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Egypt Summary 31 October 2025

A ceasefire deal between Israel and Palestinian militant group Hamas is signed in Sharm el-Sheikh (Egypt) on 13 October, marking what many hope will be a turning point for the region. United States-headquartered S&P Global Ratings upgrades Egypt's long-term sovereign credit rating from 'B-' to 'B' with a stable outlook, reflecting growing confidence in the country's economic recovery. In a separate statement, US-ratings agency, Fitch Ratings, affirms Egypt's credit score at B with a stable outlook. The Central Agency for Public Mobilization and Statistics (CAPMAS) reports on 8 October that core consumer price index (CPI) inflation decreased for a fourth month, with annual urban inflation decreasing to 11.7% in September from 12% in August.

Israel-Hamas ceasefire deal signed in Egypt...

After more than two years of conflict in Gaza, a historic ceasefire deal between **Israel** and Palestinian militant group **Hamas** was [signed](#) in **Sharm el-Sheikh (Egypt)** on 13 October, marking what many hope will be a turning point for the region. The agreement, reached after intensive negotiations mediated by Egypt, **Qatar**, **Türkiye**, and the **United States (US)**, brought together world leaders from over 20 countries under the co-chairmanship of President **Abdel Fattah El-Sisi** (2014-present) and US President **Donald Trump** (2025-present). The deal, which came into effect on 10 October, includes the withdrawal of Israeli troops from key parts of Gaza, the opening of aid crossings, and a major hostage-prisoner exchange, with Hamas releasing all 20 remaining Israeli hostages and Israel freeing nearly 2,000 Palestinian prisoners.

At the summit, [leaders](#) including **France's Emmanuel Macron** (2017-present), **Germany's Friedrich Merz** (2025-present), **Qatar's Sheikh Tamim bin Hamad al Thani** (2013-present), **Italy's Giorgia Meloni** (2022-present) and the **United Kingdom's (UK) Keir Starmer** (2024-present), joined discussions on Gaza's future, the path to disarming Hamas, rebuilding the territory, and potentially deploying international peacekeepers. Trump hailed the deal as a "historic dawn of a new Middle East", portraying it as the beginning of long-term peace, stability and prosperity for the region. Despite praising Trump's efforts in securing the ceasefire deal, El-Sisi [stressed](#) that only the establishment of a Palestinian state could offer a durable end to the conflict:

"Egypt reasserts along with its brotherly Arab and Muslim nations that peace remains our strategic choice, and that the experiences have shown over the past decades that this choice can only be established upon justice and equality in rights".

However, less than three weeks later on 28 October, the fragility of the peace deal was severely tested after Israeli prime minister **Benjamin Netanyahu's** (2022-present) office [said](#) that he had ordered immediate "powerful attacks" on Hamas. While the statement did not provide a specific reason for the attacks, an Israeli military official said Hamas had allegedly violated the ceasefire by carrying out an attack against Israeli forces in southern **Rafah**, an area of the enclave that is under Israeli control. Subsequent Israeli airstrikes hitting Gaza killed at least 26 people and reignited concerns of renewed conflict. Both sides remain adamant that each other breached the ceasefire agreement.

Despite the escalation, US vice president **JD Vance** said on 28 October that "the ceasefire is holding", acknowledging that small skirmishes were expected but expressing confidence that Trump's peace deal would endure. For now the truce stands, although already severely tested, and an ARC source

remains “*sceptical it will last*” as previous ceasefire deals have collapsed, with each side accusing the other of violating the terms or acting in bad faith.

Egypt has played a prominent role in the ceasefire negotiations as the conflict threatens its national security, economic stability and regional influence. The war in Gaza has placed immense pressure on Egypt, with fears that a mass influx of Palestinian refugees could spill across the **Sinai** border, destabilising a region long sensitive to militant activity. At the same time, **Yemeni Houthi** attacks on **Red Sea** shipping lanes have disrupted global trade routes and cut into **Suez Canal** revenues, depriving Egypt of billions of dollars in much-needed foreign currency. Stability in Gaza is crucial for Egypt’s security along its northeastern border and for restoring safe passage through the Red Sea, both vital to protecting its economy and strengthening its standing as a cornerstone of **Arab** diplomacy.

S&P upgrades Egypt’s credit to B while Fitch affirms its rating

United States-headquartered credit rating agency **S&P Global Ratings** said in a statement on 10 October that it had [upgraded](#) Egypt’s long-term sovereign credit rating from ‘B-’ to ‘B’ with a stable outlook, reflecting growing confidence in the country’s economic recovery following significant policy shifts and a \$57 billion global bailout. S&P’s upgrade is the first since Egypt started receiving global financial support around March 2024. The agency noted that Egypt’s move to a flexible exchange rate has strengthened growth prospects, boosted tourism and remittance inflows and improved the country’s external position. It added that the strategic importance of Egypt has been emphasised and elevated by the conflict in **Gaza**, and has been part of the reason that **Gulf Cooperation Council (GCC)** members and other countries continue to extend financial support to Egypt.

In a separate statement also released on 10 October, fellow US-ratings agency, **Fitch Ratings**, [affirmed](#) Egypt’s credit score at ‘B’ with a stable outlook. Fitch highlighted Egypt’s fairly high growth potential and strong support from partners. Fitch upgraded Egypt’s rating to B in November 2024, when foreign investments and tighter monetary conditions helped build stronger finances. Fellow US ratings agency **Moody’s** hold’s Egypt’s credit score one notch lower at B3.

The ratings commentaries mark a notable turnaround for Egypt, which devalued the pound by around 40% in March 2024 to end a prolonged foreign-exchange shortage and attract foreign capital. Inflation, which had soared to a record 38%, has since cooled to its lowest level in over three years, while the pound is now trading near its strongest since mid-2024 (47.23 to the US dollar), supported by renewed investor confidence and robust earnings from exports and tourism.

S&P [expects](#) fiscal consolidation to continue over fiscal years 2025-2027 given Egypt’s stronger GDP growth prospects, increased revenue alongside expenditure control, and primary surplus targets tied to its IMF programme, albeit gradually. Meanwhile, the government is also preparing for two combined reviews under its \$8 billion IMF programme, which if passed, will unlock an additional \$2.5 billion in funding and reinforce investor optimism about Egypt’s reform momentum and long-term economic outlook. The IMF expects Egypt’s economy to grow 4.3% this year in real terms, faster than the 3.8% projected in May. However, instability in the region, particularly as the Israel-Hamas ceasefire is tested, could impact Egypt’s recovery.

Inflation cools to 11.7%

The **Central Agency for Public Mobilization and Statistics (CAPMAS)** [reported](#) on 8 October that core consumer price index (CPI) inflation decreased for a fourth month, with annual urban inflation in decreasing to 11.7% in September from 12% in August. This marks the lowest inflation rate since March 2022 and was primarily driven by slowdown in food and beverage prices, the largest single component of Egypt’s inflation basket, which fell to its lowest level since April 2021 (1.4% vs 2.1% in August) and a stronger pound, which helped ease price pressures in the import-reliant country.

Price increases also moderated across several categories, including transport (26.1% vs 26.8%), restaurants and hotels (13.3% vs 13.8%), furnishings (12.9% vs 13.4%), communications (12.0% vs 12.1%) and miscellaneous goods and services (11.9% vs 12.0%). Meanwhile, prices accelerated for

both housing (18.2% vs 16.2%) and clothing (14.9% vs 14.8%). Overall consumer prices increased by 1.8% month-on-month in September, accelerating from a 0.4% increase in August, marking the fastest pace in four months. Annual core inflation, which strips out volatile and regulated items such as energy, accelerated to 11.3% in September from 10.7% in August.

While the drop consecutive drop in inflation is positive and is less than half of Egypt's peak of 38% registered in September 2023, a [price hike](#) of between 10.5% and 13% on a wide range of petroleum products is expected to spur an acceleration in October's month-on-month inflation. The oil ministry said on 17 October that the diesel price increased by almost 13% to EGP 17.5 (\$0.37) a litre, while the prices of 95-, 92- and 80-octane types of gasoline were increased from 10.5% to 12.7%. The ministry said prices will remain unchanged for at least a year. The increases in fuel prices are part of Egypt's IMF-backed reforms.

Jihad Azour, the IMF's director for the **Middle East, North Africa and Central Asia**, also [said](#) in an interview on 21 October that Egyptian authorities should accelerate a long-running plan to divest from state assets, a key component of the country's IMF programme. Azour said that privatisations "*can be accelerated and needs to be accelerated*" as it would help reduce debt levels, support job creation and growth, as well as attract foreign investment to the country. While sustained reform efforts, particularly privatisation and fiscal consolidation under the IMF programme, remain critical to stabilising inflation and restoring economic confidence, recent fuel hikes could add renewed inflationary pressures across a range of goods and services in the near term.

Planner

Oct/Nov 2025 **Cairo (Egypt) International Monetary Fund (IMF)** to complete fifth and sixth review of Egypt's \$8 billion **Extended Fund Facility (EFF)** programme;

1 Nov 2025 **Cairo (Egypt) Grand Egyptian Museum (GEM)** inauguration

2025 **Ras El-Hekma (Egypt)** Construction to begin on the \$35-billion Ras El-Hekma project;

2025 **Cairo (Egypt)** Further subsidy reductions expected;

Chronology

30 Oct 2025 **Cairo (Egypt) Reuters**. Egyptian officials express hope that the inauguration of the vast new **Grand Egyptian Museum (GEM)** on 1 November will accelerate the revival of a tourism industry hampered for over a decade by internal upheaval, a pandemic and regional conflicts;

29 Oct 2025 **Cairo (Egypt) Daily News Egypt**. **Central Bank of Egypt** reports total external debt reached \$161.23 billion, recorded at the end of June 2025, up from \$156.69 billion in March 2025;

28 Oct 2025 **Cairo (Egypt) Daily News Egypt**. A consortium of Egyptian and **Chinese** companies will invest \$75m in three new industrial projects in the **West Qantara** industrial zone, covering 225,000 square metres and expected to generate over \$100m in annual exports and 3,600 direct jobs;

27 Oct 2025 **Cairo (Egypt) Daily News Egypt**. Investment minister **Hassan El-Khatib** meets with **British** ambassador **Mark Bryson-Richardson** to discuss strengthening economic ties and preparing for the **Egypt-United Kingdom Investment Conference** in December 2025;

23 Oct 2025 **Cairo (Egypt) Reuters**. **United Kingdom (UK)**-headquartered **HSBC** says it will conduct a strategic review of its Egyptian retail banking business as part of the wider restructuring of its global operations;

22 Oct 2025 **Cairo (Egypt) Bloomberg**. Egypt is seeking to bring forward imports of some liquified natural gas (LNG) cargoes to this month as maintenance work at the major **Tamar** gas field in **Israel** cuts supplies to the country;

22 Oct 2025 **Cairo (Egypt)** *Channel Africa*. The **Suez Canal Authority (SCA)** says it has signed a \$2 billion strategic partnership agreement with Egypt-based **Anchorage Investments** to establish a petrochemical complex in **Ain Sokhna**;

22 Oct 2025 **Cairo (Egypt)** *Reuters*. Planning minister **Rania Al-Mashat** says Egypt is formulating a new trade policy in preparation for upcoming regional agreements;

21 Oct 2025 **Cairo (Egypt)** *Bloomberg*. Egypt is embarking on a plan to buy more oil products for power generation as the cash-strapped country frees up gas for liquified natural gas (LNG) exports, as part of efforts to repay money it owes to foreign operators;

21 Oct 2025 **Cairo (Egypt)** *Daily News Egypt*. Health minister, **Khaled Abdel Ghaffar**, meets with **French** ambassador **Eric Chevallier** in Cairo to coordinate humanitarian and medical aid for **Gaza** and plan the reconstruction of its health sector;

20 Oct 2025 **Cairo (Egypt)** *Bloomberg*. Egyptian imports of liquefied natural gas (LNG) have surged over the past two years to become the biggest in the region, overtaking long-term buyer **Kuwait**;

20 Oct 2025 **Cairo (Egypt)** *Daily News Egypt*. **General Authority for Investment and Free Zones (GAFI)** leads its first-ever investment promotion mission to **Indonesia**, headed by CEO **Hossam Heiba**, as part of efforts to attract new foreign investments from **East Asian** markets;

18 Oct 2025 **Cairo (Egypt)** *Daily News Egypt*. Investment and foreign trade minister **Hassan El-Khatib** and planning minister **Rania Al-Mashat** meet with **International Finance Corporation** managing director **Makhtar Diop** during the **International Monetary Fund/World Bank** meetings to discuss strengthening private sector financing and advancing the **State Ownership Policy Document**;

15 Oct 2025 **Cairo (Egypt)** *Daily News Egypt*. Petroleum and mineral resources minister **Karim Badawy** announces a five-year plan to drill 480 new oil and gas exploration wells worth \$5.7 billion, aiming to boost national energy output and reverse recent production declines;

15 Oct 2025 **Cairo (Egypt)** *Middle East Monitor*. Egypt and **Sudan** reiterate their firm rejection of any unilateral measures regarding the **Blue Nile**, where **Ethiopia** has built its **Grand Ethiopian Renaissance Dam (GERD)**;

15 Oct 2025 **Cairo (Egypt)** *Reuters*. Planning minister **Rania al-Mashat** says Egypt is poised to complete another debt swap before the end of this year with its **European** partners, adding that more such transactions were also in the pipeline for next year;

14 Oct 2025 **Cairo (Egypt)** *Bloomberg*. Egypt is aiming to increase its liquefied natural gas (LNG) exports over the next five months, a stark turnaround for a country that recently become a net importer of the fuel to stave off a supply crunch at home;

13 Oct 2025 **Cairo (Egypt)** *Al Jazeera*. **United States (US)** President **Donald Trump** arrives in Egypt for the signing ceremony on the **Gaza** ceasefire plan that will be attended by other global leaders;

11 Oct 2025 **Cairo (Egypt)** *Daily News Egypt*. **United States**-based **S&P** upgrades Egypt's long-term sovereign credit rating from B- to B, stating that ongoing reforms have led to strong a strong rebound in economic growth;

8 Oct 2025 **Cairo (Egypt)** *Daily News Egypt*. Indirect ceasefire talks between **Hamas** and **Israel** resume, mediated by Egypt, **Qatar**, **Turkey**, and the **United States (US)**, under a peace plan US President **Donald Trump** proposed;

6 Oct 2025 **Cairo (Egypt)** *Daily News Egypt*. Egypt and other regional mediators facilitate indirect talks between **Hamas** and **Israel**, aiming to end the **Gaza** conflict, secure prisoner exchanges, and establish a ceasefire under growing international pressure;

4 Oct 2025 **Cairo (Egypt)** *Daily News Egypt*. **Central Administration of Plant Quarantine** reports that agricultural exports have reached 7.5 million tonnes so far in 2025, an increase of 650,000 tonnes compared to last year;

28 Sep 2025 **Cairo (Egypt)** *Daily News Egypt*. Transport minister **Kamel El-Wazir** notes that Egypt's first high-speed rail line, stretching 660km from **Ain Sokhna (Red Sea)** to **Marsa Matrouh (Mediterranean)**, is now 67% complete;

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