

AFRICA RISK CONSULTING

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Egypt Summary 20 April 2026

The International Monetary Fund (IMF) says Egypt's economic reforms and stronger buffers are allowing the country to better withstand external shocks, with the pound recovering some of its losses following the Iran war ceasefire. The Central Agency for Public Mobilization and Statistics (CAPMAS) reports on 9 April that annual urban inflation rate surged to 15.2% in March from 13.4% in February. Egyptian property developer Talaat Moustafa Group (TMG) CEO and managing director Hisham Talaat Moustafa announces plans on 18 April for a EGP 1.4 trillion (\$27 billion) new city on the outskirts of Cairo.

IMF says Egypt's better placed to weather economic shocks

The **International Monetary Fund (IMF)** [said](#) on 16 April that **Egypt's** enacted economic reforms and stronger buffers are allowing the country to better withstand external shocks, with the pound recovering some of its losses following the **Iran** war ceasefire reached on 8 April, although the situation remains unstable. IMF director of the **Middle East** and **Central Asia** department, **Jihad Azour**, said in an interview that Egypt has learnt from its experience of the outbreak of the **Russia-Ukraine** war in 2022 and its subsequent inflationary impact:

"They allowed the exchange rate to be more flexible, to buffer any external shock, but also they have increased and built a high level of reserves that allows them to provide more comfort to the market".

IMF managing director **Kristalina Georgieva** also [said](#) on 15 April that Egypt's "difficult reforms" have left the country in a "better position to face this shock". Azour and Georgieva's comments echo those the IMF made in December when conducting the fifth and sixth reviews of Egypt's \$8 billion 46-month **Extended Fund Facility (EFF)** programme. The IMF [praised](#) the country's progress on investment, trade, and broader structural reforms, adding that Egypt's economic strategy had become clearer and more coherent, with recent measures signalling a more serious and credible state effort to restore investor confidence and attract higher value-added investment (see *ARC Briefing Egypt Dec 2025*). Egypt [unlocked](#) around \$2.3 billion in loans on 26 February after the IMF board approved the reviews. Georgieva also confirmed that there are currently no discussions on expanding the country's loan.

While it is better positioned, the economy has still been rocked by the spillover pressures. Billions of dollars in portfolio investment has exited the country, with more than \$7 billion in portfolio outflows since mid-February, when the prospect of the Iran war became more likely. These portfolio outflows caused the pound to fall to record lows, exceeding EGP 50 per US dollar since the outbreak of the war on 28 February, marking its biggest drop since a 40% devaluation two years ago (see *ARC Briefing Egypt Mar 2026*).

Authorities on 18 March subsequently enacted emergency measures, including cutting energy domestic consumption, requiring public and private sector workers to work from home for one day per week, slowing down large state projects that consume a high amount of fuel and diesel for at least two months, and cutting fuel allocations for all government vehicles by 30%. These measures are intended to try to stabilise the economy as the country copes with the impact from the war.

However, IMF statements indicate that the implemented reforms have helped prevent more severe economic fallout. Prior to the crisis, Egypt's debt attracted strong foreign investor interest due to having some of the world's highest inflation-adjusted interest rates, and analysts expect that once the

region stabilises, further inflows could follow. Overall, the IMF's assessment signals to investors that Egypt is now in a better position to weather external shocks than it was two years ago due to its record foreign-currency buffers and continued willingness to implement difficult reforms.

Inflation surges to 15.2% due to impact from Iran war

The **Central Agency for Public Mobilization and Statistics (CAPMAS)** [reported](#) on 9 April that Egypt's annual urban inflation rate surged to 15.2% in March from 13.4% in February, driven by the an acceleration in global energy prices and a weakening pound. The increase in inflation rate was significantly above the 12% forecast by analysts and represents the highest level registered since May 2025.

Food and beverage prices, the largest component of the inflation basket, increased by 5.8% in March [compared](#) to by 4.6% in February. Prices also quickened for transport (39.4% vs 27.5%), housing and utilities (35.3% vs 31.7%), clothing and footwear (14.4% vs 14.2%), miscellaneous goods and services (11.6% vs 10.9%), restaurants and hotels (12.8% vs 11.9%), furnishings and household equipment (11.1% vs 10.8%), and alcoholic beverages, tobacco, and narcotics (16.9% vs 15.7%). Inflation moderated in health (17.0% vs 17.8%) and recreation and culture (15.0% vs 15.1%), while it remained steady in communications (0.4%). On a monthly basis, consumer prices in Egypt increased by 3.2% in March from 2.8% in February, marking the fastest monthly increase since February 2023. Annual core inflation, which stripes out volatile items, increased to 14% in March from 12.7% the month before.

While authorities had been on a campaign to tame inflation that hit a record 38% in September 2023, the outbreak of the Iran war risks disrupting Egypt's progress. An increase in inflationary pressure was widely expected during the first full month of the conflict, especially after Iran moved to [block](#) the vital **Strait of Hormuz**, from which 20% of the global energy supplies flow, sending prices soaring. As mentioned, billions of dollars of foreign-portfolio investment have exited, the pound has traded at record lows and authorities have increased energy prices [twice](#) since the conflict began – by 17% on 10 March and again on 4 April, when electricity prices for commercial and higher-use residential consumers increased by an average of 16% to 20%.

Reflecting these pressures, the **Central Bank of Egypt's (CBE) Monetary Policy Committee (MPC)** [decided](#) to hold rates at its 2 April meeting, the first time since November it has done so, adopting a "wait-and-see approach". The CBE said in its statement that leaving the benchmark rate elevated at 19% will "ensure inflation expectations remain anchored, pressures are contained and disinflation is restored".

The pause follows a monetary-easing cycle the CBE embarked on in 2025 - the MPC on 12 February cut rates for a second consecutive meeting to their lowest levels since mid-2023. The MPC reduced its deposit rate by 100 basis points to 19% and lowered the lending rate by the same amount to 20%, paving the way for increased business borrowing and potentially accelerating an economic revival (see *ARC Briefing Egypt Feb 2026*). However, economists [forecast](#) that the CBE may raise borrowing costs by 200 basis points this year to contain rising prices and deal with ongoing geopolitical uncertainty from the war. The MPC will meet next on 21 May.

New \$27 billion mega city planned in Egypt

Egyptian property developer **Talaat Moustafa Group (TMG)** CEO and managing director **Hisham Talaat Moustafa** [announced](#) plans on 18 April for a EGP 1.4 trillion (\$27 billion) mega city the company will build on the outskirts of **Cairo**. Prime minister **Mostafa Madbouly** and CBE governor **Hassan Abdalla** were also present at Moustafa's press conference on the new project dubbed 'The Spine'.

Moustafa said the new city will be developed in collaboration with **National Bank of Egypt (NBE)**, which has paid-up capital of EGP 69 billion (\$1.3 billion). The new mixed used project will be built in a special investment zone, cover two million square meters and include 165 residential, business and commercial towers within a single continuous urban environment. While Moustafa did not provide a

timeline on when developments will take place, he [said](#) the planned investment is equivalent to about 1% of Egypt's GDP and is forecast to generate around EGP 818 billion (\$15.7 billion) in tax revenues for the state budget over time. The project is also expected to create more than 155,000 direct and indirect jobs, as well as attract tens of millions of annual visitors.

The new city is the latest in a series of megaprojects that have been built or planned in Egypt in recent years, the most notable being the \$50 billion **New Administrative Capital** east of Cairo and the planned **United Arab Emirates (UAE)**-backed \$35 billion **Ras El-Hekma** development on the Mediterranean coast, in which TMG is involved. If the new TMG city is realised, it would not only help alleviate congestion in Cairo but also signal Egypt's continued ability to attract major investments despite ongoing economic pressures, while further strengthening government's strategy of leveraging large-scale urban developments to drive investment and drive economic activity.

Planner

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

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

Chronology

18 Apr 2026 **Cairo (Egypt)** *Reuters*. Foreign minister **Badr Abdelatty** says Egypt is working closely with **Pakistan** on a framework aimed at securing a lasting peace between the **United States (US)** and **Iran**;

18 Apr 2026 **Cairo (Egypt)** *Bloomberg*. Egyptian property developer **Talaat Moustafa Group** unveils a plan for a EGP 1.4 trillion (\$27 billion) new city on the outskirts of **Cairo**;

16 Apr 2026 **Cairo (Egypt)** *Bloomberg*. The **International Monetary Fund (IMF)** says Egypt's economic reforms and stronger buffers are enabling the country to better weather external shocks, as the local pound reverses some losses after the **Iran** war ceasefire;

16 Apr 2026 **Cairo (Egypt)** *Daily News Egypt*. Foreign trade minister **Farid Saleh** tells a meeting of 18 **United States (US)** and global firms that Egypt has reduced its outstanding arrears to foreign oil companies from \$6.5 billion to \$1.2 billion as part of economic reforms;

14 Apr 2026 **Kampala (Uganda)** *Daily News*. **Egypt's** foreign minister **Badr Abdelatty** and Uganda's state minister **Henry Okello** meet to strengthen bilateral ties, specifically targeting expanded cooperation in infrastructure, energy and water resource management;

11 Apr 2026 **Cairo (Egypt)** *Egypt Independent*. National carrier **EgyptAir** announces a gradual resumption of flights to several **Gulf** nations starting in mid-April 2026;

9 Apr 2026 **Cairo (Egypt)** *Bloomberg*. Egypt agrees to buy the entire output of the **Aphrodite** gas deposit in **Cyprus** when the field starts up in about six years, as the country looks to ensure long-term supply to meet growing demand;

8 Apr 2026 **Cairo (Egypt)** *Daily News Egypt*. President **Abdel Fattah el-Sisi** notes that Egypt is expanding its green energy infrastructure with plans to add 2,500 MW of renewable capacity in 2026 while simultaneously attracting foreign investment, such as a \$525m fertiliser plant;

7 Apr 2026 **Cairo (Egypt)** *Reuters*. **Italian** energy giant **Eni** announces a gas and condensate discovery offshore Egypt, with preliminary estimates indicating around two trillion cubic feet of gas in place and 130 million barrels of associated condensates;

7 Apr 2026 **Cairo (Egypt)** *Daily News Egypt*. **Central Agency for Public Mobilization and Statistics (CAPMAS)** reports that Egypt's trade deficit widened by 15% to reach \$4.8 billion in January 2026, primarily driven by a significant 20.3% slump in exports for key commodities like fertilisers and plastics;

7 Apr 2026 **Rabat (Morocco)** *Morocco World News*. Morocco and **Egypt** reaffirm their strategic partnership by signing a memorandum of understanding to enhance bilateral cooperation in sustainable water management and climate change adaptation;

5 Apr 2026 **Cairo (Egypt)** *Reuters*. Foreign minister **Badr Abdelatty** holds separate calls to discuss proposals for regional de-escalation with **United States (US)** envoy **Steve Witkoff** and regional counterparts including **Iranian** foreign minister **Abbas Araqchi**;

4 Apr 2026 **Cairo (Egypt)** *Daily News Egypt*. State minister for military production, **Salah Gamblat**, holds talks with leaders from **Junghans** and **Thales Egypt** to explore joint manufacturing opportunities and the localisation of advanced defence technologies;

4 Apr 2026 **Cairo (Egypt)** *Reuters*. The electricity ministry announces that starting in April, electricity tariffs for higher-use residential consumers will rise by an average of 16%, while commercial electricity prices across all brackets will increase by about 20%;

2 Apr 2026 **Cairo (Egypt)** *Reuters*. **Russia's** President **Vladimir Putin** says that Russia and Egypt could discuss plans to create a grain and energy hub in the **North African** country;

1 April 2026 **Cairo (Egypt)** *Daily News Egypt*. Egypt pledges to finance water-related infrastructure projects in **Uganda** through the **Nile Development Fund**, emphasising a 'win-win' cooperation strategy that avoids significant harm to either nation;

31 Mar 2026 **Cairo (Egypt)** *Daily News Egypt*. **United Kingdom**-headquartered **BP** announces a strategic investment of \$1.5 billion in Egypt for the 2026/27 fiscal year, specifically targeting gas exploration, development, and the drilling of new wells;

30 Mar 2026 **Cairo (Egypt)** *The Manila Times*. To combat skyrocketing energy costs driven by the regional war, the government imposes a nationwide 9:00pm closing mandate for shops and cafes to reduce oil-powered electricity consumption;

30 Mar 2026 **Cairo (Egypt)** *Reuters*. President **Abdel-Fattah El-Sisi** appeals to his **United States (US)** counterpart **Donald Trump** to find a way to end an **Iran** war that has sent global energy prices soaring and threatens developing nations' economies;

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