



## EGYPT'S GDP GROWTH RATE DURING Q2 OF FY 2024/2025

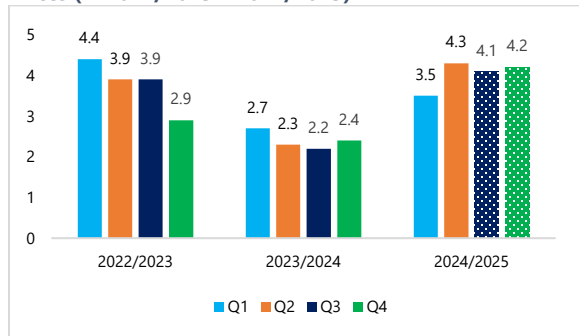
- The Ministry of Planning, Economic Development, and International Cooperation announced in March 2025 that Egypt's GDP growth rate continued to recover during Q2 FY 2024/2025, recording 4.3%, up from 2.3% in the same quarter of the previous fiscal year. This growth is driven by continued structural reforms aimed at maintaining macroeconomic stability, coupled with stringent governance of public investment that strengthen resilience and support shifting from a non-tradable to a tradable economy amid global uncertainties.
- Key sectors driving expansion include non-oil manufacturing, tourism (reflected in restaurants and hotels), communication and information technology (ICT), and trade-related transportation and storage — despite continued declines in the Suez Canal due to ongoing geopolitical tensions.
- On the sectoral level, the non-oil manufacturing sector recorded positive growth for the third consecutive quarter, with a growth rate of 17.7% during Q2 FY2024/2025, compared to a contraction of 11.6% witnessed during the same period of the previous fiscal year. This growth coincides with an increase in private investments, alongside higher merchandise exports, and a rebound in real domestic credit to the private sector—particularly in the industrial sector.
- In addition, sectoral growth reflects positive performance in key tradable sectors, with non-oil manufacturing (17.7%), tourism (18%), and ICT (10.4%) among the fastest-growing during Q2 FY 2024/2025. This shift aligns with ongoing structural reforms aimed at enhancing productivity and export-driven growth. Other sectors, including financial intermediation, transportation and storage, electricity, wholesale and retail trade, agriculture, and construction, also recorded positive growth, reinforcing overall economic momentum.
- On the other hand, some economic activities continued to decline during Q2 FY 2024/2025. The Suez Canal sector remains the most affected by geopolitical tensions in the region, recording a contraction of 70% due to the decline in the number of vessels passing through the Suez Canal, resulting in reduced revenues.
- The Extraction sector also continues to decline, though investment in new discoveries and field development is expected to gain traction in the near term.
- On the expenditure side, private investment exceeded public investment in Q2 FY2024/2025, for the second consecutive quarter, surpassing 50% of total investments, while public investment declined to below 40%, reflecting a continued shift in Egypt's investment landscape.



- **Net exports made a positive contribution of 1.75 percentage points for the first time since Q1 FY2023/2024, supported by higher goods and services exports,**
- **High-frequency indicators underscore a continued economic recovery, with the Purchasing Managers' Index (PMI) signaling a gradual rebound in private sector activity. By early 2025, the PMI rose slightly above the neutral threshold – reaching its highest level in nearly four years – where it remained in expansion territory through February, reflecting sustained improvement in business confidence and economic activity.**

**Egypt's GDP records a growth rate of 4.3 % in the second quarter of the fiscal year 2024/2025, compared to 2.3% in the same quarter of the previous fiscal year This growth reflects the Egyptian government's policies aimed at maintaining macroeconomic stability, coupled with enhanced governance of public investment.** The ongoing implementation of the National Structural Reform Program has also been instrumental in diversifying economic growth drivers, enhancing competitiveness, strengthening the governance of public investment, and encouraging greater private sector engagement. These efforts have supported expansion across key sectors, particularly manufacturing, transportation and storage, tourism, and communication and information technology (ICT).

**Figure 1: Quarterly Growth Rates of GDP at Constant Prices (FY2022/2023 – 2024/2025)**

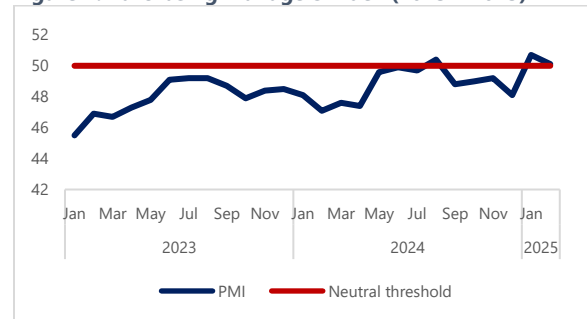


Source: Ministry of Planning, Economic Development and International Cooperation

High-frequency indicators underscore a continued economic recovery, with the Purchasing Managers' Index (PMI) signaling a

gradual rebound in private sector activity. Non-oil sectors showed signs of recovery, with the decline in production and new business activities easing in October and November 2024. By early 2025, momentum picked up, pushing the PMI above the neutral threshold to 50.7 in January—the highest in nearly four years—before moderating to 50.1 in February, signaling continued expansion in the non-oil private sector. This recovery was driven by a 10.6% increase in new orders in January, ending a six-month decline in sales. Manufacturing, construction, and wholesale and retail trade all reported increased orders, while the services sector continued to contract (Figure 2).

**Figure 2: Purchasing Managers Index (2023 – 2025)**



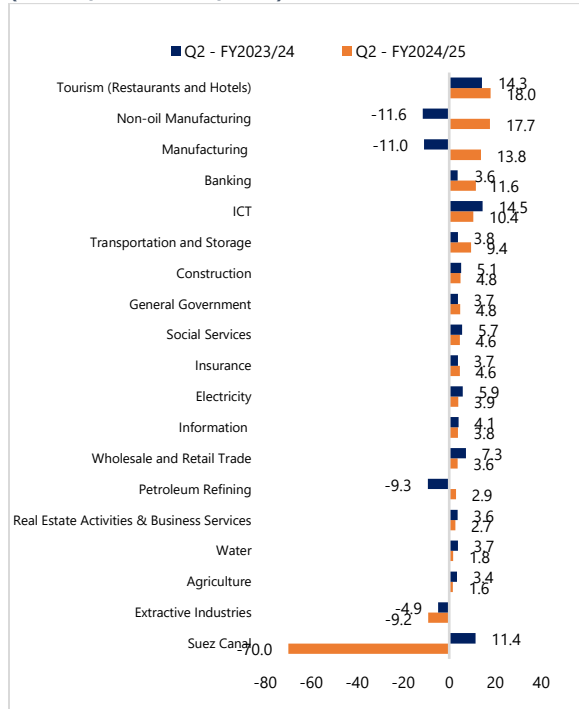
Source: S&P Global

### Sectoral Growth Rate in Q2 of FY 2024/2025

In light of the reform policies adopted by the Egyptian government, several major economic activities witnessed an improvement in economic performance (Figure 3).

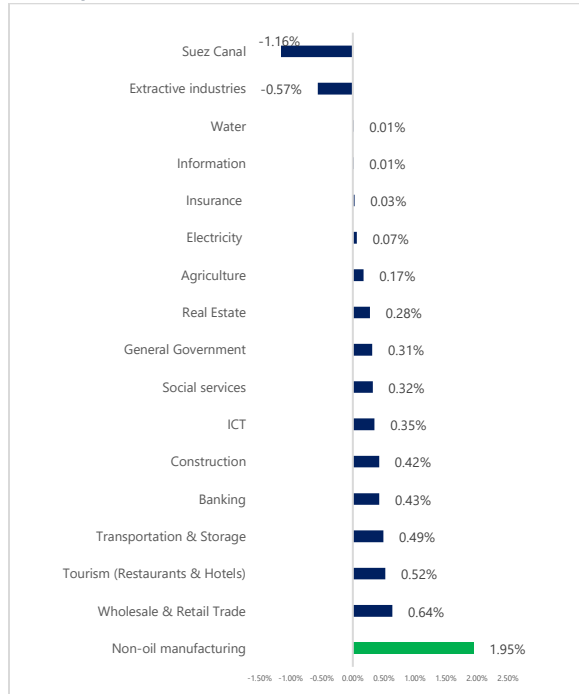


**Figure 3: Quarterly Sectoral Growth Rate (%) (FY2023/2024 - 2024/2025)**



Source: Ministry of Planning, Economic Development and International Cooperation

**Figure 4: Contribution to GDP Growth (pp) during Q2 FY2024/2025**



Source: Ministry of Planning, Economic Development and International Cooperation

The **non-oil manufacturing sector** recorded positive growth for the third consecutive quarter, reaching 17.7%. This recovery marks a sharp turnaround from the 11.5% contraction in the same period last year, and was supported by streamlined customs clearance for raw materials and industrial inputs, leading to increased industrial production. The sector's contribution to GDP growth has steadily improved, rising from -1.4 percentage points in Q2 FY 2023/24 to 1.9 points of the 4.3% overall growth this quarter (Figure 4).

This recovery in the manufacturing sector was driven by the growth of the Industrial Production Index (excluding crude oil and petroleum refining), which recorded an average growth of 17.7% during the second quarter of the fiscal year 2024/2025 (Figure 5). Key industries driving this growth included motor vehicles (73.4%), ready-made garments (61.4%), beverages (58.9%), and textiles (35.3%).

**Figure 5: Industrial Production Index Quarterly Growth Rate (excluding crude oil and petroleum refining)**



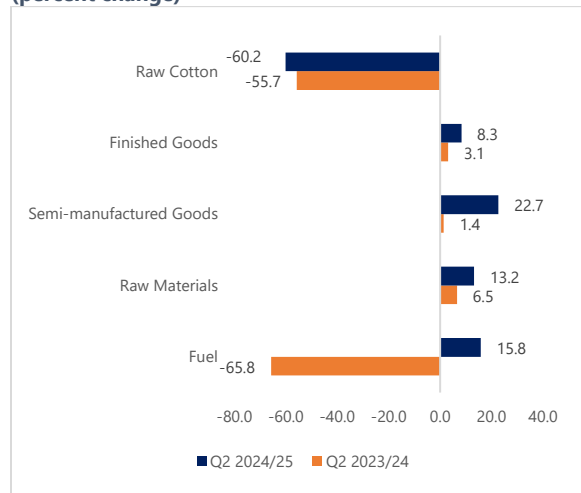
Source: CAPMAS

Moreover, Egypt's exports of semi-manufactured and finished goods witnessed notable growth during the second quarter. Semi-manufactured exports, which accounted for 22.4% of total merchandise exports, increased by 22.7% in the Q2 FY2024/2025 compared to the corresponding quarter of the previous fiscal year. Likewise, finished goods, representing 52.2% of total



merchandise exports, grew by 8.3% (Figure 6). This growth was particularly evident in the exports of perfumes and cosmetics, cotton fabrics, pharmaceuticals, and ready-made garments, which recorded growth rates of 23.8%, 20.8%, 16.4%, and 14.1%, respectively.

**Figure 6: Egyptian exports by degree of manufacturing (percent change)**



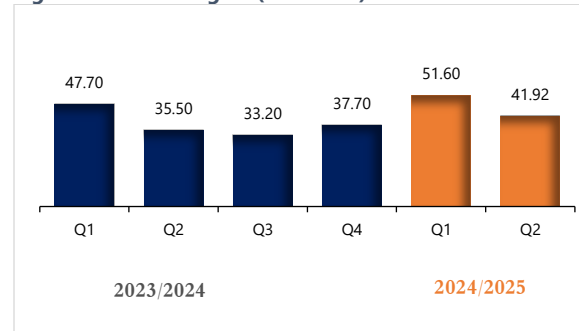
Source: CAPMAS

**Several economic sectors continued to achieve positive growth during the second quarter of the current fiscal year.** The **tourism sector** (restaurants and hotels) achieved an 18% growth rate, driven by an increase in the number of tourists to 4.41 million in Q2 of FY 2024/2025 compared to 3.65 million in the corresponding period of the previous year. The total number of tourist nights increased to 41.92 million in Q2 of FY 2024/2025 compared to 35.54 million nights in the same period of FY 2023/2024 (Figure 7).

This growth is driven by ongoing enhancements in tourism infrastructure and the adoption of advanced technologies, such as AI, to showcase Egypt's historical heritage and enrich visitor experiences. Additionally, targeted promotional campaigns on social media, coupled with financial support initiatives in collaboration with the Ministry of Finance — including EGP 50 billion in support of businesses operating in the sector

— have strengthened competitiveness and accelerated expansion.

**Figure 7: Tourist Nights (in million)**



Source: CAPMAS

The **telecommunications and information technology sector** recorded a growth rate of 10.4% during the second quarter, driven by the expansion of digital infrastructure, increased demand for internet services, and investments in 5G technology valued at 675 million USD. Additionally, the National Telecom Regulatory Authority (NTRA) launched the Wi-Fi Calling service and signed agreements with mobile operators to enhance network coverage, resulting in the approval of 748 new stations during the second quarter, bringing the total number of approved stations to 3,102 by the end of 2024.

As part of efforts to promote digital inclusion, infrastructure development was extended to border areas not targeted for commercial investment. Furthermore, beneficiaries of the "Takaful and Karama" programs were supported through the provision of SIM cards and data packages for people with disabilities and women enrolled in social protection programs. This initiative aims to improve their access to digital services and facilitate their integration into the digital economy.

Furthermore, the **transport and storage sector** recorded a notable growth of 9.4%, supported by an increase in railway freight volume from 1.32 to 2.04 million tons, at a rate of 55%. This expansion



was supported by a series of achievements and projects within the sector, including the opening of new stations such as the "Bassteel" station in Giza and the launch of the "Development Train" in Sinai. Additionally, collaboration with the private sector has been reinforced to enhance freight transportation via railways. Further developments include the modernization of the railway fleet through the procurement of new locomotives and the refurbishment of existing ones, alongside infrastructure upgrades such as improving level crossings and expanding and doubling railway lines.

**Figure 8: Railway Freight Volume (million tons)**



Source: Ministry of Transport

Additionally, maritime freight volume increased from 27.4 to 32.2 million tons, at a rate of 17.5%. This was driven by the construction of new docks, expanding the total length of maritime port terminals to 73 kilometers, thereby increasing cargo capacity to 370 million tons annually, up from 185 million tons. Moreover, the number of metro passengers increased to 187 million during the second quarter, compared to 180.54 million in the same period of the previous year, registering a growth rate of 3.6%. This increase was due to the opening of new stations of the third metro line, improving service efficiency and attracting more passengers.

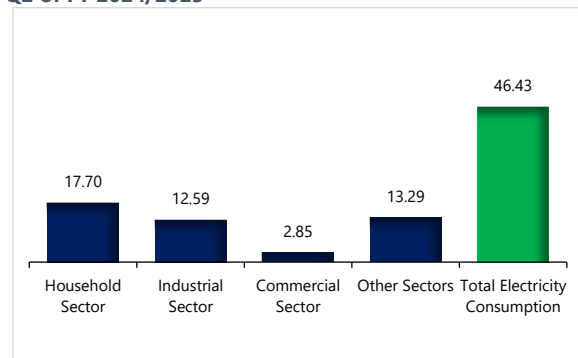
**The construction sector** recorded a growth rate of 4.85%, primarily driven by higher sales of building materials, particularly steel and cement,

which increased by 17% and 1%, respectively. Growth was further supported by the implementation of major housing projects. The government launched several initiatives to support the sector, including the "Sakan Misr" project, which aims to provide affordable housing and expand new cities to alleviate pressure on densely populated urban areas and promote balanced urban development.

As for the **electricity sector**, it also recorded a growth rate of 3.9%, driven by an increase in electricity consumption, which reached 46.4 gigawatt-hours during the second quarter of FY 2024/2025, compared to 44.6 gigawatt-hours in the same quarter of the previous fiscal year.

Similarly, household electricity consumption increased from 16.9 to 17.7 gigawatt-hours, reflecting a growth rate of 4.8%. Industrial consumption increased from 12.5 to 12.6 gigawatt-hours, at a rate of 1.1%. Additionally, electricity usage in the commercial sector grew from 2.6 to 2.9 gigawatt-hours, at a rate of 10.6%. As for other sectors, consumption increased from 44.7 to 46.4 gigawatt-hours, with a growth rate of 4.3%. Among these, the agricultural sector remains the largest electricity consumer in the other sectors (Figure 9).

**Figure 9: Electricity Consumption (Gigawatt/hour) during Q2 of FY 2024/2025**



Source: Egyptian Electricity Holding Company (EEHC)



Furthermore, financial intermediation activities, social services, insurance, and wholesale and retail trade also recorded positive growth rates of 11.63%, 4.62%, 4.58% and 3.60%, respectively.

**While most sectors recorded positive growth in Q2 of FY2024/2025, others continued to face challenges.**

The Suez Canal sector continued to contract due to geopolitical tensions in the Red Sea, which significantly reduced vessel traffic, leading to a 70% decline. As a result, canal revenues dropped to \$0.93 billion in Q2, down from \$2.5 billion in the same quarter of the previous fiscal year - marking a 63% decrease. Ship tonnage also fell by 70%, reaching 117.5 million tons compared to 391.5 million tons in the same quarter of the previous fiscal year.

The extraction sector also continued to contract, recording a 9.2% decline due to a slowdown in the oil and natural gas sub-sectors. Oil production decreased by 7.52%, while natural gas contracted by 19.63%. Domestic crude oil, condensate, and LPG production dropped to 6.8 million tons, compared to 7.4 million tons in the same quarter of the previous fiscal year. Similarly, natural gas production fell to 8.5 million tons, down from 10.6 million tons in Q2 of FY2023/2024.

**GDP by Expenditure Components**

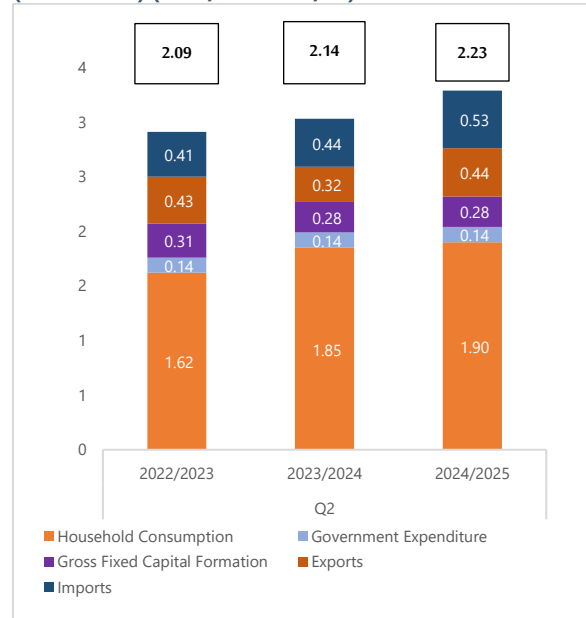
The gross domestic product (GDP) recorded 4.57 trillion EGP at current prices in the second quarter of the fiscal year 2024/25, while it stood at 2.23 trillion EGP at constant prices (Figure 10) during the same period, recording a 4.3% growth rate.

Net exports made a positive contribution of 1.75 percentage points, for the first time since Q1

FY2023/2024, supported by higher goods and services exports.

Government expenditure also contributed by approximately 0.14 percentage points. Meanwhile, investment recorded the lowest contribution of 0.11 percentage points, influenced by at the stringent governance of public investments while increasing and encouraging private investments. This approach seeks to enhance the efficiency of investment spending and stimulate the private sector's role in driving economic growth (Figure 11).

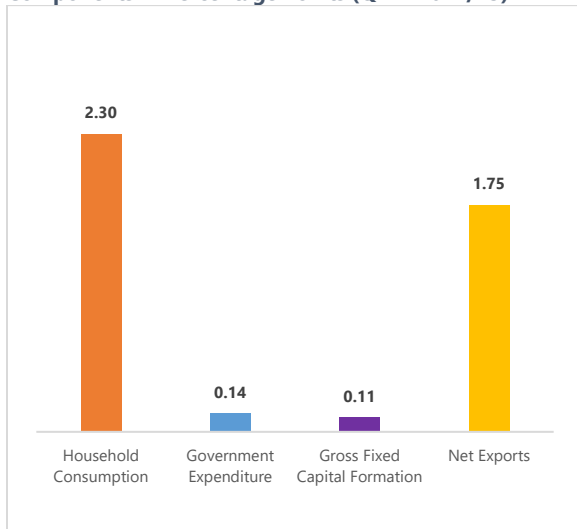
**Figure 10: GDP components in Constant Prices for Q2 (Trillion EGP) (2022/23 – 2024/25)**



Source: Ministry of Planning, Economic Development, and International Cooperation.



**Figure 11: Contribution to GDP Growth by Expenditure Components in Percentage Points (Q2 FY2024/25)**



Source: Ministry of Planning, Economic Development, and International Cooperation

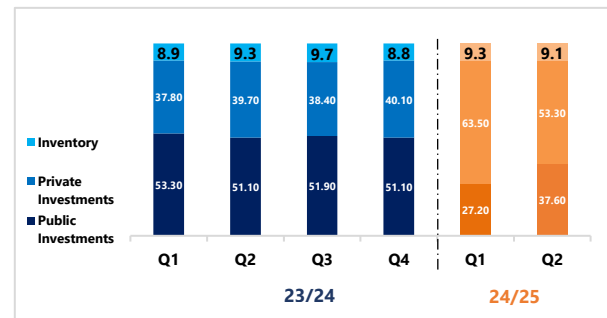
Foreign trade data for the second quarter of the fiscal year 2024/2025 indicate a significant improvement in exports, particularly in the finished goods sector, which accounted for nearly half of total exports, achieving a growth rate of 8.3%, as mentioned earlier. Key exports in this category include iron rods and wires, pharmaceuticals, and ready-made garments, reflecting the growing competitiveness of domestic industries in foreign markets. Semi-manufactured goods also saw strong growth at 22.7%, followed by fuel exports at 15.8% and raw material exports at 13.2%. However, certain export commodities experienced a decline, notably raw cotton, which dropped by approximately 60.2%, following the decision to cap exports at 40% of domestic production to prioritize local industry needs.

On the import side, intermediate goods accounted for more than one-third of Egypt's total imports, achieving a growth rate of approximately 1.37%. These were followed by fuel imports, non-durable consumer goods, investment goods, raw materials, and durable consumer goods. The overall increase in import value during Q2 FY2024/2025 was primarily driven by a 27.27% rise in fuel imports compared

to the corresponding quarter of the previous fiscal year, mainly due to higher natural gas imports.

When it comes to total investments, data for the second quarter of FY2024/2025 reveal notable shifts in Egypt's investment landscape. Total investments amounted to 278.65 billion EGP in constant prices. Public investment saw a significant decline, dropping by 25.7%, and accounted for 37.6% of the total investments. On the other hand, private investment increased by 35.4%, making up 53.3% of total investments. This highlights the government's focus on optimizing public investment to foster greater private sector involvement (Figure 12).

**Figure 12: Investments (%) (FY2023/24 - FY2024/25)**



Source: Ministry of Planning, Economic Development, and International Cooperation

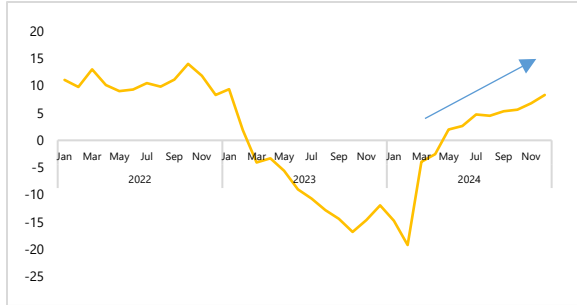
This growth coincided with the recovery of real credit to the private sector, which reached 8% year-on-year by the end of December 2024. The latest data indicates that the industrial sector accounted for the largest share of credit granted to the private sector at 45%. This reflects an overall recovery in private sector credit performance and a stronger economic activity outlook for the private sector (Figure 13).

The growth outlook remains positive, underpinned by continuous structural reforms that help maintain macroeconomic stability, as well as a strategic shift from a non-tradable to a tradable economy, strengthening resilience amid global uncertainties. Private investments are



expected to play a key role in sustaining this momentum, fostering a conducive environment for long-term growth.

**Figure 13: Real Growth Rate of Domestic Credit to the Private Sector (2022-2024) (Y/Y)**



Source: Ministry of Planning, Economic Development, and International Cooperation based on data from the Central Bank of Egypt.



Table 1: GDP at factor cost at current prices (EGP million)

Economic activities	2023/2024	2024/2025
	Q2	Q2
Agriculture Forestry Fishing	453,828	689,598.16
Mining Quarrying	216,408	252,968
A. Petroleum	112,777	108,708.89
B. Gas	59,660	58,904.31
c. Other Extraction	43,971	85,354.42
Manufacturing Industries	466,361	698,388
petroleum Refining	113,681	180,736.09
Other Manufacturing	352,680	517,651.74
Electricity	39,378	54,311.38
Water Sewerage	14,773	17,482.80
Construction	345,213	477,452.85
Transportation and Storage	147,262	226,786.93
Communication	96,717	124,251.72
Information	12,113	14,631.15
Suez Canal	72,797	43,861.50
Wholesale and Retail Trade	568,061	735,006.16
Financial Intermediaries Auxiliary Services	116,402	162,285.43
Social Security and Insurance	19,150	25,011.85
Accommodation and Food Service Activities	101,148	154,838.75
Real Estate Activities	273,430	302,142
A. Real Estate Ownership	181,546	200,995.26
B. Business Services	91,883	101,146.66
General Government	161,016	193,710.44
Social Services	189,532	243,361
A. Education	58,645	69,052.50
B. Health	79,586	110,248.34
C. Other Services	51,301	64,060.55
Total GDP (Total Gross Value Added)	3,293,590	4,416,088



Table 2: GDP growth rate (at constant prices) (%)

Economic activities	2023/2024	2024/2025
	Q2	Q2
Agriculture Forestry Fishing	3.40	1.59
Mining Quarrying	-4.87	-9.21
A. Petroleum	-1.10	-7.52
B. Gas	-14.00	-19.63
c. Other Extraction	4.31	3.01
Manufacturing Industries	-10.97	13.75
Petroleum Refining	-9.33	2.91
Non-oil Manufacturing	-11.56	17.74
Electricity	5.91	3.93
Water Sewerage	3.73	1.77
Construction	5.12	4.85
Transportation and Storage	3.81	9.44
Communication	14.51	10.41
Information	4.08	3.80
Suez Canal	11.43	-69.99
Wholesale and Retail Trade	7.30	3.60
Financial Intermediaries Auxiliary Services	3.65	11.63
Social Security and Insurance	3.75	4.58
Accommodation and Food Service Activities	14.29	17.95
Real Estate Activities	3.60	2.67
A. Real Estate Ownership	3.72	1.89
B. Business Services	3.33	4.34
General Government	3.75	4.77
Social Services	5.67	4.62
A. Education	6.47	4.90
B. Health	5.27	4.51
C. Other Services	5.18	4.40
Total GDP (Total Gross Value Added)	2.20	4.28



Table 3: GDP by expenditure at current prices (EGP billion)

Component	Q2 23/24	Q2 24/25
Household Consumption	3019.45	4,254.3
Government Expenditure	206.48	242.4
Gross Fixed Capital Formation	423.66	551.2
Exports	494.93	903.5
Imports	703.46	1,380.8
GDP at market prices	3441.07	4,570.6

Table 4: GDP by expenditure at constant prices (EGP billion)

Component	Q2 23/24	Q2 24/25
Household Consumption	1854.7	1903.8
Government Expenditure	135.10	138.1
Gross Fixed Capital Formation	276.40	278.7
Exports	315.43	440.9
Imports	444.24	532.2
GDP at market prices	2137.43	2,229.2