

AFRICA RISK CONSULTING

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China's president Xi Jinping (2013-present) arrives in Egypt on 1 September for the first time in a decade, coinciding with the 70th anniversary of diplomatic ties between the two countries. The visit signals the importance China is placing on its relationship with Egypt and its strategic position in the region. The Central Bank of Egypt's (CBE) Monetary Policy Committee (MPC) keeps the benchmark deposit rate at 19% and the lending rate at 20% for a fifth consecutive meeting as the Central Agency for Public Mobilization and Statistics (CAPMAS) reports that urban inflation slowed to 14.5% in August, down from the three-month high of 14.9% in July. Already a regional tourism heavyweight, Egypt is now seeking to boost its foreign currency earnings by developing medical tourism as a new revenue stream.

Chinese President Xi Jinping visits Egypt for the first time in a decade

Following his trip to **Kyrgyzstan** for the regional **Shanghai Cooperation Organisation (SCO)** summit, **China's President Xi Jinping** (2013-present) [arrived](#) in Egypt on 1 September for the first time in a decade, coinciding with the 70th anniversary of diplomatic ties between the two countries. Xi's visit to Egypt comes at a critical moment, as **Middle Eastern** countries re-evaluate their security and economic ties with the **United States (US)** following its war with **Iran**, which has destabilised the region and sent energy prices skyrocketing.

Before Xi's visit, Egyptian media [hailed](#) the country's growing economic and security ties with China and its status as the first **African** and **Arab** country to establish diplomatic relations with China 70 years ago. President **Abdel-Fattah El-Sisi** (2014-present), who invited Xi to his country, welcomed the Chinese leader at **Cairo International Airport** also [wrote](#) in the state newspaper **Al-Ahram** on 31 August that the two countries have become key "partners contributing together to strengthening the role of the Global South in the international system". The Egyptian leader has sought stronger relations with China since coming to power in 2014, while maintaining Egypt's long-standing relationship with the US and receiving about \$1.3 billion a year in military aid from the US.

Security was also an important aspect of Xi's visit to Egypt. He [called](#) on Middle Eastern countries to reduce external interference in their affairs and to develop a new regional security system. In a veiled criticism of the US, during his meeting with El-Sisi on 2 September, Xi said that regional leaders and people should "be the masters of their own affairs". In another swipe at the US, he also said that China would support regional efforts to reshape the "security architecture" and protect important shipping routes disrupted by regional conflicts. Egypt and China subsequently agreed to strengthen their security collaboration. Military cooperation between the two countries has grown in recent years, and in August, Egypt [hosted](#) its second joint military exercises with China, which featured the first deployment of Chinese J-16 fighter jets in Africa.

Economic cooperation was also another focus of discussions. The two leaders [discussed](#) expanding their cooperation in semiconductors, data centres and critical metals supply chains, and increasing the use of their local currencies in trade and investment. Egypt is already one of China's most important trade partners in Africa, with annual trade between the two estimated at \$20 billion in 2025. Egypt has also imported about \$10 billion of Chinese goods in the first half of this year alone. Chinese businesses have invested billions of dollars in Egypt across areas including manufacturing, ports, renewable energy and green hydrogen.

Xi's visit to Egypt is also notable as the country has emerged as a key battleground for the technology competition between 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 centres (see *ARC Briefing Egypt Aug 2026*). Huawei's proposal has prompted the US government to submit a counter-bid that could potentially 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.

Overall, Xi's visit to Egypt highlighted the country's growing importance to China's economic and diplomatic ambitions in the Middle East and Africa, as Egypt continues to broaden its own international partnerships. A regional analyst also told **ARC Briefing** that Xi's decision to visit Egypt was a "no brainer" given its centrality to key developments in Africa and the Middle East:

"The Suez Canal, which is very critical to global trade, its large market and status as a regional power are also of interest to Beijing."

Central bank holds interest rates for a fifth consecutive meeting as inflation cools

The **Central Bank of Egypt's (CBE) Monetary Policy Committee (MPC)** [confirmed](#) in a statement on 24 September that it had kept the benchmark deposit rate at 19% and the lending rate at 20% for a fifth consecutive meeting, citing recent inflation trends, its inflation expectations, and the risks that could affect prices in the future. This decision reflects a cautious approach, shaped by fading hopes for US-Iran peace deals despite a drop in inflation in August. The **Central Agency for Public Mobilization and Statistics (CAPMAS)** [reported](#) on 10 September that urban inflation in Egypt slowed in August to 14.5%, down from the three-month high of 14.9% recorded in July. The unexpected decline came despite price pressures from the Middle East conflict.

The decrease in inflation is attributed to lower food and beverage prices, the largest component of the inflation basket, which cooled to 6.3% in August from 8% in the previous month. Inflation for transport slightly cooled (24.4% vs 24.5%), as the pressure from higher energy prices continued to ease. Inflation also cooled for furnishing (16.9% vs 17.9%) and alcoholic beverages and narcotics (9.1% vs 9.3%). The decrease in inflation in August also occurred despite a 12% increase in electricity prices for higher-consuming households at the end of July.

Prices also quickened for health (4.6% vs 4.5%), clothing and footwear (14% vs 13.7%), and housing and utilities (42.8% vs 41.2%). On a monthly basis, consumer prices rose by 0.1% after remaining unchanged at 0.4% in July. Annual core inflation, which strips out volatile items, increased to 14.9% in August from 14.7% in July.

The still relatively unstable geopolitical environment is likely to prevent the CBE from cutting interest rates for the rest of the year, rather waiting until the first quarter of 2027. Authorities would also likely wait for inflation to move closer to its target of 7%, plus or minus two percentage points, before acting. The CBE also said that economic growth in Egypt had slowed to 4.7% in the second quarter of 2026, down from 5% in the previous quarter. Real GDP growth averaged 5.1% in the 2025/26 fiscal year and was expected to remain around that level in 2026/2027.

Egypt targets medical tourism revenue

Already a regional tourism heavyweight, Egypt is now [seeking](#) to boost its foreign currency earnings by developing medical tourism as a new revenue stream. Local authorities plan to do this by building on the country's existing appeal as a tourist hotspot and enticing tourists to combine medical treatment with holidays. Authorities see Egypt's relatively cheap healthcare, warm climate and strategic location between three continents as key advantages for generating revenue from medical tourism.

However, this medical tourism strategy is not new, as the country was a popular destination for sick and recovering Europeans in the 19th century. The country is now seeking to re-establish that legacy in the modern era; **Egypt Healthcare Authority (EHA)** is the local authority [leading](#) this effort through a medical tourism initiative called “*In Egypt We Care*”. This programme seeks to connect hundreds of local healthcare facilities across the country and to develop medical tourism services in prime tourist hotspots such as **Aswan**, the **Red Sea** coast, where resorts like **Sharm El-Sheikh** are situated, and **Luxor**, famous for its **Karnak** temple and **Valley of the Kings**.

While established health facilities, such as those in Luxor, with its six hospitals offering hotel-style facilities, provide services including radiology, paediatrics and obstetrics, authorities intend to add 5000 more medical facilities over the next six years. These planned facilities, which will also be developed through public-private partnerships, will focus on other areas, such as weight-loss surgery, cosmetic surgery, advanced dental care, fertility treatments, and heart surgery.

Egypt’s [strategy](#) is already attracting a significant number of foreign patients. Authorities revealed that EHA facilities treated 13,370 patients from 124 countries in 2025, compared with 2,075 foreign patients in 2022. The EHA also expects the country’s income from medical visits to increase from \$3.8m in 2025 to about \$6m in 2026. Despite those projected revenue increases, medical tourism in Egypt remains relatively small, and the country lacks a single national system for measuring total earnings because spending is spread across different healthcare providers.

Egypt’s status as a leading regional tourist hotspot is well known. Tourism minister **Sherif Fathy** revealed in July that Egypt expects to attract as many as 20 million tourists this year, a new national record, despite the Middle East conflict, which has caused flight disruptions and more expensive travel (*See ARC Briefing Egypt Jun 2026*). If Egypt can develop a strong medical tourism sector, it could build on this tourism base to attract visitors likely to spend more and stay longer, thereby generating additional foreign-currency revenue.

However, Egypt [faces](#) strong competition from countries such as **Türkiye**, which leads the regional medical tourism rankings for value and scale, and the **United Arab Emirates (UAE)**, which leads in premium care and luxury. Rapid growth in medical tourism could also put pressure on Egypt’s public healthcare system if doctors and specialists move from public hospitals to private facilities.

Planner

29 Oct 2026 **Cairo (Egypt) Central Bank of Egypt’s (CBE) Monetary Policy Committee (MPC)** meets;

Chronology

26 Sep 2026 **Cairo (Egypt) Anadolu Ajansi**. Prime minister **Mostafa Madbouly** tells the 81st **United Nations General Assembly (UN)** that the **Gaza** ceasefire must be fully implemented, **Israeli** violations halted and the withdrawal completed;

24 Sep 2026 **Cairo (Egypt) Business Insider Africa**. President **Abdel Fattah El-Sisi** calls for stronger defence and security cooperation with **Greece** and **Cyprus**, including closer coordination on counterterrorism and irregular migration;

23 Sep 2026 **Cairo (Egypt) Daily News Egypt**. Egypt’s **Industrial Modernisation Centre** and **Middle East Communication Systems** sign a cooperation protocol to strengthen cybersecurity and digital transformation across the country’s industrial sector;

21 Sep 2026 **Cairo (Egypt) Egypt Today**. Industry ministry hold talks with 11 German companies, including **Mercedes-Benz**, **Siemens** and **Villeroy & Boch**, to discuss expansion plans and ways to strengthen industrial and investment cooperation, with a focus on technology transfer, local manufacturing and supply-chain development;

20 Sep 2026 **Cairo (Egypt) Daily News Egypt**. President **Abdel Fattah El-Sisi** calls for a comprehensive agreement to end the **Iran** crisis and restore regional stability during talks with

the **United States (US) Central Intelligence Agency (CIA)** director **John Ratcliffe**, while also discussing **Gaza, Sudan, Somalia** and US-Egyptian security cooperation;

17 Sep 2026 **Cairo (Egypt)** *Egypt & Africa*. Egypt and **Sudan** discuss developing joint agricultural projects on Sudanese land, including the production, supply and import of strategic crops, as part of efforts to strengthen food security and agricultural trade;

16 Sep 2026 **Beni Suef (Egypt)** *Daily News Egypt*. **Solarise Egypt** commissions a 4.3MW solar power plant at **South Korea**-headquartered **Samsung Electronics'** Egypt-based manufacturing facility under a long-term Power Purchase Agreement (PPA), with the project financed through the **European Bank for Reconstruction and Development's (EBRD) Green Economy Financing Facility (GEFF)**;

15 Sep 2026 **Cairo (Egypt)** *Anadolu Ajansi*. **Saudi Arabia's** Crown Prince **Mohammed bin Salman** meets with President **Abdel Fattah El-Sisi** to discuss bilateral relations and regional issues, including secure and unhindered navigation in the **Red Sea**;

12 Sep 2026 **Cairo (Egypt)** *Daily News Egypt*. **Central Agency for Public Mobilisation and Statistics (CAPMAS)** reports Egypt's trade with **BRICS** countries increased by \$7.4 billion year-on-year to \$36.7 billion in the first half of 2026, driven by a sharp rise in imports to \$30.2 billion;

9 Sep 2026 **Cairo (Egypt)** *Daily News Egypt*. **Japan**-headquartered **Toyota Tsusho** is exploring expanded investment in Egypt's renewable energy and automotive manufacturing and assembly sectors, as Cairo seeks to attract more Japanese investment;

8 Sep 2026 **Cairo (Egypt)** *Daily News Egypt*. Industry minister **Khaled Hashem** meets with the **Egyptian Private Equity and Venture Capital Association (EPEA)** to explore ways to mobilise private capital for manufacturing, including industrial investment funds, industrial franchising, distressed-factory partnerships and SME financing;

3 Sep 2026 **Cairo (Egypt)** *Ahram Online*. Egypt and **Oman** are exploring the creation of two jointly developed industrial zones, one in each country, to strengthen industrial integration, investment, supply chains, trade and exports;

2 Sep 2026 **Cairo (Egypt)** *Ahram Online*. Egypt and **China** agree to launch the third phase of the Egyptian-Chinese industrial zone in the **Suez Canal Economic Zone**, focusing on renewable energy, electric vehicles, textiles, chemicals and other strategic industries, while encouraging greater Chinese investment and technology transfer;

2 Sep 2026 **Cairo (Egypt)** *Daily News Egypt*. Multinational Egyptian conglomerate **Mansour Group** and **China's Tianneng Battery Group** sign a memorandum of understanding to explore investment in battery manufacturing and energy-storage solutions in Egypt;

1 Sep 2026 **Cairo (Egypt)** *Daily News Egypt*. Egypt offers **Burkina Faso** comprehensive counterterrorism support, including security cooperation, military training and capacity-building, while promoting greater coordination with **Sahel** states;

29 Aug 2026 **Cairo (Egypt)** *Bloomberg*. The **United States (US)** imposes **Iran**-related sanctions on an Egyptian bank **Banque Misr**, part of the US treasury's campaign to increase economic pressure to try to break a stalemate six months into the US war with Iran;

29 Aug 2026 **Cairo (Egypt)** *Daily News Egypt*. Local development and environment minister **Manal Awad** notes that Egypt is considering expanding solar power and energy-efficiency technologies across the agricultural, industrial and service sectors to reduce energy consumption and emissions, while promoting green investment and financing;

27 Aug 2026 **Cairo (Egypt)** *Daily News Egypt*. Petroleum and mineral resources minister **Karim Badawi** announces that Egypt plans to double crude oil and condensate production under a

five-year strategy while advancing six refinery projects worth over \$4 billion to increase domestic output and reduce fuel imports;

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