Economic Report 2025

EGYPT

30 June 2025

Executive Summary

Egypt's economic landscape since the last Economic Report in Summer 2024 reflects efforts to regain stability after a time of mounting macroeconomic pressures. Already in March 2024, the government enacted a series of policy shifts, including floating the currency, raising interest rates, and extending cooperation with the International Monetary Fund (IMF). These steps were not without short-term costs, but they marked a critical reset. Supported by major Gulf investments, most prominently the deal with the United Arab Emirates in Ras El Hekma that brought in USD 35 billion, the measures helped stabilize the exchange rate, ease inflation and restock foreign currency reserves.

Despite these gains, underlying vulnerabilities and challenges persist and concern remains about the sustainability of public finances. Egypt continues to face structural trade and fiscal imbalances, a high external debt burden and volatile sources of foreign currency, such as energy exports and Suez Canal revenues. The fiscal deficit narrowed, aided by exceptional revenues. Economic growth picked up modestly, driven by tourism, rising foreign direct investments and gradual improvements in the manufacturing and Information and Communication Technology (ICT) sectors.

Swiss-Egyptian economic relations showed renewed dynamism. Bilateral trade increased significantly, driven by a surge in Egyptian gold exports and continued demand for Swiss pharmaceuticals and machinery. Swiss companies have strengthened their local presence through joint ventures and localization projects, particularly in the industry, logistics and healthcare sectors, aligning with Egypt's national priorities.

Egypt's macroeconomic stabilization remains a work in progress. While a reform momentum is returning, regaining investor confidence will depend on improved and continued policy clarity, a predictable business environment and serious and targeted structural reforms. For Swiss businesses, this environment presents both challenges and opportunities aligned with Egypt's economic reform agenda.

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1 ECONOMIC OUTLOOK AND ECONOMIC POLICY DEVELOPMENTS

For several years, Egypt stood under considerable macroeconomic pressure. Inflation was persistently high, peaking at nearly 38% at the end of 2023. Foreign exchange shortages worsened, with the Egyptian pound trading at around EGP 70 per USD on the parallel market. Hard currency became scarce, remittances fell by nearly USD 10 billion, foreign investments slowed and import backlogs mounted. The government budget was under pressure, as it had to spend a large part of its money on paying back loans and subsidizing basic goods. Key economic reforms were delayed until early 2024. The Ras El Hekma deal with the UAE in February 2024 opened the door to several stabilization measures.

Stabilization Measures in Early 2024: On 6 March 2024, the Central Bank of Egypt (CBE) floated the EGP, which led to a swift convergence between the official and parallel exchange rates. To fight inflation, the Central Bank significantly raised interest rates, making borrowing more expensive and encouraging saving. These moves were accompanied by renewed support from international partners:

- The International Monetary Fund (IMF) expanded Egypt’s Extended Fund Facility (EFF) from USD 3 billion to USD 8 billion.
- In parallel, the IMF also approved USD 1.3 billion under the Resilience and Sustainability Facility (RSF) arrangement by the World Bank supporting longer-term climate and structural reforms.
- Additionally, a EUR 7.4 billion financial package from the European Union was approved as part of the new Strategic Partnership Agreement. EUR 1 billion has been released so far.

Together, these measures marked a coordinated and decisive effort to stabilize the economy.

Exchange rate and monetary policy: Following the flotation, the EGP stabilized at around 49-50 EGP per USD by mid-2025. Analysts forecast a further gradual depreciation to EGP 50-52 by mid-2026, assuming inflation continues to ease and interest rates are cautiously lowered. The devaluation helped eliminate the currency parallel market and improved dollar availability. For the first time in years, Egypt’s interest rates in 2024 rose higher than the inflation rate, helping attract investors funds into local bonds and deposits. The CBE kept its policy rate at 27.25% throughout most of 2024, maintaining a tight stance to quell price growth. As inflation started to decline in early 2025, falling from 23% in January to 12.8% by February, the CBE cautiously began easing rates, cutting 300 basis points by April to reach 24.25%. However, with inflation rising again to 16–17% in May, further cuts will likely be gradual.

Fiscal policy and debt dynamics: Although public debt has stabilized, the debt-to-GDP ratio remains high at 90%, underscoring the need for sustained fiscal consolidation. The government has reaffirmed its medium-term commitment to strengthening public finances without raising tax rates. Key measures include: a simplified tax regime for SMEs; phasing out many tax exemptions; expanding the tax base to include Egypt’s large informal sector; advancing digitalization through e-invoicing and unified platforms. These reforms led to a 30% increase in tax revenues in FY 2022-23 and 38% year-on-year growth in early FY 2023-24, significantly boosting public revenue. International partners, such as the IMF, have praised this progress and stressed the importance of sustaining momentum so that Egypt continues improving its fiscal position in an inclusive way.

In June 2024, Egypt’s total external debt declined to USD 152.9 billion (from USD 165 billion a year earlier), mainly due to the Ras El Hekma deal and favorable exchange rate movements. About 66% of the external debt is long-term. Key creditors remain multilateral institutions (USD 51.5 billion) and Arab Gulf countries (USD 36.2 billion). As of mid-2025, external debt is expected to remain at around USD 155 billion, despite the IMF and other investors advocating for a decrease. The government is therefore seeking to restrain new non-concessional borrowing, extend debt maturities, and grow the economy faster, to ensure debt becomes sustainable. Importantly, Egypt is also addressing its domestic arrears, by settling overdue payments to private sector contractors and energy companies. Clearing these payment delays should help unlock stalled investments and restore confidence among private suppliers.

Economic growth and sectoral performance: Real GDP growth accelerated to 3.9% (year-on-year) in the first half of FY 2024-25 (July–December 2024), and further to around 5% in Q1 2025, driven by recovering consumer demand, increased investment and strong performances in leading sectors. Tourism reached a record of 15 million visitors in 2024, including 200’000 Swiss tourists, generating USD 14.4 billion. Manufacturing benefited from improved input availability thanks to easier imports and availability of foreign currency. The ICT sector continued to grow, and the construction and real estate sectors were revitalized by Gulf investments, particularly in the North Coast development projects. Current forecasts expect full year growth of about 4-4.2% in FY 2024-25, assuming continued reform momentum and macroeconomic stability.

External accounts and reserves: The current account deficit narrowed slightly to 3.2% of GDP in 2024, reflecting a reduced trade deficit and improved services balance. A key recovery driver has been worker remittances, which surged back into official channels following the floatation. Remittances via banks rose from USD 22.1 billion in FY 2022-23 to around USD 32 billion by the end of 2024.

FDI inflows reached USD 46 billion in 2024, nearly quadruple the previous year's amount. This extraordinary figure was driven by Gulf sovereign wealth funds acquiring stakes in Egyptian state-owned assets and new megaproject commitments. Foreign reserves increased from USD 35 billion in mid-2023 to USD 48.5 billion by February 2025, offering improved, but still fragile, external buffers. However, vulnerabilities persist, including continued reliance on short-term portfolio inflows. The regional instability in late 2024 between Israel and Iran triggered an outflow of around USD 1.5 billion from Egypt's bond market. The banking system's net foreign asset position remains negative (Egyptian banks collectively owe more hard currency than they hold), reflecting the legacy of the recent foreign exchange shortages.

In April 2025, the USA introduced a 10% reciprocal tariff on Egyptian ready-made garments produced under the Qualifying Industrial Zones (QIZ) agreement[1]. Although this marks the end of full duty-free access, Egypt remains more competitive than many Asian exporters facing higher US tariffs. As a result, Egyptian apparel exports to the USA have already increased and the sector is well-positioned to benefit from shifting global supply chains. To fully seize this opportunity, Egypt needs to address internal challenges such as limited industrial capacity, regulatory bottlenecks, and the need to modernize QIZ terms.

Sectoral volatility and structural weaknesses: Despite these achievements, Egypt's foreign exchange earnings remain heavily dependent on volatile sources:

- **Suez Canal** revenues dropped from USD 10.3 billion in 2023 to an estimated USD 4 billion in 2024 due to Red Sea security disruptions. In response, the Suez Canal Authority introduced temporary fee reductions to encourage shipping lines to return. Despite the short-term setback, long-term plans for canal expansion and port infrastructure development remain on track.
- **Energy exports** generated around USD 12 billion in FY 2022-23 but came under pressure in 2024 due to declining production and rising domestic energy demand. Egypt resumed LNG imports in mid-2024 and faced further strain in June 2025 when Israeli gas exports - which account for over 70% of Egypt's gas imports - were temporarily suspended. The government is accelerating investment in energy infrastructure, renewables and green hydrogen to diversify the energy mix and strengthen supply security.
- **Remittances and Tourism** remained resilient and supported overall stability.

This uneven performance underlines the urgency of structural transformation and exports diversification.

Structural reforms and IMF program: Egypt remains under the IMF's Extended Fund Facility (EFF) through 2026. Following the successful completion of four reviews, the IMF has disbursed around USD 2 billion. While macroeconomic reforms such as the exchange rate flexibility, inflation control and fiscal tightening have advanced, structural reforms have lagged. Privatization has proceeded slowly and improvements in competition, governance and state-owned enterprises remain limited. In July 2025, some media reported that the IMF is considering merging the fifth and sixth program reviews, citing slower-than-expected progress. This could delay further disbursements by up to six months.

Enhancing business environment amid regional competition: To support recovery, Egypt has introduced reforms to improve the investment climate. Key measures include the introduction of a "golden license" for strategic projects; digitalization of business procedures; the removal of non-tariff barriers such as the halal certification requirement for dairy imports; enhancing legal protections and setting up new economic courts and arbitration mechanisms. The Sovereign Fund of Egypt is playing an increasingly active role in structuring investments and public-private partnerships.

While these efforts have contributed to an investor-friendlier environment, Egypt continues to face intensifying competition from Gulf states, such as Saudi Arabia and the UAE. These countries offer investor-friendly regulations, macroeconomic and political stability, liberal residency and ownership regimes as well as advanced infrastructure. In response, Egypt took measures to improve its competitiveness by upgrading its visa policy and offering residency permits linked to real estate investments. Yet, challenges such as limited regulatory predictability, constrained entrepreneurial space and the role of security institutions continue to weigh on investor sentiment. Narrowing this

[1] *The QIZ are special industrial areas located in Egypt, established under a trilateral agreement with the USA and Israel, to allow products manufactured in these zones to enter the US market without tariffs, provided the manufactured products contain at least 10-11% of Israeli input and a minimum 35% of combined local added value.*

competitiveness gap will require sustained efforts to strengthen institutional capacity, enhance transparency, and foster a more enabling business environment.

Outlook: The outlook for the second half of 2025 is cautiously optimistic. Growth is expected to reach 4.2% for FY 2024-25, with inflation continuing to decline toward 10% by year-end. Sustaining the recovery will depend on maintaining reform credibility, advancing structural changes, and some geopolitical stability. If successful, Egypt could transition from short-term stabilization toward a more inclusive and durable recovery path by 2026.

2 PRIORITY SECTORS AND OPPORTUNITIES FOR SWISS COMPANIES

In light of Egypt's improving macroeconomic environment and renewed reform momentum in early 2025, several sectors are emerging as strategic priorities for the country's development and offer possible entry points for Swiss companies. These opportunities are shaped not only by Egypt's Vision 2030 agenda but also by structural needs, demographic dynamics and ongoing efforts to attract foreign investment and enhance private sector participation.

Tourism growth this year was supported by solid demand from Europe, longer average stays and targeted promotional efforts in Gulf and Asian markets. Egypt's ambitious plans to expand tourism infrastructure and enhance service quality open opportunities for Swiss companies in hotel management, sustainable building, hospitality tech and vocational training. Swiss expertise in high-end services, eco-tourism, and cultural heritage can also support Egypt's goal to attract 30 million tourists by 2028.

Renewable energy and green hydrogen: Egypt targets around 30 gigawatts (GW) of new solar, wind and green-hydrogen capacity, aiming for 42% renewables in the power mix by 2035. Swiss companies active in clean energy technologies, smart grid, storage solutions, energy efficiency and industrial decarbonization systems are well-positioned to contribute to this transition. A Swiss company was selected to upgrade and digitalize the power grid in Port Said and Suez Canal where it delivered key electrification components for solar and transport projects. This company was also shortlisted in 2025 for several smart city initiatives.

Logistics and transportation infrastructure: Egypt's geographic position linking Africa, Europe and Asia remains a key asset and the government is investing in infrastructure upgrades to position the country as a regional trade hub. Current plans include the development of 33 dry ports and 7 logistics corridors by 2030, alongside significant port modernization and rail freight expansions, particularly within the Suez Corridor. A key focus is the Suez Canal Economic Zone (SCZONE), which is emerging as a central hub for industrial, logistics and maritime activity. Major ongoing investments include the Russian Industrial Zone "Sun City", a USD 4.6 billion project covering 20 km², for which Egypt has granted Russia the right to use and develop the land for a specified period without transferring ownership, based on agreed contractual terms. In early 2025, Chinese investors launched 10 new projects in the SCZONE across sectors such as textiles, home appliances, solar energy and electronics, with a total investment of USD 829 million. Additionally, Abu Dhabi Ports Group signed a 50-year concession agreement to develop a 20 km² logistics and industrial zone near Port Said, committing USD 120 million for the first 2.8 km² over three years. These developments present opportunities for Swiss expertise in port technologies, digital logistics and supply chain management. A Swiss-based company already signed a 30-year concession with the General Authority for Land & Dry Ports to finance, build and operate a dry port in 10th of Ramadan City.

Healthcare & pharmaceuticals: Egypt's expanding population, pressure on public health systems and efforts to localize pharmaceutical production are all driving investment in the sector. The government is upgrading hospitals, extending health insurance, and investing in biotech. Switzerland's know-how and expertise in pharmaceuticals, diagnostics and med-tech are widely recognized. The partnerships reflect Switzerland's leading role in this field: Several Swiss pharmaceutical companies signed agreements with the Egyptian Ministry of Health and other local partners to optimize access to high-tech medicines, early diagnostics and treatments for patients in Egypt, while contributing to the Egyptian government's localization efforts.

Water management and environmental solutions: Overcoming water scarcity remains a top national priority. Egypt's national desalination program aims to add 8.8 million m^3 of water per day by 2050. The first implementation phase is in progress and aims to deliver around 3.3 million m³ per day in 2025. Within this effort, the IFC and EBRD are providing advisory assistance to the Sovereign Fund of Egypt and the Ministry of Finance in the structuring of the country's first public-private partnerships (PPP) for desalination plants along the Mediterranean coast. This initiative seeks to enhance water security and climate resilience while integrating renewable energy sources into the projects. These projects open opportunities for Swiss water-tech and environmental engineering firms to partner in treatment plants, irrigation technology and distribution networks.

Manufacturing: The depreciation of the EGP has boosted Egypt's export competitiveness, encouraging renewed interest in export-oriented industries. Sectors such as food processing, packaging, chemicals, and light engineering are expanding, especially in economic zones and new industrial clusters. Egypt's diverse trade agreements provide incentives for companies looking to use Egypt as a manufacturing and distribution hub. Swiss firms in machinery, automation and precision manufacturing can supply equipment and know-how to these sectors. In 2024, a Swiss company signed a cooperation agreement with Egyptian partners to support food processing capacity and grain handling technologies. It follows in the footsteps of several Swiss companies that lead in local production and regional export.

Education as well as technical and vocational training (TVET): Given Egypt's young population and high youth unemployment, there is a need for private initiatives that offer high-class education, as well as practical training tailored to the needs of industry. Cooperation and partnerships in the fields of private education, language teaching and sectoral qualification programs (e.g., engineering, IT, hospitality) are being sought. Two Swiss private schools have recently opened in Egypt. Swiss official cooperation programs have contributed to Egypt's technical education reform (TE 2.0), aiming to improve the quality of dual vocational education in the agriculture, tourism, construction and garment sectors, reaching students, training school staff, company trainers and Ministry of Education personnel.

IT and digital services: Call centers and business process outsourcing (BPO) are a growing market in Egypt. The government focuses on prioritizing IT and technology and companies can draw from a large pool of well educated, multilingual and tech-savvy people. Swiss companies have started to outsource business centers to Egypt.

Conclusion: While Egypt's business environment presents certain challenges, recent reforms and Egypt's Vision 2030 create entry points for Swiss businesses. For Swiss companies, a key to success lies in identifying reliable local partners, navigating regulatory procedures and aligning projects with Egypt's long-term development strategy.

3 FOREIGN ECONOMIC POLICY

3.1 Host country's policy and priorities

Egypt's foreign economic policy over the past year has aimed to stabilize macroeconomic conditions, rebuild investor confidence and strengthen external partnerships. Anchored in Egypt's Vision 2030, the State Ownership Policy and the National Export Strategy, the government has pursued a mix of liberalization, state divestment and selective investment incentives. Yet, while headline figures show progress, long-standing structural challenges and intensifying regional competition continue to test the country's reform agenda.

Strategic partnerships and financial support:

- In January 2024, Egypt became a BRICS Dialogue Partner and secured a USD 1 billion soft loan from the New Development Bank (NDB), with flexible repayment terms in local currency.
- In March 2024, Egypt and the EU launched the Strategic and Comprehensive Partnership under which the EU will provide Egypt with EUR 7.4 billion in soft loans and grants until 2027. The first tranche of EUR 1 billion was disbursed in early 2025 and was linked to reform targets in areas such as climate resilience, migration and private sector development.
- The Sovereign Fund of Egypt (SFE), now under the newly formed Ministry of Investment and Foreign Trade, is leading efforts to mobilize state assets, privatization, unlocking large development projects, attracting FDI and coordinating strategic partnerships, particularly with the GCC countries:
  - The USD 35 billion Ras El Hekma deal with Abu Dhabi's ADQ was finalized in February 2024, converting USD 11 billion of UAE deposits and giving Egypt a 35% stake.
  - The Saudi Public Investment Fund (PIF) announced in March 2024 its intention to invest around USD 5 billion in strategic projects across Egypt.
  - In early 2025, Egypt and Qatar jointly announced plans for a fresh USD 7.5 billion investment package to promote infrastructure and industrial development.
- The SFE also signed agreements with international companies to develop solar, wind power and green hydrogen projects in the Suez Canal Economic Zone, targeting USD 40 billion in green energy investments by 2030

- In line with the government's privatization goals, the SFE began restructuring state-owned and military-owned enterprises (SOEs and MOEs) as a preparatory step for partial privatization. This process is however advancing very slowly.

Export strategy & trade diplomacy: Egypt achieved an increase in exports of non-petrol products to nearly USD 40 billion in 2024, supported by an improved export incentive program. Despite these successes, exports remain concentrated in a few sectors and logistical inefficiencies limit broader participation, especially among small and medium-sized enterprises. Egypt's existing trade agreements with the EU, EFTA, COMESA and others diversify export markets and strengthen private sector participation, but utilization falls below potential. The EU's Carbon Border Adjustment Mechanism (CBAM), set to start in January 2026, adds an additional challenge to Egypt's exports to the continent.

Egypt's accession to the BRICS group in January 2024 marked a significant turning point in its trade and investment trajectory. Since then, trade with BRICS countries has expanded rapidly, with exports rising by over 30% by mid-2025. This new partnership has unlocked investment flows, broader market access and alternative financing opportunities through institutions such as the New Development Bank. By strengthening ties with major emerging economies like China, India, and Russia, Egypt is diversifying its global alliances and positioning itself as a strategic bridge between the *Global South* and the wider international system. However, this growing reliance on BRICS imports has also brought a shift in the quality of some goods, particularly in consumer products and industrial materials. While the move offers cost advantages and greater sourcing flexibility, maintaining consistent product standards will be essential to ensuring long-term benefits for both consumers and the economy.

Green economy: Following Egypt's leadership at COP27, the country is now focusing on promoting its role in green economy. Ongoing large-scale infrastructure projects such as desalination, renewable energy and green hydrogen signal a shift toward sustainability. However, most of these projects are still in initial phases or depend on international cooperation and financing. In a related achievement, the Baheya Foundation - a leading Egyptian non-profit organization dedicated to free of charge early detection and treatment of breast cancer - received the EDGE green building certification in 2025 for the design of its new treatment facility in East Cairo. This certification, supported by Switzerland, reflects a shared commitment to sustainable, patient-centered healthcare infrastructure.

Risks & outlook: Egypt's strategy depends on maintaining macroeconomic stability while pursuing new sources of income and investment-led growth. Key challenges, especially as the country increasingly has to compete on the regional stage, include its ability to strengthen institutional capacity, streamline governance and advance its investment procedures and incentives.

3.2 Outlook for Switzerland (potential for discrimination or comparative advantage)

The establishment of the Joint Economic Commission (JEC) in January 2025 represents a new dynamic chapter in Swiss-Egyptian economic relations. As a structured platform for dialogue, the JEC aims to enhance bilateral dialogue and cooperation in trade and investment through technical public-private exchange, particularly in strategic sectors such as renewable energy, logistics, and industrial modernization.

The first meeting of the JEC took place on 9 May 2025. Against the backdrop of Egypt's improving macroeconomic outlook and Switzerland's stable fiscal environment, both delegations came to the table with a clear sense of opportunity. The tone was forward-looking, with mutual recognition that recent reforms in Egypt – ranging from foreign currency access to tax revenue gains - create positive momentum. A strong Swiss interest in the Egyptian market, the largest on the African continent, where over 100 Swiss companies are driving local job creation and training, was reiterated.

Switzerland benefits from a comprehensive legal framework governing its economic engagement with Egypt. This includes the EFTA Free Trade Agreement signed in 2007, a bilateral investment protection agreement and a double taxation agreement. These instruments are designed to allow the necessary legal certainty and non-discriminatory conditions that enable Swiss companies to operate on a level playing field within the Egyptian market.

To further improve trade facilitation, EFTA is currently conducting a utilization analysis of the EFTA-Egypt FTA to assess how effectively Egyptian exporters benefit from its tariff preferences. In parallel, the revised Pan-Euro-Mediterranean (PEM) Convention, which entered into force on 1 January 2025, introduces modernized rules of origin aimed at strengthening the integration of Mediterranean economies into global value chains. Incorporating these provisions into the EFTA-Egypt framework would offer Egypt expanded additional opportunities and expanded access to regional supply chain networks as well as a greater alignment with modern trade standards.

The EU's Carbon Border Adjustment Mechanism (CBAM), which officially starts in January 2026, imposes a carbon charge on imports of emission-intensive goods such as cement, iron and steel, aluminum, fertilizers. While Switzerland is not a CBAM participant, Swiss companies could be indirectly affected if their supply chains include these carbon-intensive materials. In addition to possible costs, Swiss manufacturers in Egypt may also need to align with evolving EU standards for emission reporting and verification in order to maintain their competitiveness and market access to the EU.

Swiss companies hold a strong and distinctive position in the Egyptian market, underpinned by a long-standing presence — with many operating in the country even before the establishment of official diplomatic relations in 1935. Their reputation for high-quality, reliable and value-added products and services, along with a commitment to localization, has made them key contributors to Egypt's development objectives. Beyond commercial activities, Swiss firms are actively engaged in sustainability initiatives, workforce development and technology transfer. As Egypt advances its green hydrogen strategy, opportunities for Swiss engagement in cleantech, engineering, and financing are expanding. With the Joint Economic Commission (JEC) now in place and a gradually improving investment climate, Swiss companies are well-positioned to further expand their footprint and support Egypt's broader economic transformation.

Egypt's Investment Law provides equal treatment for domestic and foreign investors, and no formal legal discrimination exists against Swiss or other international firms. Nonetheless, as in many markets, foreign companies may occasionally face administrative procedures that are more complex or time-consuming than those encountered by local operators. These include licensing requirements, security clearances or sector-specific restrictions. While such hurdles can present operational challenges, Swiss companies continue to navigate them effectively thanks to their long-standing presence, strong local partnerships and established credibility with Egyptian public institutions.

4 FOREIGN TRADE

4.1 Developments and general outlook

Despite the strategy of Egypt to reduce import-dependency, produce locally and increase exports, the growing population and domestic demand lead to a continued dependency on imports. Egypt's foreign trade performance in FY 2023-24 (latest available numbers) showed the signs of strain explained in the previous chapters, with total trade volume declining by 5.2% to USD 104.7 billion This decline was driven largely by a widening trade deficit, as a result of a sharp decline in oil exports, which fell by 58.6% to USD 5.7 billion. In contrast, non-oil exports recorded a moderate growth of 4%, reaching USD 26.8 billion and now accounting for more than 82% of total exports.

On the import side, Egypt recorded a 1.9% modest increase in goods imports, totaling USD 72.1 billion. The main contributor to this was non-oil imports, which rose by 2.4% to USD 58.8 billion, driven by rising demand for key inputs such as wheat, pharmaceuticals and machinery, while oil imports remained constant at USD 13.4 billion.

This pattern persisted from July to December 2024. Imports of petroleum, gas, wheat and pharmaceuticals surged further. At the same time, non-oil exports such as ready-made garments, processed foods and select industrial goods also continued to expand. By early 2025, the trade deficit showed tentative signs of narrowing, contracting by nearly 30% year-on-year in February.

Nonetheless, Egypt's external trade structure remains imbalanced, underscoring the need to strengthen high-value, non-oil exports and improving domestic production capabilities to reduce long-term dependence on imports.

4.1.1 Trade in goods

Egypt's trade in goods remained centered on a relatively small group of strategic trading partners in FY 2023-24 (latest available numbers). Ten countries together accounted for 48.49% of total exports, whereby Italy, Saudi Arabia, Türkiye, UAE, USA, Libya, UK, Spain, Switzerland (9th largest export market) and Morocco contributed with the largest share. The composition of exports is dominated by finished goods at 50.4%, followed by fuels and mineral oils (18%), semi-finished goods (17.6%) and raw materials (14%). This shows a gradual diversification of the export base, even though the country is still vulnerable to price fluctuations in commodity-linked segments, especially in the energy sector.

On the import side, Egypt imported more than half (57.09%) of its total imports from a core group of ten countries: China, Saudi Arabia, USA, Russia, Germany, Brazil, Turkey, India, Italy and Israel. The top imports consist of intermediate goods (34.9%), followed by consumer goods (20.1%), fuels and mineral oils (19.4%), capital goods (11.4%) and raw materials (10.8%). This composition reflects Egypt's continued dependence on imported raw materials for domestic production as well as the ongoing demand for finished consumer and capital goods.

4.1.2 Trade in services

Egypt's trade balance in services decreased in FY 2023-24. The surplus fell by 34.5% to USD 14.4 billion, compared to USD 21.9 billion in the previous year. This decline is a reflection of both a decrease in services receipts and a sharp increase in services-related payments. Total service receipts fell by 12.5% to USD 30.2 billion, mainly due to the significant drop in Suez Canal transit revenue (USD 3.99 billion), due to the disruptions in the Canal's operations. While tourism remained resilient, growing 5.5% to USD 14.4 billion, other sectors such as transport, construction, communications, insurance and government services all registered declines.

On the payments side, Egypt's spending on services rose by 25.8% to USD 15.9 billion, driven by higher outflows in business services, foreign transport costs as well as overseas government-related expenditures.

Egypt’s e-commerce sector continued its strong expansion: online retail trade surged to an estimated USD 9.1 billion in 2024, and it is projected to reach USD 10.4 billion in 2025, with a compound annual growth rate of around 10% by 2032. Growth has been fueled by rising internet use, smartphone penetration, expanding payment systems and new platforms, making it one of Egypt’s most dynamic non-tourism service exports.

4.2 Bilateral trade

4.2.1 Trade in goods

The total bilateral trade volume in 2024 amounted to CHF 2.327 billion (up from CHF 1.646 billion in 2023).

Exports from Egypt to Switzerland surged to CHF 1.126 billion (from CHF 486 million in 2023), which is a staggering 131.7% increase. 91.8% of this volume (1.034 billion CHF) consisted of precious metals and gemstones incl. gold and silver bars. Following a change in export practice in July 2023, all unrefined gold from the Sukari Gold Mine – Egypt’s only operational gold mine – started to be shipped to Switzerland for refining.

Other Egyptian exports to Switzerland remained modest in scale, including: textiles, clothing and shoes (46.74 million CHF / 4.2%), forestry and agricultural products and fisheries (28.18 million CHF / 2.5%), products of the chemical and pharmaceutical industry 8.5 million CHF / 0.8%).

Exports from Switzerland to Egypt also increased to CHF 1.201 billion (from CHF 1.160 billion in 2023). The main Swiss exports to Egypt were products of the chemical and pharmaceutical industry (984.84 million CHF / 82% of total export volume), machines, appliances and electronics (91.75 million CHF / 7.6%), precious metals and gemstones incl. gold and silver bars (41.86 million CHF / 3.5%) and precision instruments, clocks, watches and jewelry (38.02 million CHF / 3.2%).

Due to the steep increase in gold exports from Egypt, the bilateral trade deficit narrowed significantly in 2023 and 2024. Conversely, the rise in Swiss exports to Egypt was entirely driven by a 118.2% year-on-year increase in precious metals and gemstones, suggesting that a part the unrefined gold imported from Egypt is processed in Switzerland and subsequently re-exported to Egypt in refined form, reflecting a potential circular trade pattern within the precious metals value chain.

5 DIRECT INVESTMENTS

5.1 Developments and general outlook

Egypt experienced a significant shift in FDI dynamics during FY 2023-24, with non-oil sector FDI soaring largely due to the Ras El Hekma deal. Oil sector FDI also saw a reversal, with FDI inflows reaching USD 5.7 billion and a modest net outflow of USD 351.6 million, an improvement from the near USD 1 billion outflow recorded in the previous year. Portfolio investment rebounded strongly, recording net inflows of USD 14.5 billion compared to a net outflow of USD 3.8 billion last year. These shifts boosted Egypt to record-high net inflows overall, reflecting a renewed investor confidence in strategic sectors.

The momentum continued into the first half of FY 2024-2025 (July-December 2024), with the Minister of Investment and Foreign Trade reporting a further 17% increase in FDI, a 33% rise in non-oil exports and a GDP growth rate of 3.9%. These improvements were largely driven by regulatory reforms, such as simplifying investment licenses and removing several non-tariff barriers, such as the halal certification requirement for dairy imports as well as the alignment with international car import standards.

5.2 Bilateral investment

Switzerland remains an important investment partner for Egypt, with growing FDI and a strong presence in strategic sectors. In 2023, Switzerland ranked 7th in FDI inflows and 9th in FDI stock, according to the Central Bank. Yet, according to the General Authority for Free Zones and Investments (GAFI) ranking published in June 2024, Switzerland ranked 13th in FDI stock, an improvement from the 18th place in 2023.

This variation results from a revised methodology by GAFI, whereby investments are allocated based on the *ultimate* country of investment rather than the *immediate* investor. As a result, two large companies previously classified under Switzerland were reclassified under Egypt due to their ultimate ownership structure. The removal of these high-value investments from Switzerland's portfolio has had a significant impact on its position in the ranking.

Despite this technical adjustment, Switzerland's FDI stock in Egypt remains substantial, standing at USD 982.4 million in June 2024 - an increase of 32% year-on-year (57.3% excluding exchange rate effects). Net FDI flows from Switzerland amounted to USD 600.6 million in FY 2023-24, only slightly below the USD 676.4 million recorded in FY 2022-23. The largest share of Swiss FDI is in the services and manufacturing sectors, which together account for more than 80% of the total Swiss FDI stock. These developments underline Switzerland's continued role as a high-quality, long-term investor in Egypt, despite the shifts in statistical classification.

6 ECONOMIC AND TOURISM PROMOTION

6.1 Swiss foreign economic promotion instruments

Switzerland promotes its economic relations with Egypt through Swiss economic actors, including Switzerland Global Enterprise (S-GE), SwissCham Egypt, as well as the Embassy's economic section and programs led by the State Secretariat for Economic Affairs (SECO) and Swiss Export Risk Insurance (SERV). The Embassy provides support to Swiss companies in business-to-government (B2G) inquiries on a case-by-case basis, guided by the principle of competitive neutrality to ensure equal treatment for all actors.

SwissCham Egypt currently counts 67 corporate and 22 individual members. In 2024, it organized a series of roundtable discussions and webinars addressing critical topics such as the investment climate, regulatory developments and sector-specific challenges. SwissCham held its annual Gala event in May 2025 for the first time at the Swiss Residence in Maadi, which underscored the deepening partnership and close cooperation between SwissCham Egypt and the Embassy of Switzerland.

The Egyptian-Swiss Business Circle (ESBC) is a newly established Swiss association, officially launched in early 2025 and based in Baden, Aargau. Created in close cooperation with SwissCham Egypt, the ESBC aims to further strengthen economic, trade and investment relations between Switzerland and Egypt.

6.2 The host country's interest in Switzerland

Switzerland is seen as a model for quality, innovation world-class education and high economic performance. The country is valued as a close economic partner and Swiss companies in Egypt enjoy an excellent reputation. Swiss universities and institutes positively contribute to Egyptology research. Political relations are solid. In 2024 and 2025, the 90th anniversary of the friendship treaty of 1934 and diplomatic relations of 1935 were celebrated. Upper and upper middle-class Egyptians often choose Switzerland as a tourism destination. In 2024, the Embassy issued a total of 3,555 type “C” short-term visas, 27.79% of which were for tourism, 33.36% for business, 22.33% for personal visits, 13% for official visits and 3.52% for other reasons, including study visas. Some PhD candidates and post-doc students profit from a scholarship by the Swiss government.

The Swiss Cooperation Programme 2025-28 will be launched in autumn 2025. It strengthens the positive image of Switzerland in Egypt. The programme puts emphasis on **support** for the most vulnerable populations, in particular **migrants and refugees, and host communities**. It supports **economic development** aligned with the **green agenda of Egypt** and promotes good **governance** and **human rights**.

ANNEX 1 – Economic structure

Economic structure of the host country

	Year 2023	**Year 2024**
Distribution of GDP		
Agriculture	11.2%	14.4%
Manufacturing sector	15.9%	14.6%
Trade	14%	14.4%
Construction	8.3%	10.0%
Real Estate Services	10.3%	8.6%
Mining	8%	7.7%
Transportation and Storage	5.1%	4.8%
Tourism	3.1%	3.4%
Education	2.3%	1.9%
Health	2.7%	2.6%

Source: CBE Volume 64 No. 4 2023-2024

Distribution of employment	**Year 2023**	**Year 2024**
Agriculture	18.7%	18.8%
Industry	26%	26.4%
Wholesale and Retail Trade	15%	15.3%
Construction	14%	14.1%
Services	51%	52.2%
Manufacturing sector	13%	13.2%
Transportation and storage	9%	8.9%

Source: 2025 CAPMAS Labor Force Survey

ANNEX 2 – Main economic data

Host country's main economic data

	2022-23	2023-24	Q1 2024-25
GDP (USD bn)*	**395.93**	**383.11**	**347.34**
GDP per capita (USD)*	**3'512.6**	**3570.3**	**3173.5**
Growth rate (% of GDP)*	**3.76%**	**2.4%**	**3.8%**
Inflation rate (%)*	**33.9%**	**33.3%**	**19.7%**
Unemployment rate (%)*	**7.185%**	**7.375%**	**7.665%**
Fiscal balance (% of GDP)*	**-7.4%**	**-7.2%**	**N/A**
Current account balance (% of GDP)*	**-1.2%**	**-5.4%**	**-5.8%**
Total external debt (% of GDP)**	**40.3**	**38.8%**	**27.1%**
Debt-service ratio (% of exports)**	**34.3**	**52.4%**	**45.7%**
Reserves (months of imports)**	**4.1**	**5.9%**	**7.7%**

Sources:

- *CBE Volume 64 No. 4 2023-2024*
- *IMF, Egypt Economic Outlook April 2025 (www.imf.org/external/pubs/ft/weo)*

ANNEX 3 – Trade partners

Trade partners of the host country   Year: 2024

Rank	Country	Exports *from the host country* (USD million)	Share	Change[2]	Rank	Country	Imports *to the host country* (USD million)	Share	Change[10]
1	**Italy**	**3’380.24**	**7.18%**	**+15.04%**	**1**	**China**	**15’548.58**	**15.21%**	**+45.28%**
2	**Saudi Arabia**	**3’363.18**	**7.14%**	**+30.24%**	**2**	**Saudi Arabia**	**7’940.59**	**7.77%**	**+58.48%**
3	**Türkiye**	**3’322.34**	**7.05%**	**-10.38%**	**3**	**USA**	**7’612.64**	**7.45%**	**+59.39%**
4	**UAE**	**3’267.83**	**6.94%**	**+51.07%**	**4**	**Russia**	**6’007.18**	**5.88%**	**+37.01%**
5	**USA**	**2’259.58**	**4.80%**	**+18.26%**	**5**	**Germany**	**4’396.30**	**4.30%**	**+25.23%**
6	**Libya**	**1’950.88**	**4.14%**	**+19.27%**	**6**	**Brazil**	**4’199.99**	**4.11%**	**+77.11%**
7	**UK**	**1’572.91**	**3.34%**	**+21.71%**	**7**	**Türkiye**	**3’264.94**	**3.19%**	**+31.92%**
8	**Spain**	**1’463.63**	**3.11%**	**-9.81%**	**8**	**India**	**3’259.04**	**3.19%**	**+10.26%**
9	**Switzerland**	**1’222.32**	**2.60%**	**+158.41%**	**9**	**Italy**	**3’200.07**	**3.13%**	**+8.98%**
10	**Morocco**	**1033.30**	**2.19%**	**+32.29%**	**10**	**Israel**	**2’924.50**	**2.86%**	**+32.53%**
					20	**Switzerland**	**1’001.39**		**+6.01%**
	EU	**12’451.93**	**26.44%**	**+11.39%**		**EU**	**20’371.65**	**19.93%**	**+17.77%**
	Total	**47’093.85**	**100%**	**+18.15%**		**Total**	**102’237.10**	**100%**	**+38.27%**

Source: IMF Database International Trade in Goods by Partner Countries 2024
https://data.imf.org/?sk=9D6028D4-F14A-464C-A2F2-59B2CD424B85&sId=1514498277103

[2] Change from the previous year in %

ANNEX 4 – Bilateral trade

Bilateral trade between Switzerland and the host country

	Export (CHF million)	*Change (%)*	**Import** (CHF million)	*Change (%)*	**Balance** (in million)	**Volume** (in million)
2020	1’178	-2.8	89	+21	1’089	1’267
2021	1’224	+3.9	77	-12.9	1’147	1’301
2022	1’371	+12	84	+8.3	1’287	1’455
2023	1’160	-15.4	486	+479.2	674	1’646
2024	**1’201**	**+3.5**	**1’126**	**+131.7**	**74**	**2’327**
*(Total 1) **	*1’159*	*+1.58*	*92*	*+5.75*		

*) ‘Economic’ (Total 1): **not** including gold bars and other precious metals, currencies, previous stones and gems, works of art and antiques

Exports	**2023** (% of total)	**2024** (% of total)
1. Products of the chemical and pharmaceutical industry	83.35	82
2. Machines, appliances, electronics	8.25	7.6
3. Precious metals and gemstones (incl. gold and silver)	3.49	3.5
4. Precision instruments, clocks and watches and jewellery	1.65	3.2
5. Forestry and agricultural products, fisheries	0.82	1.3
6. Metals	0.80	0.8
7. Paper, articles of paper and products of the printing industry	0.75	0.6
8. Energy source	0.28	0.3
9. Leather, rubber, plastics	0.27	0.2
10. Textiles, clothing, shoes	0.16	0.2

Imports	**2023** (% of total)	**2024** (% of total)
1. Precious metals and gemstones (incl. gold and silver)	82.06	91.8
2. Textiles, clothing, shoes	8.82	4.2
3. Forestry and agricultural products, fisheries	4.89	2.5
4. Products of the chemical and pharmaceutical industry	2.44	0.8
5. Machines, appliances, electronics	0.47	0.3
6. Works of art and antiques	0.46	0.1
7. Metals	0.28	0.1
8. Stones and earth	0.22	0.1
9. Leather, rubber, plastics	0.17	0.1
10. Precision instruments, clocks and watches and jewellery	0.08	-

Source: Swiss Federal Customs Administration (FCA) – Aussenhandel Schweiz-Ägypten 2024

ANNEX 5 – Main investing countries according to latest available data

Main investing countries in the host country **Year: 2024**

Main investing countries in the host country **Year: 2023**

Rank	**Country**	**Direct investment** (billion USD, stock)	**Share**	**Variation** (stock)	**Inflows over past year** (million USD)
1	UK	20.43	38.8%	N/A	N/A
2	UAE	16.88	32.1%	N/A	1'271
3	Saudi Arabia	6.44	12.2%	N/A	2'138
4	Italy	4.72	8.9%	N/A	N/A
5	Kuwait	4.48	8.5%	N/A	411
6	USA	3.81	5.1%	N/A	691
7	Qatar	2.70	6.7%	N/A	461
8	France	1.80	3.4%	N/A	N/A
9	***Switzerland***	***1.30***	***2.4%***	***+1.56%***	***676***
10	China	1.12	2.1%	N/A	748
	EU	N/A	N/A	N/A	1'857
	Total	52.6	100%		10'038.7

Source(s): GAFI Investment Figures 2022-23