

## AFRICA RISK CONSULTING

### Egypt Monthly Briefing June 2026

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#### Egypt Summary 30 June 2026

*Egypt and the International Monetary Fund (IMF) on 29 June reach a preliminary agreement on the seventh and penultimate review of its expanded \$8 billion loan programme, putting the country on track to access approximately \$1.6 billion in financing. The Central Agency for Public Mobilization and Statistics (CAPMAS) reports on 10 June that annual urban inflation rate cooled for a second straight slowed to 14.6% in May from 14.9% in April, despite pressures from the war in Iran. Tourism minister Sherif Fathy says on the week of 15 June that Egypt expects to attract as many as 20 million tourists this year, a new national record, despite the impact of the conflict in Iran.*

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#### Egypt reaches deal with IMF for \$1.6 billion in funding

Egypt and the **International Monetary Fund (IMF)** on 29 June [reached](#) a preliminary agreement on the seventh and penultimate review of its expanded \$8 billion loan programme, putting the country on track to access \$1.5 billion under its **Extended Fund Facility (EFF)** programme and \$136m under the **Resilience and Sustainability Facility (RSF)**, bringing the IMF's total disbursements to approximately \$7.2 billion. The IMF executive board is still to approve the agreement but often agrees with the mission's review.

This announcement was widely expected after sources familiar with the discussions [revealed](#) on 26 June that Egypt's recent sales of some state assets had satisfied long-standing important targets set by the IMF, paving the way for the release of the tranche to support an economy impacted by the **United States-Israel** war with **Iran**. Egypt had already met other requirements including implementing a more flexible exchange rate and introducing tax reforms. Those reforms and others played a key role in Egypt [unlocking](#) around \$2.3 billion in loans on 26 February after clearing the fifth and sixth reviews of its 46-month IMF programme that was more than doubled in March 2024, providing a major boost for the country, whose currency and bonds have been jittery over the conflict in the **Middle East** (See *ARC Briefing Egypt Feb 2026*).

The forthcoming tranche should help Egypt to recover from its prolonged economic crisis, which has been worsened by recent regional conflicts, including the war in **Gaza (Palestine)** and more recently the Iran conflict. The latter, in particular, has caused some foreign investors to withdraw money from Egypt and weakened the Egyptian pound. Market conditions are expected to improve should the US and Iran moved closer to a peace agreement.

Going forward, Egypt's government aims to further meet IMF targets, including additional pledges to continue selling more state assets. Notably, the government on 17 June [published](#) a new ownership policy that aims to increase the private sector's contribution to the country's economy to more than 65% by 2030. The government also aims to implement additional tax measures, including changes to value-added tax (VAT) and new taxes on commercial property rentals and natural gas production, which are also expected to increase state revenue. Taken together, these reforms are likely to improve investor confidence and strengthen Egypt's prospects of securing continued IMF support.

#### Egypt inflation slows a second month despite Iran war pressures

The **Central Agency for Public Mobilization and Statistics (CAPMAS)** [reported](#) on 10 June that annual urban inflation rate cooled for a second straight slowed to 14.6% in May from 14.9% in April, despite pressures from the war in Iran, increasing the prospects of an interest rate hold in July. While

the inflation rate was slightly higher than market projections of 14.5%, it was the lowest recorded since February, indicating that the impact of higher energy prices have continued to fade.

Transport prices in Egypt continued to decrease, easing to 24.7% in May from 29.2% in April. Inflation also decreased for the health sector (4.1% vs 9.3%), restaurants and hotels (11.7% vs 12.0%), and recreation and culture (8.3% vs 16.2%) categories. However, housing and utility prices quickened further (40.4% vs. 38.5%), pushed by higher electricity costs. Food and beverage prices, the largest component of the inflation basket, increased by 7.6%, the most in a year, after a 6.7% rise in April. On a monthly basis, consumer prices in Egypt rose by 1.6%, accelerating from a 1.1% increase in the previous month. Annual core inflation, which stripes out volatile items, remained steady at 13.8 per cent in May, unchanged from April.

The slowdown in annual inflation was [expected](#) as inflation in Egypt had been unusually high during the same period last year, when authorities introduced two fuel price hikes and other increases. Therefore, this higher comparison point helped counter the impact of rising global commodity prices. However, the conflict in the Middle East has weakened the pound and increased local fuel prices, making it more difficult for the **Central Bank of Egypt's (CBE) Monetary Policy Committee (MPC)** to continue lowering interest rates, a process it began last year.

However, May's inflation reading makes it more likely that the central will leave borrowing rates unchanged for a third consecutive meeting on 9 July. The CBE [decided](#) to hold rates for a second consecutive meeting on 21 May, as it sought to contain the impact of the Iran war. By leaving the benchmark deposit rate at 19% and the lending rate at 20%, the MPC continued its 'wait and see' approach adopted at its April meeting where it decided to hold rates for the first time since November 2025 (see *ARC Briefing Egypt May 2026*).

### Egypt expects record 20 million tourism arrivals in 2026 despite Middle East conflict

Tourism minister **Sherif Fathy** [has](#) revealed that Egypt expects to attract as many as 20 million tourists this year, a new national record, despite the impact of the US-Israel war against Iran that resulted in flight disruptions and more expensive travel. While these travel projections are less than those forecast before the outbreak of the war, Fathy said that they are still higher than the 19 million arrivals recorded in 2025.

Fathy, who was speaking on the sidelines of an event held by the **American Chamber of Commerce** in Egypt during the week of 15 June, further [revealed](#) that the country received 7.5 million visitors in the first five months of this year, an annual increase of 5%. Tourism receipts for that period were recorded at about \$6.8 billion. Tourist numbers in Egypt have increased annually since the **Covid-19** pandemic faded and have recently been boosted by the April opening of the \$1 billion **Grand Egyptian Museum (GEM)** in **Giza**, restoration of historic downtown **Cairo** and multibillion dollar mega projects on the **Mediterranean** coast.

Within Africa, only **Morocco** attracted more foreign tourists than Egypt in 2025, but both countries set new tourism [records](#), solidifying their status as Africa's most-visited countries and demonstrating the sector's strong recovery from the pandemic. Morocco recorded around 19.8 million tourist arrivals last year, a 14% increase from the previous year. Egypt's 19 million visitors was up 21% year-on-year. By comparison, Africa's largest economy, **South Africa**, [received](#) 10.48 million tourists in 2025. The figures underline the resilience of tourism in both countries, despite regional instability and global economic uncertainty. Tourism remains a major source of jobs and foreign currency for both economies. Looking ahead, Egypt has a longer-term goal of 30 million annual arrivals by 2030.

However, in the short term, Egyptian authorities are factoring in fewer tourist arrivals in the summer months, May to October, due to higher costs for jet fuel. While the US-Iran peace deal that was signed on 17 June was expected to ease those pressures, a further outbreak of conflict since then has dampened those hopes. Fathy did forecast a "quick recovery" in the winter months, around November to April, if the US and Iran reach an agreement in ending the war.

### Planner

9 Jul 2026 **Cairo (Egypt) Central Bank of Egypt's (CBE) Monetary Policy Committee (MPC)** meets;

2026 **Cairo (Egypt)** Egypt expected to receive \$1.6 billion from IMF;

### Chronology

28 Jun 2026 **Cairo (Egypt) Daily News Egypt**. Planning and economic development minister **Ahmed Rostom** meets with **African Export-Import Bank (Afreximbank)** executive president **Haytham El Maayergi**, to discuss strengthening bilateral cooperation and supporting Egypt's entrepreneurship ecosystem;

24 Jun 2026 **Cairo (Egypt) Daily News Egypt**. A high-level **Polish** delegation meets with agriculture minister **Alaa Farouk** to explore new investment opportunities and strengthen bilateral cooperation in the agricultural and livestock sectors;

23 Jun 2026 **Cairo (Egypt) Reuters**. **British International Investment (BII)**, the **United Kingdom's (UK)** development finance institution, plans to expand its current \$850m portfolio in Egypt, which represents its largest exposure on the **African** continent;

21 Jun 2026 **Cairo (Egypt) Daily News Egypt**. President **Abdel Fattah El-Sisi** calls for transforming the consultative mechanism between Egypt, **Saudi Arabia, Türkiye** and **Pakistan** into a formal institutional framework to enhance regional security and address the **Middle East** crises;

17 Jun 2026 **Cairo (Egypt) Daily News Egypt**. At the **G7 summit in Evian (France)**, President **Abdel Fattah El-Sisi** calls for a comprehensive settlement to **Middle East** crises, urging international leaders to leverage the diplomatic momentum from the recent **United States (US)-Iran** agreement and the **Gaza** ceasefire;

17 Jun 2026 **Cairo (Egypt) Bloomberg**. Egypt's pound has become the world's best-performing currency after oil prices dropped sharply on a **United States (US)-Iran** agreement to reopen the **Strait of Hormuz**, a move expected to restore supply flows and ease inflation concerns;

16 Jun 2026 **Cairo (Egypt) Daily News Egypt**. Egypt and the **European Union (EU)** agree on a financing package of up to €690m (\$795m), consisting of a €600m (\$692m) **European Investment Bank** loan and €90m (\$104m) in **European Commission** grants, to modernise Egypt's electricity transmission network and support its renewable energy transition;

13 Jun 2026 **Cairo (Egypt) Daily News Egypt**. Egypt and **Uzbekistan** sign two diplomatic memorandums of understanding during the first visit by an Uzbek foreign minister to Cairo, **Bakhtiyor Saidov**, aiming to expand bilateral trade and investments;

10 Jun 2026 **Cairo (Egypt) Daily News Egypt**. During a meeting in Cairo, foreign minister **Badr Abdelatty** and his **Eritrean** counterpart **Osman Saleh** declare that the security of the **Red Sea** is the exclusive responsibility of its littoral states;

10 Jun 2026 **Cairo (Egypt) Bloomberg**. The number of oil tankers crossing Egypt's **Suez Canal** surge by almost a third in April and drive revenue to the highest since early 2024, as the closure of the **Strait of Hormuz** spurs an alternative **Red Sea** energy route;

9 Jun 2026 **Cairo (Egypt) Daily News Egypt**. **China National Tire & Rubber Corporation** plans to invest \$550m to establish a new tire manufacturing facility in **Alexandria**, through its subsidiary, **Prometeon Tyre Egypt**;

6 Jun 2026 **Cairo (Egypt) Daily News Egypt**. Egypt strongly condemns a recent **Iranian** attack on **Kuwait** and **Bahrain**, reaffirming its support for **Gulf** security as a vital component of **Arab** national security;

6 Jun 2026 **Cairo (Egypt)** *Daily News Egypt*. Electricity and renewable energy minister, **Mahmoud Esmat**, meet with executives from **China Energy** and **China Electric Power Planning and Engineering Institute (EPPEI)** to discuss expanding cooperation on grid modernisation, power network planning and technology transfer;

4 Jun 2026 **Cairo (Egypt)** *Daily News Egypt*. Egypt and **Japan** sign a preliminary strategic partnership framework ahead of a formalised presidential agreement, aiming to elevate bilateral relations and expand economic cooperation;

2 June 2026 **Cairo (Egypt)** *Daily News Egypt*. During her visit to Cairo, **German** state minister **Serap Güler** underscores Egypt's pivotal role in advancing peace, security and stability across the **Middle East**;

31 May 2026 **Cairo (Egypt)** *Daily News Egypt*. Egypt's 2026/27 budget allocates EGP 90 billion (\$1.7 billion) to support production, exports, entrepreneurship, and key industries, including EGP 48 billion (\$906m) for export rebates, EGP 7 billion (\$132m) for tourism support, and EGP 6 billion (\$113m) in financing facilities for productive sectors;

24 May 2026 **Cairo (Egypt)** *Bloomberg*. Egypt will carry out its first comprehensive aerial mining survey in more than four decades, part of efforts to unlock mineral discoveries and attract foreign investment;

### About Africa Risk Consulting:

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