

AFRICA RISK CONSULTING

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Egypt Summary 28 August 2026

China's President Xi Jinping (2013-present) will travel to Egypt in September for the first time in a decade, as Egypt finds itself in the middle of a major technology competition between China and the United States (US). The International Monetary Fund (IMF) announces on 30 July that Egypt had unlocked around \$1.8 billion after it passed the seventh and penultimate review of its expanded \$8 billion loan programme. The Central Bank of Egypt's (CBE) Monetary Policy Committee (MPC) opts to keep the benchmark deposit rate at 19% and the lending rate at 20% for a fourth consecutive meeting after the Central Agency for Public Mobilization and Statistics (CAPMAS) reports on 10 August that after decreasing for three consecutive months from April to June, Egypt's annual urban inflation rate increased to 14.9% in July from 14.3% in June.

China's President Xi Jinping to make first trip to Egypt in a decade

The spokesman for China's foreign ministry, **Lin Jian**, [confirmed](#) at a press briefing on 26 August that China's President **Xi Jinping** (2013-present) will travel to Egypt for the first time in a decade following his trip to **Kyrgyzstan** for the **Shanghai Cooperation Organization (SCO)**, a regional summit taking place between 30 August and 3 September. Lin confirmed that Xi will travel to these respective countries at the invitation of Egypt's President **Abdel-Fattah El-Sisi** (2014-present) and Kyrgyz President **Sadyr Japarov** (2021-present).

Lin further [divulged](#) that in Egypt, Xi will meet with El-Sisi to discuss bilateral issues and regional and global issues of mutual concern. He confirmed that he expects the talks to be targeted at "making a positive contribution" to both peace and stability across the region. Egypt and China have in the past collaborated on resolving the ongoing **United States (US)-Israel** conflict against **Iran** that has severely disrupted energy markets globally. Xi's engagement with El-Sisi will provide him with an opportunity to engage with a strategic country actively involved in resolving the conflict in the **Middle East**, where China has major economic ties and sourced most of its crude imports from before the conflict started. Egypt is also one of China's most important trade partners in Africa, with annual trade between the two estimated at \$20 billion in 2025.

Xi's visit to Egypt is also notable as the country has emerged as a key battleground for the technology competition between the China and the US. Chinese technology giant **Huawei**, which has [built](#) around 70% of Africa's 4G networks and is similarly playing a key role in the region's 5G development efforts, has [bid](#) to provide Egypt with at least 2,000 advanced artificial intelligence (AI) chips for the country's data centers.

As part of its proposal, Huawei plans to build the data centres over 12 months and provide Egypt with 1,508 of its high-end Ascend 950-series chips for an AI cloud and 600 additional chips of the same type or its earlier 910B model for two inference clusters to power the AI models. Huawei's proposal has prompted the US government to propose a counter bid that could potential include a consortium of US technology giants **Microsoft**, **Nvidia** and **AMD**. A winning bid would allow Huawei, the first company to build a public cloud in Egypt in 2024, to [solidify](#) its presence in Africa's second-largest economy, and potentially use it as a platform to expand across the region.

Xi's trip to Egypt comes at a critical time for Egypt, which finds itself in the middle of two competing superpowers. While Egypt occupies a sensitive geopolitical position, choosing closer tech cooperation with one power should not necessarily harm its long-term relations with the other, given its strategic importance to both. However, it could complicate relations in the short term, particularly with the US, which has in the past threatened to [penalise](#) countries using certain Huawei products.

It should also be noted that in recent years, Xi has been very particular about his overseas travel, and only traveling at strategically important moments. Notably, this will be his second overseas trip of 2026, with his first being to **North Korea** in June. Xi's decision to personally visit Egypt should not be viewed lightly, as it signals the importance China is placing on its relationship with Egypt and its strategic position in the region.

Egypt accesses \$1.8 billion payout after passing IMF review

The **International Monetary Fund (IMF)** executive board [met](#) on 30 July, approving a disbursement of \$1.8 billion for Egypt after it passed the seventh and penultimate review of its expanded \$8 billion loan programme in June (*see ARC Briefing Egypt Jun 2026*). The IMF [said](#) in its statement that Egypt:

"Has faced the implications of the war in the Middle East in a stronger macroeconomic position than during previous episodes of external stress, with robust growth, inflation on a downward trend and rising gross international reserves".

In terms of breakdown, Egypt clearing the seventh review unlocked an immediate tranche of \$1.5 billion under its **Extended Fund Facility (EFF)** programme and a further \$272m under its the **Resilience and Sustainability Facility (RSF)**.

The IMF's board approved the disbursement after Egypt's recent sales of some state assets had satisfied long-standing important targets the IMF had set, paving the way for the release of the tranche which will help support the economy impacted by the Iran conflict and the war in **Gaza**. 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 programme, 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 Iran conflict, in particular, has caused some foreign investors to withdraw money from Egypt and weakened the Egyptian pound. With no peace agreement in sight, market conditions are likely to remain subdued.

Going forward, Egypt's government aims to further meet IMF targets, including additional pledges to continue selling more state assets. The government also plans 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. These reforms and Egypt's successful conclusion of the IMF programme are likely to improve investor confidence and strengthen Egypt's prospects of securing continued IMF support.

Central bank holds interests rates for a fourth consecutive meeting

The **Central Bank of Egypt's (CBE) Monetary Policy Committee (MPC)** [confirmed](#) in a statement on 20 August that it had opted to keep the benchmark deposit rate at 19% and the lending rate at 20% for a fourth consecutive meeting. The decision reflects a cautious approach after inflation accelerated and hopes wane for Iran-US peace deal. pause is a continuation of an almost yearlong monetary-easing cycle the MPC first enacted when the Middle East war started in February.

Egypt has thus far mostly avoided a large surge in inflation from the conflict, but it has still increased its energy-import bills. The **Central Agency for Public Mobilization and Statistics (CAPMAS)** [reported](#) on 10 August that after decreasing for three consecutive months from April to June, Egypt's annual urban inflation rate increased to 14.9% in July from 14.3% in the previous month. But the increase was still below the market expectation of 15.1%.

Food and beverage prices, the largest component of the inflation basket, increased to 8% in July from 5.4% in June, its highest level in 14 months. Inflation slightly quickened for transport (24.5% vs 24.4%), attributed to the impact of the increase in energy prices added pressure on prices. It also increased for clothing and footwear (13.7% vs 13.6%) and health (4.5% vs 4%). Prices for housing and utility remained constant at 41.2%. On a monthly basis, consumer prices remained unchanged at 0.4%, its first monthly decreases since July last year. Annual core inflation, which strips out volatile items, increased to 14.7% in July from 14.3% in June.

The still relatively unstable geopolitical environment is likely to prevent the CBE from cutting interest rates for the rest of the year. Authorities would also likely wait for inflation to move closer to its target of 7%, plus or minus two percentage points, before acting. The central bank will likely resume cutting rates in the first quarter of 2027.

Planner

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

Chronology

26 Aug 2026 **Cairo (Egypt)** *Daily News Egypt*. Egypt is seeking to expand its defence manufacturing partnership with **French** technology group **Thales** through their **Thales Benha** joint venture, focusing on technology transfer, increased local production and the integration of Egyptian companies into global supply chains;

26 Aug 2026 **Cairo (Egypt)** *Bloomberg*. **Chinese** tech giant **Huawei** bids to build AI data centers for the Egyptian government, proposing to export its top-end Ascend 950-series chips for an AI training cloud and inference clusters;

25 Aug 2026 **Cairo (Egypt)** *Daily News Egypt*. Finance minister **Ahmed Kouchouk** says international investors have lowered their assessment of investment risk in Egypt to its lowest level since 2014 in response to recent economic reforms;

24 Aug 2026 **Cairo (Egypt)** *Daily News Egypt*. **United States (US)** and Egyptian officials explore port and maritime infrastructure partnerships, with US firms expressing interest in supporting Egypt's logistics, cybersecurity, automation and maritime security sectors;

22 Aug 2026 **Cairo (Egypt)** *Daily News Egypt*. The **Egyptian Travel Agents Association** and the **Uganda Tourism Board** hold bilateral talks to expand tourism cooperation and develop combined, multi-destination travel itineraries;

19 Aug 2026 **Cairo (Egypt)** *Daily News Egypt*. Foreign minister **Badr Abdelatty** reaffirms Egypt's support for **Somalia's** sovereignty, territorial integrity and national institutions, rejecting unilateral measures that could undermine the country's unity;

17 Aug 2026 **Cairo (Egypt)** *Punch*. **Nigeria** is seeking to expand domestic defence manufacturing through a partnership between the **Defence Industries Corporation of Nigeria (DICON-D7G)** and Egypt-headquartered **Eagles International for Defence Systems**, targeting local production of armoured vehicles, anti-drone systems and other military equipment;

15 Aug 2026 **Cairo (Egypt)** *Daily News Egypt*. Officials warn **Ethiopia** against plans to control the flows of the **Nile River** to downstream countries, as tensions between the two countries over the **Grand Ethiopian Renaissance Dam (GERD)** flare again;

13 Aug 2026 **Cairo (Egypt)** *Bloomberg*. Egyptian financial technology firm **E-Finance** is set to acquire a non-banking financial-services provider in a deal valued at around 4.8 billion pounds (\$95m) to tap into a rapidly expanding market;

13 Aug 2026 **Cairo (Egypt)** *Daily News Egypt*. At the first **BRICS** meeting in **Jaipur (India)**, finance minister **Ahmed Kouchouk** and **Central Bank of Egypt** deputy governor **Rami Aboulnaga** meet with India's finance minister **Nirmala Sitharaman** to discuss local currency trade settlement, financial technology and reforming the global financial system;

12 Aug 2026 **Cairo (Egypt)** *Daily News Egypt*. President **Abdel Fattah Al-Sisi** reviews progress on the national strategy to expand new and renewable energy projects, emphasising the target of renewable energy accounting for 45% of its total electricity generation by 2028;

11 Aug 2026 **Cairo (Egypt)** *Daily News Egypt*. The **Financial Regulatory Authority (FRA)**, **Egyptian Exchange (EGX)** and **Egyptian Tax Authority (ETA)** launch a joint committee

to coordinate tax policy for capital-market activities and improve cooperation between regulators and businesses;

10 Aug 2026 **Libreville (Gabon)** *Gabon Review*. Customs data indicates **Egypt** was Gabon's leading African export destination in Q1 2026, accounting for 4.6% of Gabon's exports after registering nearly no trade in the same quarter last year;

9 Aug 2026 **Cairo (Egypt)** *Bloomberg*. A mutual defence pact between **Turkey, Saudi Arabia** and **Pakistan** could be expanded to include other regional states including Egypt;

7 Aug 2026 **Cairo (Egypt)** *Bloomberg*. Tankers entering the **Red Sea** to load **Saudi** oil are increasingly signalling the **Suez Canal** and Egypt as destinations, rather than the kingdom's ports, as they seek to avoid being hit by **Yemeni's Houthis**;

5 Aug 2026 **Cairo (Egypt)** *Daily News Egypt*. President **Abdel Fattah El-Sisi** and **Greek** prime minister **Kyriakos Mitsotakis** reaffirm their strategic partnership, discussing closer cooperation on energy, electricity interconnection, trade and investment;

4 Aug 2026 **Cairo (Egypt)** *Daily News Egypt*. Prime minister **Mostafa Madbouly** announces that **Chinese** investment in Egypt has exceeded \$10 billion, reflecting growing investor confidence and the expanding strategic economic partnership between the two countries;

1 Aug 2026 **Antananarivo (Madagascar)** *L'Express*. Government invites **Egyptian** companies to invest in large-scale, long-term infrastructure and development projects, with President **Michaël Randrianirina** emphasising technology transfer, local partnerships and sustainable investment while acknowledging challenges such as weak infrastructure, energy shortages and bureaucratic hurdles;

31 Jul 2026 **Cairo (Egypt)** *Bloomberg*. Egypt unlocks about \$1.8 billion in financing after clearing the penultimate review of its expanded **International Monetary Fund (IMF)** programme;

29 Jul 2026 **Antananarivo (Madagascar)** *L'Express*. Madagascar's transitional government is seeking **Egypt's** political backing to help secure its reinstatement to the **African Union (AU)** after being suspended following the October 2025 coup, with transitional president **Michaël Randrianirina** highlighting Egypt's diplomatic influence during talks with President **Abdel Fattah El-Sisi**;

29 Jul 2026 **Cairo (Egypt)** *Daily News Egypt*. Egypt and **Jordan** call for an immediate de-escalation of regional tensions and renewed support for diplomatic solutions following increased **United States (US)** pressure on **Iran**;

28 Jul 2026 **Cairo (Egypt)** *Daily News Egypt*. **Germany**-headquartered **Siemens AG** opens a new electrification and automation factory in Egypt to localise the production of critical energy technologies, strengthen domestic manufacturing and support the country's renewable energy and infrastructure goals;

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