

## AFRICA RISK CONSULTING

### Egypt Monthly Briefing March 2026

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#### Egypt Summary 30 March 2026

*Prime minister Mostafa Madbouly informs reporters that Egypt will start curbing electricity use, including by ordering cafes and shops to close earlier, as the country copes with surging fuel costs caused by the United States (US)/Israel war against Iran. The government has secured a deal to import at least one million barrels of oil per month from Libya to compensate for a freeze in Kuwaiti crude supplies caused by Iran's decision to close the Strait of Hormuz. The Central Agency for Public Mobilization and Statistics (CAPMAS) reports on 10 March that Egypt's annual urban inflation rate stood at 13.4% in February, increasing from 11.9% in January, a situation that could worsen as the impacts from the Iran war pile pressure on the import-reliant economy.*

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#### Egypt implements emergency measures due to Middle East war...

Prime minister **Mostafa Madbouly** [informed](#) reporters on 18 March that Egypt will start curbing electricity use, including by ordering cafes and shops to close earlier, as the country copes with surging fuel costs caused by the **United States (US)/Israel** war against **Iran**. Madbouly said Egypt will need to ration the amount of fuel and electricity used, and that shopping malls, retailers and eateries will have to close by 9pm for five days of the week and 10pm on weekends. These closing times are relatively early for Egypt's 110 million population, who usually shop and dine outside late into the night. Other rationing ordered by the government includes reducing public lighting to a safe minimum and turning off illuminated advertising lights. Many government buildings will also be required to close by 6pm.

Madbouly further [announced](#) on 28 March that Egypt will slow down large state projects that consume a high amount of fuel and diesel for at least two months and fuel allocations for all government vehicles will be cut by 30%. Public and private sector employees, with the exception of services and manufacturing sectors, are required to work from home on every Sunday of April. Madbouly said these measures may be extended by an additional day per week or extended for further months should the conflict continue.

These rationing measures show that although Egypt is not directly involved in the conflict, the country is heavily impacted by it, particularly its energy sector. Egypt is dependent on imported natural gas for most of its power generation and global disruptions may have major ramifications for the country. Madbouly [highlighted](#) that before the US and Israel launched the war against Iran on 28 February, the country's gas import bill was \$560m a month but it has soared to \$1.65 billion due to spikes in oil prices. Madbouly said Egypt will review the measures after a month and they will be reversed "God willing, if the crisis ends". He said authorities are "trying to take the situation in a gradual way" so as to not rattle the economy and stressed that limiting energy consumption was preferable to raising fuel prices again, as the government did by [up to 17%](#) on 10 March. Madbouly [said](#) the government is working to help citizens and is the cabinet is holding internal discussions about possibly increasing the minimum wage and increasing allocations for education and healthcare in the next fiscal year.

While Egypt's government has moved to ease concerns over the impact of the conflict in the **Middle East** on its economy, its financial assets have been among those hardest hit by the soaring tensions in the region. In the first week of March, the Egyptian pound was among the world's five-worst performing currencies globally and has since [weakened](#) past the 50 per dollar threshold, currently trading at 52.8 to the dollar. Billions of dollars in portfolio investment have exited the country, with an estimated \$7 billion in portfolio outflows since mid-February, when the prospect of the Iran war

became more likely. The portfolio outflows caused the pound to fall to a record low of 52.8 per dollar on 9 March, its biggest single-day drop since a 40% devaluation two years ago. Meanwhile, Madbouly warned that “*extraordinary*” measures may be required to contain commodity prices if the conflict is prolonged.

Overall, these developments demonstrate how the conflict in the Middle East is reshaping energy markets globally, and pushing countries such as Egypt to put in place emergency measures despite not being directly involved in the war. While these developments are also testing **International Monetary Fund (IMF)**-backed reforms designed to guard against future crises, US financial group **Goldman Sachs** and others [say](#) that Egypt is in a better position to weather this crisis than it was two years ago due to its record foreign-currency buffers and an apparent resolve to take tough steps.

### ... as one million barrels of oil secured from Libya replace Kuwaiti flows

The government on 29 March [secured](#) a deal to import at least one million barrels of oil per month from **Libya** to compensate for a freeze in **Kuwaiti** crude supplies caused by Iran’s decision to close the **Strait of Hormuz**. The agreement comes after a request by state-managed **Egyptian General Petroleum Corporation (EGPC)** to Libya’s **National Oil Corporation (NOC)**, and will see the latter exporting two cargoes totalling 1.2 million barrels each month. However, although sources with knowledge of the situation confirmed the deal, government sources in both countries are yet to make the information public.

This development comes as Egypt, the Middle East’s most populous country and major commodities importer, struggles with higher energy prices resulting from the US-Israeli war with Iran, now in its fifth week. Egypt’s refineries are partly [reliant](#) on crude oil from Kuwait, importing between one and two million barrels monthly, in addition to around one million barrels sourced from **Saudi Arabia’s Saudi Aramco**. However, after the conflict broke out on 28 February, **Gulf** oil producers cut output as their storage tanks filled rapidly. This was the case with Kuwait, which reduced its oil production and refining when Iran blocked shipping through the Strait of Hormuz, and state-owned company **Kuwait Petroleum Corporation (KPC)** declared force majeure on crude oil sales.

Egypt has also moved to secure alternative natural gas after Israeli gas supplies to the country were briefly [halted](#) following the start of the war in Middle East. Egypt has previously imported about one billion cubic feet of gas per day from Israel and is now planning to bring forward some liquefied natural gas (LNG) cargoes, as well as purchase more shipments for the summer when demand typically peaks.

These developments emphasise Egypt’s vulnerability to regional disturbances, partly thanks to its status as a major commodities importer, resulting in the rationing of energy consumption and increase in domestic energy prices. The country consumes about 12 million tons of diesel and about 6.7 million tons of gasoline annually.

### Inflation surges to 13.4% in February shortly before Iran war erupted...

The **Central Agency for Public Mobilization and Statistics (CAPMAS)** [reported](#) on 10 March that Egypt’s annual urban inflation rate stood at 13.4% in February, increasing from 11.9% in January, the highest it has been since July 2025 – a situation that could worsen as the impacts from the Iran war pile pressure on the import-reliant economy. Food and beverage prices, the largest component of the inflation basket, rose by 4.6% in February compared to 1.9% in January. Prices surged at a faster rate for housing and utilities (31.7% vs 29.8%), clothing and footwear (14.2% vs 14.1%), miscellaneous goods and services (10.9% vs 10.4%), and recreation and culture (15.1% vs 14.8%). Prices remained steady for transport (27.5%), restaurants and hotels (11.9%), furnishings, household equipment, and routine maintenance (10.8%), and communications (0.4%). Meanwhile, inflation cooled for alcoholic beverages, tobacco and narcotics (15.7% vs 18.7%) and health (17.8% vs 18.4%). On a monthly basis, consumer prices in Egypt increases by 2.8% in February compared to a 1.2% rise in January, marking the fastest monthly increase since February 2024. Core inflation, which strips out volatile items, increased to 12.7% in February from 11.2% the month before.

Egyptian authorities have a campaign to tame inflation that hit a record 38% in September 2023, until a \$57 billion global bailout in March 2025 helped the country tackle its worst economic crisis in decades. However, tailwinds from the US-Israeli war with Iran risk disrupting Egypt's progress in taming consumer prices. With Iran having [blocked](#) the vital Strait of Hormuz, cutting off 20% of the global oil and liquified natural gas (LNG) supplies and sending prices soaring, Egyptian authorities on 10 March announced fuel price hikes of [up to 17%](#) on 10 March. This was the first increase in months and authorities said the hikes were made "in light of the exceptional circumstances currently affecting global energy markets".

The combination of accelerating inflation in February, higher global fuel prices due to the war in the Middle East and a weaker pound suggest that inflationary pressures in Egypt are likely to worsen. The **Central Bank of Egypt (CBE)**, which started a monetary-easing cycle in 2025, announced on 12 February that for a second consecutive round, it had [slashed](#) its interest rates to their lowest levels since mid-2023 and also cut the reserve ratio for banks, paving the way for increased business borrowing and potentially accelerating an economic revival (see *ARC Briefing Egypt Feb 2026*). Going forward, the likelihood of a reversal toward higher policy rates will depend on the extent of shocks to the pound and energy prices resulting from the conflict in the Middle East. The CBE's **Monetary Policy Committee (MPC)** is next scheduled to meet on 2 April.

### Planner

Apr 2026 **Cairo (Egypt)** Government to review fuel rationing measures;

2 Apr 2026 **Cairo (Egypt)** **Central Bank of Egypt (CBE) Monetary Policy Committee (MPC)** meets;

### Chronology

28 Mar 2026 **Cairo (Egypt)** *Bloomberg*. Egypt is set to import at least one million barrels a month of **Libyan** oil to compensate for a halt in **Kuwaiti** crude supplies caused by the effective closure of the **Strait of Hormuz**;

28 Mar 2026 **Cairo (Egypt)** *Reuters*. Prime minister **Mostafa Madbouly** says Egypt will slow down large state projects that involve high fuel and diesel consumption for at least two months, while fuel allocations for all government vehicles will be cut by 30%;

26 Mar 2026 **Cairo (Egypt)** *Daily News Egypt*. Finance minister **Ahmed Kouchouk** meets with **Bahaa El-Ghannam**, head of the **Mostakbal Misr for Sustainable Development Authority**, to deepen cooperation on national economic growth and private sector participation;

25 Mar 2026 **Cairo (Egypt)** *Daily News Egypt*. Industry minister **Khaled Hashem** meets with a delegation from **China Baowu Steel Group**, the world's largest steel producer, to discuss expanding industrial investment in Egypt;

24 Mar 2026 **Cairo (Egypt)** *Daily News Egypt*. Egypt is advancing the €2.05 billion (\$2.2 billion) **Beni Suef** combined cycle power plant, which generates 4,800MW and supplies around 15% of the country's electricity capacity, as part of efforts to meet peak summer demand;

22 Mar 2026 **Cairo (Egypt)** *Daily News Egypt*. **Saudi Arabia** activates its **East-West** pipeline to reroute oil exports to the **Red Sea**, tripling shipments from **Yanbu** and bypassing the blocked **Strait of Hormuz** amid escalating regional tensions;

18 Mar 2026 **Cairo (Egypt)** *Daily News Egypt*. Foreign affairs minister **Badr Abdelatty** meets **Chinese** diplomat **Zhai Jun** in Cairo to coordinate efforts on regional stability, warning that escalating conflicts, particularly involving **Iran**, could slide the **Middle East** into "total chaos";

17 Mar 2026 **Cairo (Egypt)** *Daily News Egypt*. **United States**-headquartered **Fitch Solutions** forecasts strong and sustained growth in Egypt's construction sector, with expansion rising

from 4.1% (FY2024/25) to 5.6% (FY2026/27) and 6.6% (FY2027/28), averaging 6.3% annually through 2035;

15 Mar 2026 **Cairo (Egypt)** *Daily News Egypt*. President **Abdel Fattah el-Sisi** affirms full support for **Qatar**, the **United Arab Emirates (UAE)**, and **Jordan** following **Iranian** strikes, emphasising that the security of these countries is inseparable from Egypt's own national security;

12 Mar 2026 **Cairo (Egypt)** *Daily News Egypt*. Investment and foreign trade minister **Mohamed Farid Saleh** meets with major sugar producers to review market conditions and discuss policies to balance domestic production, consumption and trade;

12 Mar 2026 **Cairo (Egypt)** *Bloomberg*. Egyptian assets have been among the **Middle East's** worst hit by the **Iran** war, a major stress test for gruelling **International Monetary Fund (IMF)**-backed reforms meant to protect against future crises;

11 Mar 2026 **Cairo (Egypt)** *Daily News Egypt*. President **Abdel Fattah el-Sisi** chairs a meeting with prime minister **Mostafa Madbouly** and petroleum minister **Karim Badawi** to discuss plans for boosting oil and gas production through expanded use of horizontal drilling and hydraulic fracturing technologies;

10 Mar 2026 **Cairo (Egypt)** *Daily News Egypt*. **Central Bank of Egypt** reports that urban inflation rose to 13.4% in February, driven mainly by higher food, housing, education and healthcare costs, while some categories like grains, fruit and sugar saw slight declines;

9 Mar 2026 **Cairo (Egypt)** *Bloomberg*. Egypt's pound falls to a record low of 52.8 per dollar, as the **Middle East's** most populous country is roiled by the knock-on effects of the **Iran** war;

8 Mar 2026 **Cairo (Egypt)** *Daily News Egypt*. President **Abdel Fattah Al-Sisi** and **France's** President **Emmanuel Macron** discuss in a telephone conversation the war in **Iran** and regional tensions, emphasising the need for peaceful resolution, protection of **Lebanese** and **Palestinian** populations, and adherence to ceasefire agreements;

5 Mar 2026 **Cairo (Egypt)** *Daily News Egypt*. President **Abdel Fattah el-Sisi** chairs a government meeting during which officials announce plans to add 2,500 MW of renewable energy capacity to the national grid before June 2026 to strengthen electricity supply;

4 Mar 2026 **Cairo (Egypt)** *Daily News Egypt*. Industry minister **Khaled Hashem** meets with **Elaraby Group** executives to review plans to invest \$480m over the next five years to expand manufacturing in **New Qesna City**;

3 Mar 2026 **Cairo (Egypt)** *Bloomberg*. Egypt's pound briefly weakens past the milestone of 50 per dollar before paring some losses, signalling investors' fears over the prospect of a prolonged conflict in the **Middle East**;

3 Mar 2026 **Cairo (Egypt)** *Daily News Egypt*. President **Abdel Fattah el-Sisi** tells **World Bank** president **Ajay Banga** that Egypt has lost \$10 billion in **Suez Canal** authority revenues due to regional tensions and the **Gaza** war;

1 Mar 2026 **Cairo (Egypt)** *Bloomberg*. Egyptian stocks fall by 2.5%, in one of the first signs of the **Iran** war hitting the region's financial markets;

28 Feb 2026 **Cairo (Egypt)** *Bloomberg*. Egypt is seeking to bring forward some gas imports and plans to buy more cargoes after energy supplier **Israel** shuttered fields following its strikes on **Iran**;

28 Feb 2026 **Cairo (Egypt)** *Daily News Egypt*. President **Abdel Fattah el-Sisi** warns that the **Iranian** missile attacks on several **Arab** nations risk triggering "regional chaos" and instability, urging dialogue and diplomacy as the only way to contain the crisis;

26 Feb 2026 **Cairo (Egypt)** *Daily News Egypt*. Foreign affairs minister **Badr Abdelatty** proposes establishing a joint business council with the **Philippines** during talks with foreign secretary **Maria Theresa Lazaro** to boost bilateral trade in agriculture, pharmaceuticals, infrastructure and energy, with strong private sector involvement;

### About Africa Risk Consulting:

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