0	0.8	*0.6*	2.7	*0.8*	1.4	1.5	1.7	2.0	2.9	3.6
Public	1.8	-4.1	1.1	*-1.7*	-2.1	*0.3*	0.6	0.3	0.3	0.3	0.3	0.3
Net exports of goods and services	0.8	4.5	-3.0	*-1.7*	-2.4	*0.3*	-0.3	-0.7	-1.1	-1.2	-1.1	-0.6
Exports of goods and services	5.5	4.7	-2.0	*0.6*	3.9	*2.1*	0.6	0.8	1.0	1.1	1.0	0.1
Imports of goods and services	-4.7	-0.2	-1.0	*-2.4*	-6.4	*-1.7*	-1.0	-1.5	-2.1	-2.3	-2.1	-0.7
Real GDP at factor cost	6.2	3.6	2.3	*3.6*	4.4	*4.1*	4.7	5.4	5.7	5.2	4.8	4.8
Agriculture	0.5	0.5	0.4	*0.4*	0.3	*0.4*	0.4	0.4	0.4	0.4	0.4	0.4
Construction	0.5	0.4	0.4	*0.3*	0.3	*0.3*	0.3	0.4	0.4	0.4	0.4	0.4
Industry	1.8	-0.6	-1.1	*1.0*	1.1	*0.7*	1.1	1.2	1.4	1.0	0.7	0.7
Services	2.9	2.8	2.8	*2.1*	2.9	*2.5*	2.6	3.1	3.3	3.2	3.1	3.1
General government	0.3	0.2	0.3	*0.2*	0.3	*0.2*	0.2	0.2	0.2	0.2	0.2	0.2
Suez Canal	0.2	0.3	-0.5	*-0.2*	-0.6	*0.1*	0.1	0.1	0.1	0.1	0.1	0.1

Sources: Egyptian authorities; and IMF staff estimates and projections.

1/ Historical real GDP growth reflects estimates based on the published revised nominal GDP.

2/ Contribution to growth.

3/ Components do not sum up to total due to statistical discrepancies associated with changes of base years.

Table 7b. Egypt: Summary of National Accounts, 2021/22–2030/31
(n percent of GDP)

	2021/22	2022/23	2023/24	2024/25		2025/26		2026/27	2027/28	2028/29	2029/30	2030/31
				4th review	Est.	*4th review*	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
						(In percent of nominal GDP)						
GDP at market price	100.0	100.0	100.0	*100.0*	100.0	*100.0*	100.0	100.0	100.0	100.0	100.0	100.0
Domestic demand (absorption)	106.8	102.2	106.8	*109.3*	111.7	*107.3*	110.2	109.8	109.3	109.2	109.0	108.6
Private	88.7	86.9	93.9	*98.0*	101.2	*95.9*	99.2	98.7	98.2	98.0	97.8	97.3
Public	18.1	15.4	12.9	*11.3*	10.5	*11.4*	11.0	11.2	11.2	11.2	11.2	11.2
Consumption	87.0	85.7	93.9	*98.0*	97.8	*95.4*	99.7	98.9	98.3	97.7	97.0	97.1
Private	79.7	79.0	87.6	*92.4*	92.3	*89.7*	94.1	93.2	92.5	92.0	91.3	91.3
Public	7.3	6.8	6.3	*5.6*	5.4	*5.7*	5.6	5.7	5.7	5.7	5.8	5.8
Investment	19.9	16.5	13.0	*11.3*	13.9	*11.9*	10.5	10.9	11.1	11.5	11.9	11.4
Gross fixed capital formation	18.0	15.1	11.7	*10.3*	12.9	*10.9*	9.5	9.9	10.1	10.5	10.9	10.5
Private	7.2	6.6	5.0	*4.6*	7.8	*5.3*	4.0	4.5	4.6	5.0	5.5	5.0
Public	10.8	8.6	6.7	*5.7*	5.1	*5.7*	5.5	5.5	5.5	5.5	5.5	5.5
Net exports of goods and services	-6.8	-2.2	-6.8	*-9.3*	-11.7	*-7.3*	-10.2	-9.8	-9.3	-9.2	-9.0	-8.6
Exports of goods and services	15.1	19.1	16.4	*18.0*	19.8	*19.3*	17.7	17.8	17.2	17.0	17.0	16.1
Imports of goods and services	-21.9	-21.3	-23.2	*-27.3*	-31.5	*-26.6*	-27.9	-27.7	-26.5	-26.2	-25.9	-24.7
Net factor income	-3.3	-4.4	-4.6	*-5.4*	-4.3	*-4.7*	-4.5	-4.3	-3.8	-3.5	-3.2	0.0
Net remittances inflows	6.7	5.6	5.7	*9.0*	9.9	*8.6*	9.2	8.6	8.1	7.8	7.5	0.0
Net official transfers	-0.1	0.0	0.0	*0.0*	0.0	*0.0*	0.0	0.0	0.0	0.0	0.0	0.0
Gross National Disposable Income	103.3	101.1	101.2	*103.6*	105.6	*103.9*	104.7	104.3	104.3	104.3	104.3	100.0
National savings	16.4	15.3	7.6	*5.5*	9.7	*8.5*	6.6	7.1	7.6	8.1	8.8	8.5
Private	17.9	18.2	12.5	*15.0*	14.1	*15.5*	16.1	13.1	12.0	10.4	10.4	8.5
Public	-1.5	-2.9	-5.0	*-9.5*	-4.4	*-7.0*	-9.4	-6.1	-4.4	-2.3	-1.6	0.0
Savings-investment balance	-3.5	-1.2	-5.4	*-5.8*	-4.2	*-3.4*	-3.9	-3.9	-3.5	-3.4	-3.1	-2.9
Private	10.7	11.7	7.5	*10.4*	6.3	*10.2*	12.0	8.7	7.4	5.4	5.0	3.5
Public	-12.4	-11.5	-11.6	*-15.2*	-9.5	*-12.7*	-14.9	-11.5	-9.9	-7.8	-7.1	-5.5
GDP at factor cost	100.0	100.0	100.0	*100.0*	100.0	*100.0*	100.0	100.0	100.0	100.0	100.0	100.0
Agriculture	11.5	11.2	14.4	*11.2*	17.3	*11.1*	17.1	16.7	16.3	16.0	15.8	15.5
Construction	7.6	8.3	10.0	*8.3*	10.3	*8.2*	7.9	7.7	7.5	7.5	7.4	0.0
Industry	26.8	26.2	24.2	*24.3*	23.2	*24.0*	23.2	23.1	23.1	22.8	22.3	21.9
Services	46.0	46.1	44.3	*48.9*	43.4	*49.5*	45.8	46.5	47.3	48.0	48.8	56.9
General government	6.6	5.9	5.4	*5.9*	5.0	*5.8*	4.9	4.7	4.6	4.5	4.4	4.3
Suez Canal	1.5	2.4	1.7	*1.3*	1.0	*1.4*	1.1	1.2	1.3	1.3	1.3	1.4

Sources: Egyptian authorities; and IMF staff estimates and projections.

Table 8. Egypt: Medium-Term Macroeconomic Framework, 2021/22–2030/31

(In percent of GDP, unless otherwise indicated)

	2021/22	2022/23	2023/24	2024/25		2025/26		2026/27	2027/28	2028/29	2029/30	2030/31
				4th review	Est.	*4th review*	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
Growth and prices												
Real GDP (annual change, in percent)	6.7	3.8	2.4	*3.6*	4.4	*4.1*	4.7	5.4	5.7	5.2	4.8	4.8
CPI inflation (end-of-period, in percent)	13.2	35.7	27.5	*16.6*	14.9	*13.4*	11.7	8.7	7.0	5.3	5.1	5.2
CPI inflation (average, in percent)	8.5	24.4	33.3	*22.4*	20.4	*15.3*	12.4	9.3	7.5	6.1	5.3	5.2
Unemployment rate (period average, in percent)	7.3	7.2	…	…	…	…	…	…	…	…	…	…
Savings-investment balance	-3.5	-1.2	-5.4	*-5.8*	-4.2	*-3.4*	-3.9	-3.9	-3.5	-3.4	-3.1	-2.9
Investment	18.0	15.1	11.7	*10.3*	12.9	*10.9*	9.5	9.9	10.1	10.5	10.9	0.0
Domestic savings	14.6	13.9	6.3	*4.5*	8.7	*7.5*	5.6	6.1	6.6	7.1	7.8	-2.9
Public finances												
General government												
Revenue and grants	19.2	17.0	15.8	*16.5*	16.1	*17.5*	16.7	17.9	17.8	17.4	17.3	0.0
Expenditure and net acquisition of financial assets	25.3	22.7	19.4	*27.7*	22.4	*27.4*	27.7	26.6	24.6	21.8	20.9	0.0
Overall balance	-6.1	-5.7	-3.5	*-11.2*	-6.3	*-9.9*	-11.0	-8.7	-6.9	-4.4	-3.6	0.0
Overall balance, excl. grants	-6.1	-5.8	-3.6	*-11.3*	-6.4	*-9.9*	-11.1	-8.7	-6.9	-4.5	-3.7	0.0
Primary balance	1.0	1.4	5.6	*3.4*	3.8	*3.2*	3.7	3.6	3.7	3.7	3.7	0.0
Gross debt	88.5	95.9	90.9	*86.8*	86.8	*83.6*	87.0	84.4	81.9	78.2	74.9	71.5
Domestic	69.0	70.8	63.6	*62.8*	65.3	*62.3*	66.3	65.8	65.7	63.3	61.2	59.0
External	19.5	25.1	27.3	*24.0*	21.5	*21.3*	20.7	18.6	16.3	14.9	13.7	12.5
Budget sector												
Revenue and grants	17.2	15.4	14.3	*15.0*	14.6	*16.0*	15.2	16.4	16.3	15.9	15.8	15.6
Tax revenue	12.6	12.4	11.7	*12.4*	12.2	*13.3*	13.2	14.2	14.0	13.6	13.5	13.3
Non-tax revenue	4.5	3.0	2.5	*2.6*	2.3	*2.7*	2.0	2.2	2.2	2.2	2.2	2.2
Grants	0.1	0.1	0.0	*0.0*	0.1	*0.0*	0.0	0.0	0.0	0.0	0.0	0.0
Expenditure and net acquisition of financial assets	23.4	21.4	17.9	*25.5*	21.4	*24.9*	24.5	23.4	21.4	18.6	17.6	16.8
Of which: Current	19.2	18.6	15.8	*22.9*	19.2	*21.8*	22.2	21.0	19.0	16.5	15.6	14.6
Capital	4.2	2.8	2.1	*2.6*	2.1	*3.1*	2.4	2.4	2.4	2.1	2.0	2.1
Overall budget balance	-6.2	-6.0	-3.6	*-10.6*	-6.8	*-8.8*	-9.4	-7.0	-5.1	-2.7	-1.8	-1.2
Overall budget balance, excl. grants	-6.2	-6.1	-3.7	*-10.6*	-6.9	*-8.9*	-9.4	-7.0	-5.2	-2.7	-1.8	-1.2
Primary budget balance including divestment proceeds	1.3	1.6	6.2	*4.4*	3.8	*4.4*	4.8	4.8	5.0	5.0	5.0	5.0
Balance of payments and external debt												
Current account	-3.5	-1.2	-5.4	*-5.8*	-4.2	*-3.4*	-3.9	-3.9	-3.5	-3.4	-3.1	-2.9
Trade balance	-9.1	-7.9	-10.3	*-12.9*	-14.0	*-11.5*	-12.6	-12.5	-12.1	-12.0	-11.9	-11.3
Oil and gas	0.9	0.1	-2.0	*-2.8*	-3.8	*-1.1*	-3.1	-3.3	-3.1	-3.0	-3.0	-2.9
Other	-10.1	-8.0	-8.3	*-10.1*	-10.2	*-10.4*	-9.4	-9.3	-9.0	-8.9	-8.9	-8.4
Capital and financial account (incl. errors and omissions)	1.4	1.0	7.0	*3.2*	3.3	*3.2*	2.7	3.6	4.0	3.5	3.7	3.0
Official reserves (in billions of US$)	31.5	32.8	44.3	*44.9*	46.4	*49.2*	51.3	52.6	55.1	55.5	56.9	56.5
(In months of next year's imports of goods and services)	3.5	5.1	6.0	*6.2*	6.0	*6.2*	6.1	5.8	5.5	5.1	5.1	4.7
External debt (in percent of GDP)	32.8	41.8	39.9	*46.1*	44.2	*46.6*	41.6	40.2	36.8	34.0	31.9	29.5

Sources: Egyptian authorities; and IMF staff estimates and projections.

Table 9. Egypt: Financial Soundness Indicators of the Banking System 1/

(Fiscal year end, unless otherwise indicated)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Mar 2025	Jun 2025	Sep 2025
Capital adequacy													
Regulatory capital to risk-weighted assets	14.5	14.0	14.7	15.7	17.7	20.1	22.2	18.9	18.6	18.3	18.5	18.6	19.2
Common equity to risk-weighted assets	12.1	11.7	9.2	10.4	12.7	14.6	13.4	12.0	12.9	12.5	12.9	13.2	14.0
Asset quality													
NPLs to total loans	7.1	6.0	4.9	4.1	4.2	4.0	3.4	3.3	2.9	2.2	2.2	2.1	2.0
Loan provisions to non-performing loans	99.0	99.1	98.3	98.0	97.6	95.2	92.3	91.9	88.7	87.4	87.2	90.2	89.4
Profitability													
Return on assets	1.5	2.0	1.5	1.4	1.8	1.2	1.2	1.2	2.0	2.6	2.6	2.6	2.6
Return on average equity	24.4	30.9	21.5	19.2	23.4	14.9	16.1	17.7	32.2	39.0	39.0	39.0	39.0
Liquidity													
Average liquidity ratio													
Local currency	59.7	55.4	47.1	40.3	44.4	53.8	45.4	43.3	36.8	34.8	37.1	38.6	40.9
Foreign currency	52.0	60.2	66.4	67.7	67.7	71.5	67.9	77.9	67.5	71.3	73.7	74.4	77.8
Loans to deposits	40.9	47.0	46.0	46.2	46.7	46.4	48.3	48.0	53.3	61.9	63.6	63.3	64.3

Source: Central Bank of Egypt.

1/ Starting in 2021, the financial year ends on December 31 for the banking sector. Prior to that, the financial year ended on June 30 for public sector banks and December 31 for the rest of the banks.

Table 10. Egypt: Capacity to Repay the Fund 2023/24–2048/49 1/ 2/

	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36	36/37	37/38	38/39	39/40	40/41	41/42	42/43	43/44	44/45	45/46	46/47	47/48	48/49
											Projection															
Fund repurchases and charges 3/																										
Millions of SDRs	4,326.8	4,999.6	2,666.1	1,685.3	1,324.5	999.1	820.0	1,204.1	1,266.0	1,210.0	1,156.2	971.3	742.5	268.5	205.7	202.1	198.6	194.6	191.2	187.6	184.1	180.2	176.7	108.7	73.3	73.1
Repurchases	3,345.2	4,333.1	2,301.3	1,290.4	953.9	675.6	522.8	925.9	1,018.6	996.9	975.1	820.6	615.2	157.8	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	35.0	0.0	0.0
GRA	3,345.2	4,333.1	2,301.3	1,290.4	953.9	675.6	522.8	925.9	1,018.6	996.9	975.1	820.6	615.2	92.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RST	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	65.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	35.0	0.0	0.0
Charges and fees 4/ 6/	981.6	666.5	364.8	394.9	370.6	323.5	297.2	278.3	247.4	213.2	181.1	150.7	127.2	110.8	105.7	102.1	98.6	94.6	91.2	87.6	84.1	80.2	76.7	73.7	73.3	73.1
Of which:																										
GRA Basic charges	615.2	422.6	243.6	253.5	238.1	208.6	187.7	168.8	137.7	103.9	71.6	41.2	17.5	2.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Surcharges	250.5	137.1	26.9	32.4	22.8	5.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Of which: Level-based	*167.0*	*93.6*	*20.8*	*32.4*	*22.8*	*5.6*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Time-based	*83.5*	*43.4*	*6.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Millions of US$	5,757.8	6,690.3	3,615.2	2,299.3	1,818.2	1,380.1	1,139.6	1,673.5	1,759.5	1,681.7	1,606.8	1,349.9	1,031.9	373.2	285.9	280.8	276.1	270.5	265.7	260.7	255.9	250.4	245.6	151.1	101.9	101.6
Percent of exports of goods and nonfactor services	9.2	9.3	4.8	2.8	2.1	1.4	1.1	1.6	1.5	1.4	1.2	1.0	0.7	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0
Percent of total debt service 5/	4.2	4.7	1.8	1.2	0.8	0.6	0.5	0.7	0.7	0.6	0.6	0.4	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Percent of quota	212.4	245.4	130.9	82.7	65.0	49.0	40.3	59.1	62.1	59.4	56.8	47.7	36.4	13.2	10.1	9.9	9.8	9.6	9.4	9.2	9.0	8.8	8.7	5.3	3.6	3.6
Percent of gross international reserves	10.7	11.8	5.8	3.6	2.8	2.1	1.7	2.4	2.4	2.2	2.0	1.6	1.1	0.4	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1
Percent of GDP	1.5	1.8	0.8	0.5	0.4	0.2	0.2	0.3	0.3	0.2	0.2	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Percent of general government revenues	12.6	11.4	5.5	2.8	2.0	1.3	0.9	1.3	1.2	1.1	0.9	0.7	0.5	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Fund credit outstanding 3/																										
Millions of SDRs	10,290	7,497	8,075	8,597	7,643	6,968	6,445	5,519	4,501	3,504	2,529	1,708	1,093	935	835	735	635	535	435	335	235	135	35	0	0	0
GRA	10,290	7,497	7,775	7,597	6,643	5,968	5,445	4,519	3,501	2,504	1,529	708	93	0	0	0	0	0	0	0	0	0	0	0	0	0
RST	0	0	300	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	935	835	735	635	535	435	335	235	135	35	0	0	0
Millions of US$	13,612	10,014	10,999	11,742	10,460	9,553	8,856	7,584	6,184	4,815	3,475	2,347	1,502	1,285	1,147	1,010	873	735	598	460	323	186	48	0	0	0
Percent of exports of goods and nonfactor services	21.7	13.9	14.5	14.4	11.9	10.0	8.5	7.0	5.4	3.9	2.7	1.7	1.0	0.8	0.7	0.6	0.5	0.4	0.3	0.2	0.1	0.1	0.0	0.0	0.0	0.0
Percent of quota	505.1	368.0	396.4	422.0	375.2	342.0	316.4	270.9	220.9	172.0	124.1	83.8	53.6	45.9	41.0	36.1	31.2	26.3	21.4	16.4	11.5	6.6	1.7	0.0	0.0	0.0
Percent of gross international reserves	25.3	17.6	17.7	18.3	16.0	14.5	13.2	11.0	8.5	6.3	4.3	2.7	1.6	1.3	1.1	0.9	0.8	0.6	0.5	0.3	0.2	0.1	0.0	0.0	0.0	0.0
Percent of GDP	3.6	2.7	2.6	2.6	2.0	1.7	1.4	1.2	0.9	0.7	0.5	0.3	0.2	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Percent of general government revenues	29.7	17.0	16.6	14.4	11.6	8.7	7.4	5.9	4.3	3.1	2.0	1.2	0.7	0.5	0.4	0.4	0.3	0.2	0.2	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Use of Fund credit																										
Purchases (Millions of SDRs)	618.1	1,541.0	2,878.5	1,813.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GRA	618.1	1,541.0	2,578.5	1,113.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RST	0.0	0.0	300.0	700.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Memorandum items:																										
Exports of goods and nonfactor services (in millions of US$)	62,808	72,292	75,819	81,798	88,196	95,784	104,055	107,656	114,916	122,665	130,937	139,766	149,191	159,252	169,991	181,454	193,690	206,751	220,693	235,576	251,461	268,418	286,519	305,840	326,464	348,479
Total debt service (in millions of US$)	136,294	141,772	198,410	199,196	232,307	230,622	225,533	233,337	249,072	265,868	283,796	302,934	323,362	345,167	368,443	393,289	419,809	448,119	478,337	510,593	545,024	581,778	621,009	662,886	707,587	755,302
Quota (in millions of SDRs, end of period)	2,037.1	2,037.1	2,037.1	2,037.1	2,037.1	2,037.1	2,037.1	2,037.1	2,037.1	2,037.1	2,037.1	2,037.1	2,037.1	2,037.1	2,037.1	2,037.1	2,037.1	2,037.1	2,037.1	2,037.1	2,037.1	2,037.1	2,037.1	2,037.1	2,037.1	2,037.1
Quota (in millions of US$)	2,694.8	2,720.8	2,774.8	2,782.3	2,787.8	2,793.0	2,799.3	2,799.3	2,799.3	2,799.3	2,799.3	2,799.3	2,799.3	2,799.3	2,799.3	2,799.3	2,799.3	2,799.3	2,799.3	2,799.3	2,799.3	2,799.3	2,799.3	2,799.3	2,799.3	2,799.3
Fund repurchases and charges in percent of net international reserves	16.2	18.3	8.6	5.3	4.0	3.0	2.4	3.4	3.3	3.0	2.7	2.1	1.5	0.5	0.4	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.1	0.1	0.1
Fund credit outstanding in percent of net international reserves	38.4	27.3	26.1	27.0	22.8	20.6	18.6	15.4	11.7	8.6	5.8	3.7	2.2	1.8	1.5	1.2	1.0	0.8	0.6	0.4	0.3	0.2	0.0	0.0	0.0	0.0
Gross international reserves (in millions of US$)	53,837	56,840	62,047	64,334	65,401	65,796	67,228	68,882	72,838	77,022	81,445	86,123	91,069	96,300	101,831	107,679	113,864	120,403	127,318	134,631	142,363	150,539	159,186	168,328	177,996	188,219

Source: IMF staff calculations.

1/ Fiscal year starts on July 1 and ends on June 30.
2/ Assumes repurchases are made on obligations schedule.
3/ Amounts reported reflect existing and prospective credit.
4/ SDR Service charges, GRA Commitment Fees-Other, SDR Assessments, SDR charges, RSF charges, and RSF service fees
5/ Debt service includes interest on the entire debt stock and amortization of medium- and long-term debt.
6/ Egypt is a Group C country for financing under the RSF.

Table 11. Egypt: External Financing Needs and Sources, 2022/23–2030/31

(Billions of U.S. dollars)

	2022/23		2023/24		2024/25		2025/26		2026/27		2027/28		2028/29	2029/30	2030/31
	Prog.		*3rd review*		*4th review*	Est.	*4th review*	Proj.	*4th review*	Proj.	Prog.	Proj.	Proj.	Proj.	Proj.
External financing needs (A)	**21.5**	**11.3**	**39.8**	**54.6**	**43.2**	**31.2**	**30.4**	**35.6**	**27.5**	**30.0**	**19.4**	**29.8**	**27.2**	**20.5**	**21.0**
Current account deficit	12.6	4.7	25.0	20.8	20.4	15.4	13.3	16.6	13.1	17.7	13.5	17.8	19.0	19.1	19.3
Medium/long-term loan and supplier credit amortization 1/	6.0	-0.7	8.6	20.4	11.0	5.0	5.7	11.7	6.3	8.0	3.3	10.3	6.9	0.0	0.0
External bond amortization	...	...	...	2.6	1.4	1.4	3.7	3.7	1.8	2.1					
Other sectors' investments	1.7	6.0	1.8	6.3	4.7	3.5	4.6	0.4	4.6	0.4	1.2	0.4	0.4	0.4	0.4
IMF repayments (2016-19 EFF, 2020 RFI, 2020-21 SBA)	1.3	1.3	4.5	4.4	5.8	5.8	3.0	3.1	1.7	1.8	1.4	1.3	0.9	1.0	1.3
External financing sources (B)	**21.4**	**12.5**	**44.2**	**55.8**	**27.1**	**18.7**	**26.4**	**28.6**	**25.9**	**27.3**	**21.0**	**31.1**	**27.1**	**30.5**	**27.5**
Foreign direct investment, net	9.7	9.7	32.2	45.6	13.2	11.7	15.6	12.6	16.9	13.5	16.9	14.5	15.5	17.2	18.4
Portfolio investment 7/	6.1	-4.1	14.9	16.9	2.8	3.0	7.3	9.6	5.0	4.9	7.8	2.7	4.2	3.6	2.3
Medium/long-term loan disbursements	6.8	5.7	8.2	4.7	7.4	6.9	7.5	6.5	6.6	8.0	5.7	13.2	6.5	8.7	5.8
CBE's change in foreign asset 2/	0.0	-0.2	0.4	-0.1	0.0	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial banks' change in foreign assets 3/	-2.3	1.4	-11.8	-18.4	1.2	-5.4	-2.0	-1.7	-2.0	-1.0	-12.4	-1.0	-1.0	-1.0	-1.0
Net short-term supplier credit	1.0	0.0	0.4	7.2	2.4	2.8	-2.0	1.6	-0.6	1.9	2.9	1.7	1.8	2.0	2.0
Capital account balance	0.0	-0.1	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Errors and Omissions (C) 4/	**0.0**	**0.2**	**2.1**	**5.8**	**1.0**	**4.0**	**0.0**	**-0.7**	**0.0**	**0.0**	**0.0**	**0.0**	**1.0**	**2.0**	**3.0**
Incipient change in reserves (D=B-A+C)	**-0.1**	**1.4**	**6.5**	**7.0**	**-15.1**	**-8.4**	**-4.0**	**-7.7**	**-1.6**	**-2.7**	**1.6**	**1.3**	**-0.1**	**10.0**	**6.5**
Targeted change in reserves (w/o RSF; E)	**6.0**	**4.4**	**15.0**	**14.9**	**-0.5**	**1.7**	**4.2**	**4.8**	**4.5**	**1.3**	**2.1**	**8.3**	**8.2**	**15.8**	**0.0**
Financing gap (F=E-D) 6/	**6.1**	**3.0**	**8.5**	**7.9**	**14.6**	**10.1**	**8.2**	**12.5**	**6.1**	**4.0**	**0.5**	**7.1**	**8.3**	**5.8**	**-6.5**
IMF, Extended Fund Facility	0.7	0.3	0.8	0.8	3.3	2.1	2.4	3.5	1.2	1.5	0.0	0.0	0.0	0.0	0.0
World Bank	1.1	0.4	0.3	0.0	0.7	0.6	0.8	0.7	1.0	0.7	0.5	0.0	0.0	0.0	0.0
European Commission	0.4	0.0	0.0	0.0	0.3	1.1	0.0	2.8	...	1.7	...	...	...	...	...
China Development Bank	1.0	0.0	1.0	1.0	2.0	1.0	0.0	0.0	...	...	...	...	...	...	...
Abu Dhabi Commerical Bank (ADCB)	0.0	1.0	0.0	0.0	1.8	1.8	0.0	0.0	...	...	...	...	...	...	...
UAE Central Bank	...	...	1.4	1.4	0.0	0.0	0.0	0.0	...	...	...	...	...	...	...
Sales of state-owned assets (including to GCC) 8/	2.0	0.0	2.8	2.0	3.6	0.0	3.0	5.0	2.1	0.0	0.0	0.0	0.0	0.0	0.0
Other 5/	...	0.3	1.2	2.7	2.2	3.8	2.0	0.5	1.8	0.2					
Residual gap (E-D-F)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RSF disbursement (G)	...	...	...	...	...	...	0.4	0.4	0.9	1.0	0.0	0.0	0.0	0.0	0.0
Change in reserves (with RSF) (H=G+E)					...	...	4.6	5.2	5.5	2.3	2.1	8.3	8.2	15.8	0.0

Source: IMF staff calculations.

1/ Includes projected change in liabilitites of the CBE and commercial banks (repayments, reflected as +).

2/ Includes only changes in foreign assets of the CBE. Changes in foreign liabilities are reflected under external financing needs/medium and long-term credit amortization.

3/ Includes only changes in foreign assets of commercial banks. Changes in foreign liabilities are reflected under external financing needs/medium and long-term credit

4/ Errors and omissions include other below-the-line adjustments to ensure consisency with the program definition of reserves including foreign currency deposits in commercial banks, as well as change in gold valuations.

5/ "Other" comprises projected credit from the Arab Monetary Fund, the Asian Infrastructure Investment Bank, African Development Bank, France, Japan,

6/ In FY2022/23 program column, the financing gap includes US$0.4 billion of an increase in Tier 2 reserves.

7/ Disbursement of external bonds and net inflow on non-resident holdings of T-bills.

8/ For FY25/26, includes US$ 3.5 bn in land sales.

Table 12a. Egypt: Original Schedule of Reviews and Purchases Under the Extended Fund Facility

Availability Date	Amount		Condition
	Millions of SDR	Percent of Quota	
December 16, 2022	261.13	12.8	Board approval of the EFF
March 15, 2023	261.13	12.8	First review and end-June 2023 quantitative targets 1/
March 15, 2024	356.98	17.5	Second review and end-June 2023 quantitative targets 1/
June 15, 2024	618.11	30.3	Third review and end-March 2024 quantitative targets
September 15, 2024	922.87	45.3	Fourth review and end-June 2024 quantitative targets
March 15, 2025	922.87	45.3	Fifth review and end-December 2024 quantitative targets
September 15, 2025	922.87	45.3	Sixth review and end-June 2025 quantitative targets
March 15, 2026	922.87	45.3	Seventh review and end-December 2025 quantitative targets
September 15, 2026	922.86	45.3	Eighth review and end-June 2026 quantitative targets
Total	6,111.69	300.0	
Memorandum items:			
Quota (SDR, million)	2,037.10		

Source: IMF staff calculations.

Table 12b. Egypt: Proposed Schedule of Reviews and Purchases Under the Extended Fund Facility with Augmentation

Availability Date	Amount		Condition
	Millions of SDR	Percent of Quota	
December 16, 2022	261.13	12.8	Board approval of the EFF
March 15, 2023	261.13	12.8	First review and end-June 2023 quantitative targets 1/
March 15, 2024	356.98	17.5	Second review and end-June 2023 quantitative targets 1/
June 15, 2024	618.11	30.3	Third review and end-March 2024 quantitative targets
September 15, 2024	922.87	45.3	Fourth review and end-June 2024 quantitative targets
March 15, 2025	732.72	36.0	Fifth review and end-December 2025 quantitative targets 2/
September 15, 2025	732.72	36.0	Sixth review and end-December 2025 quantitative targets 2/
June 15, 2026	1,113.01	54.6	Seventh review and end-March 2026 quantitative targets
November 15, 2026	1,113.02	54.6	Eighth review and end-June 2026 quantitative targets
Total	6,111.69	300.0	
Memorandum items:			
Quota (SDR, million)	2,037.10		

Source: IMF staff calculations.

1/ First and second reviews were combined.

2/ Fifth and sixth reviews were combined

Table 12c. Egypt: Proposed Schedule of Reviews Under the Resilience and Sustainability Fund

Availability Date	Amount		Condition
	Millions of SDR	Percent of Quota	
February 2025	0.00	0.0	Board approval of the RSF
September 15, 2025	100.00	4.9	RSF first review (EFF sixth review) and reform measure 1
September 15, 2025	100.00	4.9	RSF first review (EFF sixth review) and reform measure 2
June 15, 2026	100.00	4.9	RSF second review (EFF seventh review) and reform measure
November 15, 2026	100.00	4.9	RSF third review (EFF eighth review) and reform measure 4
November 15, 2026	100.00	4.9	RSF third review (EFF eighth review) and reform measure 5
November 15, 2026	100.00	4.9	RSF third review (EFF eighth review) and reform measure 6
November 15, 2026	100.00	4.9	RSF third review (EFF eighth review) and reform measure 7
November 15, 2026	100.00	4.9	RSF third review (EFF eighth review) and reform measure 8
November 15, 2026	100.00	4.9	RSF third review (EFF eighth review) and reform measure 9
November 15, 2026	100.00	4.9	RSF third review (EFF eighth review) and reform measure 10
Total	1,000.00	49.00	
Memorandum items:			
Eligibility (SDR, millio	1,000.00		

Source: IMF staff calculations.

Table 13. Egypt: Decomposition of Public Debt and Debt Service by Creditor 1/

	Debt Stock (end of period)			Debt Service 2/					
	FY24/25			FY24/25	FY25/26	FY26/27	FY24/25	FY25/26	FY26/27
	(US$ billion)	*(Percent total debt)*	*(Percent GDP)*	*(US$ billion)*			*(Percent GDP)*		
Total budget sector debt	319.1	100.0	84.5	193.4	172.8	49.9	53.0	40.3	10.9
External budget sector debt	81.2	25.4	21.5	18.8	14.6	10.0	5.2	3.4	2.2
Multilateral creditors 3/	40.8	12.8	10.8	10.6	8.0	5.4	2.9	1.9	1.2
IMF	13.0	4.1	3.4						
World Bank	13.0	4.1	3.4						
AfDB	2.7	0.8	0.7						
Other Multilaterals	12.2	3.8	3.2						
Official bilateral creditors	8.1	2.5	2.1	0.4	0.4	0.5	0.1	0.1	0.1
External market financing	31.7	9.9	8.4	7.5	5.9	4.0	2.1	1.4	0.9
Rescheduled debt	0.5	0.1	0.1	0.3	0.3	0.1	0.1	0.1	0.0
Domestic budget sector debt	237.9	74.6	63.0	174.6	158.3	39.9	47.9	36.9	8.7
T-Bills and MOF notes	121.1	37.9	32.1	131.0	105.5	0.0	35.9	24.6	0.0
T-bonds, and Eurobonds held by residents	91.8	28.8	24.3	22.4	35.5	35.1	6.2	8.3	7.7
Nontradable domestic debt	25.1	7.9	6.6	8.1	4.3	4.7	2.2	1.0	1.0
Memo items:									
Nominal GDP	499.8	…	…	…	…	…	…	…	…

1/ Debt coverage in this table is for the budget sector, which differs from the debt definitions in the DSA and Table 1. The definition in this table does not include GCC deposits, while the DSA does, and it does not consolidate with the pension fund (SIF) and the National Investment Bank of Egypt (NIB), unlike the general government debt consept featured in Table 1. This table is based on the information provided by the authorities in Egyptian Pound, and IMF staff converted it to the US dollar.

2/ Debt service on existing debt at end-FY23/24.

3/ Multilateral creditors are simply institutions with more than one official shareholder and may not necessarily align with creditor classification under other IMF policies (e.g. Lending Into Arrears).

Annex I. Risk Assessment Matrix[1]

Sources of Risks	Relative Likelihood	Impact if Realized	Recommended Policy Response
Global Risks			
Escalating Trade Measures and Prolonged Uncertainty	**High**	**High** Rising trade barriers and prolonged policy uncertainty could reduce trade, investment, and growth. Inflationary pressures may re-emerge—especially in countries imposing tariffs. These effects can be amplified by strategic complementarities or bottlenecks in global value chains or inventory overhang.	Allow the exchange rate to act as a shock absorber. Implement structural reforms to diversify economy and increase exports to add sources of FX revenue. Improve transparency, governance, and financial reporting of EAs and SOEs, level the playing field.
Financial Market Volatility and Correction.	**High**	**Medium** Stretched asset valuations, easy financial conditions, and subdued volatility in key markets could be significantly affected by a sudden and disruptive shift in investor sentiment or policy stance, triggering market corrections, exchange rate turbulence, spikes in sovereign bond yields, and capital flow volatility. Elevated leverage among Non-Bank Financial Intermediaries further amplifies these risks, as forced deleveraging during periods of stress could exacerbate asset price swings and propagate shocks. Rapid growth of unregulated crypto markets could add to these vulnerabilities by increasing the risk of redemption runs and market dislocations.	Implement the MTDS and MTRS to reduce debt vulnerabilities and build fiscal buffers. Reprioritize spending to reduce financing pressure. Allow exchange rate flexibility to be the first line of defense against capital outflows.
Geopolitical tensions	**High**	**High** Intensification of conflicts, coupled with the weakening of multilateralism, may trigger commodity price volatility, increase migration pressures, reignite inflation, and weigh on growth by undermining confidence, investment, tourism, trade, and supply chains.	Improve inclusiveness of government policies, via well-targeted measures and strengthened social safety net. Allow the exchange rate to act as a shock absorber. Implement structural reforms to diversify economy and increase exports to add sources of FX revenue

[1] The Risk Assessment Matrix (RAM) shows events that could materially alter the baseline path (the scenario most likely to materialize in the view of IMF staff). The relative likelihood of risks is the staff's subjective assessment of the risks surrounding the baseline ("low" is meant to indicate a probability below 10 percent, "medium" a probability between 10 and 30 percent, and "high" a probability between 30 and 50 percent). The RAM reflects staff views on the source of risks and overall level of concern as of the time of discussions with the authorities. Non-mutually exclusive risks may interact and materialize jointly.

Sources of Risks	Relative Likelihood	Impact if Realized	Recommended Policy Response
Global Risks			
Commodity price volatility	**High**	**High** Shifts in supply and demand—driven by geopolitical tensions and conflicts, OPEC+ actions, or the green transition—may fuel commodity price swings, intensifying external and fiscal pressures, social unrest, and macroeconomic instability.	Improve inclusiveness of government policies, via well-targeted measures and strengthened social safety net. Allow the exchange rate to act as a shock absorber. Implement structural reforms to diversify economy and increase exports to add sources of FX revenue.
Domestic Risks			
Failure to allow for exchange rate flexibility	**Medium**	**High** A build-up of external imbalances eventually leads to a sudden and large exchange rate adjustment, with implications on sovereign borrowing and debt service costs and inflation.	Implement package of consistent reforms including allowing the exchange rate to find its market-clearing equilibrium so it can act as a shock absorber, with two-way movements that reflect foreign exchange demand and supply conditions.
Inflation risks	**Medium**	**Medium/High** Volatile global commodity prices, greater pass-through from administrative price adjustments, and/or unanchored expectations could add upward pressure to inflation and complicate the disinflation path.	Continue to anchor inflation expectations through timely interest rate adjustments, clear communication, and a credible commitment to its inflation-targeting framework and exchange rate flexibility. Improve fiscal-monetary coordination and strengthen social safety nets, continue with structural reforms to diversify the economy.
Slower-than-expected structural reform implementation, including divestment	**Medium**	**Medium/High** Lack of reform leads to re-accumulation of imbalances, lowering growth potential and leaving country more vulnerable to shocks.	Re-invigorate the structural reform agenda focusing on priority areas such as SOE reform, competition and the investment climate, trade facilitation, and health and education reform to address constraints to growth.
Materialization of fiscal contingent liabilities	**Medium**	**Medium/High** Economic Authorities (EAs), SOEs, and central bank require government's recapitalization or repayment of government-guaranteed debt, putting pressure on public expenditure while increasing public debt.	Improve transparency, governance, and financial reporting of EAs and SOEs. Implement SOP fully. Clearly define and separate commercial and non-commercial activities of EAs and SOEs. Prohibit CBE lending to public sector agencies excluding the MoF.

Annex II. Sovereign Risk and Debt Sustainability Framework

Figure 1. Egypt: Risk of Sovereign Stress

Horizon	Mechanical signal	Final assessment	Comments
Overall	…	High	The overall risks of sovereign stress are assessed as high, based on the medium term and long term risk assessments below.
Near term 1/	n.a.	n.a.	Not applicable
Medium term	High	High	Medium-term risks are assessed as high, given the risk signals from the debt fanchart module and the GFN module. The high risk signal from the GFN module reflects high average gross financing needs over the forecast horizon related to large issuances of short-term bills and the large claims of domestic banks on the government. Contingent liability related to publicly-guaranteed debt (EGP5,379 billion as of June 2025) poses significant medium-term risks.
Fanchart	Moderate	…	
GFN	High	…	
Stress test	Cont. Liab.	…	
Long term	…	Moderate	Long-term risks are assessed as moderate, as the debt ratio and gross financing needs are projected to trend downwards with sustained primary surpluses and favorable interest-growth differentials, while there are risks to public debt related to pension and health cost as well as to adaptation and mitigation costs.
Sustainability assessment 2/		Sustainable but not with high probability	Public debt is assessed as sustainable but not with high probability. This is based on high risks related to gross financing needs, while considering the mitigating impact from the country's track record of sustaining high gross financing needs, supported by stable financing by domestic banks, as well as the mitigating impact from ad-hoc asset sales (e.g. Ras-El-Hekma, Qatari land sale).
Debt stabilization in the baseline			Yes

DSA Summary Assessment

Commentary: Public debt is assessed as sustainable but not with high probability, and overall risks of sovereign stress are assessed as high. Over the medium term, risks are assessed as high, given the risk signals from the GFN module and the debt fanchart modules. The GFN module signals a high risk, given high average gross financing needs over the medium term and the large claims of the domestic banks on the government. Contingent liability related to publicly-guaranteed debt poses significant medium-term risks. Over the long term, risks are assessed as moderate, as the debt ratio and gross financing needs are projected to trend downwards. The sustainability assessment considers the risk mitigating impact from the country's track record of sustaining high gross financing needs, supported by stable financing by domestic banks, as well as the mitigating impact from ad-hoc land sales to GCC investors.

Source: Fund staff.

Note: The risk of sovereign stress is a broader concept than debt sustainability. Unsustainable debt can only be resolved through exceptional measures (such as debt restructuring). In contrast, a sovereign can face stress without its debt necessarily being unsustainable, and there can be various measures—that do not involve a debt restructuring—to remedy such a situation, such as fiscal adjustment and new financing.

1/ The near-term assessment is not applicable in cases where there is a disbursing IMF arrangement. In surveillance-only cases or in cases with precautionary IMF arrangements, the near-term assessment is performed but not published.

2/ A debt sustainability assessment is optional for surveillance-only cases and mandatory in cases where there is a Fund arrangement. The mechanical signal of the debt sustainability assessment is deleted before publication. In surveillance-only cases or cases with IMF arrangements with normal access, the qualifier indicating probability of sustainable debt ("with high probability" or "but not with high probability") is deleted before publication.

Figure 2. Egypt: Debt Coverage and Disclosures

						Comments
1. Debt coverage in the DSA: 1/	CG	GG	NFPS	CPS	Other	
1a. If central government, are non-central government entities insignificant?					n.a.	

2. Subsectors included in the chosen coverage in (1) above:

					Subsectors captured in the baseline	Inclusion	Comments
CPS	NFPS	GG: expected	CG	1	Budgetary central government	Yes	
				2	Extra budgetary funds (EBFs)	Yes	
				3	Social security funds (SSFs)	Yes	
				4	State governments	Yes	
				5	Local governments	Yes	
				6	Public nonfinancial corporations	No	
				7	Central bank	Yes	Includes GCC deposits at CBE
				8	Other public financial corporations	No	

3. Instrument coverage:	Currency & deposits	Loans	Debt securities	Oth acct. payable 2/	IPSGSs 3/

4. Accounting principles:	Basis of recording		Valuation of debt stock		
	Non-cash basis 4/	Cash basis	Nominal value 5/	Face value 6/	Market value 7/

5. Debt consolidation across sectors:	Consolidated	Non-consolidated

Color code: chosen coverage; Missing from recommended coverage; Not applicable

Reporting on Intra-Government Debt Holdings

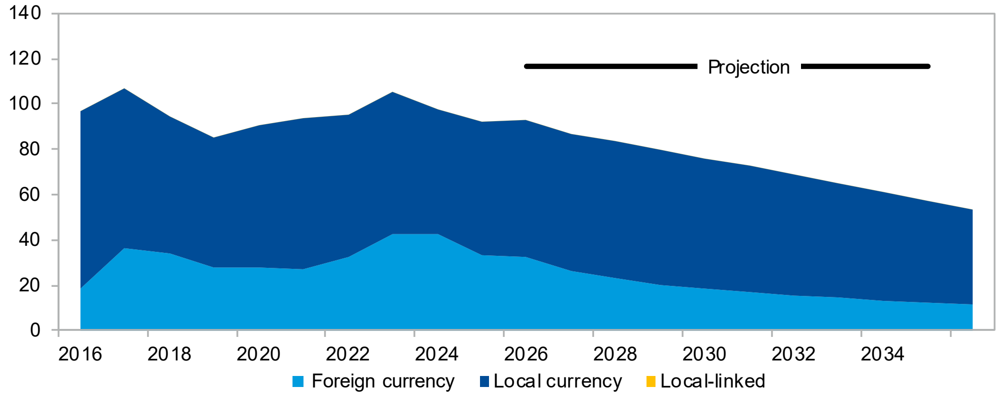
				Issuer \ Holder	Budget. central govt	Extra-budget. funds (EBFs)	Social security funds (SSFs)	State govt.	Local govt.	Nonfin. pub. corp.	Central bank	Oth. pub. fin corp	Total
CPS	NFPS	GG: expected	CG	1 Budget. central govt		0.5	8.2	0	0	0	0	0	8.7
				2 Extra-budget. funds	0		0	0	0	0	0	0	0
				3 Social security funds	0	0		0	0	0	0	0	0
				4 State govt.	0	0	0		0	0	0	0	0
				5 Local govt.	0	0	0	0		0	0	0	0
				6 Nonfin pub. corp.	0	0	0	0	0		0	0	0
				7 Central bank	0	0	0	0	0	0		0	0
				8 Oth. pub. fin. corp	0	0	0	0	0	0	0		0
				Total	0	0.5	8.2	0	0	0	0	0	8.7

1/ CG=Central government; GG=General government; NFPS=Nonfinancial public sector; PS=Public sector.
2/ Stock of arrears could be used as a proxy in the absence of accrual data on other accounts payable.
3/ Insurance, Pension, and Standardized Guarantee Schemes, typically including government employee pension liabilities.
4/ Includes accrual recording, commitment basis, due for payment, etc.
5/ Nominal value at any moment in time is the amount the debtor owes to the creditor. It reflects the value of the instrument at creation and subsequent economic flows (such as transactions, exchange rate, and other valuation changes other than market price changes, and other volume changes).
6/ The face value of a debt instrument is the undiscounted amount of principal to be paid at (or before) maturity.
7/ Market value of debt instruments is the value as if they were acquired in market transactions on the balance sheet reporting date (reference date). Only traded debt securities have observed market values.

Commentary: The coverage in this analysis is for the general government, which is comprised of the budget sector, National Investment Bank, and Social Insurance Funds. Official creditor deposits at the central bank are included in the public debt stock for the purposes of this analysis.

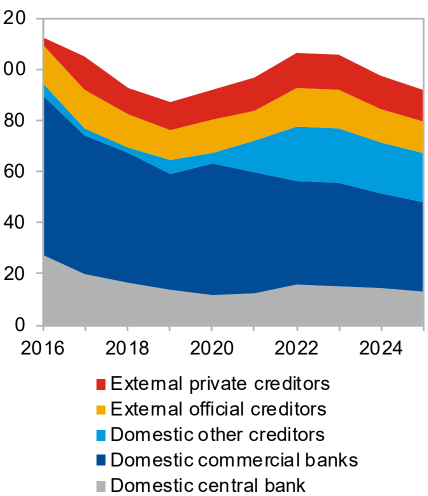
Figure 3. Egypt: Public Debt Structure Indicators

Debt by Currency (percent of GDP)



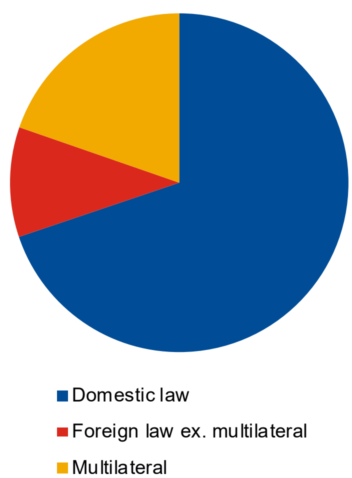
Note: The perimeter shown is general government.

Public Debt by Holder (percent of GDP)



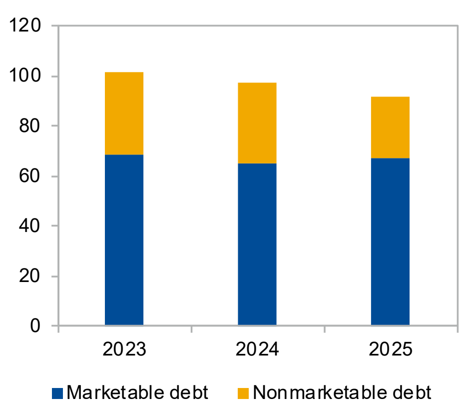
Note: The perimeter shown is public debt.

Public Debt by Governing Law, 2025 (percent)



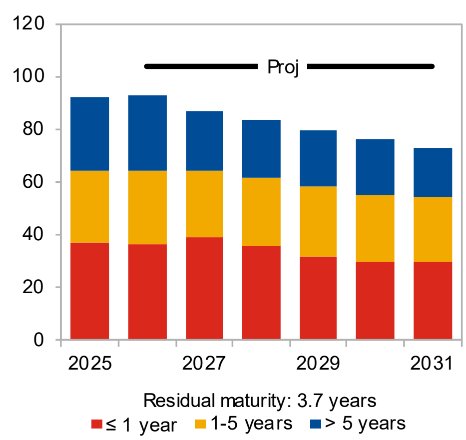
Note: Multilateral includes official creditor deposits at CBE.

Debt by Instruments (percent of GDP)



Note: The perimeter shown is general government.

Public Debt by Maturity (percent of GDP)



Note: The perimeter shown is general government.

Commentary: Public debt is mainly domestic, held by domestic banks, and in local currency, and it is subject to local law. Debt is primarily in marketable instruments, including a large share of T-bills. This results in a relatively short maturity of public debt.

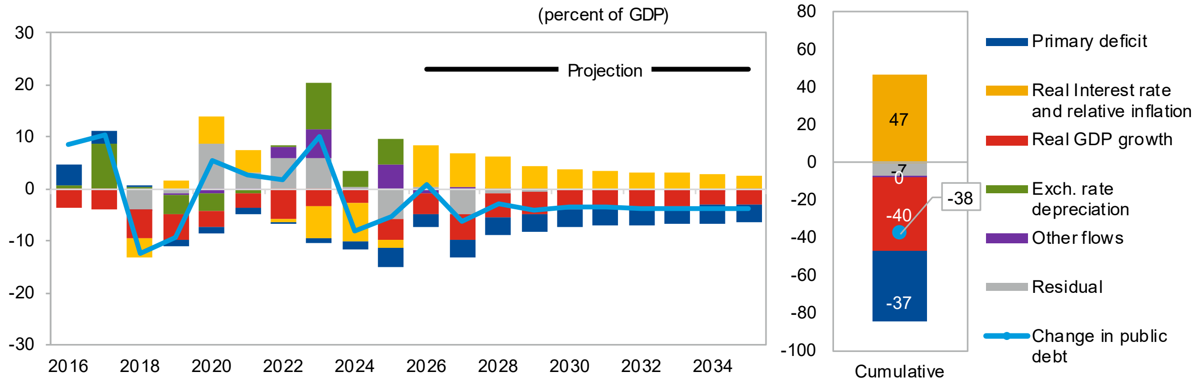
Figure 4. Egypt: Baseline Scenario

(percent of GDP unless indicated otherwise)

	Actual	Medium-term projection						Extended projection				
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Public debt 1/	91.8	92.8	86.5	83.6	79.6	76.1	72.6	68.7	65.0	61.4	57.5	53.6
Change in public debt	-5.4	1.0	-6.3	-2.8	-4.0	-3.5	-3.5	-3.9	-3.7	-3.6	-3.9	-3.8
Contribution of identified flows	0.4	0.5	-1.5	-2.0	-3.3	-3.3	-3.4	-3.5	-3.5	-3.5	-3.7	-3.7
Primary deficit (general government) 2/	-3.9	-2.6	-3.5	-3.5	-3.5	-3.5	-3.5	-3.5	-3.5	-3.5	-3.5	-3.5
Noninterest revenues	16.4	16.4	17.6	17.5	17.1	17.0	17.0	17.0	17.0	17.0	17.0	17.0
Noninterest expenditures	12.6	13.8	14.1	14.0	13.7	13.6	13.6	13.6	13.6	13.6	13.6	13.6
Automatic debt dynamics	-0.4	3.8	1.7	1.4	0.1	0.2	0.1	0.0	0.0	0.0	-0.3	-0.2
Real interest rate and relative inflation	-1.3	7.9	6.5	6.1	4.3	3.9	3.6	3.3	3.2	3.0	2.5	2.4
Real interest rate	-8.5	5.2	4.2	4.7	3.4	3.2	3.0	2.8	2.7	2.5	2.1	2.0
Relative inflation	7.2	2.8	2.2	1.3	0.9	0.6	0.6	0.5	0.5	0.5	0.4	0.4
Real growth rate	-4.1	-4.1	-4.8	-4.7	-4.2	-3.7	-3.5	-3.3	-3.1	-3.0	-2.8	-2.6
Real exchange rate	5.0	…	…	…	…	…	…	…	…	…	…	…
Other identified flows	4.7	-0.8	0.4	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contingent liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other transactions	4.7	-0.8	0.4	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contribution of residual	-5.8	0.5	-4.9	-0.8	-0.7	-0.3	-0.1	-0.4	-0.2	-0.2	-0.2	-0.2
Gross financing needs	35.3	43.0	39.8	40.8	36.3	32.1	30.3	29.8	27.5	25.7	23.9	22.5
of which: debt service	38.9	45.9	43.6	44.5	40.0	35.8	34.0	33.5	31.2	29.4	27.6	26.1
Local currency	28.7	38.9	37.4	38.4	34.7	31.6	29.9	29.5	27.7	25.9	24.5	23.0
Foreign currency	10.2	6.9	6.2	6.1	5.3	4.2	4.2	4.0	3.5	3.4	3.1	3.1
Memo:												
Real GDP growth (percent)	4.4	4.7	5.4	5.7	5.2	4.8	4.8	4.8	4.8	4.8	4.8	4.8
Inflation (GDP deflator; percent)	25.0	11.6	9.8	7.5	6.2	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Nominal GDP growth (percent)	30.5	16.9	15.8	13.7	11.8	10.6	10.3	10.8	10.5	10.5	10.5	10.5
Effective interest rate (percent)	13.5	18.2	15.1	13.8	10.7	10.0	9.8	9.7	9.8	9.8	9.3	9.3

Contribution to Change in Public Debt

(percent of GDP)

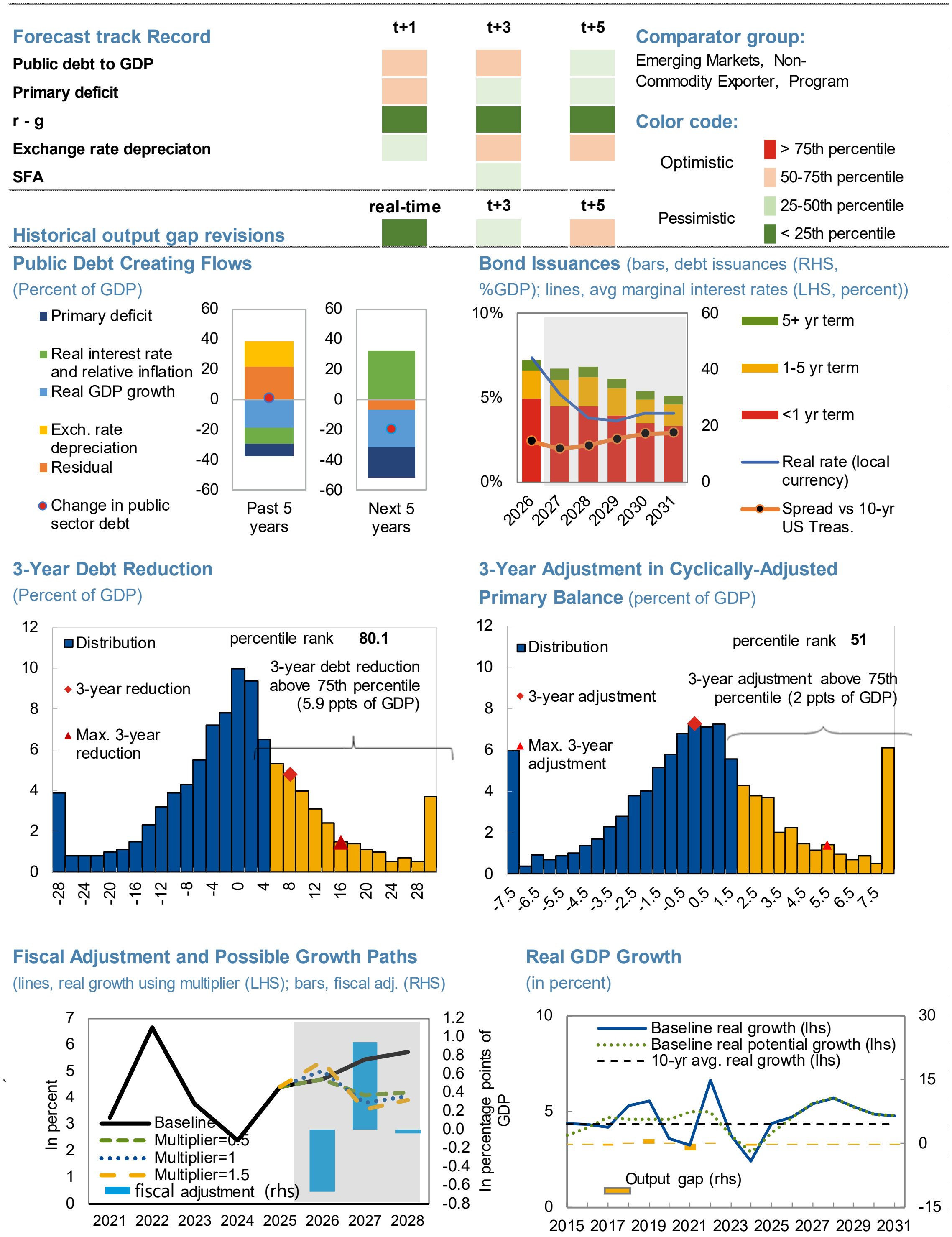


Commentary: After declining in FY2024/25 (2025 in the chart), public debt is projected to rise slightly in FY2025/26 as the authorities rely more on costly domestic financing amid delays in program implementation and the divestment agenda. Debt is expected to resume its downward path from FY2026/27, supported by sustained primary surpluses and favorable interest-rate growth differential. The FY2025/26 projection assumes that all proceeds from the Qatari investment deal and 50 percent of program divestment receipts are used for debt reduction. Further delays in divestment pose a downside risk to the baseline and could result in higher debt, while planned measures to reduce gross financing needs that are not currently incorporated represent an upside risk.

1/ Official creditor deposits at the central bank are included in the public debt stock for the purposes of this analysis.

2/ The primary balance of the general government in this table excludes interest revenues, and it differs from the definition in macroframework tables.

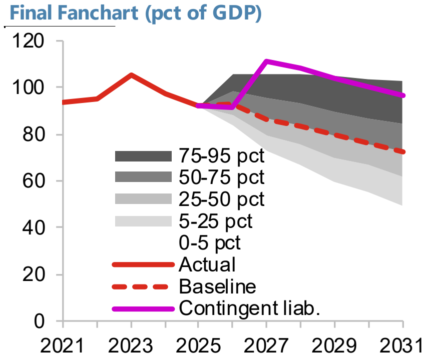
Figure 5. Egypt: Realism of Baseline Assumptions



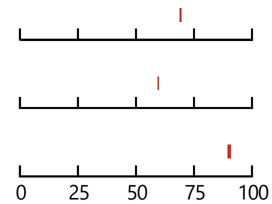
Commentary: Analysis from the realism tools does not signal major concerns. The forecast error track record does not signal a pattern of optimistic forecast errors. Debt drivers are projected to largely follow the past experience. While 3-year debt reduction is above 75th percentile, the 3-year cyclically adjusted primary balance adjustment is close to the median of the distribution. The baseline growth projection is higher than that suggested by the multiplier tool, as productivity gains from the implementation of the National Narrative are expected to offset demand-effects from fiscal tightening and drive growth over the medium term above its historical average.

Figure 6. Egypt: Medium-Term Risk Assessment

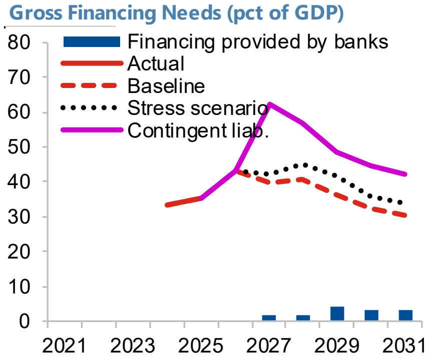
Final Fanchart (pct of GDP)



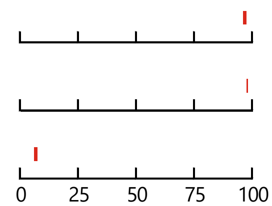
	Value	Contrib 1/	Percentile in peer group 2/
Debt fanchart module			
Fanchart width *(percent of GDP)*	53.8	0.8	
Probability of debt non-stabilizaiton *(percent)*	4.3	0.0	
Terminal debt-to-GDP x institutions index	51.9	1.1	
Debt fanchart index (DFI)		1.9	
Risk signal: 3/		Moderate	



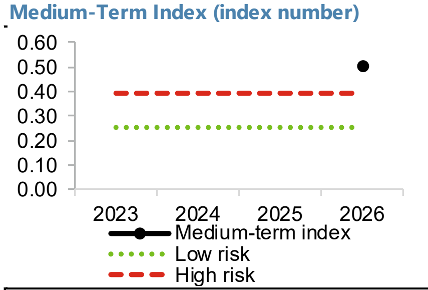
Gross Financing Needs (pct of GDP)



	Value	Contrib 1/
Gross financing needs (GFN) module		
Average baseline GFN *(percent of GDP)*	37.1	12.6
Banks' claims on the gen. govt *(pct bank assets)*	50.8	16.5
Chg. In banks' claims in stress *(pct banks' assets)*	4.9	1.6
GFN financeability index (GFI)		30.8
Risk signal: 4/		High



Medium-Term Index (index number)



Medium-term risk analysis

	Value	Weight	Contribution
Debt fanchart index (normalized)	0.4	0.5	0.2
GFN finaceability index (normalized)	0.6	0.5	0.3
Medium-term index	0.5		
Risk signal: 5/	High		
Final assessment:	High		

Prob. of missed crisis, 2026-2031, if stress not predicted: 72.7 pct.

Prob. of false alarms, 2026-2031, if stress predicted: 3.4 pct.

Commentary: Medium-term risks are assessed as high, given the risk signals from the debt fanchart and GFN modules. The high risk signal from the GFN module reflects high average gross financing needs and the large claims of the domestic banking sector on the government. Contingent liability related to publicly-guaranteed debt (EGP 5,379 billion as of June 2025) adds to medium-term risks.

Source: IMF staff estimates and projections.

1/ See Annex IV of IMF, 2022, Staff Guidance Note on the Sovereign Risk and Debt Sustainability Framework for details on index calculation.

2/ The comparison group is emerging market, non-commodity exporting countries, with Fund-supported programs.

3/ The signal is low risk if the DFI is below 1.13; high risk if the DFI is above 2.08; and otherwise, it is moderate risk.

4/ The signal is low risk if the GFI is below 7.6; high risk if the DFI is above 17.9; and otherwise, it is moderate risk.

5/ The signal is low risk if the GFI is below 0.26; high risk if the DFI is above 0.40; and otherwise, it is moderate risk.

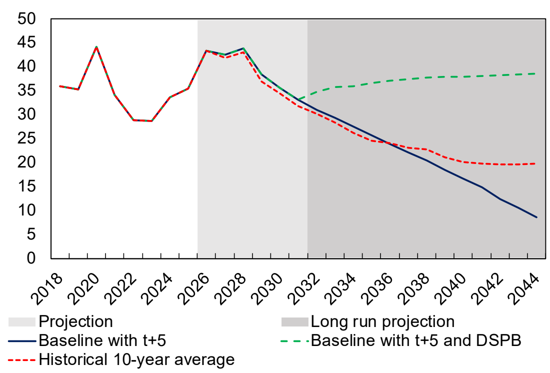
Figure 7. Egypt: Long-Term Risk Analysis

Large Amortization

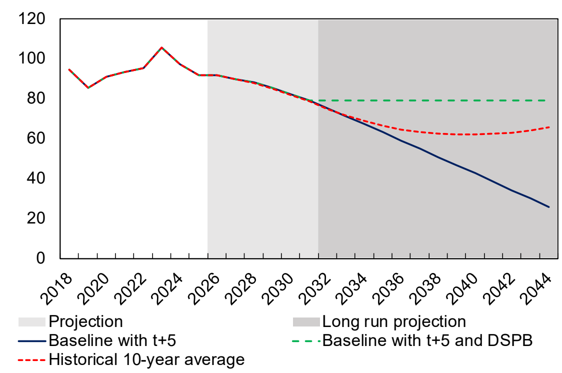
Projection	Variable	Risk Indication
Medium-term extrapolation	GFN-to-GDP ratio Amortization-to-GDP ratio Amortization	
Medium-term extrapolation with debt stabilizing	GFN-to-GDP ratio Amortization-to-GDP ratio Amortization	
Historical average assumptions	GFN-to-GDP ratio Amortization-to-GDP ratio Amortization	
Overall Risk Indication		

Large Amortization

GFN-to-GDP ratio



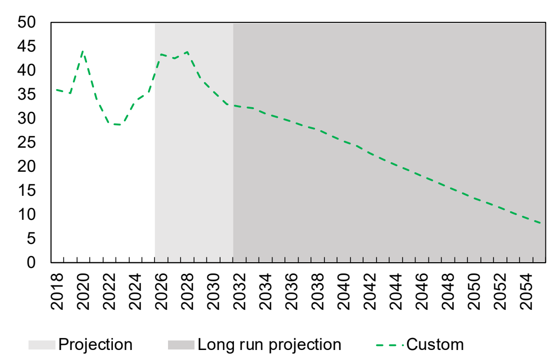
Total Public Debt-to-GDP Ratio



Custom

	Baseline extension of fifth projection year	Custom baseline
Real GDP growth	4.8%	5.0%
Primary Balance-to-GDP	3.5%	2.0%
Real depreciation	-3.1%	0.0%
Inflation (GDP deflator)	5.5%	5.0%

GFN-to-GDP ratio



Total public debt-to-GDP ratio

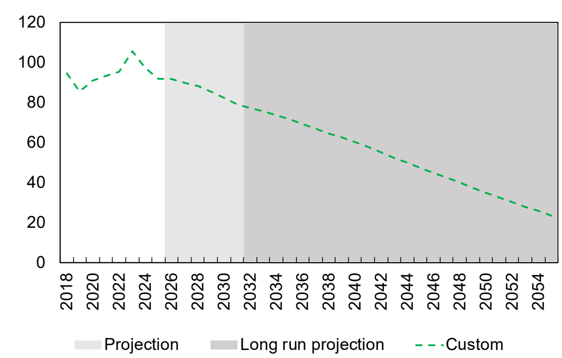
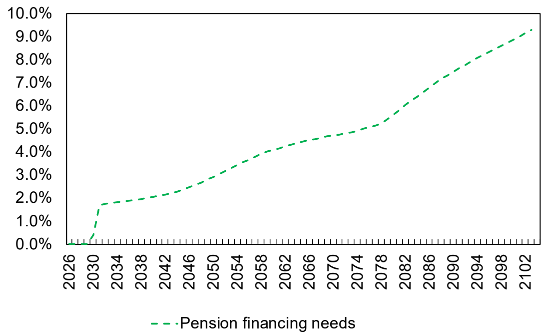


Figure 7. Egypt: Long-Term Risk Analysis (continued)

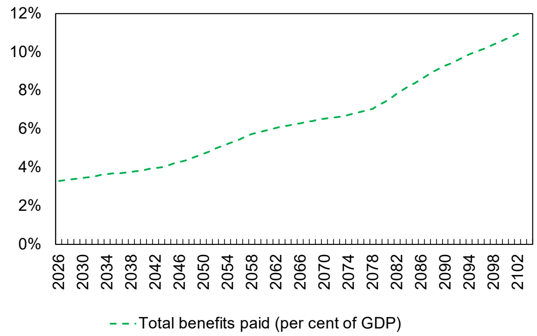
Demographics: Pension

Permanent adjustment needed in the pension system (pp of GDP per year)	To keep pension assets positive for:		
	30 years	50 years	Until 2100
	2.0%	2.9%	4.4%

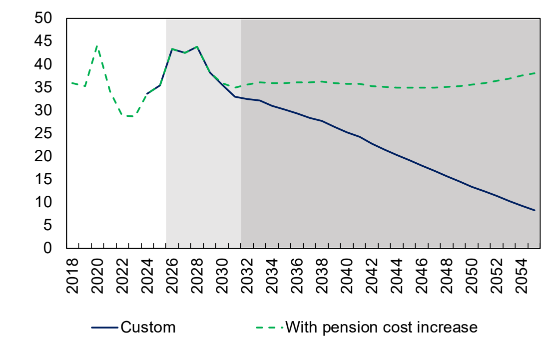
Pension Financing Needs



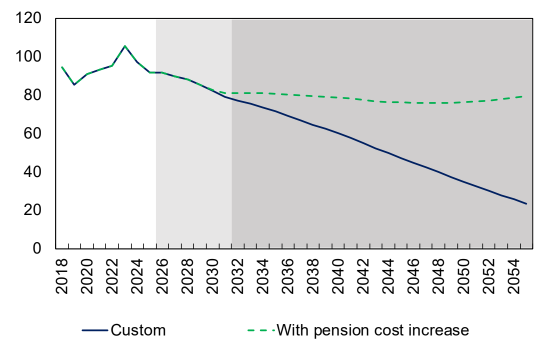
Total benefits paid



GFN-to-GDP Ratio

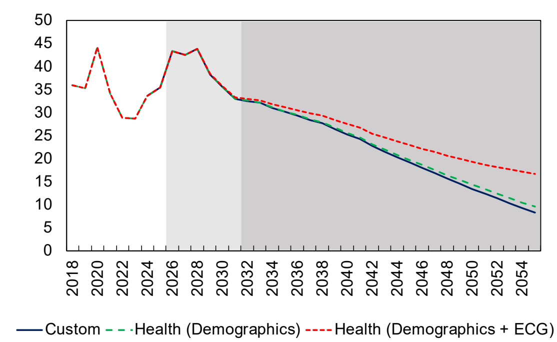


Total Public Debt-to-GDP Ratio



Demographics: Health

GFN-to-GDP Ratio



Total Public Debt-to-GDP Ratio

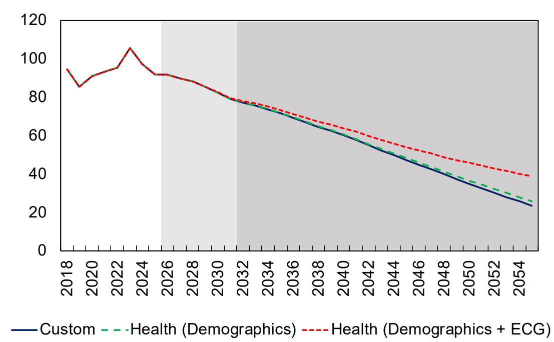
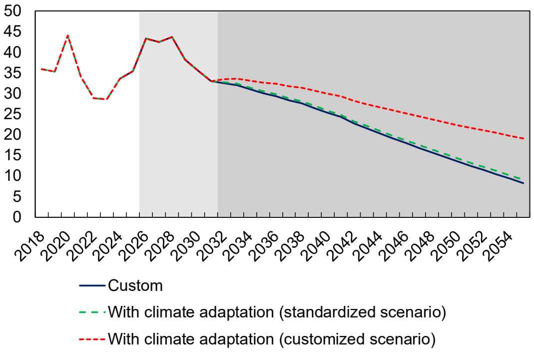


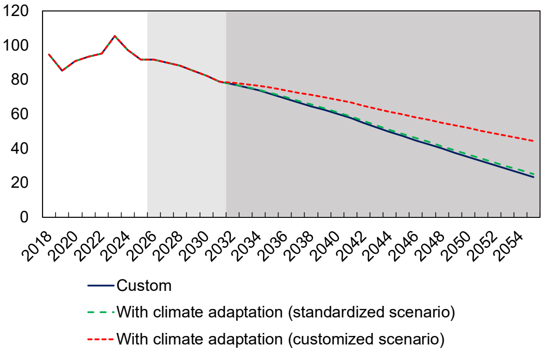
Figure 7. Egypt: Long-Term Risk Analysis (concluded)

Climate Change: Adaptation

GFN-to-GDP ratio

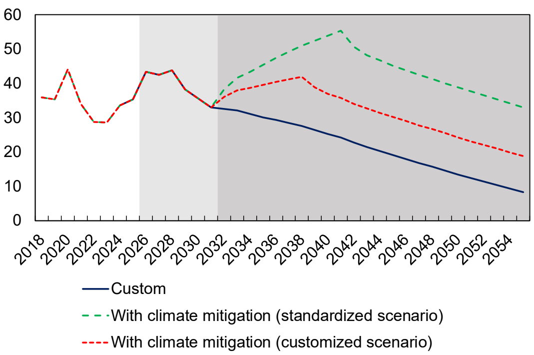


Total public debt-to-GDP ratio

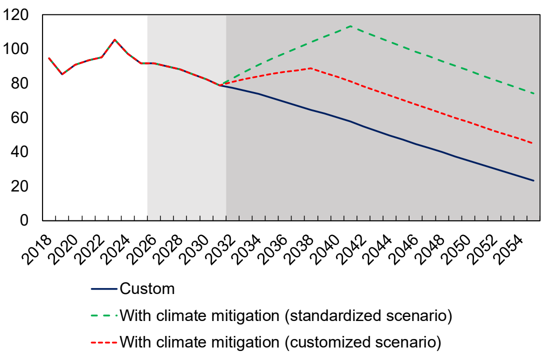


Climate Change: Mitigation

GFN-to-GDP ratio



Total public debt-to-GDP ratio



Commentary for Long-term risk analysis: Long-term risks are assessed as moderate, as the debt ratio and gross financing needs are projected to trend downwards with sustained primary surpluses and favorable interest-growth differentials, while there are risks to public debt related to pension and health cost as well as climate adaptation and mitigation cost.

Notes for long-term risk analysis: The customized scenario for climate adaptation assumes adaptation cost of around 0.9% of GDP in each year until 2050, based on the authorities' estimate indicated in Egypt Climate Change Strategy 2050, which covers adaptation cost estimates for five sectors during this period (agriculture, transport, civil aviation, irrigation and water resources, and biodiversity). The customized scenario for climate mitigation assumes mitigation cost of around 3.5% of GDP in each year until 2035, based on the authorities' estimate indicated in Egypt Climate Change Strategy 2050, which covers mitigation cost estimates for seven sectors during this period (industry, electricity, petroleum, transport, civil aviation, housing and utilities, and waste). Egypt has also made good progress on fuel-subsidy reform and on scaling up renewable-energy investments. In June 2025, as part of the RSF, the Cabinet adopted a plan to implement renewable-energy projects to reach the 30 percent renewable-energy target by 2030. Most projects are either fully privately financed or structured as public–private partnerships, with the government providing guarantees or other forms of support.

Annex III. Potential Gains from Structural Reforms in Egypt[1]

Having achieved significant progress in macroeconomic stabilization, the authorities now face the critical task of transforming Egypt's economic model. This transformation will require accelerated implementation of structural reforms that strengthen governance, enhance transparency, and improve the business environment to level the playing field, attract private investment, and sustain a transition toward private-sector-led growth. Egypt's pervasive state footprint and complex business regulations have long constrained competition, with SOEs more adept at navigating regulatory burdens while private firms often withdraw or partner with public entities to operate effectively. This annex evaluates the potential gains from Egypt's structural reform agenda as outlined in the National Narrative of Economic Development. It highlights major structural gaps relative to frontier[2] emerging market (EM) peers and estimates the benefits of partially closing these gaps through the authorities' proposed reforms, particularly in the external sector, business regulation, and governance areas. The annex highlights which of these reforms should be prioritized to achieve the most gains in the short-to-medium run and outlines future priorities to support Egypt's transformation to a more sustainable growth model.

1. **Egypt's economic performance continues to be hampered by the uneven playing field, a challenging business environment, and the continued dominant role of the state.** The business climate remains complex and costly, with overlapping regulations, discretionary licensing, and opaque administrative procedures. However, many elements of the regulatory framework often do not apply to public entities, while private firms, particularly new entrants and SMEs, have faced significant compliance costs and uncertainty. This has discouraged independent private activity, often compelling firms either to exit key markets or partner with state-affiliated entities to gain access and survive. To foster a more dynamic and competitive economy, structural reforms should prioritize streamlining business registration, licensing, and permitting processes; enhancing regulatory transparency; and ensuring equal treatment of public and private operators. These measures, complemented by an active and transparent SOP anchored in a credible divestment strategy, would help reduce the state's footprint, level the playing field, and attract productive private investment. Eventually, this would support a rebalancing of growth toward private sector–led activity, strengthening Egypt's medium-term growth potential and job creation capacity.

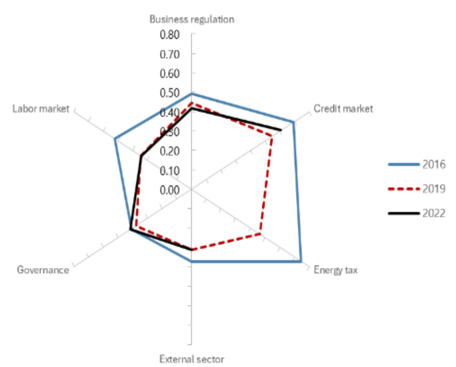
2. **The authorities recently published the National Narrative for Economic Development, which presents a reform agenda aimed at transforming Egypt's growth model toward a more competitive, private-sector-driven economy.** The strategy sets out nearly 50 structural initiatives across three core pillars—governance, business regulation, and external-sector liberalization—with the objective of improving the investment climate, facilitating trade, reducing the state's footprint, and fostering private-sector dynamism (Figure A3.2). Within the governance pillar, the reform agenda

[1] The analysis is prepared by Marina M. Tavares and Yomna Gaafar (RES); and Zeina Hasna and Mouchera Karara (MCD), and builds on Budina and others (2023). Authors thank helpful feedback from John Ralyea, Yevgeniya Korniyenko, and Gabor Pula (all MCD).

[2] Frontier is defined as the best performing economy across EMs in each reform indicator (each year).

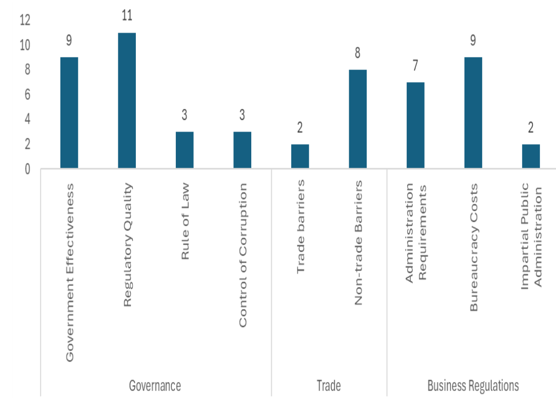
places particular emphasis on regulatory quality and government effectiveness. On trade, reforms mostly address non-tariff barriers, which focus on streamlining customs procedures, and strengthening Egypt's integration into global value chains. On the business regulation front, efforts focus on lowering administrative requirements and bureaucracy costs, and improving the impartiality of public administration, thereby fostering a more predictable and competitive business environment. Collectively, these reforms are expected to enhance Egypt's structural performance and raise potential growth by (partially) leveling the playing as they simplify administrative procedures, improve governance, foster fair competition, enhance Egypt's capacity to export, and create a more predictable and transparent investment climate that encourages private-sector entry and expansion.

Figure A3.1. Egypt – Evolution of Structural Gaps
(compared to EMs Frontier)



Source: Fraser Institute (2023 release), World Bank, and IMF staff calculations.
Note: The spider charts on the left column show the structural gaps between Egypt and the EM frontier for a given year, in areas of governance, business regulation, and external sector. Structural gaps range between 0 and 1, where a lower value implies the country is closer to the frontier, and vice versa.

Figure A3.2. Number of Reforms Suggested by Egypt by Category



Source: Egypt's National Narrative for Economic Development

Note: Reform counts overlap across pillars. The assessment is based on 23 unique reforms, some of which appear in both governance and business regulations due to spillover effects.

3. **To assess the potential gains from Egypt's reform agenda, this note compares Egypt's structural indicators to those of frontier EMs peers.** Specifically, it relies on the World Bank's Worldwide Governance Indicators (WGI) for governance and the Fraser Institute's indicators for business regulation, external openness, credit, and labor markets. The business regulation indicator captures how regulatory and administrative practices affect market entry, competition, and the impartiality of public administration, while the external sector indicator measures trade and financial openness through tariff and non-tariff barriers, exchange rate controls, and restrictions on cross-border capital and labor movements. Reforms in governance, business regulation, and the external sector—which focus on strengthening macroeconomic stability, improving the investment climate, and promoting market-friendly conditions—are generally regarded as first-generation reforms, typically marking the initial phase of economic transformation in developing and transition economies as they lay the foundation for private-sector-led growth. Meanwhile, reforms in credit and labor markets represent second-generation reforms, targeting deeper structural bottlenecks and institutional

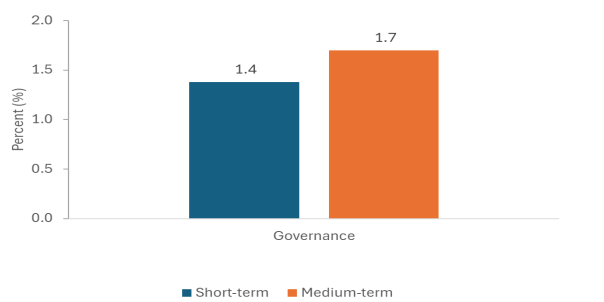
constraints that help deepen market functioning, foster competition, and boost productivity. Energy pricing constitutes third-tier reforms which aim to enhance resilience and sustainability.

4. **The indicators from the Fraser Institute and the World Bank Governance platform suggest that Egypt's structural gaps relative to frontier EM peers have narrowed over time but remain significant across most dimensions (Figure A3.1).** Between 2016 and 2022, progress was most notable in business regulation, with measurable improvements in reducing barriers and streamlining regulatory frameworks. Governance indicators, however, show a temporary improvement followed by a reversal, bringing Egypt roughly back to its earlier position and underscoring the need for sustained and consistent reform efforts to strengthen transparency, accountability, and institutional quality. The external sector shows only modest catch-up, underscoring the need for more ambitious reforms to boost competitiveness and resilience to domestic and external shocks. Finally, gaps in credit markets, labor markets, and energy pricing reforms remained wide in 2022, limiting the economy's capacity to address institutional and structural bottlenecks and boost productivity.

5. **Empirical estimates suggest that Egypt's first-generation reforms would yield positive gains in output, though these initial gains are modest in magnitude and likely to be temporary.** To assess the output dividends, staff draws on a cross-country database of structural reform indicators covering six macro-structural areas following Budina et al. (2023). The analysis maps the breadth and depth of reforms outlined in the authorities' Narrative to comparable reform episodes in emerging market economies, assesses the extent of reform gaps closed in those episodes, and applies a similar gap-closure benchmark to Egypt. In some cases, the analysis also considers more ambitious reform progress than that explicitly articulated in the Narrative, to illustrate the potential upside should reform implementation exceed current commitments. In either case, the analysis focuses on first-generation reforms, as they typically mark the initial phase of economic transformation in developing and transitioning economies such as Egypt. Even among the first generation reforms, staff classifies reforms into tiers depending on their depth (scope and expected macroeconomic impact), and focuses on first and second tier reforms within the first-generation pillars. Given the above, IMF estimates suggest that Egypt's reforms in governance could raise GDP by about 1.4 percent in the short term and 1.7 percent in the medium term (Figure A3.3), while reforms in non-tariff trade barriers are expected to yield gains of about 1.1 percent initially, tapering to 0.8 percent over the medium term (Figure A3.4). Egypt's reforms in business regulations could raise GDP by 0.8 percent initially and up to 1.4 percent over the medium term, however only if accompanied by complementary reforms to deepen credit market and improve firms' access to finance. Otherwise, dividends from business regulation reforms could be muted to 0.4 percent gains in GDP in short term and almost no gains, or at least no significant gains, in the medium term (Figure A3.5).[3]

[3] The empirical analysis focuses on first-generation reforms only and does not quantify gains from reforms related to labor markets, industrial policies, and access to finance for startups. For example, the National Narrative for Economic Development includes a rich list of proposed labor market reforms, therefore staff expects the gains from closing the gap in labor markets to materialize after first-generation reforms are implemented.

Figure A3.3. Output Dividends from Egypt's Governance Reforms (%)



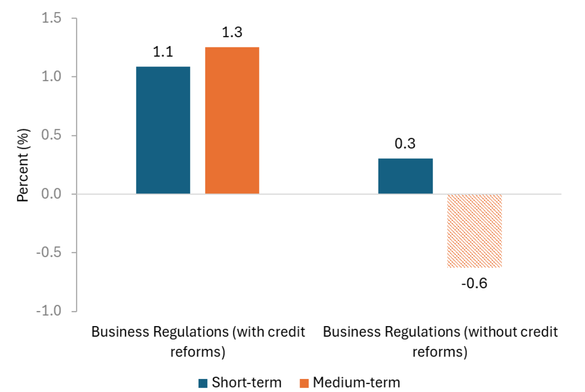
Source: IMF staff calculations, Budina et al. (2023)

Note: Solid bars denote 10% significance. Short-term (T0–T2) and medium-term (T3–T4) significance are defined by at least one statistically significant estimate within the respective horizon window.

Figure A3.4. Output Dividends from Egypt's Non-tariff Trade Barriers Reforms (%)

Source: IMF staff calculations, Budina et al. (2023)
Note: These two columns only demonstrate the impact of non-tariff trade barriers reforms on output Egypt plans to implement. IMF staff recommends implementing broader trade barrier reforms to generate higher dividends for output growth. Solid bars denote 10% significance. Short-term (T0–T2) and medium-term (T3–T4) significance are defined by at least one statistically significant estimate within the respective horizon window.

Figure A3.5. Dividends in Output from Egypt's Business Regulation Reforms (%)

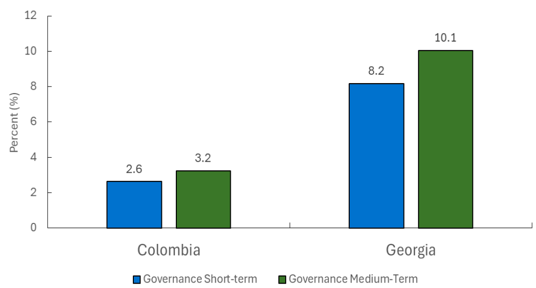


Source: IMF staff calculations, Budina et al. (2023)
Note: Solid bars denote 10% significance; dashed bars indicate non-significance. Results in the last two years (medium term) should be interpreted with caution. Short-term (T0–T2) and medium-term (T3–T4) significance are defined by at least one statistically significant estimate within the respective horizon window. Estimates of business regulation without credit reforms are statistically significant at t0 and insignificant at t1- t4

6. **Based on the assessment of the authorities' reform package and its estimated dividends, staff identifies a subset of high-impact reforms to maximize output gains.** Staff emphasizes the importance of: (i) establishing an integrated, fully digitized "Economic Entities Platform" to streamline business registration, licensing, and operations. This reform entails a comprehensive review and reengineering of existing procedures, with the goal of reducing the number of steps and documentation requirements. For instance, the number of steps to establish and license a textile factory would be reduced from 24 to 9. Supporting reforms include the introduction of a Unique Business Identifier (UBI) and the issuance of an Ultimate Beneficiary Owner (UBO) law to enhance transparency and accountability; (ii) streamlining non-tax financial burdens imposed on businesses. The reform aims to streamline fees and service charges imposed on businesses by over 60 entities at various stages of the establishment and licensing processes. Consolidating and rationalizing these charges would increase transparency, reduce compliance costs, and improve resource efficiency; (iii) on trade facilitation, the authorities plan to upgrade Nafeza (Egypt's digital trade platform) with a view to significantly reducing border clearance times. The reform will focus on enhancing the pre-clearance system through digitization and automation of goods classification and pricing, supported by the development of an integrated risk management system. The stated objective is to reduce the average clearance time from the

current level of approximately six days to two days by December 2025, with further reductions envisioned thereafter; (iv) a key measure under consideration is granting the Egyptian Competition Authority the legal mandate to review and, where necessary, object to decisions that grant special exemptions or privileges to SOEs. In parallel, the authorities intend to conduct regular assessments of SOEs' impact on market competition. Finally, political will and strong follow-through will be essential to ensure the timely and effective implementation of these reforms.

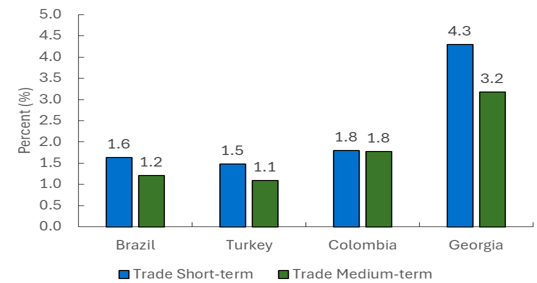
Figure A3.7. Dividends in Output from Closing the Gap in Governance (%)



Source: IMF staff calculations, Budina et al. (2023)

Note: Solid bars denote 10% significance. Short-term (T0–T2) and medium-term (T3–T4) significance are defined by at least one statistically significant estimate within the respective horizon window.

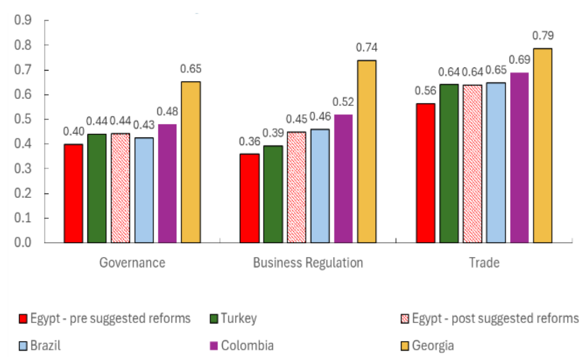
Figure A3.8. Dividends in Output from Closing the Gap in Trade (%)



Source: IMF staff calculations, Budina et al. (2023)

Note: Solid bars denote 10% significance. Short-term (T0–T2) and medium-term (T3–T4) significance are defined by at least one statistically significant estimate within the respective horizon window.

Figure A3.6. Comparison of Egypt's Structural Reform Scores with Other EMs



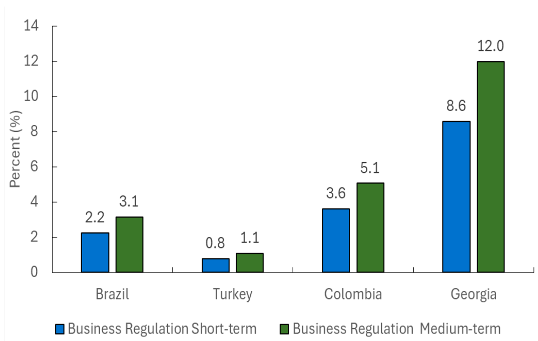
Source: Fraser Institute, World Bank Governance Indicators, Budina et al. (2023)

7. **Implementing the above measures will improve Egypt's score on the first-generation structural indicators, however IMF analysis suggests that substantially larger and more durable gains could be achieved through deeper reforms that bring Egypt closer to frontier EM peers across key structural dimensions.** Implementing the above suggested reforms will improve Egypt's score in governance, business regulations, and trade indicators,[4] however Egypt will continue to exhibit a gap in these reforms relative to frontier EMs such as Brazil, Colombia, Turkey, and Georgia (Figure A3.6). Should Egypt advance additional reforms to narrow these gaps with frontier EM peers—based on differences in cross-country structural indicator scores—it could achieve significant further gains in output. For instance, IMF estimates suggest that

[4] In Figure A3.6, the red column represents Egypt's scores pre-reforms, and the striped red column represents Egypt's scores post-reforms.

narrowing Egypt's governance gap toward that of leading EMs who underwent similar reforms such as Colombia or Georgia could boost GDP by 2.6–8.2 percent in the short term and 3.2–10.1 percent in the medium term (Figure A3.7). Reducing the external trade gap with any of the four EMs could add 1.5–4.3 percent to output in the short-term, and tapering to 1.1–3.2 percent in the medium term (Figure A3.8). Closing the business regulation gap with any of the four EMs could yield gains of 0.8–8.6 percent in the short term and 1.1–12 percent in the medium term when complemented with credit market reforms (Figure A3.9).

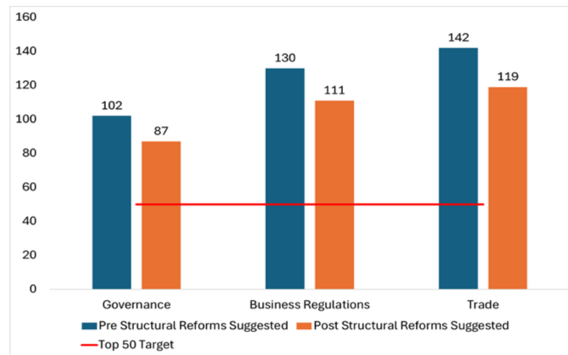
Figure A3.9. Dividends in Output from Closing the Gap in Business Regulation (%)



Source: IMF staff calculations, Budina et al. (2023)

Note: Solid bars denote 10% significance. Short-term (T0–T2) and medium-term (T3–T4) significance are defined by at least one statistically significant estimate within the respective horizon window.

Figure A3.10. Egypt's Rank Out of 162 Countries
(High Rank is Worse)



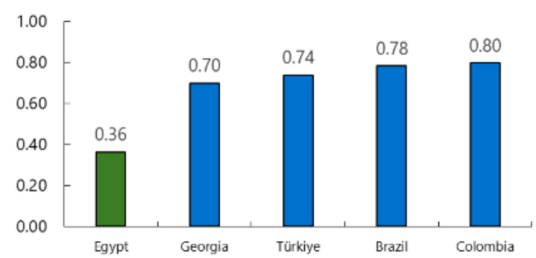
Source: IMF staff calculations

8. **Despite some improvement in Egypt's absolute scores on structural indicators, its relative ranking remains well above the top 50, the target set under the Ministry of Investment's B-READY reform initiative, underscoring the need to accelerate and sustain reform momentum (Figure A3.10).** A closer examination reveals that the persistence of extensive state ownership and control over productive assets remains a key constraint for Egypt. Based on the Fraser Institute's Economic Freedom of the World indicator of state ownership, which measures the degree of public control over capital, including land, in industrial, agricultural, and services sectors, Egypt ranks among the weakest performers in the EM sample (Figure A3.11).

9. **Experience of frontier EM peers shows that privatization efforts to reduce state ownership of assets yields sizable and lasting gains in productivity and investment (Figure A3.12).** Among these, Georgia's experience stands out, having privatized nearly half of its state-owned assets within a few years of launching its reform program. This is not surprising, as earlier IMF estimates show that closing the structural gap with Georgia across key reform dimensions, governance, trade, business regulation, and credit markets, yields the largest and most persistent output dividends. These findings further explain the modest and temporary gains observed for Egypt's current reform agenda, as reforms to improve regulation and governance are not complemented by a concerted effort to reduce the state's economic footprint, particularly through privatization and accelerated divestment.

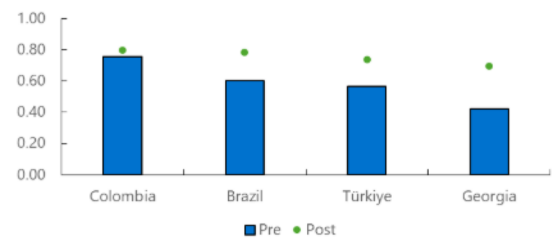
10. A closer look at Georgia shows that decisive, transparent privatization can transform economic incentives and crowd in private investment. Following the 2003 Rose Revolution, Georgia privatized more than 1,800 SOEs between 2004 and 2007, equivalent to roughly 40 percent of total state assets, through open, competitive, highest-bidder auctions that minimized political interference (Lawson, Grier, and Absher 2019; Transparency International Georgia 2011). Privatization proceeds averaged about 8 percent of GDP over the period, while FDI inflows rose sharply from around 6 percent of GDP in 2003 to over 17 percent by 2007, and real GDP growth averaged about 9.5 percent annually during 2004–07 (IMF 2008; World Bank 2009). These reforms sharply reduced the state's footprint, strengthened competition, and catalyzed private-sector development. Georgia's experience underscores the importance of credible, transparent divestment supported by strong governance safeguards in fostering investment, enhancing productivity, and sustaining private-sector-led growth.

Figure A3.11. State Ownership of Assets



Source: Fraser Institute

Figure A3.12. State Ownership of Assets (pre and post privatization)



Source: Fraser Institute

11. The authorities' National Narrative for Economic Development marks an important step in advancing Egypt's structural reform agenda and supporting sustainable economic growth. Estimates by IMF staff suggest that the proposed measures could yield positive output gains, particularly through improvements in governance, business regulation, and external-sector policies. However, these gains are likely to be modest in magnitude and temporary. Moreover, realizing these dividends depends on consistent implementation, effective enforcement and monitoring, and credible evaluation. More importantly, their magnitude and durability would be significantly enhanced if measures to reduce state ownership and strengthen market competition are accelerated, as the state's pervasive role remains the main constraint on private-sector activity. IMF analysis indicates that Egypt could achieve up to three times larger, and more lasting, dividends if progress accelerates on privatization and divestment, bringing Egypt closer to frontier EM peers.

Annex IV. Illustration of the RSF RM Ambition – The Case of Egypt

1. **Staff assesses that strengthening the Egypt's prospective balance of payments stability requires fiscal, financial, and structural policies – including macro-structural reforms in selected specific economic sectors.** Reform areas covered by the RSF include: (i) Energy and electricity reforms; (ii) Disaster risk management; (iii) Increasing the resilience of the financial sector to climate shocks; (iv) Public Investment Management. All reforms proposed are key to managing the impacts of climate change on longer-term balance of payments stability.

2. **For each of these reform areas, the table below shows an assessment of the current status—including policies or institutional frameworks (left column) and the desired long-term policy outcome (third column),** which include shifting to market-based pricing mechanisms and filling institutional gaps that can result in market failures that may give rise to fiscal liabilities and external financing needs. RSF-supported reform areas (both RMs and commitments in the MEFP), represented by the green arrow (second column) are targeted at helping the country achieve these outcomes. To fully achieve the policy outcomes, additional reforms will be necessary. Some of the possible additional reforms, drawn from available diagnostics, are reported in the blue arrow. These are reforms that may be supported by the concurrent UCT facility, development partners, or carried forward independently by the authorities—in synergy with and building off the momentum of the RSF; however, they do not necessarily represent authorities commitments. Some of these additional reforms may be already underway, highlighting the complementarity of the RSF with efforts from country authorities and other development partners.

3. **The relative length of the green arrow compared to the "full set" of reforms provides a proxy of the progress expected to be possible directly through RSF-supported reforms.** This reflects the authorities' ambition (cognizant of their capacity) under the RSF arrangement as well as limits to the Fund's expertise in certain areas. For example, the Fund's expertise in areas such as agriculture or other sectoral policies is limited and development partners are better placed to provide this support.

Table 1. Egypt: Illustration of the RSF RM Ambition - Summary Table

Staff assesses that strengthening the Egypt's prospective balance of payments stability requires fiscal, financial, and structural policies—including macro-structural reforms in selected specific economic sectors. Reform areas covered by the RSF include: (i) Energy and electricity reforms; (ii) Disaster risk management; (iii) Increasing the resilience of the financial sector to climate shocks; (iv) Public Investment Management. All reforms proposed are key to managing the impacts of climate change on longer-term balance of payments stability.

For each of these reform areas, the table below shows an assessment of the current status—including policies or institutional frameworks (left column) and the desired long-term policy outcome (third column), which include shifting to market-based pricing mechanisms and filling institutional gaps that can result in market failures that may give rise to fiscal liabilities and external financing needs. RSF-supported reform areas (both RMs and commitments in the MEFP), represented by the green arrow (second column) are targeted at helping the country achieve these outcomes. To fully achieve the policy outcomes, additional reforms will be necessary. Some of the possible additional reforms, drawn from available diagnostics, are reported in the blue arrow. These are reforms that may be supported by the concurrent UCT facility, development partners, or carried forward independently by the authorities—in synergy with and building off the momentum of the RSF; however, they do not necessarily represent authorities' commitments. Some of these additional reforms may be already underway, highlighting the complementarity of the RSF with efforts from country authorities and other development partners.

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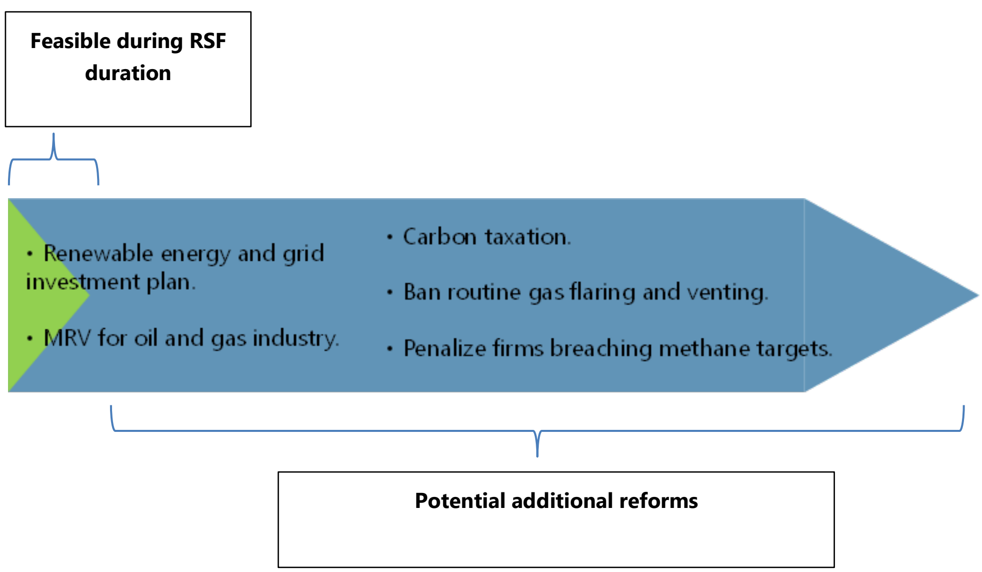
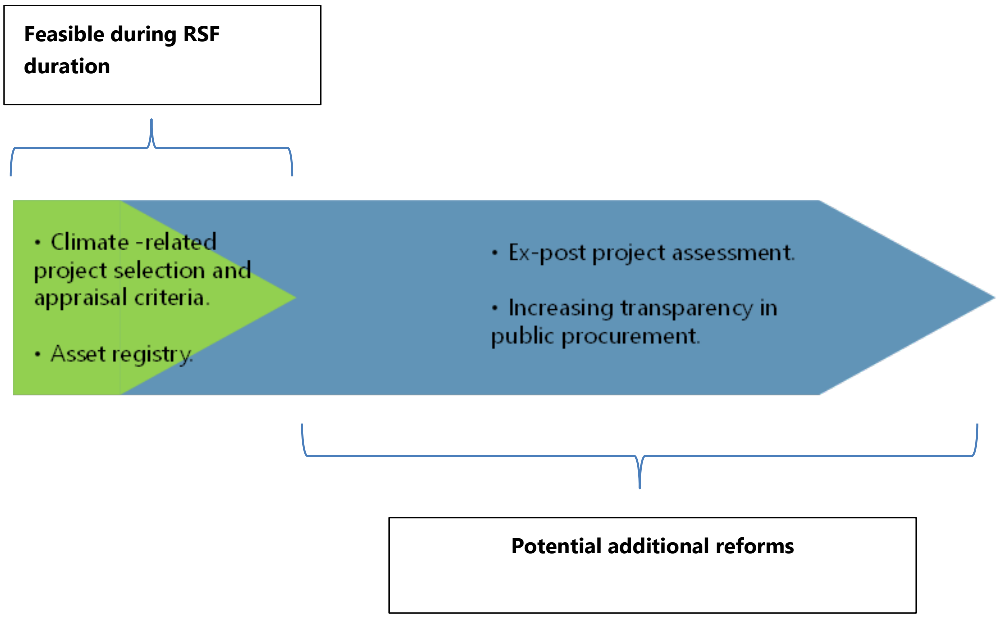
Current Status	Main reforms: RSF-supported (green) and beyond RSF horizon or supported by other partners (blue)	Desired LT Policy Outcome	Prospective BoP Risk Reduction
NDC targets are not reflected in actionable plans. High reliance on expensive fossil fuel for electricity generation Large emission from oil and gas sector.	**Mitigation: Energy and Electricity Reforms**  	Achieving Egypt's NDC targets and accelerating its decarbonization plan.	*Improves external and fiscal sustainability.* Reduces reliance on fossil fuels and improves predictability of the energy bill. Promotes net exports, investment and growth. Develops and strengthens energy infrastructure, boosting investment, including FDI. This contains losses of unrealized gas exports and FX earnings.

Table 1. Egypt: Illustration of the RSF RM Ambition - Summary Table (continued)

No disaster risk management and financing plan. Fiscal risk statement does not include climate impacts on infrastructure.	**Disaster Risk Management** **Feasible during RSF duration** • Fiscal risk statement in budget. • Disaster risk financing strategy and management integrated with social assistance. • Better water management to reduce fiscal risks. • Early warning systems / Spatial planning. • Develop adaptive social protection systems. • Develop insurance and other financial sector instruments for disasters. **Potential additional reforms**	Implementing a disaster risk financing plan. Strengthening the management of climate-related risks and building resilience.	*Improves fiscal and external sustainability.* Limits adverse economic impact of climate related shocks, including by reducing fiscal costs and the subsequent need for external financing. Reduces rehabilitation costs and associated import demand. Facilitates rapid recovery of growth and exports. and net *exports.*
Lack of climate-related risk monitoring, and reporting. No agreed taxonomies. Climate considerations not included into supervisory framework. Need to scale up private climate finance.	**Increasing the Resilience of the Financial Sector to Climate Shocks** **Feasible during RSF duration** • Monitoring and reporting climate exposures. • Mandating banks to adopt climate-related financial risk management systems. • Green taxonomies. • Mandating NBFI to adopt climate-related financial risk management systems. **Potential additional reforms** -	Increasing the capacity of the financial sector to manage climate- related risks. Support private climate finance decisions through improved climate finance architecture.	*Financial sector resilience.* - Reduced financial sector losses when climate risks materialize, lowering recapitalization needs for banks. *Investment promotion.* - Clarifying climate-related exposures will support the BOP by: (1) attracting investments by reducing uncertainty; (2) mitigating export losses in sectors most exposed to trade measures such as CBAM.

<table>
<tr><th colspan="4">Table 1. Egypt: Illustration of the RSF RM Ambition - Summary Table (concluded</th></tr>
<tr>
<td>Public investment planning does not take climate consideration into account.

Climate not factored into project appraisal, selection and evaluation processes.</td>
<td>Public Investment Management


</td>
<td>Improve climate-sensitive public investment management via identifying, measuring, and disclosing the effects of investment plans, programs, and projects on national climate change targets.</td>
<td>Improves fiscal and external sustainability.

Limits adverse economic impact of climate related shocks, including by reducing fiscal costs and the subsequent need for external financing. Reduces maintenance and rehabilitation costs and associated import demand. Facilitates rapid recovery of growth and net exports.</td>
</tr>
<tr><td colspan="4">Sources: IMF Climate Module of the Public Investment Management Assessment and Green Public Financial Management (C-PIMA, 2023); Country Climate and Development Report (World Bank, 2022); and staff assessment.</td></tr>
</table>

Appendix I. Letter of Intent

February 12, 2026

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
700 19th Street, NW
Washington, D.C. 20431

Dear Ms. Georgieva:

Our economic program under the Extended Fund Facility (EFF) remains on track. We have sustained a flexible exchange rate regime and a liberalized foreign exchange (FX) system, maintained an appropriately tight monetary policy stance aimed at reducing inflation, continued with fiscal consolidation, and implemented the framework for slowing down overall public investment. We also launched our National Narrative for Economic Development, which outlines a reform agenda aimed at shifting Egypt's growth model toward a more competitive, private-sector-led economy. Together with the investment agreements for the Ras El-Hekma and Alam El Roum regions, these measures have bolstered foreign reserves, reduced public debt, and improved investor confidence, while enhancing the economy's resilience against adverse shocks.

We met the end-June 2025 QPCs on NIR and tax revenues, the weekly QPC on the CBE overdraft, and the continuous PC on the non-accumulation of external arrears. The end-September IT and end-December QPC on NIR were missed, but the CBE's commitment to the newly established FX reserve accumulation framework will bring NIR back onto its programmed path. Repayment of the legacy stock of central bank lending to public agencies progressed more slowly than planned, resulting in missing the end-June 2025 QPC and end-September IT, but we took corrective actions to meet the end-December QPC. The CBE adopted a tight monetary stance, driving inflation consistently below the MPCC upper outer band, even if inflation breached the MPCC upper inner band at end-June, end-September, and end-December 2025, largely reflecting increases in administered prices and services.

Shortfalls in divestment led to a miss of the end-June 2025 primary balance QPC, and the end-June IT on the debt ceiling was also not met. As a corrective action, we used all the proceeds of a US$3.5 billion real estate deal with Qatar to reduce budget-sector debt. We met twelve of the 14 structural benchmarks. Preparation of the tax package for FY26/27, which was due in November, will be delivered as a prior action, while corrective action is underway to improve the coverage and depth of SOE annual reporting (the remaining unmet SB).

We remain fully committed to the reforms under the RSF. We completed both reform measures that were due by June 2025 and are making strong progress on the remaining reform measures, supported by technical assistance from the IMF and other development partners.

Despite strengthening macroeconomic fundamentals, significant policy challenges remain. Inflation is still elevated while public debt and debt-service obligations continue to be high despite ongoing fiscal consolidation. Fiscal space to support vulnerable and middle-income groups remains constrained, even as efforts to enhance domestic revenue mobilization progress. Moreover, reducing the state's footprint remains key for advancing the reform agenda and supporting the recent pickup in private-sector activity.

To tackle these policy challenges, we remain fully committed to advancing fiscal consolidation to achieve sustainable primary surpluses, broaden the revenue base, place public debt on a firmly downward trajectory, and reduce gross financing needs. These efforts will be supported by a strengthened debt-management strategy, as outlined in the attached Memorandum of Economic and Financial Policies (MEFP).

As a prior action, we will secure Cabinet approval of a high-quality tax package, in agreement with IMF staff, that will generate 1 percent of GDP in revenues in FY26/27. We have removed subsidies on key fuel products, and by end-June 2026 will revert back to using an automatic pricing mechanism to ensure fuel prices fully reflect cost-recovery levels. We have taken steps to protect vulnerable groups by increasing budget allocations for in-kind and cash transfers to Takaful and Karama beneficiaries. To reduce financing needs, we will reinforce fiscal consolidation with a stronger debt-management strategy and aim to cut gross financing needs by 10 percent of GDP by June 2027, with an interim reduction target of 6 percent of GDP in FY26.

Bringing down inflation is a key policy priority, and we will stand ready to utilize all tools at our disposal to ensure that the policy stance allows for a sustained decrease in underlying inflation and safeguards price stability over the medium term.

To better manage macroeconomic pressures, we continue to limit overall public investment. We are also broadening the scope of general government fiscal reporting to capture a wider range of fiscal activities and strengthen fiscal risk management. In addition, we have taken measures to improve the financial position of the Egyptian General Petroleum Corporation (EGPC) and reduced its arrears to international oil companies by two-thirds in 2025. We intend to reduce outstanding government guarantees for EGPC and remain committed to lowering the overall stock of government guarantees relative to GDP.

The financial sector has demonstrated resilience to macroeconomic shocks. The presence of state-owned banks in the financial system remains significant. To protect their financial health, support a market-based transmission of monetary policy, and foster fair competition with private banks, we are committed to strengthening risk management, governance, and internal controls within state-owned banks.

To enhance medium-term growth prospects, we remain committed to advancing structural reforms, particularly the implementation of the overall state-ownership policy, leveling the playing field, improving the business environment, and climate mitigation and adaptation measures. We have strengthened the institutional framework for divestment and introduced the regular publication of a composite indicator to more closely monitor progress in executing the state-ownership policy. We are also dedicated to pursuing the ambitious reform agenda outlined in the National Narrative for Economic Development, aimed at promoting digitalization, streamlining trade procedures, and improving the business environment. We remain committed to fully implement climate reforms under the RSF to support embedding climate goals into macroeconomic policymaking to help sustain our broader mitigation and adaptation efforts.

We request the extension of the EFF arrangement to December 15, 2026, bringing the total duration to 48 months. To better match available financing against financing needs, we also request a rephasing of the remaining purchases under the EFF (totaling SDR3,691.47 million), with a purchase of SDR 1,465.44 million upon the completion of the combined 5th and 6th reviews, SDR 1,113.01 million at the completion of the 7th review, and SDR 1,113.02 million at the completion of the 8th review.

The EFF program will continue to be monitored through quantitative performance criteria, indicative targets, and structural benchmarks, as described in the MEFP and Technical Memorandum of Understanding (TMU). The seventh review is expected to be completed on or after June 15, 2026, and the eighth and final review will be completed on or after September 15, 2026.

We request a waiver for the non-observance of the end-December 2025 QPC on the floor of NIR, on the basis of the CBE's commitment to the newly established FX reserve accumulation framework as a corrective action. We request the introduction of a QPC ceiling on the share of total local currency financing (e.g., financing of budget deficit and maturing debt) conducted via non-market modalities. We request to elevate the March 2026 indicative targets to quantitative performance criteria for the seventh review, while the eighth review would assess performance against end-June QPCs and end-September ITs. This revised schedule would help us demonstrate further tangible progress on key reforms and support achievement of core program objectives. In addition, we propose seven new structural benchmarks to support the implementation of critical reforms, spanning budget preparation, GFN reduction, financial sector reform, and a refocused structural agenda.

Based on the strength of the policies that are described above and set forth in the attached MEFP, we request completion of the combined fifth and sixth reviews under the EFF arrangement, with the purchase of SDR 1,465.44 million. The program remains fully financed.

In the context of extending and rephasing the EFF, we also request extension and rephasing of the RSF to align the availability dates with the EFF reviews schedule. With the completion of RM1 and RM2, we request completion of the RSF's first review with the disbursement of SDR 200 million.

While we are confident that the policies that underpin our program ensure macroeconomic stability and achievement of our program objectives, we stand ready to take additional measures, as necessary. In accordance with the Fund's policies, we will consult with the IMF on adoption of such measures and in advance of revisions to policies contained in the MEFP and will maintain a close regular dialogue with IMF staff to ensure timely implementation of our economic program. We will refrain from any policy that would not be consistent with program objectives and commitments.

We will continue our efforts to provide timely and accurate data that is needed for program monitoring, including any information that has material impact on economic conditions and program objectives.

In line with our commitment to transparency, we consent to the IMF's publication of this letter, the MEFP, the TMU, and the accompanying Executive Board documents.

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/s/	/s/
Hassan Abdalla	**Ahmed Kouchouk**
Governor of the Central Bank of Egypt	Minister of Finance
Arab Republic of Egypt	Arab Republic of Egypt

Attachment I. Memorandum of Economic and Financial Policies

Introduction

1. **Stabilization efforts have delivered important gains.** Growth is gaining momentum with real private investment estimated to be growing by 24.4 percent y/y in FY 2024/2025. A tight monetary policy has significantly lowered inflation, which is now on track to converge to our target range, easing cost of living pressures on the population, particularly the most vulnerable. Fiscal tightening and slowed implementation of public investment have further dampened demand pressures mindful of the impacts on growth and prices. Our commitment to a flexible exchange rate regime, coupled with foreign exchange inflows, has improved the external financing situation. Foreign reserves are adequate. Successive energy price hikes and repayments of arrears are supportive of improving the financial situation of the Egyptian General Petroleum Corporation (EGPC), a steady supply of electricity, and a shift toward a greener economy. Government debt, while still high, has notably declined as a percent of GDP and is trending down. Reflecting these important gains, in October 2025, S&P Global Ratings upgraded Egypt's long-term sovereign credit rating from 'B-' to 'B' with a stable outlook—the first upgrade in seven years.

2. **This stability has been achieved despite a very challenging regional security environment and heightened global uncertainty.** Trade disruptions in the Red Sea since December 2023 continue to weigh on foreign exchange inflows and fiscal revenues from the Suez Canal. Recent shocks to the global trade and financial system and associated uncertainty pose further challenges, stemming from a combination of weaker global growth, tighter financial conditions, increased capital flow volatility, inward looking policies, and potential declines in global trade, which could further affect Suez Canal revenues.

3. **We are stepping up reforms to build a competitive and shock-resilient economy driven by private-sector growth.** In our recently launched Narrative for Economic Development which charts our shift toward a more competitive private-sector-driven economy through stronger governance, improved business regulation, greater external liberalization, and focus on supporting export oriented activities, we are prioritizing high-impact reforms by simplifying business procedures, rationalizing non-tax financial burdens, accelerating digital trade facilitation, and strengthening competition policy to unlock meaningful medium-term growth dividends, supported by complementary efforts to enhance private-sector access to finance. We are also committed to accelerating divestment and leveling the playing field to strengthen the business environment and shift toward a private-sector-led growth model.

4. **We remain fully committed to revenue-based pro-growth fiscal consolidation and debt reduction, supported by enhancing voluntary compliance, strengthened tax efforts and administration, active debt management, and the strategic use of divestment proceeds to further reduce public debt.** To that end, we will deliver another package of high-quality tax measures in the context of the FY2026/27 budget, so that efforts to reduce debt do not come at the expense of priority expenditure. At the same time, to create more fiscal space over the near term, we

will implement a package of debt management measures that we expect will result in substantial reductions in gross financing needs, including interest expenditure. We will deploy 100 percent of the Qatari investment deal and a minimum of 50 percent of future divestment proceeds towards short-term domestic debt reduction.

5. **We continue the reforms to reduce the footprint of the State.** Anchored by the State Ownership Policy (SOP), we have identified four state-owned enterprises for divestment, including the responsible agencies and ownership stakes to be sold, to generate US$1.5 billion in proceeds by the end of the program and support the state's exit from non-strategic sectors, thereby creating vibrant private-sector competition. The continued comprehensive application of the public investment ceiling will help contain macroeconomic pressures from broader public sector activities. Strengthening governance practices in the largely state-owned banking sector is a key financial sector priority.

Recent Developments and Outlook

6. **Growth picked up in FY2024/25 and a tight monetary stance is bringing inflation down.** Economic activity picked up to 4.4 percent in FY2024/25, up from 2.4 percent in the previous year. The recovery was broad-based supported by robust performance in non-oil manufacturing, transportation, finance, and tourism, which more than offset declines in Suez Canal revenues and the mining and extraction sectors. Egypt's headline PMI rose to 51.1 in November 2025 from 49.2 in October 2025, marking the first improvement in non-oil business conditions since February, reflecting renewed increases in both business activity and sales. Headline urban inflation stands at 12.3 percent (y/y) in December 2025, after a steady decline in past months, including hitting a 40-month low in September 2025. The growth momentum is expected to continue as growth in Q1 FY25/26 reached 5.3 percent (y/y), the highest y/y quarterly growth recorded since Q2-FY21/22.

7. **Egypt's balance-of-payments position improved markedly despite adverse external developments.** The current account deficit narrowed to 4.2 percent of GDP in FY2024/25 from 5.4 percent in FY2023/24 and remained broadly stable during FY2025/26Q1. Remittances surged to record highs following the unification of the exchange rate, while tourism receipts remained buoyant. Nonhydrocarbon exports were strong but were outpaced by a rebound in imports, driven by a post-crisis catch-up. The past accumulation of arrears to international oil companies constrained investment and domestic hydrocarbon production, weighing on the hydrocarbon trade balance. However, this drag has begun to ease given the significant progress on arrears repayment. The regional security situation continued to dampen activity and Suez Canal receipts, although shipping traffic has begun to start showing signs of recovery in recent months.

8. **External financial conditions eased significantly in 2025, reflecting a turnaround in market sentiment toward Egypt as reforms delivered improvements across all macroeconomic indicators and pointing to resilience amid persistent regional turmoil.** Sovereign spreads narrowed to their lowest levels in five years. International issuances totaling USD 4.5 billion in Eurobonds and sukuk between January and October 2025 attracted strong investor demand. Portfolio inflows into local-currency government debt strengthened markedly, with their outstanding stock rising to a multi-year high of around USD 30 billion. FDI inflows remained strong. Foreign-

currency reserves reached USD 56.5 billion by end-November, and were broadly stable during most of 2025 as large debt repayments and delays in program disbursements were offset by valuation gains on gold holdings.

9. We expect growth to accelerate over the medium term, though the near-term outlook is subject to significant risks. We expect growth in FY2025/26 to accelerate to 5 percent driven by continued strengthening in investor confidence and improvements in the performance of specific sectors such as non-oil manufacturing, tourism, and information and communication technology (ICT). Over the medium term, we anticipate growth will continue to strengthen based on determined implementation of our reform agenda. However, the outlook faces significant uncertainty and risks from regional and global shocks. On the downside, global trade and investment shocks, inward looking policies, and tighter financial conditions could disrupt FDI and supply chains, lower remittances, trigger capital outflows, and increase borrowing costs. Positive risks to the outlook include a significant de-escalation of regional geopolitical conflicts could lead to a swift rebound in Suez Canal revenues and further boost tourism and investor sentiment across the region. Moreover, accelerated implementation of structural economic reforms, particularly those that enhance the private sector's role and attract significantly higher foreign direct investment (FDI), which, combined with continued macro stability, could substantially strengthen faster inclusive economic growth.

Program Performance

10. We remain committed to meeting our targets under the EFF program. We met all but two end-June 2025 QPCs, and have since implemented corrective actions: (i) the central bank received sufficient repayments of EGP 102.2 billion to bring the stock of outstanding loans to public agencies within the end-June 2025 and end-December target; this and (ii) to support the achievement of the primary balance target, we have signed a real estate deal with Qatar to develop a major tourism and urban project on Egypt's Mediterranean coast in the Alam El Roum area, including sale of land for US$3.5 billion, with the sale proceeds already received at end December 2025, and used for budget sector debt reduction in full. The NIR target for December was missed, but we started implementing a reserve accumulation program for the first time with the objective of strengthening the reserve position.

11. Of the 19 indicative targets for end-June and end-September 2025, 15 were met. We met all ITs for end-June 2025, with the exception of the IT on debt ceiling, and on the NIR for end-September 2025 which was missed by US 2.4 billion. The CBE remains fully aligned with the commitment not to increase lending to public sector agencies excluding the Ministry of Finance; however, the targeted end-September decrease in the stock was not achieved. For both test dates, we met the ITs on the CBE’s FX intervention rule and budget, maintaining our approach of not intervening in the foreign exchange market. We continue to meet the *continuous performance criteria* on non-accumulation of external arrears by the general government. For the MPCC, inflation exceeded the upper inner band for end-June 2025, end-September 2025, and end-December mainly driven by increases in administered prices and services.

12. We met twelve of the fourteen structural benchmarks (SBs) for the combined fifth and sixth reviews:

- **For the end-June and end-September 2025 non-recurring SBs**, we submitted on time a Cabinet approved strategy to restore EGPC's financial health; an indicator to track implementation of the SOP, we increased cash and in-kind support to beneficiaries of the conditional cash transfer program (Takaful and Karama) in the FY2025/26 budget, produced quarterly debt bulletins (reflecting an expansion in coverage to the general government, while we continue to engage on the methodological details to ensure full alignment with best practices), reduced customs clearance times, published a fiscal risk statement in conjunction with the FY25/26 budget statement, and hiring of investment and legal advisors for at least two proposed divestment deals. We also met the SB on publication of a report on institutional changes and procedures to secure collection of taxes from SOEs. We did not meet the SB related to taking required actions to deliver a tax package of high-quality measures in the context of the FY26/27 budget, as we are still refining our proposals. We will undertake the necessary actions, including any required legal assessments of the proposed changes, in order to deliver the committed tax package of high quality measures yielding 1 percent of GDP and secure Cabinet approval of the package as a *prior action*.
- **With respect to the six recurring SBs** since November 2025, we have significantly strengthened transparency and oversight of public procurement bringing the coverage of both the budget entity and top 50 SOE procurement reporting into compliance with the two respective SBs. We have also published the second installment of the aggregate SOE report and are committed to broaden the coverage and depth of SOE annual financial reporting. We continue to meet the remaining recurring structural benchmarks in line with program commitments.

Economic Program

13. The key objectives of the program remain securing macroeconomic stability and fostering private sector-led growth. The CBE maintains a vigilant monetary stance that adjusts to ensure delivering the targeted disinflation path. It also remains committed to a flexible exchange rate that supports competitiveness. To further build resilience and sustain the provision of necessary credit, the CBE is strengthening governance practices in the banking sector. We will push forward with a revenue based pro-growth fiscal consolidation, a comprehensive public investment management framework, stepped up efforts on active debt management, including specific measures to reduce debt service costs and gross financing needs, and reforms to improve EGPC's financial position, all of which will further reduce fiscal risks. Strengthening governance practices in the banking sector will also build resilience. We are committed to making tangible progress on divestment, leveling the playing field, and improving the business environment to achieve a paradigm shift towards more reliance on the private sector as the driver of growth with a strong focus on export activities. To underpin our commitment to achieving our divestment goals, we have identified state-owned enterprises for divesture, strengthened the institutional framework and will update our State Ownership Policy by March 2026. These efforts update and complement the reforms articulated in the Memorandum of Economic and Financial policies for the 4th review under the EFF arrangement (Country Report No 25/186), which remain part of the program supported by the EFF arrangement.

Exchange Rate and Monetary Policies

14. **We remain committed to exchange rate flexibility as an essential policy tool for responding to external shocks and managing volatile capital flows.** The volatility of the exchange rate in response to the global tariff shocks in early April and an escalation in regional tensions mid-June points to the willingness on the part of the CBE to let market forces play out. The spread between the official rate and market clearing measures has stayed closed with no reported FX demand backlogs at banks and the CBE has not intervened in the market. As per the reporting requirement we committed to at the 4th review, we have started to collect daily bank-by-bank, FX interbank transaction-level data, with the goal to enhance monitoring of FX interbank market developments. This additional visibility will support calibration of the ongoing application of the CBE's FX intervention framework, which is designed for flexible exchange rate system to maintain orderly market conditions. We are also reinforcing that FX interventions conducted by the CBE are in line with its intervention mandate to smooth excessive market volatility, consistent with a flexible exchange rate regime in which exchange rate flexibility serves as the first line of defense against shocks.

15. **We have not introduced nor intensified exchange restrictions since program inception.** We will not introduce or intensify exchange restrictions or multiple currency practices, impose or intensify import restrictions for balance of payments purposes, or conclude any bilateral payment agreements that are inconsistent with Article VIII of the IMF's articles of agreement (*continuous performance criterion*). The CBE also reaffirms its commitment to not provide direct or indirect oral or written instructions or guidance to commercial banks related to the level of the exchange rate or the prioritization and allocation of foreign exchange.

16. **To ensure a strong and sustainable external position, we are continuing efforts to build adequate foreign reserve buffers.** The CBE will resume the accumulation of official reserves to support external sustainability, based on the agreed definition of reserves that include both Tier 1 and Tier 2 assets of the CBE as well as any other foreign currency assets held by the CBE that could be used for reserve management purposes (*performance criterion*). This effort will be anchored by a newly introduced reserve accumulation framework, will be market-based and implemented either through regular auctions with preannounced targets and a published calendar, or direct market purchases or other market instruments with timing and volumes adjusted to prevailing market conditions. A proactive communication strategy will be considered to clarify the objectives of the program to market participants, and the CBE will ensure transparency on the purchase operations. We aim to use this framework as the primary mechanism for building high-quality reserves going forward. However, should unfavorable market conditions impede the near-term program execution, partial rollover of loans previously secured by the CBE and maturing in the second half of FY2025/26 could help maintain comfortable reserve levels. To limit the potential for foreign currency mismatches on banks' balance sheets when external pressures emerge, the CBE will not grant exemptions for commercial banks that breach net foreign exchange open position limits and will

apply sanctions to any banks that violate the limits, in accordance with the regulations. We will continue to consult on commercial banks' NFA balances, in line with our program commitments (*consultation clause*). We will not accumulate any general government external debt payment arrears (*continuous performance criterion*).

17. Our priority for monetary policy remains to reduce inflation towards our inflation target. The monetary stance has been adequate and effective in lowering inflation, with gradual cuts in the key policy rate of 725 basis points cumulatively between April 2025 and December 2025. We will continue to pursue a gradual and data-dependent approach, while carefully assessing the balance of risks, to ensure an orderly and durable decline in inflation to the CBE target of 7 percent (±2 percentage points) on average by Q4 2026. Moreover, we will adhere to the MPCC, which will trigger consultation with the IMF if the headline urban CPI inflation rate (year on year) falls outside the range agreed with IMF staff. Over time, the CBE is enhancing its capacity to monitor inflation expectations and its communication of monetary policy intentions and commitment to a flexible exchange rate to support the CBE's successful transition to a fully-fledged inflation targeting regime. As a clear step in this direction, the CBE has reinstated the publication of its quarterly monetary policy report in calendar year 2025.

Fiscal Policy and Debt Management

18. Our balanced fiscal consolidation effort continues. The objective is to strike the right balance between ensuring fiscal and debt sustainability while providing adequate support to the economy and to health and education spending and targeted social protection to vulnerable groups. We plan to deliver in full on planned tax measures for FY2025/26 and FY2026/27, to achieve a cumulative 2 percent of GDP increase in tax revenue over the program period and a primary surplus (excluding net acquisition of financial assets (NAFA)) of 5 percent of GDP in FY26/27, as previously committed under the program and outlined in the 4th review Report under the EFF arrangement (Country Report No 25/186). This will be accompanied by continued control over the investment spending of the public sector under the established ceiling. The success of our ongoing efforts to rebuild the relationship and trust between the private sector and fiscal institutions is an important complement to our tax base broadening effort as has been reflected in the strong and robust tax proceeds**.**

- **For FY2024/25,** we over-performed our end-June 2025 tax revenue QPC under the program, owing to strong fiscal effort and structural revenue measures, as well as continued efforts to broaden the tax base and improve compliance, including the removal of certain tax privileges for state-owned enterprises and an enhanced collection mechanism We missed the PB target including NAFA, despite underlying strong fiscal efforts, at end-June 2025 (*performance criterion*), as neither the divestment proceeds nor those from the envisaged contingency measures materialized before the end of the fiscal year. The corrective Qatar deal with a first instalment worth USD 3.5 billion, has materialized end December 2025, and was used to reduce gross financing needs and budget sector debt.

- **For FY2025/26, Parliament has approved a budget that targets a primary surplus of 4 percent of GDP excluding net acquisition of financial assets.** The consolidation is underpinned by structural revenue measures that generate an expected improvement in tax revenue of close to 1.0 percent of GDP in FY2025/26 versus actual outturns for FY2024/25. We have secured parliamentary approval (as part of the FY25/26 budget) for most of the legislative changes that we submitted as prior action for the 4th review. We will link discussions on the amendments to the real estate tax and withholding tax on free zones sales to the domestic market to the FY26/27 budget discussions starting in March 2026, to ensure approval within the deadline for Parliamentary approval of the budget, by end-June 2026. In the interim, until the withholding tax on Free Zone activity is approved, to ensure that the FY25/26 program targets are met, as a one-off corrective measure we will allocate the portion of the Free Zone turnover tax that accrues to the General Authority for Investment and Free Zones (GAFI) to the Ministry of Finance. Furthermore, increases in revenue from higher tobacco prices starting in January are expected to further contribute to closing the revenue gap. In addition, we plan to secure 0.8 percent of GDP of proceeds from asset sales to be used to reduce gross financing needs (*performance criterion*). In the event that the sales proceeds do not materialize, we will take offsetting measures to reach the primary balance target of 4.8 percent as defined under the program.

- **For FY2026/27,** we plan a further consolidation of 1 percent of GDP to reach a primary surplus (excluding net acquisition of financial assets) of 5 percent of GDP as previously committed under the program. To support this consolidation, we remain committed to legislating another tax package of high-quality tax measures to be delivered in the context of the FY2026/27 budget to meet the program's tax revenue objective of increasing tax to GDP by 2 percent over the two-year period (FY24/25-FY26/27). To that end, we undertook the required preparations including Cabinet approval, to deliver this tax package of 1 percent of GDP (*prior action*). Said package will be presented to Parliament as part of the budget package for FY 2026/2027 by end of March 2026.

- To ensure that all committed tax revenue measures are in place to secure the durability of the fiscal adjustment, we commit to including in the FY26/27 budget package and securing Parliamentary approval of the full tax package for FY26/27 and the remaining measures that were intended to underpin the increase in tax revenue in FY25/26 *(new Structural Benchmark, end June 2026)*.

19. We achieved our commitment to reach cost recovery on the products covered under the retail fuel indexation mechanism (gasoline 95, 92 and 80, diesel and mazut). Retail fuel prices (gasoline and diesel) were raised by 2 EGP (an increase of 11-15 percent depending on fuel product) on April 11 and by 2 EGP on October 17. The automatic retail fuel indexation mechanism will start being applied at the end of the second quarter of 2026, further institutionalizing sound pricing practices. The projected reduction in hydrocarbon subsidies that resulted from our already implemented hydrocarbon pricing (fuel, diesel, Mazut, LPG and gas) is approximately EGP 97 billion, or 0.5 percent of GDP in FY25/26.

20. Egypt's social spending and programs, such as the "Hayah Karima" and the "Takaful and Karama" cash transfer programs, have yielded several positive outcomes aimed at improving citizens' quality of life and strengthening social safety nets. Launched in 2019, this initiative aims to improve living standards, especially in the poorest rural villages, by addressing developmental gaps and improving access to basic services**.** We expanded allocations to social protection programs in FY25/26, including for the Takaful and Karama and other cash transfer or in-kind social protection programs to 0.4 percent of GDP. We increased T&K spending from EGP 43 in FY24/25 to EGP 54 billion in FY25/26, and allocations to T&K beneficiaries through various in-kind programs (e.g., medical treatments) from EGP 6 billion to EGP 31.2 billion. Overall, cash transfer and in-kind social spending for T&K beneficiaries will increase from around 0.3 percent of GDP in FY24/25 to 0.4 percent of GDP in FY25/26.

21. We continue to make progress in implementing program conditionality to better monitor and control public sector activity and fiscal risks. In particular:

- We continue to undertake significant measures to improve public financial management and fiscal planning in line with the PFM law passed in 2022. We submitted a medium-term budget to parliament as part of the FY2025/26 budget package. As next steps toward consolidating the EAs into the general government fiscal reporting in line with GFSM 2014 standards we plan to review and finalize the compilation guide, continue testing the integration of mapped classifications into the GFMIS, and expand training to additional EAs as needed. We will also focus on improving the quality of in-year data. To further improve transparency over potential fiscal risks emanating from EAs, we plan to publish a fiscal risk statement in accordance with the existing *structural benchmark*. Moreover, we will enhance the content of reports on the arrears of the budget sector, including to critical SOEs and EAs (*recurrent structural benchmark)* to be in line with program commitments and will redouble our efforts to report the same data on a semi-annual basis in accordance with the TMU.
- We met the end-June 2025 indicative ceiling on public investment. Public investment spending was EGP 924.1 billion at end-June. Budget sector entities' share of spending was 41.9 percent, Economic Authorities accounted for 32.8 percent, and public companies' share stood at 25.3 percent. The reported investment spending includes, among others, investments/projects contracted or undertaken by the Administrative Capital for Urban Development (ACUD), New Urban Communities Authority (NUCA), and the National Service Projects Organization (NSPO) and Future of Egypt Agency, the National Agency for Military Production, and the Arab Organization for Industrialization (AOI) and their subsidiaries. We also set the indicative ceiling for public investment FY2025/26 at EGP 1,158 billion, maintaining spending level roughly constant in real terms. Moreover, we will continue to enhance the evaluation and prioritization of all public investment projects, including those under public-private partnerships, to ensure that the selected projects deliver the most value for citizens. Under the ceiling we intend to prioritize projects financed by concessional lending.
- For the IT on guarantees, we propose a cumulative nominal target for FY2025/26 of EGP 740 billion consistent with a 0.7 percentage points of GDP reduction in the nominal stock of guarantees.
- We remain committed to expanding the coverage and analytical depth of our state-owned enterprise portfolio in subsequent iterations of the report (*recurring structural benchmark* at end-September each year). We published the second installment of the aggregate SOE report reflecting our efforts to revise the database and classification of companies across entities and sectors. We continue to broaden the coverage and depth of SOE annual reporting whereby the

new SOE unit will work on developing the existing database to transform it into the one-go to source for information on SOEs.

22. We continue to take steps to reduce the CBE's claims on the government and strengthen the effectiveness of monetary policy and transparency. To grant the Treasury full legal and permanent control over Economic Authority (EA) deposits within the Treasury Single Account Framework, we have initiated a transfer of the relevant EA deposits to the central government Treasury account at the CBE. This arrangement was implemented and reflected in the end-December analytical accounts of the CBE balance sheet. In addition, the CBE has not increased, and remains committed to not increase, its lending to public sector agencies excluding the Ministry of Finance (performance criterion). Consistent with this commitment, the outstanding stock of borrowing by public sector agencies excluding the Ministry of Finance was reduced to meet the end-December 2025 QPC target, and the remaining stock will thereafter be reduced by EGP 100 billion per year, reaching zero by end-June 2029.

23. We have been publishing monthly the General Authority for Government Services (GAGS) on-site post-procurement audits of both the budget unit and top 50 SOEs procurement awards. In recent months, we have strengthened the coverage for both procurement reporting, bringing them in compliance with the SBs from November 2025. To advance our efforts to establish a more transparent procurement process, we continue our work with the Korea International Cooperation Agency (KOICA), on upgrading the public e-procurement system to bring it in line with the existing public procurement law. The pilot will cover the procurement activity of at least 5 budget sector entities and include the posting of procurement awards by those entities on GAGS website by June 2026.

24. In March 2025, the Cabinet approved a package of measures aimed at putting EGPC on a sustainable financial footing (*structural benchmark*). This package adopts a multifaceted strategy and builds on measures initiated in 2024 to address EGPC's financial and operational challenges. Key elements include: (i) increasing retail and commercial fuel and electricity prices, as well as the price of natural gas sold to electricity generators, with full cost recovery for retail fuel products to be achieved by end-December 2025; (ii) allocating in the FY25/26 budget EGP 75 billion directly to EGPC and an additional EGP 75 billion to EEHC to clear its payables to EGPC; (iii) enhancing domestic oil and gas production by expanding exploration activities; (iv) increasing export opportunities by capitalizing on Egypt's potential as a regional gas hub; and (v) promoting growth in the renewable energy sector. Increases of fuel, gas and electricity prices reduced EGPC's subsidy burden by 0.5 percent of GDP (EGP 97 billion) in FY25/26. The March 2025 package of measures is starting to show positive results, with EGPC's arrears being reduced from US$6.2 billion in October 2024 to US$2.1 billion in December 2025, partly financed from direct budget support to EGPC and EEHC in FY25/26. We anticipate implementation of the reforms package will improve EGPC's liquidity, solvency, and profitability, which supports the objective of reducing guarantees to EGPC by 25 percent in FY2026/27. The improvements are driven largely by anticipated production and energy price increases that boost average annual growth in revenues of 15 percent, excluding subsidies, and improved collection on receivables from the electricity company, other SOEs, and the private sector. To facilitate the monitoring of the implementation of the EGPC recovery plan, we have agreed to provide staff on a quarterly basis with financial information, including data on (i) cash flows, (ii) breakdown of operating revenues and costs (volumes and prices by product type, domestic purchase versus imports), (iii) debt, new borrowing, borrowing costs and guarantees, (iv) overall arrears, payables to international suppliers, and cross-arrears among EGPC, EEHC, and the budget sector, and (v) standard liquidity, solvency and profitability indicators.

25. To complement fiscal consolidation efforts, we are ramping up our efforts on an active debt management strategy. The objective of the strategy is to place debt on a sustained downward trajectory, reduce gross financing needs and contain interest payments, using a credible mix of available financing instruments domestic and external. We are gradually extending the issuance maturity of domestic debt through auctions (*indicative target*) by further tilting the issuance mix towards bonds and introducing new instruments like sukuks to broaden the investor base. To make decisive progress on reducing GFNs and consolidate maturity extension progress, we have committed under the program to (i) a re-calibration of the IT on issuance maturities from December 2025 onwards, that should be underpinned by incorporating a program for longer-term bonds and sukuks at market prices in the forward-looking quarterly issuance calendars, and (ii) a new QPC targeting a reduction of the outstanding stock of privately-placed MoF Notes that starts with the end-March 2026 target date.

26. More importantly, we have decided to place greater emphasis on lowering debt and debt-service obligations, declaring it a key national priority, with the aim to reduce debt-to-GDP levels to low and sustainable levels, to notably reduce debt service, and to reduce gross financing needs by 10 percent of GDP by FY 2026/27 on a cumulative basis. The proposal consists in implementing starting early in 2026 a series of multi-year measures to target a meaningful GFN reduction equivalent to about 6 percent of GDP for the remainder of FY25/26 and about 10 percent of GDP cumulatively for FY25/26 and FY26/27: those include a series of targeted, voluntary, liability management operations (including debt-for equity swaps) to partially replace short-term domestic debt stock held by major domestic institutional investors with longer-term debt and equity. We have deployed 100 percent of the Qatari investment deal and will deploy a minimum of 50 percent of future divestment proceeds towards short-term domestic debt reduction. Efforts to optimize the financing mix in the new medium-term debt management strategy (MTDS) and accompanying annual borrowing plan (ABP),—e.g., by maximizing concessional financing, including through Development Policy Financing/Operations (DPOs) from the World Bank (WB) and the Macro-Financial Assistance from the EU currently under negotiation – will further help achieve our medium-term debt management objectives.

27. To support these efforts over the medium term, **we are working closely with the CBE and other stakeholders to articulate and implement our strategic objectives, which are being documented and publicly communicated through new policy publications on debt anchoring.** We have prepared a draft of multi-year medium-term debt management strategy (MTDS) that includes FY25/26 annual borrowing. The Annual Borrowing Plan (ABP) will include a quantification of the FY2025/26 borrowing needs and a clear indication (within ranges of financing volumes and instruments) of how these financing needs will be allocated between external and domestic sources. It will serve as a strong signaling mechanism for markets and stakeholders that will help anchor expectations. The finalized versions of the MTDS and ABP will be published by end January 2026. The MTDS will include a multi-year borrowing plan, anchored by a cost and risk management framework that is updated annually. It will also include debt portfolio risk tolerance thresholds and operational targets that cover available and potential foreign and domestic debt. Moreover, quarterly public debt reporting (*a recurring structural benchmark* we've been committed to and meeting) improved reporting on government financing from the domestic market by including information on key financing instruments in the current debt reporting framework (including auction results, private placements, and overdraft borrowing). This improved market communications as a component of an active investor relations strategy.

28. We also plan to continue strengthening public debt management by adding a middle office unit and product development unit that will be responsible for reporting, risk management and new product development as well as enhancing debt management information systems. The main reforms include the institutional and regulatory setup of debt management, and domestic debt market development. To that end, we plan on formalizing before the end of FY25/26 an organizational structure for a centralized, well-resourced Debt Management Office (DMO) within the MoF that is mandated over the management of the public debt management function to better support its current role and objectives. To coordinate policies on a national level that affect debt and debt management, we intend to start working during FY25/26 towards establishing a coordination mechanism and a national committee on public debt management that includes major stakeholders in charge of monetary policy, national planning, and others.

Financial Sector Policy

29. Strengthening financial sector resilience continues to be a key priority. The banking system remains adequately capitalized, per the prevailing minimum prudential regulation, profitable, and liquid. The CBE remains vigilant to the possible impact of evolving growth prospects induced by heightened geopolitical and trade uncertainty. The CBE will continue to refrain from extending, renewing, or introducing any subsidized lending schemes.

30. The relatively large footprint of state-owned banks requires robust governance practices to safeguard financial health, ensure a market-based transmission mechanism for monetary policy, and promote fair competition with private banks. Towards that end, the CBE is committed to instruct NBE and Bank Misr as their supervisory authority to close, by end-September 2026 the identified gaps in risk management practices based on terms of reference prepared in consultation with IMF staff. The draft results of the NBE were made available to IMF staff in early December 2025 and have also been transmitted to NBE senior management staff for factual corrections. The second study findings for Bank Misr are still outstanding, but the CBE is committed to delivering the draft findings to IMF staff by February 15, 2026. The CBE is in the process of evaluating the main findings of the NBE study with a view to deciding on and initiating the appropriate supervisory response within a corrective action plan covering eventually common and specific findings from both studies once available. As such, the CBE will share the details of the corrective action plan with Fund staff as soon as it is ready, and no later than end-March 2026(*new* *structural benchmark*). A final status report will be delivered by the CBE to Fund staff by end-September 2026 detailing progress on the status of the corrective action plan, including addressing any potential regulatory breaches identified by the studies (*new structural benchmark*).

Structural Reforms

31. Despite limited momentum over last 24 months, divestment remains a key pillar of the state ownership policy and the economic program supported by the EFF. Divestment provides resources for program financing and debt reduction and serves as one of the most visible signs of our stated policy to rebalance Egypt's economic model more in favor of the private sector activity. Under the SOP, we committed to divest from non-strategic sectors by 2027. Toward this goal, we have sold equity stakes in 9 companies, which generated about US$2.2 billion in proceeds in 2023 and early 2024. Over the last 24 months, divestment activity was limited to a sale of shares in a small bank on the Egyptian Stock Exchange in December 2024.

32. We have developed a multidimensional indicator to monitor implementation of the SOP (*structural benchmark*). The indicator captures the full set of measures envisaged under the SOP to reduce the state footprint and foster private sector activity. It provides an objective and comprehensive assessment of progress across the various pillars of the SOP—including divestment, leveling the playing field, and improving the business environment, notably through enhanced competition—and enables identification of the specific drivers of changes in the overall measure. The indicator will be published for the first time by end-December 2025 and thereafter on a semi-annual basis.

33. Looking forward, **we will reinvigorate the divestment plan over the remainder of the program and beyond to fulfill the SOP.** We have identified four major transactions for financial closure before the end of the program. Expected proceeds amount to US$1.5 billion, about half of which is anticipated to be allocated to the budget to reduce debt and gross financing needs. As of December 2025, our pipeline involves 11 additional divestment transactions in priority sectors, plus 5 military-owned companies, and 7 companies under the IPO program. We are also in preparation of management concessions for 11 Egyptian airports, starting with one airport as a pilot. This would provide opportunities for private sector management of state assets but without an upfront flow of resources for debt reduction.

34. We made progress in establishing a robust institutional framework to support the implementation of the state-ownership policy. The recently enacted Law No. 170 of 2025 on the regulation of state ownership established an SOE unit under the PM's Office, which will be responsible for triaging state-owned companies. Non-strategic and market-ready firms will be transferred to the Divestment Unit, entities deemed strategic or with potential for value maximization will be moved to the Sovereign Fund of Egypt, while companies requiring further restructuring will remain with the unit's oversight. We started the semi-annual publication of the SOP indicator in December 2025. We will update the SOP to reflect recent institutional developments and newly established priorities by March 2026 (*new structural benchmark*).

35. We endorsed a new economic model outlined in Egypt's Narrative for Economic Development: Reforms for Growth, Jobs and Resilience. The new model pivots the economy towards tradable, export-oriented and high-productivity sectors, and is underpinned by the National Structural Reform Program, aimed at unleashing the potential of the productive sectors to drive sustainable growth and jobs. We are committed to maintaining strong reform momentum and improving public communication, reflected in MoPEDIC's recent practice of publishing a list of implemented and announced reforms in its quarterly GDP note.

36. We have made progress in trade facilitation, digitalization and improving the business environment. We are taking steps to improve customs clearance procedures, lowering clearance times at the ports to 5.8 days from 16 days in 2021, and have met the end-April *structural benchmark* that streamlines risk-based control systems among border authorities. We also plan to lower the clearance time to 2 days by Q1-2026. To further entrench our reform momentum in trade facilitation, we are also committing to a *new structural benchmark* involving the submission of the amendment to Article 39 of the Customs Law to Parliament to make advanced customs clearance mandatory by February 2026.

37. We are also making significant progress on digitalization. We will establish a fully digitalized Integrated Economic Entities Platform to streamline business registration, licensing and operations to simplify processes, eliminate duplications, and provide a unified, predictable system for investors. We will complete the contracting of a top-tier consultant to lead the comprehensive re-engineering of all establishment and licensing procedures across 275 economic activities. The consultant will support the reengineering of procedures and their integration into the new fully digitalized Integrated Economic Entities Platform. For example, the plan is to reduce the steps needed to establish and license a textile factory from 24 to 9 through this platform. The same approach will be applied to 274 other activities. To ensure swift roll out of the platform, we will publish, by end-June 2026, an action plan for reviewing and reengineering procedures for establishing a business across 275 economic activities, based on an inception report prepared by a competitively selected consultant (new structural benchmark). This action plan will set out time-bound and measurable targets for reengineering processes across all economic activities, enabling quarterly monitoring of implementation progress. From that point forward, we will provide quarterly updates on the implementation process with detailed reporting on the number of re-engineered activities.

38. We will continue our efforts on leveling the playing field and strengthening economic competition. With the necessary institutional and procedure changes to remove exemptions in place, SOEs have contributed some EGP 67 billion to the revenue effort in FY2023/24 and FY2024/25 as documented in the report on the removal of SOE tax exemptions by end-September 2025 (*structural benchmark*). Separately, Parliament will consider the amendments to the Competition Law to align the independence of the Egyptian Competition Authority (ECA) with the independence of other regulators with comparable mandates, including the CBE and the Financial Regulatory Authority (FRA). The amendments would also empower the ECA to issue direct administrative sanctions similar to the CBE.

Financing and Program Monitoring

39. We have secured the necessary financing to ensure that the program remains fully financed. The total financing needed to reach the net international reserve targets are US$12.9 billion and US$5 billion for FY2025/26 and FY2026/27, respectively, including IMF purchases. We have secured firm financing commitments from multilateral and bilateral partners for budget support financing for about US$4.4 billion in FY2025/26 and US$2.5 billion in FY2026/27. We received US$3.5 billion from the sale of land rights under the aforementioned deal with Qatar at end-December. Divestment proceeds are expected to amount to US$1.5 billion by end-June 2026. Market issuances, including of guaranteed and new innovative instruments, will help secure the remaining financing. Firm assurances remain that US$18.3 billion in GCC official deposits at the CBE will not be withdrawn before the EFF ends in December 2026, except for equity purchases, with FX proceeds staying in CBE's foreign reserves. We will also adjust policies if needed to ensure the program remains fully financed.

40. The program will be monitored through prior actions, quantitative performance criteria, indicative targets, and structural benchmarks. All quantitative performance criteria and indicative targets are listed in Table 1. Prior action and structural benchmarks are listed in Table 2. The Technical Memorandum of Understanding (TMU) indicates definitions of quantitative performance criteria, indicative targets, structural benchmarks, consultation clauses, and data provision requirements. While we currently commit to report the CBE's net international reserves and their components with a submission lag of no more than 15 calendar days after the end of each month, we will work to shorten the submission lag in order to allow for timely monitoring of the CBE's net international reserves.

Program Monitoring Under the RSF

41. We successfully completed the first two reform measures which were due in June 2025. For the first RM, we published and adopted a plan of renewable energy implementation until 2030, detailing the technology type, capacity, location, timeline, and funding source.[1] Alongside this, we submitted a budget plan for Cabinet approval, outlining the annual investments needed in grid and network enhancement for 2026-2029 to support the renewable energy projects described in the plan. For the second RM, we issued a directive on June 15, 2025 mandating all banks to monitor and report their exposures to firms that may face material transition risks due to the Carbon Border Adjustment Mechanism (CBAM), and also included data related to exported firms that may impact from United Kingdom's CBAM that is set to be implemented in 2027 By the end of first quarter of 2026, the necessary information about the directive that need to be conveyed to the banks, and the amended reporting template of CBAM directive will be uploaded on CBE website—Sustainability Tab to provide banks with the required data under the mentioned directive. We planned to monitor banks' inquiries about the directive in order to look into the possibility of amendments by end of 2026.

[1] The plan is available here: https://www.cabinet.gov.eg/News/Details/82372

42. Agreement was reached on a revised formulation of RM10 to strengthen Egypt's water allocation framework. We commit to establish the National Water Council (NWC) through a Prime Ministerial decree, chaired by the Prime Minister and including key ministers and stakeholders from MALR, MWRI, MHUUC, MoE, MPEDoIC and the NWC to: (1) endorse and issue a circular letter clarifying the roles and responsibilities of its members in generating and sharing of data on water demand and supply by sector/subsector/region and publishing analyses to support informed decisions on water allocation by June 2026; (2) develop and publish the National Water Allocation Framework, clarifying prioritization criteria, general processes and rules for relevant licensing, allocative decisions and monitoring among sectors/regions to manage conflicting demands on water resources under normal and drought conditions, guided by best international practices and tailored to national circumstances, by August 2026. This reform measure will set up a much-needed inter-agency coordination structure for sustainable water management in Egypt. Following the adoption of the presidential decree on the NWC, we will issue a circular letter to ensure that necessary data for the projection of water supply and demand will be generated and shared effectively across key stakeholders. Clarification of roles and responsibilities related to the publication of analyses will ensure key information is tailored to end-user needs and communicated transparently.[2]

43. We are also progressing in preparing and implementing the rest of the reform measures. For example, there are two reform measures on public investment management (PFM) processes due December 2025 and June 2026 to ensure climate considerations are embedded in the design and implementation of projects. For RM3, MoPEDIC has updated climate-related criteria in the national project selection manual, circulated it to all ministries, and begun applying the new framework to all major FY2025/26 projects above EGP 500 million—including two recently added projects focused on mitigation and adaptation. For RM4, MoPEDIC established a unified climate-risk data framework, set up ministerial technical teams, and upgraded its investment planning system to integrate climate risk assessments; it is now cataloguing new fixed assets, collecting risk data, coordinating with the Ministry of Environment, and preparing a December 2025 progress report outlining identified risks and mitigation measures. For the RMs on fiscal risk statement, disaster risk financing, methane reduction, we are following up with the technical assistance needed to implement these reform measures by the expected date of completion.

[2] The National Water Allocation Framework (NWAF) will consist of collection of general processes and rules under which licensing and water allocation decisions will be made and monitored. Its development and publication will mark a major milestone in Egypt, since the country has thus lacked a comprehensive water allocation system with transparent processes and rules formally endorsed by all major stakeholders. As a framework document, it will set general processes and rules while greater details can be deliberated and improved upon by the NWC on a continual basis in order for Egypt to operationalize its water allocation system going forward. With regards to the specificity of the content and language to be adopted, the NWAF will describe the present arrangements of processes and rules in a clear and concise manner. As for references to future updates of processes and rules to be deliberated, the NWC decides, upon its discretion, appropriate content and language to be included, in order ensure that adverse consequences will be avoided including public misunderstanding and speculative behaviors. As per international good practice, the NWAF will clarify processes and rules under normal as well as drought conditions (i.e. extreme circumstances).

Table 1. Egypt: Quantitative Performance Criteria and Indicative Targets

(In billions of Egyptian pounds, unless otherwise indicated, end of period)

	End December 2024				End March 2025				End June 2025				End September 2025				End December 2025				End March 2026	End June 2026	End September 2026
					Indicative								Indicative								Proposed	Proposed	Proposed
	3rd review	Adj.	Actual	Status	4th review	Adj.	Prog./ Act.	Status	4th review	Adj.	Prog./ Act.	Status	4th review	Adj.	Prog./Act.	Status	4th review	Adj.	Act.	Status	Prog.	Prog.	Prog.
I. Quantitative Performance Criteria 1/																							
Net international reserves ($ million at program exchange rates; floor) 2/	34,039	33,383	35,317	Met	37,213	35,691	37,590	Met	39,275	35,569	38,294	Met	38,715	38,025	35,640	Not met	39,838	39,784	37,166	Not met	37,600	42,100	43,100
Primary balance, including net acquisition of financial assets (cumulative, floor) 3/ 6/	425		230	Not met	487		435	Not Met	782		689	Not met	148		179	Met	381		383	Met	631	1,022	110
Balance of the government's overdraft account at the CBE (weekly ceiling on the balance) 7/	165		127	Met	165		145	Met	165		135	Met	238		174	Met	238		203	Met	228	228	289
Balance of central bank lending to public agencies excluding the Ministry of Finance (continuous ceiling on the balance)	458		612	Not met	458		457	Met	408		454	Not met	383		436	Not met	358		352	Met	333	308	283
Tax revenues (cumulative floor) 3/ 9/	n.a.		n.a.	n.a.	1,312		1,441	Met	2,184		2,204	Met	566		566	Met	1,132		1,204	Met	1,589	2,788	590
Outstanding stock of the privately-placed MoF Notes (quarterly ceiling on the balance)	…		…	…	…		…		…		…		…		…		…				575	500	425
Accumulation of external debt payment arrears by the general government ($ million; continuous ceiling)	0		0	Met	0		0	Met	0		0		0		0	Met	0		0	Met	0	0	0
II. Indicative Targets																							
Tax revenues (cumulative floor) 3/ 9/	895		912	Met	n.a.		n.a.		n.a.		n.a.		n.a.		n.a.		n.a.				n.a.	n.a.	n.a.
Social spending of the budget sector (floor) 3/	105		123	Met	167		191	Met	235		271	Met	79		79	Met	158				222	316	92
Public investment (semi-annual ceiling) 3/ 4/	500		n.a.	n.a.	n.a.		n.a.		1,000		924.1	Met	n.a.		n.a.		611				n.a.	1,158	n.a
Net change in the stock of government guarantees 3/ 5/	400		345	Met	525		378	Met	650		644	Met	200		185	Met	400				555	740	n.a
Average maturity of gross local currency debt issuance (years; floor)	0.90		0.82	Not met	0.92		0.83	Not Met	0.94		0.94	Met	0.94		0.96	Met	0.94		0.84	not met	1.10	1.18	1.25
Gross debt of the budget sector (at program exchange rates; ceiling)	14,065		[14073]	Not met	14,707		[14644]		15,023		15,252	Not Met	15,023				15,023				[16858]	[17161]	[17831]
III. Monetary Policy Consultation																							
(12-month change in consumer prices)																							
Upper outer band	25				18		18		17		15		17		15		16		16		13	12	10
Upper inner band	9				9		9		9		9		9		9		9		9		9	9	9
Actual/Center target	7		24.1	Exceeds upper inner band	7		13.6	Exceeds upper inner band	7		14.9	Exceeds upper inner band	7		11.7	Exceeds upper inner band	7		12.3	Exceeds upper inner band	7	7	7
Lower inner band	5				5		5		5		5		5		5		5				5	5	5
Lower outer band	3				3		3		3		3		3		3		3				3	3	3
Memorandum items:																							
Program disbursements at completion of review (cumulative change, $ million) 3/	5,449		4,643		8,485		5,930		14,650		7,516		800		0		5,273				3,993	7,890	0
External program financing assumed under the program excluding IMF (cumulative change, $ million) 3/	3,399		3,824		6,442		3,876		11,382		5,462		800		0		4,051				1,993	4,387	0
Of which:																							
Sales of state-owned assets 10/	2,194		0		300		0		3,600		0		750		0		1,500		3,500		n.a.	n.a.	n.a.
Net issuance of FX T-Bills	0		-90		-90		-90		-90		-90		0		0		0				0	0	0
Foreign Currency Deposits at CBE	0		0		0		0		0		0		0		0		0				0	0	0
IMF financing assumed under the program (cumulative, $ million) 3/	2,051		820		2,044		2,054		3,268		2,054		0		0		1,222				2,000	3,503	0
Net external loans from private creditors in FX assumed in BOP baseline (cumulative change, $ million) 3/	2,500		-2,417		414		-477		1,062		-1,470		1,000		0		2,000				-235	292	1,000
Net nonresidents' holdings of local-currency T-bills and T-bonds ($ million) 3/ 8/	1,500		-4,327		-1,505		183		-905		184		500		1,200		1,000				5,458	5,708	250
Divestment proceeds flowing to the budget (EGP billion, cumulative) 3/ 6/	88		0		55		55		165		0		21		0		0				173	211	0

N/A = not applicable

Note: For definitions of the aggregates shown and details of the adjustment clauses, see the Technical Memorandum of Understanding (TMU).

1/ The targets for March 2025, September 2025, and September 2026 are indicative.

2/ Reserves include the CBE's official reserves and the CBE's foreign currency deposits with local banks. Starting in March 2026, liabilities associated with swaps with foreign central banks are classified as reserve-related liabilities and deducted from both the actual NIR figures and the corresponding targets.Starting in March 2026, liabilities associated with swaps with foreign central banks are classified as reserve-related liabilities and deducted from both the actual NIR figures and the corresponding targets.

3/ Quarterly from the beginning of each fiscal year.

4/ IT is assessed semi-annually on the end-June and end-December dates.

5/ Change in stocks from the beginning of the fiscal year.

6/ For FY2025/26, it also includes $3.5 bn proceeds from sale of land development rights.

7/ Observing this periodic quantitative performance criterion for each semi-annual period would require that each end-week balance does not exceed the respective ceiling for each week during this semi-annual period.

8/ As of February 28, 2024, as per TMU definition (with one month lag relative to the test date).

9/ IT elevated to QPC starting with end-June 2025.

10/ Projections for sales of state-owned assets are no longer shown as part of external program financing from March 2026 onward, as NIR targets will no longer be adjusted for deviations of these sales from projections. Staff continues to project proceeds of $5 billion in FY2025/26.

Table 2. Egypt: Prior Action and Structural Benchmarks		
Policy Measure	**Timing**	**Status**
Secure Cabinet approval of a high-quality tax package, in agreement with IMF staff, that will generate 1 percent of GDP in revenues in FY26/27.	Prior action	
Publication monthly of all public procurement contracts that exceed EGP 20 million on the E-tenders government procurement portal website (See TMU). Ensure that everyone can access this information without the need to set up an electronic account.	Recurring SB 30 days after month end	Met (as of November)
The Ministry of Finance will monitor and report payment arrears, including to critical SOEs and EAs, 90 days after fiscal year end as defined in the TMU.	Recurring SB 90 days after each fiscal year end	In progress
Re-instate regular publication of annual aggregate reports on Egypt's SOE portfolio, initially instituted under the 2016 EFF supported program, with broader coverage to all companies covered by our state-ownership policy.	Recurring SB End-September 2024 and then end-September each subsequent year	Not Met Report published on August 31, 2025, does not cover all companies under SOP
Publish monthly on the general government's e-tenders site of all material procurement contracts and awards made by the largest 50 state-owned enterprises.	Recurring SB 30 days after month end	Met (as of November)
Prepare and publish general government debt statistical bulletins and/or reports in a recurring (quarterly), timely, comprehensive basis covering all aspects of debt and borrowing starting with a first publication focused on central government debt in April 2025, with expanded scope in November 2025 onwards.	Recurring	In progress
Sustain the flexible exchange rate regime. This structural benchmark is assessed in a comprehensive manner, based on monitoring of FX system functioning, using the information and indicators including FX demand backlogs at banks, the spread between the official exchange rate and measures of market-clearing rate, and interbank FX turnover.	To be assessed once for each program review, based on the information over a period of time between program reviews	Met
Integrate risk-based control between Customs Authority, Export and Import Control Authority, National Food Safety Authority, Agricultural and Veterinary Quarantines to reduce the number of containers needed to be inspected and thus, reduce the clearance procedures and time of goods in ports.	April-2025	Met

Table 2. Egypt: Structural Benchmarks (continued)		
Policy Measure	**Timing**	**Status**
Submit a cabinet approved detailed plan to restore EGPC's financial health based on proforma financial statements (e.g., consistent positive cash flow from operations; significant reduction in debt/equity and interest coverage ratios; clearance of all arrears) within a specific period.	End-March 2025	Met
Expand coverage or adequacy of payments of Takaful and Karama program in FY25/26 budget to ensure the total spending will be increased to 0.4 percent of GDP in FY25/26.	End-March 2025	Met
Establish a package of indicators that draws on previously proposed indicators, including share of private investment to total investment and employment, to enhance tracking of implementation of the SOP and all its pillars, including an indicator that tracks divestment from state-owned entities.	End-March 2025	Met
Complete the tendering and selection process and hire investment and legal advisors for at least two proposed divestment transactions worth an estimated combined US$1 – 1.3 billion.	End-April 2025	Met
Publish a fiscal risk statement in conjunction with the Annual Budget statement for FY2025/26 including analysis of macroeconomic risks, with specific effort to provide quantified estimates, and the total amount of government guarantees and breakdown the total by entities that benefit materially from guarantees.	End-June 2025	Met
Publish a report that indicates the institutional changes and procedures established to secure collection of taxes from SOEs following the removal of tax privileges through Prime Minister Decree No. 242 of 2024 on the Implementing Regulations of Law No. 159 of 2023. The report will also include the amount collected for each type of special tax privilege (CIT, VAT, other) that was removed, and projected collections on these taxes in FY2025/26.	End-September 2025	Met
Undertake necessary legal and regulatory actions to deliver a tax package of high-quality measures in the context of the FY2026/27 budget such that the objective to raise the tax to GDP ratio by at least 2 percentage points over the program horizon is met.	End-November 2025	Not met

Table 2. Egypt: Structural Benchmarks (concluded)		
Policy Measure	**Timing**	**Status**
Include in the FY26/27 budget package the full tax package for FY26/27 and the remaining measures (withholding tax on Free Zones, real estate tax) that were intended to underpin the increase in tax revenue for FY25/26 and secure their Parliamentary approval.	End-June 2026	New
CBE will formulate an appropriate supervisory response to address the gaps identified in NBE's and Bank Misr's risk management practices by end-September. This response will take the form of a corrective action plan, prepared based on terms of reference agreed in consultation with IMF staff, and will cover both common and institution specific findings from the external assessments. CBE will share the details of the corrective action plan with IMF staff.	End-March 2026	New
The CBE will deliver a final status report detailing the specific actions undertaken to close the gaps in NBE and Bank Misr risk management practices and their status.	End-September 2026	New
CBE will prepare additional supervisory background information regarding the CBAM directive, along with the amended reporting template that will be shared with IMF staff, and upload them on CBE website – Sustainability tab	End-March 2026	New
Implement the MoF plan to reduce general government GFNs by the EGP equivalent effort of 6 percent of GDP for FY 2025/26 and a further 4 percent of GDP for FY 2026/27.	End-June 2026	New
Publication of the updated State Ownership Policy document reflecting the IFC's strategy recommendations.	End-March 2026	New
Cabinet to submit to Parliament the amendment of Article 39 of the Customs Law (Law No. 207 of 2020) to make advanced customs clearance mandatory.	End-February 2026	New
Publish an action plan for reviewing and reengineering procedures for establishing a business across 275 economic activities, based on an inception report prepared by a competitively selected consultant (new structural benchmark). This action plan will set out time-bound and measurable targets for reengineering processes across all economic activities, enabling quarterly monitoring of implementation progress.	End-June 2026	New

Table 3. Status Update of Egypt's RSF Matrix of Reform Measures

Key Challenge(s)	Reform Measure	Targeted Date	Status as of November 2025
Reform Area 1. Need to scale up mitigation efforts.	**RM1.** Consistent with the 30 percent target for wind, solar, and hydropower generation capacity by 2030, the Cabinet to adopt and publish a schedule for the implementation of renewable energy until 2030.	end-June 2025	Delivered by authorities, assessed as met by staff.
	RM8 To reduce GHG emissions from hydrocarbons production, the Ministry of Petroleum will (i) implement an MRV system to track flaring, fugitive methane, and vented methane emissions at the operator or project level on a quarterly or annual level basis, and (ii) issue a decree mandating operating companies to submit and approve targets for reduction of oil and gas sector emissions in line with Egypt's NDCs and with fines for noncompliance after a grace period of 2 years.	end-August 2026	Team discussed with authorities and WB Environment team the TA needed.
Reform Area 2. (i) No disaster risk financing plan, and (ii) fiscal risk statement does not include climate impacts on infrastructure, but budget contingency can be used for natural disasters.	**RM5.** MoF to publish a quantitative analysis of long-term climate-related fiscal risks and climate-sensitive contingent liabilities and describe how the government will manage these risks in the Fiscal Risk Statement starting with the 2026/27 Budget.	end-June 2026	In progress. Authorities are receiving ongoing TA from FAD.
	RM7. MoF to strengthen disaster risk management capacity through adopting a national disaster risk financing strategy while integrating social assistance measures in collaboration with the Ministry of Social Solidarity.	end-August 2026	Team discussed with authorities implementation and TA plan during first review.
	Streamlined RM10. Authorities to establish the National Water Council (NWC) through a Prime Ministerial decree, chaired by the Prime Minister and including key ministers and stakeholders from MALR, MWRI, MHUUC, MoE, MPEDoIC and the NWC to: (1) endorse and issue a circular letter clarifying the roles and responsibilities of its members in generating and sharing of data on water demand and supply by sector/subsector/region and publishing analyses to support informed decisions on water allocation by June 2026; (2) develop and publish the National Water Allocation Framework, clarifying prioritization criteria, general processes and rules for relevant licensing, allocative decisions and monitoring among sectors/regions to manage conflicting demands on water resources under normal and drought conditions, guided by best international	end-August 2026	Team discussed with authorities and they converged to a streamlined RM. World Bank Water team is ready to provide TA should authorities request it.

Table 3. Status Update of Egypt's RSF Matrix of Reform Measures (concluded)

Key Challenge(s)	Reform Measure	Targeted Date	Status as of November 2025
	practices and tailored to national circumstances, by August 2026.		
Reform Area 3. Increasing the resilience of the financial sector to climate shocks.	**RM2.** CBE to issue a directive mandating the banking sector to monitor and report data on their exposures to firms that may have material transition risks related to CBAM adoption.	end-June 2025	Delivered by authorities, assessed as met by staff.
	RM6. CBE to issue a binding regulatory framework to mandate Banks to adopt environmental and social risk management system (ESRMS) which include climate pillar along with timeline for implementation. The binding regulations will include guidelines to the banks on the implementation of ESRMS.	end-June 2026	In progress.
	RM9. In accordance with Egypt's Country Platform for the Nexus of Water, Food, and Energy (NWFE), which is aligned with the National Climate Change Strategy 2050, authorities will add two new sub-projects, one on adaptation and one on mitigation. For each of the projects, pre-feasibility studies will be developed to attract private sector interest and funding; authorities will also build on the experience gathered so far to identify by end-2025 and adopt by June-2026 further measures to facilitate private investments in mitigation and adaptation projects.	end-June 2026	Streamlining options are under revision by Fund staff.
Reform Area 4. Addressing gaps in the framework for climate-sensitive public investment described in the PIMA and C-PIMA diagnostic reports, including gaps in appraisal and selection processes and in asset management.	**RM3.** MoPEDIC to publish climate-change related criteria and processes for project selection and update and publish the project appraisal procedures with standardized climate mitigation and adaptation assumptions, and demonstrate that these criteria and processes have been applied to all new projects exceeding 500 million EGP.	end-December 2025	Progress shared by authorities is under revision by Fund staff.
	RM4. MoPEDIC to expand the existing asset registry pilot to include the Ministries of Transportation, Housing, Utilities and Urban Communities, focusing on large, fixed government assets; conduct internal analyses of location-specific climate risks on these assets within the registry; and prepare and publish a consolidated overview of climate risks across the asset portfolio, including a summary of the government's mitigation measures.	end-June 2026	Progress shared by authorities is under revision by Fund staff.

Attachment II. Technical Memorandum of Understanding

February 2026

1. **This technical memorandum of understanding (TMU)** sets out the understandings regarding the definitions of quantitative performance criteria (PC), indicative targets (IT), and consultation clauses, as well as the data reporting requirements under the IMF's extended arrangement under the Extended Fund Facility (EFF). It also sets out the definition of key terms related to the structural benchmarks (SB) under the EFF.

2. **Program exchange rates for the assessment of quantitative targets in FY2022/23 are those prevailing on September 30, 2022.**

	Currency Unit per U.S. dollar
SDR	0.781323
Euro	1.0293
U.K. Pound	0.9213
Japanese Yen	144.7094
Saudi Arabian Riyal	3.7576
Chinese Yuan	7.1305

The program exchange rate of the Egyptian pound against the U.S. dollar for FY2022/23 is 19.4970 (the CBE's official buy rate on September 30, 2022). Monetary gold is valued at US$1,654.80 per troy ounce (the rate on September 30, 2022). For other foreign currencies, the current exchange rates to the U.S. dollar will be used.

3. **Program exchange rates for the assessment of quantitative targets for end-March 2024 test date are those prevailing on January 31, 2024, as indicated in the IMF's Representative Exchange Rates for Selected Currencies published on IMF website.**

	Currency Unit per U.S. dollar
SDR	0.751945
Euro	0.9228
U.K. Pound	0.7883
Japanese Yen	147.5000
Saudi Arabian Riyal	3.7500
Chinese Yuan	7.1807
U.A.E. Dirham	3.6725

The program exchange rate of the Egyptian pound against the U.S. dollar for end-March 2024 test date is 30.8272 (the CBE's official buy rate on January 31, 2024). Monetary gold is valued at US$2,053.25 per troy ounce (the rate on January 31, 2024). For other foreign currencies, the current exchange rates to the U.S. dollar will be used.

4. Program exchange rates for the assessment of quantitative targets for end-June 2024, end-Sept 2024 and end-Dec 2024 test dates are those prevailing at end-April 2024 as indicated in the IMF's Representative Exchange Rates for Selected Currencies published on IMF website.

	Currency Unit per U.S. dollar
SDR	0.7588
Euro	0.9330
U.K. Pound	0.7974
Japanese Yen	156.8200
Saudi Arabian Riyal	3.7500
Chinese Yuan	7.2420
U.A.E. Dirham	3.6725

The program exchange rate of the Egyptian pound against the U.S. dollar for end-June 2024 test date and test dates in FY2024/25 is 47.7860 (the CBE's official buy rate on April 30, 2024). Monetary gold is valued at US$2,307 per troy ounce (the rate at end-April 2024). For other foreign currencies, the current exchange rates to the U.S. dollar will be used.

5. Program exchange rates for the assessment of quantitative targets for test dates in calendar year 2025 are those prevailing at end-October 2024 as indicated in the IMF's Representative Exchange Rates for Selected Currencies published on IMF website.

	Currency Unit per U.S. dollar
SDR	0.7510
Euro	1.0882
U.K. Pound	1.2978
Japanese Yen	153.50
Saudi Arabian Riyal	3.7500
Chinese Yuan	7.1196
U.A.E. Dirham	3.6725

The program exchange rate of the Egyptian pound against the U.S. dollar for test dates in calendar 2025 is **48.8908** (the CBE's official buy rate on October 31, 2024). Monetary gold is valued at US$ 2,756.77per troy ounce (the rate at end-October 2024). For other foreign currencies, the current exchange rates to the U.S. dollar will be used.

6. Program exchange rates for the assessment of quantitative targets for test dates in calendar year 2026 are those prevailing at on September 30, 2025 as indicated in the IMF's Representative Exchange Rates for Selected Currencies published on IMF website.

	Currency Unit per U.S. dollar
SDR	0.7294
Euro	0.8517
U.K. Pound	0.7442
Japanese Yen	148.83
Saudi Arabian Riyal	3.7500
Chinese Yuan	7.1214
U.A.E. Dirham	3.6725

The program exchange rate of the Egyptian pound against the U.S. dollar for test dates in calendar 2026 is 47.8077 (the CBE's official buy rate on September 30, 2025). Monetary gold is valued at US$ 3,825.3 per troy ounce (the rate at end-September 2025). For other foreign currencies, the current exchange rates to the U.S. dollar will be used.

A. Floor on Net International Reserves (PC)

7. **Net international reserves (NIR)** of the Central Bank of Egypt (CBE) under the program are defined as the difference between foreign reserve assets and foreign reserve-related liabilities. For the program monitoring purposes, assets and liabilities in currencies other than the U.S. dollar are converted into U.S. dollar equivalents using the program exchange rates indicated in this TMU.

8. **Foreign reserve assets** are defined as readily available claims on nonresidents denominated in convertible foreign currencies, including the Chinese Yuan and U.A.E. Dirham. They include the CBE's holdings of monetary gold, SDRs, foreign currency cash, and foreign currency securities, the CBE's deposits abroad (irrespective of maturity), the country's reserve position at the Fund, the CBE's foreign currency deposits at local banks, and the CBE's other foreign currency assets that could be used for reserve management purposes. Excluded from foreign reserve assets are any assets that are frozen, pledged, used as collateral, or otherwise encumbered, including but not limited to assets acquired through short-term currency swaps with original maturity of less than 360 days, claims on residents other than the CBE's foreign currency deposits at local banks, precious metals other than gold, assets in nonconvertible currencies, and illiquid assets. As of end-November 2025, foreign reserve assets thus defined amounted to US$56,518 million.

9. **Foreign reserve-related liabilities** are defined as comprising all short-term foreign exchange liabilities of the CBE to residents and nonresidents with original maturity of less than 360 days, except for deposits at the CBE with original maturity of less than 360 days that are owed to official GCC member creditors. They include government foreign currency deposits with an original maturity of less than 360 days. They include banks' required reserves in foreign currency, and all credit outstanding from the Fund that is on the balance sheet of the CBE. As of end-November 2025, foreign reserve-related liabilities thus defined amounted to US$19,648 million.

10. **Adjustors.** The floor on the NIR will be adjusted for: (i) deviation in program disbursements (defined below) relative to projections; (ii) deviation in external commercial borrowings (including Eurobonds and syndicated loans) relative to baseline assumptions; (iii) deviation in the stock of

government T-bills and T-bonds denominated in local currency and held by nonresidents relative to program assumptions; (iv) repo margin calls, (v) use of reserves according to a FX intervention framework. These adjustors are clarified below. Related information is reported in Table 13 of the staff report.

11. Program disbursements are defined as disbursements of (i) loans denominated in foreign currency (excluding external borrowings from private creditors such as Eurobonds, Sukuk, Panda bond, and Samurai bond that are part of baseline BOP projections, but including T-bonds and other government securities denominated in foreign currency), grants, and deposits for budget support purposes denominated in foreign currency. Loans denominated in foreign currency that qualify as program disbursements are those that constitute new financing; thus they do not include conversions of deposit liabilities that existed at end-September 2022 at the CBE or conversions of official bilateral loans to the government; (ii) net issuance of T-bills in foreign currency; (iii) purchases under the IMF's Extended Fund Facility; (iv) official creditor foreign reserve-related loans to the CBE with original maturity of more than 360 days and official creditor deposits at the CBE regardless of maturity; and (v) rollovers by more than 360 days of existing foreign loans and foreign reserve-related liabilities, from official multilateral creditors, official bilateral creditors, and private creditors, including external bond placements denominated in foreign currency; Program disbursements do not include project loans and project grants.

12. The adjustors for NIR will be applied in the following way:

- *Adjustor for deviations in program disbursements relative to projections.* The NIR floor will be adjusted up by the full *amount* of any excess in cumulative program disbursements relative to the projections of cumulative program disbursements, net of any shortfall in external commercial borrowings relative to baseline assumptions set out in the following paragraph. The NIR floor will be adjusted down by the full amount of the shortfall in cumulative program disbursements relative to the projections of cumulative program disbursements. The projections for cumulative program disbursements (excluding the IMF) is US$ 1,993 million as of end-March 2026, US$ 4,387 million as of end-June 2026, and nil as of end-September 2026.
- *Adjustor for deviations in external commercial borrowings relative to baseline assumptions.* The NIR floor will be adjusted up by the full amount of any excess in net external commercial borrowings from private creditors in foreign currency (including Eurobonds, Sukuk, Panda bond, Samurai bond, and syndicated loans) relative to the baseline projections in the BOP. The projections for cumulative net external commercial borrowing from private creditors (from the beginning of the fiscal year) are US$ -235 million as of end-March 2026, US$ 292 million as of end-June 2026, and US$ 1000 million as of end-September 2026.
- *Adjustor for deviations in the flow of government T-bills and T-bonds denominated in local currency and held by nonresidents relative to program assumptions*. The floor on the NIR will be adjusted up by 50 percent of any excess in this flow of local currency government T-bills and T-bonds held by nonresidents relative to program assumptions.[1] This adjustor will use the

[1] For zero-coupon treasury bills/bonds, disbursements refer to the purchase price (issuance proceeds) of those instruments.

information on T-bill and T-bond holdings one month before the test date; thus, for the end-December 2022 test date, actual T-bill and T-bond flow holdings by nonresidents for end-November 2022 will be used to calculate the size of adjustor.

- *The* program assumptions for the cumulative flows (from the beginning of each fiscal year) of local currency T-bills and T-bonds held by nonresidents, used for the purposes of this adjustor, are US$ 5,458 million for end-March 2026, US$ 5,708 million for end-June 2026, and US$250 million for end-September 2026.
- *Adjustor for repo margin calls*. The NIR floor will be adjusted down (up) by any margin call payments (receipts) associated with the CBE's repo facilities.
- *Adjustor for FX intervention.* The NIR floor will be adjusted down by the amount of FX intervention (sales) undertaken by the CBE, provided the intervention is consistent with the intervention framework.

B. Floor on Primary Fiscal Balance of the Budget Sector (PC)

13. The budget sector comprises 184 central government (administration) units, including the executive powers (presidency, parliament, senate, and ministers), the legislative powers (judiciary and prosecution), 323 local government units, and 156 entities in the public service authorities, which include universities and hospitals.

14. The primary fiscal balance of the budget sector under the program is defined as the overall balance measured on a cash basis plus total cash interest payments of the budget sector. The overall balance under the program is defined as total revenue and grants minus total expenditure plus net acquisition of financial assets. These are measured on a cumulative basis from the beginning of the fiscal year. For FY2024/25, the primary balance of the budget sector thus defined was EGP 689 billion.

15. Off-budget funds. The authorities will immediately inform IMF staff of the creation of any new off-budgetary funds or programs. This includes any new funds and special budgetary and extra-budgetary programs that may be created during the program to carry out operations of fiscal nature as defined in the IMF's Government Finance Statistics Manual 2014.

16. Divestment proceeds flowing to the budget. Divestment proceeds flowing to the budget are part of divestment proceeds raised from the sale of state-owned assets in both FX and Egyptian pounds, including the sale of equity stakes in SOEs as defined below, and the sale of stakes in other assets such as land. Divestment proceeds flowing to the budget are recorded in the net acquisition of financial assets for program purposes. The program assumptions for divestment proceeds flowing to the budget are listed in the QPC table.

17. Adjustor. The floor on the primary balance of the budget sector will be adjusted up by the full amount of the excess of divestment proceeds, including the sale of equity stakes in SOEs as defined below, and the sale of stakes in other assets such as land, relative to the program assumptions for divestment proceeds flowing to the budget as indicated in the QPC table.

C. Floor on Tax Revenues (PC)

18. Tax revenues include personal income tax, corporate income tax, capital gain tax, property tax, tax on T-bills/T-bonds, value-added tax, excises, tax on specific services, stamp tax, international trade taxes, tax on use of goods and on permission to use on goods and perform activities and other taxes and development fees. Tax revenues totaled EGP 961.6 billion as of November 2025 since the start of FY2025/26**.**

D. Floor on Health and Social Spending of the Budget Sector (IT)

19. Health and social spending of the budget sector includes spending related to the budget of the Ministry of Health and the Ministry of Social Solidarity, excluding interest payments.

E. Ceiling on the Public Investment (IT)

20. The program target is defined as cumulative capital investment spending undertaken by all public agencies and entities controlled or owned directly or indirectly by public entities (with a state stake of 50 percent or more). The ceiling is calculated as cumulative investment spending since the beginning of the relevant fiscal year.

F. Ceiling on Balance of Government's Overdraft Account at the CBE (PC)

21. The program target is defined as the balance on the government's overdraft account at the CBE. The ceiling on the balance is shown in Table 1 of the MEFP. This is a periodic QPC that will be assessed semi-annually (on the relevant test date), based on weekly performance data. If any weekly ceiling is missed during the relevant semi-annual period, then this QPC will be assessed as not met.

G. Ceiling on CBE lending to Public Agencies Excluding the Ministry of Finance (PC)

22. The program target is defined as the balance on lending by the CBE to public agencies excluding the Ministry of Finance. The ceiling on the balance was EGP 661.172 billion, reflecting the stock of outstanding lending as of January 2024 to six entities. In line with the agreed conditionality under the current program and following approval by the CBE Board on February 20, 2025, the government committed to a repayment plan to reduce existing claims on public sector agencies excluding the Ministry of Finance to EGP 308 billion by end-June 2026, with intermediate targets at end-December 2025 and end-March 2026, as part of a broader schedule to eliminate these claims from the CBE's balance sheet by FY2028/29.The balance will be reported transparently in the weekly analytical balance sheet of the CBE, with and "Other Items, net" split into a component relating to CBE lending to public agencies excluding the Ministry of Finance and a component reflecting all other items. Loan-by-loan information will also be reported separately (Table 1B).

H. Floor on Average Original Maturity of Newly Issued Local Currency Tradable Debt of the Budget Sector (IT)

23. The program target is defined as the weighted average original maturity of local currency tradable debt of the budget sector that is issued through public placements. The weights used for the calculation are the volumes of issuance under each maturity. The weighted average original maturity is calculated quarterly for each quarter. Local currency tradable debt of the budget sector is defined as local currency tradable securities (tradable T-bills and T-bonds) denominated in Egyptian Pounds, including those issued by the budget sector to the Pension Fund and other public entities.

I. Ceiling for Gross Debt of the Budget Sector (IT)

24. Gross debt of the budget sector is defined as the outstanding stock of debt issued by the budget sector, as defined in the IMF's Government Finance Statistics Manual 2014. It includes debt issued to the pension fund and other public entities. Sukuk issued by the budget sector will be treated as debt of the budget sector. For the program monitoring purposes, the U.S. dollar amounts of foreign currency debt will be converted to Egyptian pound equivalents using the program exchange rates indicated in this TMU.

25. Adjustor. The ceiling for gross debt of the budget sector will be adjusted down by the full amount of the excess of divestment proceeds, including resources raised through the sale of equity stakes in SOEs and the sale of stakes in other assets such as land, relative to program assumptions. For calculating this adjustor, the program assumptions for divestment proceeds flowing to the budget are listed in the QPC table.

J. Ceiling on Government Guarantees (IT)

26. The program target is defined as cumulative change in stock of guarantees issued by the Ministry of Finance with guarantees on foreign currency denominated borrowing converted to Egyptian pound equivalents using the program exchange rates indicated in this TMU. A guarantee is defined as an arrangement whereby the Ministry of Finance has an obligation to pay a third-party beneficiary when another institutional unit fails to perform certain contractual obligations. The Ministry of Finance will report to the IMF the stock of guarantees in billions of Egyptian pounds at both program and actual exchange rates 90 days after the relevant test date. The data will show guarantees on domestic currency and foreign currency borrowing by Economic Authorities (EGPC, GASC, Transport, NUCA, other) and state-owned enterprises (NIB, Electricity, other). The stock of guarantees will also be broken down into domestic and external guarantees by currency denomination of the guaranteed borrowing with the U.S. dollar value of guarantees of foreign currency denominated borrowing reported at actual and program exchange rates. The ceiling on government guarantees is calculated as cumulative change in the nominal value of the stock of guarantees since the beginning of the relevant fiscal year.

K. Maintain a Flexible Exchange Rate Regime and a Liberalized Foreign Exchange System (SB)

27. The structural benchmark will assess whether a shift to a flexible exchange rate regime and a liberalized FX system is sustained. This SB is assessed in a comprehensive manner, based on monitoring of FX system, using the information and indicators that include FX demand backlogs at banks, the spread between the official rate and measures of market clearing rate, and interbank FX turnover. For FX demand backlogs at banks, the CBE will provide data on FX demand backlogs at banks that cover eight banks identified by the CBE. The sample of banks is fixed throughout the program. For the spread between the official rate and measures of market-clearing rate, measures of market-clearing exchange rate, including the local parallel market rate, and exchange rates implied by transactions in gold, GDR, and ADR markets will be monitored on a daily basis.[2] For interbank FX turnover, the CBE will provide daily data. The SB will be assessed once for each program review, based on the information over a period between program reviews.

L. CBE to instruct NBE and Bank Misr to close the gaps identified in risk management practices based on terms of reference prepared in consultation with IMF staff. (SB)

28. The structural benchmark will assess CBE's action plan to address findings in governance studies undertaken for state-owned banks. CBE commits through an end-September 2026 SB to instruct NBE and Bank Misr as their supervisory authority to close the identified gaps in risk management practices based on terms of reference prepared in consultation with IMF staff. The CBE is committed to delivering the draft findings to IMF staff by February 15th 2026. The CBE will evaluate the main findings of the NBE and Misr studies with a view to deciding on and initiating the appropriate supervisory response within a corrective action plan covering eventually common and specific findings from both studies once available. As such, the CBE will share the details of the corrective action plan with Fund staff as soon as it is ready, and no later than end-March 2026. A final status report will be delivered by the CBE to Fund staff by end-September 2026 detailing progress on the status of the corrective action plan, including addressing any potential regulatory breaches.

[2] The data sources for the local parallel market rate are https://www.parallelrate.org/ (the data from this source is also available in Haver) and https://sarf-today.com/en/currency/us_dollar/market. The data source for the exchange rate implied by gold transactions in Egypt and internationally is https://egypt.gold-price-today.com/ and Bloomberg. The data source for the exchange rate implied by stock transactions in Egypt and internationally (GDR and ADR markets) is Bloomberg. For GDR and ADR, monitoring will focus on the stock for Commercial International Bank (CIB), given that CIB stock has the largest trading volume in GDR and ADR among Egyptian companies.

M. Commercial Banks' Net Foreign Assets Consultation Clause

29. **Net foreign assets (NFA) of commercial banks** are defined as the difference between the claims on nonresidents (including foreign currency holdings) and the liabilities to nonresidents of other depository corporations. For monitoring this clause, NFA will be measured in US dollars using the monetary data reported in the standardized report form. The NFA at end-November 2025 was -US$11.9 billion.

30. **Consultation with IMF staff** will be triggered if banks' NFA at the aggregate level decline by cumulative $2 billion over any past three-month period. The cumulative change in banks' NFA will be assessed at the end of every month. This consultation will be on the reasons for the decline in banks' NFA and to ascertain whether: (i) there were imbalances in the FX market; and (ii) any corrective actions by the CBE are necessary.

N. Monetary Policy Consultation Clause

31. **Inflation** is defined as the year-on-year change in the end-of-period headline urban consumer price index (average FY2018/19 = 100), as measured and published by the Central Agency for Public Mobilization and Statistics (CAPMAS).

32. **Consultation with IMF Board** will be triggered if inflation falls outside of the upper outer band or the lower outer band. The upper outer band and the lower outer band are indicated in Table 1 of the MEFP. The consultation with IMF Board will be on the reasons for inflation deviations from the outer band, the stance of monetary policy and the inflation outlook, whether the Fund-supported program remains on track, and the CBE's remedial actions that are deemed necessary before further purchases under the EFF could be requested.

33. **Consultation with IMF staff** will be triggered if inflation falls outside of the upper inner band or the lower inner band. The upper inner band and the lower inner band are indicated in Table 1 of the MEFP. The consultation with IMF staff will be on the reasons for inflation deviations from the inner band, the stance of monetary policy and the inflation outlook, and the CBE's remedial actions.

O. Other Continuous Performance Criteria

34. **Non-accumulation of external debt payments arrears by the general government.** The general government comprises the budget sector, the Social Insurance Funds (SIFs), and the National Investment Bank (NIB). External debt payments include principal and interest payments, including payments on long-term leases. New external debt payments arrears cannot be accumulated during the program period. For this performance criterion, an external debt payments arrear is defined as the amount of payment obligation (principal and interest) due to nonresidents by the general government and the CBE, which has not been made when due under the contract, including any applicable grace period. This performance criterion will apply continuously throughout the arrangement.

35. Standard continuous performance criteria include: (i) prohibition on the imposition or intensification of restrictions on making of payments and transfers for current international transactions; (ii) prohibition on the introduction or modification of multiple currency practices; (iii) prohibition on the conclusion of bilateral payments agreements that is inconsistent with Article VIII; and (iv) prohibition on the imposition or intensification of import restrictions for balance of payments reasons.

P. Ceiling on outstanding stock of MoF Notes (PC)

36. MoF Notes for the purpose of the QPC are non-tradeable, privately placed local currency Treasury securities issued by the MoF and ranging in original maturities from one week to one month. The ceiling will be assessed in relation to the total amount outstanding of MoF Notes (stock) at the end of each quarter. The ceiling as at end-December 2025 is EGP 650 billion. The outstanding stock will be provided to Fund staff transparently on a monthly basis, with a maximum of a two-week lag.

Q. Other Structural Benchmarks

37. State-owned companies (SOEs) for the purpose of the structural benchmarks related to their management and governance, as well as the leveling of the playing field, are defined as all public corporations, regardless of their legal framework and the specific agency in charge of their oversight. They cover public sector companies, public business sector companies, military-owned companies, economic authorities (EAs), and joint ventures and partnerships.

38. Reoccurring (annual) publication of domestic payment arrears for the purpose of the structural benchmark is defined as publishing within 90 days after fiscal year end the stocks of commitments, overdue payments, and overdue transactions as well as the stock of gross liabilities and due payments to and from MOF with EGPC, GASC, NUCA, National Postal Authority, National Authority for Egyptian Railways, National Investment Bank, Central Bank of Egypt, Egyptian Electricity Holding Company, Holding Company for Drinking Water and Sanitation, and EgyptAir.

39. Reoccurring (quarterly) implementation of the retail fuel indexation mechanism for the purpose of the structural benchmark is defined as enacting increases in retail fuel prices in each quarter in line with the indexation mechanism formula. The fuel price indexation mechanism will be considered fully implemented in quarter t if the retail price of all fuels, including gasoline, diesel, fuel oils (excluding fuel oil for bakeries and electricity) is changed by the following computation within a month of the end of the quarter:

$$max\{min\{Percentage\ change\ in\ retail\ fuel\ price_t, 10\ percent\}, -10\ percent\}$$

where:

$$\begin{aligned}&Percentage\ change\ in\ retail\ fuel\ price_t\\&= 0.8 \times Percentage\ change\ in\ (Brent_{t-1} \times FX_{t-1})\\&+ 0.2 \times Annual\ adjustment\ due\ to\ other\ costs_t + Catchup\ adjustment_{t-1}\end{aligned}$$

- The retail fuel price in quarter t is the price in end-quarter in domestic currency.

- $Brent_{t-1}$ is the average Brent crude oil price in the U.S. dollar in the previous quarter, FX_{t-1} is the average exchange rate of the Egyptian pound against the U.S. dollar in the previous quarter, and 0.8 is the share of oil in the production cost of fuel products. For gasoline and diesel, the change is rounded to multiples of 25 piasters. The Ministry of Petroleum will provide the relevant data.

- *Annual adjustment due to other costs.* Adjustments to other direct and indirect costs, as identified from the fuel subsidy table (percent change in per unit costs), are included on an annual basis in the second quarter of the fiscal year. Adjustments due to other direct and indirect costs are zero in the remaining quarters of the fiscal year. The Ministry of Petroleum will provide the relevant data.

- *Catchup adjustment.* Because the changes in retail fuel price are capped at 10 percent in absolute value, any adjustments not fully implemented in one quarter will result in additional adjustment in the following quarter, giving rise to the term $Catchup\ Adjustment_{t-1}$. The catchup adjustment is taken to be zero for the adjustment in the third quarter of FY2022/23. Given that the full impact of higher global oil prices and exchange rate depreciation was not fully passed through in FY2021/22, retail fuel prices will not be reduced during a transition period and the catchup adjustment and the pass-through from changes in crude oil prices in domestic currency will not be negative. This transition period will conclude once the level of fuel subsidies for products covered by the mechanism (that is, the above-mentioned fuel products) in the previous fiscal year has been eliminated.

- Monitoring of the implementation of the fuel price mechanism has been temporary suspended given the authorities commitment to reach fuel price cost parity by end December 2025.

40. CBE subsidized lending initiatives for the purpose of the structural benchmark is defined as schemes, both existing and new, where the CBE provides subsidies to financial institutions based on loans those institutions extend to predefined sectors or households at predefined interest rates. Existing schemes include, but are not limited to, the mortgage finance initiative for middle-income class, the industrial, agricultural, and construction private sectors initiative, and the tourism sector initiative and that aimed at substituting cars to work with dual fuel. As of December 31, 2025, the total amount of loans utilized under the subsidized lending schemes was EGP 92.1 billion.

41. CBE lending to public agencies excluding the Ministry of Finance. For the purpose of the structural benchmark, the CBE would issue a strategy, approved by the CBE Board, that details how its claims on public agencies excluding the Ministry of Finance will be reduced to zero. For each outstanding claim, the strategy would detail either i) the timing and entities involved in repaying the claim to the CBE; or ii) Transferring the claim off the balance sheet of the CBE.

42. Reoccurring (monthly) publication of public procurement awards. For the purpose of the structural benchmark post within 30-day of the previous month's end reports that comprise procurement awards greater than EGP 20 million made by budget sector units during the previous month and the previous month's findings from General Authority for Government Services (GAGS) on-site post-procurement audits of budget unit procurement awards, which will be selected at random. The monthly reports will be posted on the GAGS website, accessible in Egypt, and the Ministry of Finance website, accessible internationally.

43. Reoccurring (monthly) publication of procurement awards by the largest economic authorities and state-owned enterprises. For the purpose of the structural benchmark post within 30-day of the previous month's end reports that comprise procurement awards made by the largest economic authorities and state-owned enterprises during the previous month and the previous month's findings from General Authority for Government Services (GAGS) on-site post-procurement audits of budget unit procurement awards, which will be selected at random. The monthly reports will be posted on the GAGS website, accessible in Egypt, and the Ministry of Finance website, accessible internationally.

44. Quarterly publication of general government debt bulletins. For the purpose of the structural benchmark post within 30-days of the previous quarter's end summary general government debt statistical bulletins (and an annual report) covering all aspects of domestic and external debt and borrowing, including borrowing and market issuances (loans, private placements, public auctions, overdraft use), and including information on outstanding stock, instruments used, and terms (tenors, currency, interest rate level and type), and amortization and interest payments, starting with a first publication in April 2025 (*new recurring structural benchmark*).

R. Monitoring and Reporting Requirements

45. Performance under the program will be monitored using the data reported by the Ministry of Finance and the CBE to the IMF, with frequency and submission lag indicated in Table 1A and Table 1B. Data are defined consistently with the program definitions above. In addition to the items listed in Table 1A and Table 1B, the CAPMAS will report data on inflation to the IMF, with submission lag of no more than 10 business/working days after each test date. In case of any data revisions, the authorities will transmit to the IMF immediately.

Table 1a. Egypt: Reporting Requirements for Ministry of Finance		
Item	**Frequency**	**Submission Lag**
Overall deficit of the budget sector	M	30 calendar days
Overall deficit of the general government, the NIB, and the SIF before July 2025, afterwards the consolidated general government and 59 EAs	Q	60 calendar days
Summary of budget sector accounts, including revenues, expenditures, and net acquisition of financial assets on a cash basis, consistent with the IMF's Government Financial Statistics Manual 2001	M	30 calendar days
Budget sector expenditures by the ministries of health and social solidarity	M	30 calendar days
Summary accounts of the NIB and the SIF before July 2025 and 59 EAs afterwards, consistent with presentation of general government accounts	Q	60 calendar days
Total divestment proceeds and divestment proceeds flowing into the budget, including sales of equities and land	M	30 calendar days
Domestic debt stock and debt service costs of the general government and the budget sector, including interest payments and amortization. Information on the below the line transactions (non-deficit debt creating flows) of the budget sector and the composition, including accrued interest expense and issuance of T-bonds for recapitalization of the CBE	Q	30 calendar days for the budget sector debt and the below the line transactions (60 days for the general government debt)
Debt of the budget sector by maturity of issuance and by debt holder, including debt to the NIB, the SIFs, and other public entities, at actual and program exchange rates	M	30 calendar days
End-week balance of government overdraft at the CBE, as defined in this TMU. Separately, interest payments including penalty	W	5 working days
Gross and net stock of bonds issued by the budget sector to the NIB and the SIFs	Q	30 calendar days
Gross and net domestic borrowing of the budget sector, including gross and net T-bill and T-bond issuance in local and foreign currency, separately for domestic and foreign investors, and issuance of other government debt instruments	M	30 calendar days
Auctions of T-bills and T-bonds via primary dealers, including: the number and value of submitted and accepted bids; minimum, maximum, and weighted average interest rates; and maturity dates.	W	5 working days
Private placements of domestic and external debt (issuance amount, maturity date, currency of issuance, and interest rate). The information on each issuance should be reported	W	5 working days
Recapitalization of the CBE by the government (date of recapitalization, amount, information on instruments used to recapitalize the CBE including maturity and interest rate)	When recapitalization takes place	5 working days

Table 1a. Egypt: Reporting Requirements for Ministry of Finance (concluded)

Item	Frequency	Submission Lag
Average original maturity of newly issued local currency tradable debt of the budget sector, issued through public placements, as defined in this TMU in relation to the indicative target on the floor on average original maturity of newly issued local currency tradable debt of the budget sector. Underlying data to calculate the average maturity, including the issuance amount and the maturity date of individual issuances	Q	30 calendar days
Gross issuance of guarantees in billions of Egyptian pounds at program and actual exchange rates broken down into guarantees on domestic currency and foreign currency borrowing by Economic Authorities (EGPC, GASC, Transport, NUCA, other) and state-owned enterprises (NIB, Electricity, other).	Q	60 calendar days
Stock of outstanding domestic arrears by creditor. Stocks of commitments, orders to pay, and overdue payments of the budget sector in aggregate and by following entities (EGPC, GASC, NUCA, National Postal Authority, National Authority for Egyptian Railways, Egyptian Electricity Holding Company, Egyptian Natural Gas Holding Co., Holding Company for Drinking Water and Sanitation, and EgyptAir)	Q	30 calendar days
Financial information of the NIB: (i) detailed balance sheet, including interest on assets and liabilities across maturities; (ii) income statement; (iii) cash flow projections for the next 12 months; (iv) list of non-performing loans (overdue for more than 90 days), including loan amounts	Q	60 calendar days
Breakdown of fuel subsidies by product, including volumes, prices, and costs and revenue of EGPC	Q	45 calendar days
Breakdown of food subsidies by ration card spending and wheat purchase price and quantity	Q	45 calendar days
Submit each October and April all investment spending executed over the periods January – June and July – December, respectively, undertaken by all public agencies and entities controlled or owned directly or indirectly by a public entity. The submission will break out investment spending by the budget sector, Economic Authorities, state-owned enterprises, and other.	S	End April and end October of each year.
EGPC financial information, including data on (i) cash flows, (ii) breakdown of operating revenues and costs (volumes and prices by product type, domestic purchase versus imports), (iii) debt, new borrowing, borrowing costs and guarantees, (iv) overall arrears, payables to international suppliers, and cross-arrears among EGPC, EEHC, and the budget sector, and (v) standard liquidity, solvency and profitability indicators.	Q	
Note: S= Semi-annual Q= quarterly; M = Monthly; W = Weekly		

Table 1b. Egypt: Reporting Requirements for Central Bank of Egypt		
Item	**Frequency**	**Submission Lag**
Gross international reserves at the CBE, at market and program exchange rates	M	7 working days
Program net international reserves at the CBE and its components (foreign reserve assets and foreign reserve-related liabilities), at market and program exchange rates	M	15 calendar days
Breakdown of gross foreign assets and liabilities (including foreign currency liabilities to residents) of the CBE by currency, at actual and program exchange rates	M	15 calendar days
Breakdown of foreign reserve-related liabilities (including foreign currency liabilities to residents) of the CBE by original maturity, at market and program exchange rates	M	15 calendar days
Program disbursements as defined in this TMU, including purchases of state-owned assets (including sales of equities and land) in foreign currencies by official bilateral partners including sovereign wealth funds and the private sector. Breakdown of program disbursements described in this TMU	M	7 working days
Stock of government T-bills and T-bonds denominated in local currency and held by nonresidents	W	7 working days
Stock of outstanding external debt payment arrears of the general government and the CBE (if any), by creditor	M	30 calendar days
Debt service schedule for external debt payments, with breakdown of interest and amortization. Breakdown by type of creditor and type of debt: bilateral creditors, multilateral institutions (distinguish between public and private), deposits, bonds and notes, and short-term deposits (include GCC deposits in this category)	Q	90 calendar days
Monthly cash flow table based on the agreed template (both past outcomes and projections for 12 months)	M	15 calendar days
Balance of payments, international investment position, and external debt data in electronic format and same presentation format as the CBE's SDDS tables. Values of export and imports of goods, with a breakdown by main categories, including exports of natural resources oil, natural gas, and gold. All items in BOP financing (below-the-line) that reconcile changes in reserves implied by the BOP and changes in the program gross international reserves	Q	90 calendar days
CBE foreign exchange deposits held at commercial banks headquartered in Egypt	W	5 working days
Commercial bank deposits (Egyptian pound and foreign currency) by sector (household, corporate, and public)	M	30 calendar days

Table 1b. Egypt: Reporting Requirements for Central Bank of Egypt (continued)

Item	Frequency	Submission Lag
End-week stock of bank-by-bank FX demand backlogs in U.S. dollar, for the eight banks identified by the CBE (the sample of banks is fixed throughout the program). For each bank, report the total stock and breakdown by type of backlogs, including: (i) backlogs related to pending LCs, (ii) backlogs related to unavailed IDCs (sight), (iii) backlogs related to unavailed IDCs (deferred), (iv) backlogs related to non-trade items (repatriation, dividend, and service invoice), and (v) backlogs related to foreign investors	W	5 working days
End-month bank-by-bank foreign exchange net open position (NOP) as a ratio of bank capital. The underlying components of NOP ratio, including NOP (the numerator of the ratio) and capital (the denominator of the ratio). In addition, information on any breaches by commercial banks of NOP limits and the sanctions applied by the CBE in such cases	M	30 calendar days
Bank-by-bank net foreign assets, as defined in this TMU	M	30 calendar days
Daily interbank turnover in the FX spot market	W	5 working days
Daily central bank purchases and sales of foreign exchange by counterparts (commercial banks, EGPC, GASC, government) Data on purchases related to the reserve accumulation program will include, for individual transactions, the date, amount, settlement exchange rate, and modalities (e.g., preannounced FX auctions, direct market purchases or any other instruments used)	W	2 working days
Information on the FX intervention, including volumes, execution prices, chosen modality of intervention as well as any other relevant information.	When intervention takes place	End of the day of intervention
Daily official exchange rates (EGP per USD)	W	5 working days
Daily average buy and sell exchange rates (EGP per USD) as quoted by foreign exchange bureaus and banks	W	5 working days
Bank-by-bank data: (i) balance sheets by currency (Egyptian pound and foreign currency); (ii) income statements; (iii) breakdown of loan classification, deposits, due from/to, securities holdings, repos, fixed and repossessed assets, net open positions; and (iv) FSI indicators (capital, asset quality, earnings, and liquidity)	Q	75 calendar days
Other depository corporations (commercial banks) balance sheet information in SRF (preliminary)	M	30 calendar days
Central bank balance sheet in SRF (preliminary)	M	15 calendar days
Central bank's weekly analytical balance sheet. Reporting on "Other Items, net" will be split into a component relating to the stock of outstanding CBE lending to public agencies excluding the Ministry of Finance and a component reflecting all other items	W	7 working days

Table 1b. Egypt: Reporting Requirements for Central Bank of Egypt (concluded)		
Item	**Frequency**	**Submission Lag**
Monthly CBE financial statements (unaudited)	M	20 calendar days
Quarterly and annual CBE financial statements (audited)	Q	60 calendar days
Recapitalization of the CBE by the government (date of recapitalization, amount, information on instruments used to recapitalize the CBE including maturity and interest rate)	When recapitalization takes place	5 working days
End-week balance of government overdraft at the CBE, as defined in this TMU. Separately, interest payments including penalty	W	5 working days
New CBE lending to public agencies excluding the Ministry of Finance (amount, terms of lending)	When lending takes place	5 working days
Stock of outstanding CBE lending to public agencies excluding the Ministry of Finance, by individual loan (amount, date contracted, terms of lending)	M	5 working days
Daily overnight interbank rate (CONIA) and the daily mid-corridor rate	W	2 working days
Stock of loans under CBE subsidized lending initiative, both utilized and allocated / committed amounts, with the decomposition by initiative	M	30 working days
Bank-by-bank holdings of government securities, with for each security information on: (i) the total issuance amount; (ii) name of issuer; (iii) type of instrument (bills, bonds, other); (iv) accounting treatment (AFS, HTM, HFT); (v) maturity date; (vi) coupon rate and interest payment frequency; (vii) current market price; (viii) yield to maturity. Data for bank-by-bank holdings of government securities at end-March 2024 will be provided by end-June 2024.	Q	60 calendar days
Note: Q= quarterly; M = Monthly; W = Weekly		