جمهورية مصر العربية
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Egypt's GDP Growth Rate during Q2 FY 2025/26

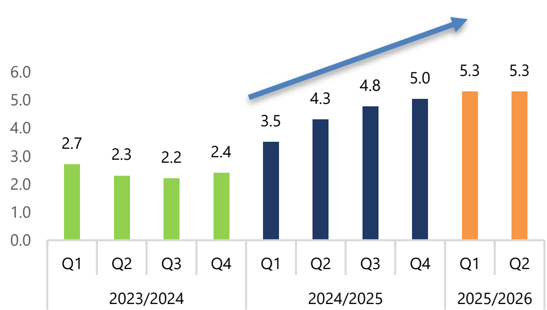
- **The Ministry of Planning and Economic Development announced an increase in Egypt's real GDP growth rate during the second quarter of FY 2025/26, reaching 5.3% compared to 4.3% during the second quarter of the previous fiscal year. This performance was bolstered by the sustained momentum of various economic activities, alongside the continued implementation of fiscal, monetary, and structural reforms that have enhanced macroeconomic stability. Furthermore, the growth was supported by an uptick in productive and service sectors, in addition to the expansion of financial services and digital transformation, reflecting the diversification of growth drivers during the quarter.**
- **The growth recorded during the second quarter of FY 2025/26 was driven by positive performance across several key sectors, most notably: the Suez Canal (24.2%), Restaurants and Hotels "Tourism" (14.6%), Non-Oil Manufacturing (10%), Transportation and Storage (7.4%), Electricity (5.6%), Health (4.7%), and Education (3.3%).**
- **Non-oil manufacturing activity emerged as the primary driver of GDP growth, contributing 1.2 percentage points to the overall 5.3% growth. The sector recorded a growth rate of 10%, fueled by increased industrial output resulting from the government's strategic initiatives to localize manufacturing, boost exports, and establish Egypt as a regional industrial hub.**
- **Suez Canal activity began to show signs of partial recovery during the second quarter, recording a growth rate of 24.2%. This improvement was supported by the gradual return of stability in the Red Sea region, in addition to the efforts undertaken by the Suez Canal Authority to encourage maritime traffic through the canal.**
- **Labor-intensive sectors maintained robust growth trajectories, led by restaurants and hotels "tourism" (14.6%), non-oil manufacturing (10%), transportation and storage (7.4%), wholesale and retail trade (6%), and agriculture (2.7%).**
- **Strong performance in the financial intermediation (10.73%) and insurance (12.53%) sectors enhanced financial inclusion through the expansion of accessible financial services.**
- **Meanwhile, the restaurants and hotels "Tourism" continued to record strong growth rates. Efforts to stimulate the sector were reflected in a significant increase in tourist arrivals, with Egypt receiving around 19 million tourists in 2025— a record figure that reflects the growing strength of Egypt as a global tourism destination.**

- **On the other hand, the contraction in the oil and gas sectors has continued for more than two years due to declining production. Oil activity declined by 1.8% during the current quarter, compared to a contraction of 7.5% in the corresponding quarter of the previous year, while natural gas activity contracted by 6.9% compared to 19.6% during the same period. Nevertheless, the pace of contraction has been easing amid intensified drilling and exploration programs, which have led to increased oil and gas production in recent months, in addition to the provision of all necessary facilitation measures to support foreign partners and secure energy supplies.**
- **Nominal GDP increased to EGP 5.4 trillion in Q2 FY 2025/2026, compared to EGP 4.6 trillion in the corresponding quarter, driven by higher household consumption, investment, and government expenditure. This reflects a notable expansion in overall spending within the economy.**
- **The Egyptian economy recorded a real growth rate of 5.3% at constant prices, with household consumption contributing the largest share to this growth, while the contributions of both investment and government spending remained relatively moderate.**
- **Investment activity witnessed a noticeable improvement during the quarter, with total investments rising to EGP 667 billion, primarily driven by strong growth in private investments, which outpaced public investment. This reflects the continued orientation toward strengthening the role of the private sector in driving economic activity.**
- **Private investment continued to strengthen its position within the overall investment structure, accounting for approximately 58.6% of total investments during the quarter, compared to a relative decline in the share of public investment to 41.4%. This indicates a clear shift toward rebalancing investment roles in favor of the private sector, while maintaining the state's role in supporting infrastructure and strategic projects.**
- **The external sector showed a limited contribution to economic growth, amid continued increase in imports, resulting in a negative contribution of net exports to growth. Trade data also indicate a widening gap between exports and imports, driven by increased demand for imported goods.**

Egypt's GDP growth rate rose to 5.3% in the second quarter of FY 2025/26, compared to 4.3% in the corresponding quarter of FY 2024/25. This expansion was bolstered by the sustained performance of various economic activities, alongside the implementation of fiscal, monetary, and structural reforms, that have enhanced macroeconomic stability. Furthermore, the uptick in productive and service sectors contributed to the growth achieved, while the expansion of financial services and digital transformation reflected the diversified growth drivers during the quarter.

It is worth noting that this performance aligns with the vision of the Ministry of Planning and Economic Development, which aims to ensure high-quality, employment-supporting economic growth, enhance private sector participation, promote technological transformation and innovation, and stimulate entrepreneurship.

Figure 1: Quarterly Growth Rates of GDP at Constant Prices (FY2023/2024 – 2025/2026)



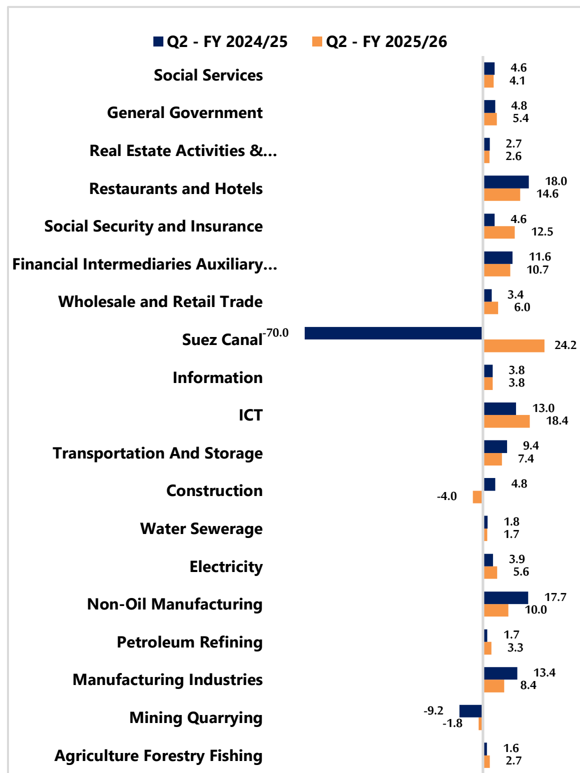
Source: Ministry of Planning and Economic Development.

Non-oil manufacturing activity is the primary driver of GDP growth in the second quarter. Also, the restaurants and hotels activity continued the strong growth, which recorded 14.6%. Furthermore, Suez Canal activity signaled partial recovery during the second quarter.

Sectoral Growth Rate in Q2 2025/26

In light of the ongoing efforts to diversify growth drivers and enhance the contribution of sectors that support employment, technological transformation, innovation, and entrepreneurship, the Egyptian economy has recorded significant growth across several key industries. This has been positively reflected in the recent trajectory of GDP (Figure 2).

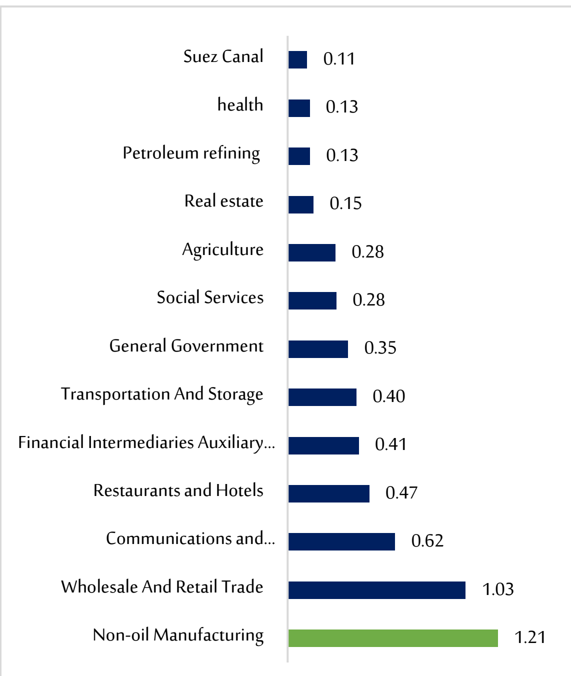
Figure 2: Sectoral Growth Rate (%) (Q2_FY2024/25 - 2025/26)



Source: Ministry of Planning and Economic Development

Non-oil manufacturing activity continued to foster Egypt's economic growth, remaining as the primary contributor to GDP growth by adding 1.2 percentage points to the total growth rate of 5.3% (Figure 3). During the second quarter of FY 2025/26, the sector recorded a growth rate of 10% compared to the same period in the previous fiscal year. This robust performance was driven by the government's strategic initiatives to localize manufacturing, boost exports, and establish Egypt as a regional industrial hub. In this context, new industrial facilities were commissioned, enhancing domestic production and creating thousands of job opportunities. Furthermore, several key initiatives were launched to support industrial activity, aiming to optimize production efficiency and bolster the competitiveness of Egyptian products in both domestic and international markets.

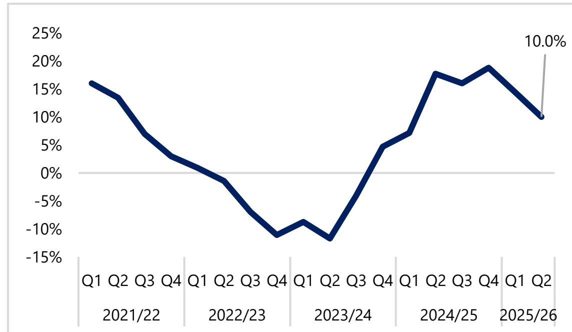
Figure 3: Contribution to GDP Growth (pp) during Q2 FY2025/26



Source: Ministry of Planning and Economic Development.

The growth in the manufacturing was driven by an increase in industrial production, as reflected in the growth of the non-oil industrial production index, which averaged 10% during the second quarter of the FY 2025/26 (Figure 4). Notable growth rates were recorded in several industries, including the manufacture of wood products (53%), furniture (50%), chemicals and chemical products (49%), motor vehicles (33%), beverages (19%), and leather (6%).

Figure 4: Industrial Production Index Growth Rate



Source: CAPMAS

Moreover, the positive growth in non-oil manufacturing during the second quarter of FY2025/26 was driven by the robust performance of export-oriented sectors, which successfully leveraged production expansion into actual exports. Finished goods exports grew by 11% and 14.7% in October and November, respectively. Also, semi-finished exports recorded a growth rate of 4.1% in November.

At the sub-industry level, footwear exports registered remarkable growth, surging by 175.3% and 120.8% in October and November 2025, respectively. Similarly, sanitary paper exports increase by 109.2% and 167.9% in October and November respectively. Ready-made garment exports maintained their upward trajectory, recording growth rates of 9.2% and 17% in October, and November, respectively.

The communications and information technology activity achieved high growth during the second quarter of FY2025/26, reaching 18.4%. This performance was driven by the strategic framework of the **"Digital Egypt"** initiative, which aims to mainstream e-services and enhance the efficiency of digital infrastructure nationwide.

In this context, this growth is anchored by the continuous enhancement of digital infrastructure and sector governance, the digitization of public services, and the expansion of digital capabilities. Furthermore, the sector has focused on stimulating innovation and entrepreneurship, localizing the electronics industry, and enhancing Egypt's position as a global hub for outsourcing and cross-border services.

As a result of the nationwide digital transformation drive, **the "Digital Egypt" platform** has seen a significant expansion in services provided, surpassing 210 government services. This has been accompanied by a notable surge in user engagement and electronic transactions. The platform registered over 10 million users, with approximately 23.8 million transactions processed during 2025, underscoring the increasing public reliance on digital channels for government service delivery.

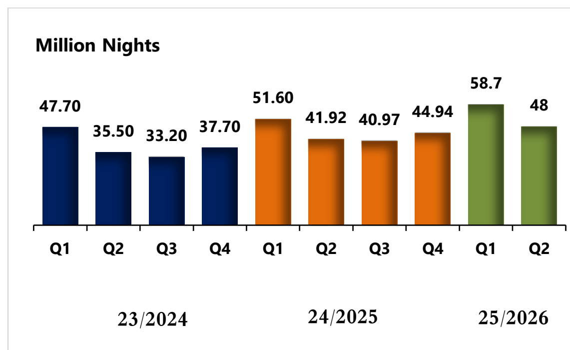
Several other economic activities also recorded positive growth rates during the second quarter of FY2025/26. In this context, the **restaurants and hotels sector (tourism)** grew by 14.6%, reflecting a significant expansion driven by a strategic focus on service quality, specialized training programs, the implementation of international sustainability standards, and the integration of digital transformation—including online booking systems and digital marketing.

This growth was further supported by the expansion of hotel capacity, particularly in the Red Sea, New Alamein, and the North Coast, which align with the evolving tourism demand landscape, resulting in a substantial increase in the total number of tourist nights.

As a result, Egypt recorded a historic high of **19 million tourists** in 2025, which underscores the growing competitiveness of the Egyptian tourism sector on the global stage.

During the second quarter of FY 2025/26, the number of tourist nights rose to 48 million nights, up from 41.9 million during the same period in the previous fiscal year, representing a growth rate of 14.6% (Figure 5). Similarly, the total number of arrivals increased to 5.2 million during the second quarter, compared to 4.4 million in the corresponding quarter of the previous year, marking a significant growth rate of 18.4%.

Figure 5: Number of tourist nights



Source: CAPMAS

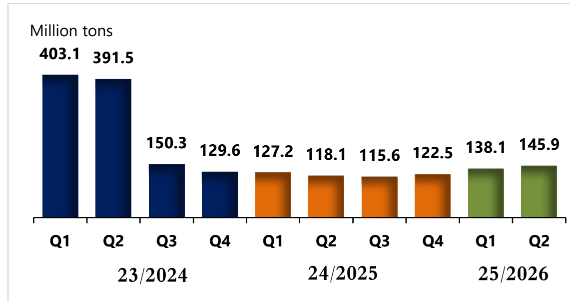
Suez Canal activity signaled partial recovery during the second quarter of FY 2025/2026, recording a growth rate of 24.2%, attributed to the gradual stabilization of the Red Sea region, complemented by the Suez Canal Authority's strategic initiatives to encourage global maritime navigation. Also, the authority enhanced the canal's navigational waterway, besides strengthening maritime safety protocols. These improvements were achieved through the Southern Sector Development Project—which involved expanding and doubling the canal's capacity—alongside the introduction of a comprehensive package of new navigational services.

In this context, Suez Canal traffic indicators showed relative improvement in both the number of vessels and tonnage compared to the previous year. The tonnage of transiting vessels increased by 24.2% during the second quarter, reaching 145.9 million tons, compared to 117.5 million tons in the corresponding quarter of the previous fiscal year (Figure 6). Furthermore, canal revenues in nominal terms rose by 24.2%, reaching 1.15 billion dollars in the second quarter of FY 2025/26, compared to 926 million dollars during the same period in FY 2024/25. Also, vessel traffic increased during the quarter by 9% to reach 3426 vessels, compared to 3142 vessels during the corresponding quarter of the previous year.

In terms of vessel types, car carrier ships recorded the largest increase in tonnage volumes, rising from 770 thousand tons to 4,476 thousand tons compared to the previous fiscal quarter, representing a growth rate of 481.3%. Natural gas carriers also recorded an increase in cargo volumes, rising from 4,346 thousand tons to 9,579 thousand tons, reflecting a growth rate of 120.4%.

Considering revenues, car carriers recorded significant growth, which surged from 6.11 million dollars to 30.89 million dollars, with a growth rate of almost 405.3%. Similarly, liquefied natural gas carriers recorded a revenue uptick from 33.31 million dollars to 74 million dollars — a 122.1% increase compared to the second quarter of the previous fiscal year, which reflects the operational recovery for these vessels and their contribution in the Canal's overall revenue.

Figure 6: Tonnage of vessels transiting in the Suez Canal



Source: Suez Canal Authority

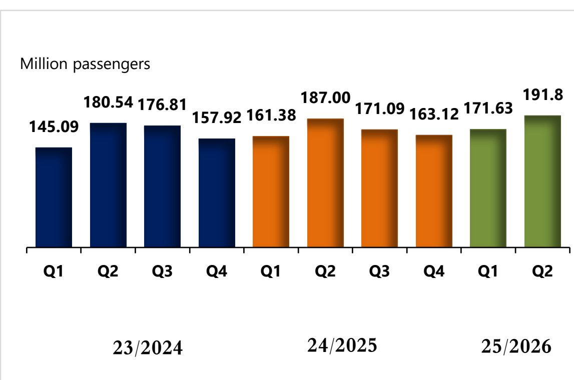
Insurance activity recorded unprecedented growth during the quarter, reaching approximately 12.5%, compared to about 4.6% in the second quarter of the previous fiscal year, driven by the increase in insurance premiums at current prices, which rose to 33.7 billion EGP compared to around 25.7 billion EGP in the corresponding quarter of the previous fiscal year, representing a growth rate of 31%.

This growth is underpinned by the issuance of a comprehensive package of executive regulations for the Unified Insurance Law, which includes restructuring the sector's legislative framework, mandating minimum capital requirements for insurance and reinsurance companies—with defined transitional compliance periods—and establishing an updated solvency framework. Besides the establishment of the first integrated regulatory framework for the licensing and registration of representative offices for foreign insurance and reinsurance companies within Egypt to facilitate the transfer of advanced insurance technologies, enhance risk management mechanisms, bolster the competitiveness of the local market, and attract world-class international expertise.

The transportation and storage activity recorded positive growth of 7.4% during the second quarter of FY 2025/2026, in accordance with the comprehensive national strategy that aims at enhancing infrastructure efficiency, improving quality of life, and solidifying Egypt's status as a regional trade and logistics hub by commissioning strategic mega-projects, and the significant progress in electric traction networks—specifically the Metro, Monorail, and LRT—as well as the expansion of sustainable, eco-friendly mass transit, most notably the Bus Rapid Transit (BRT) project. These developments underscore the country's vision of establishing a smart, integrated, and sustainable transportation ecosystem that underpins comprehensive national development.

Consequently, key sectoral indicators have demonstrated significant growth. Railway passenger volume increased by approximately 1%, reaching 68.4 million passengers during the second quarter, compared to 67.8 million in the same period last year. Similarly, road passenger numbers rose by 3.4% to reach 66 million passengers, compared to 63.8 million passengers in the corresponding quarter of the previous fiscal year. Furthermore, Metro riders surged to 191.8 million passengers, up from 187 million in the corresponding quarter, representing a growth rate of 2.5% (Figure 7).

Figure 7: Number of metro passengers

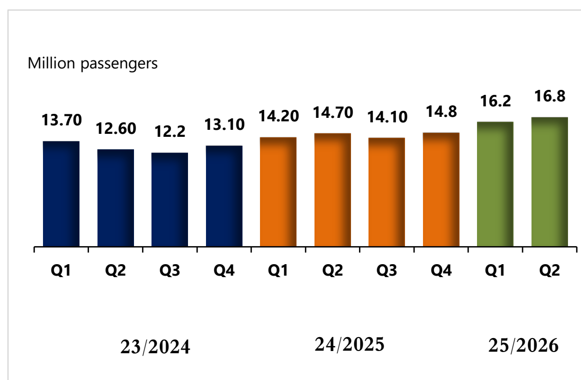


Source: Ministry of Transport.

Regarding the maritime transport, cargo through ports increased from 32.2 million to 35.8 million tons, representing a growth rate of 11.3%. This expansion is primarily attributed to exerted efforts in seaport development, the expansion of berths capacity, and the improvement in logistics infrastructure.

Simultaneously, the air transport sector experienced a significant surge in both passenger volumes and aircraft flights during the second quarter. Passenger numbers rose to 16.8 million, up from 14.7 million passenger during the same period in the previous fiscal year—a growth rate of 14.3% (Figure 8). Furthermore, aircraft movements also recorded a notable increase of about 13.8%, with the total number of flights rising to approximately 122 thousand flights, compared to 107 thousand flights in the corresponding quarter. This growth was supported by ongoing efforts to modernize the air navigation system, specifically through the upgrading of technological infrastructure and the enhancement of air traffic management systems, which enabled the Egyptian airspace to efficiently accommodate the unprecedented increase in air traffic density.

Figure 8: Number of aircrafts passengers

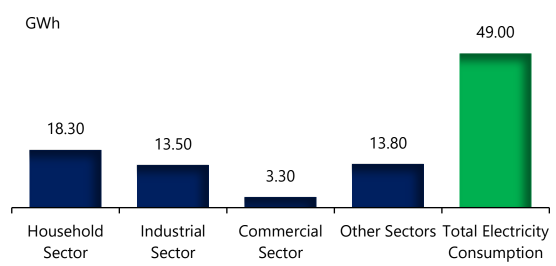


Source: Ministry of Civil Aviation.

The electricity activity recorded a growth rate of 5.6%, driven by rising energy consumption across all economic activities, reaching 49 GWh during the second quarter compared to 46.4 GWh in the corresponding quarter of the previous fiscal year.

This upward trend is attributed to intensified demand from various sectors, as the commercial consumption rose by 16.6% to record 3.3 GWh during the second quarter, while the household sector achieved a growth of 3.6% to reach 18.3 GWh, reflecting sustained urban development, population growth, and the expansion of the retail and services. Furthermore, industrial energy consumption recorded a growth of 7%, reaching 13.5 GWh, while other sectors grew by 4.1% to 13.8 GWh (Figure 9).

Figure 9: Electricity consumption during Q2 2025/26



Source: Egypt Electricity Holding Company.

In addition to the above, the activities of financial intermediation, wholesale and retail trade, general government, and social services recorded positive growth rates of 10.7%, 6%, 5.4%, 4.1%, and respectively. This reflects the efficacy of ongoing structural reforms aimed at diversifying the Egyptian economy and establishing a more resilient, balanced, and sustainable growth model across both productive and service-oriented sectors.

On the other hand, the **extractive activity continued to contract**, declining by 1.8%, driven by a 1.8% decline in petroleum activity and a 6.9% contraction in natural gas output during the second quarter compared to the corresponding period last year. In this context, domestic production of crude oil, condensates, and butane fell to 6.4 million tons compared to 6.6 million tons in the corresponding quarter of the previous year, representing a decrease of 1.8%. while natural gas production reached 7.9 million tons, down from 8.5 million tons in the same quarter of FY 2024/2025, reflecting a decline of 6.9%. However, the pace of contraction has started to ease, reflecting intensified drilling and exploration programs that have led to increased oil and gas production in recent months, in addition to the provision of all necessary facilitation measures to support foreign partners in securing supplies.

Regarding other extraction activities, the government is implementing a series of foundational reforms designed to modernize the sector's regulatory framework, which include streamlining the issuance of exploration licenses, refining fiscal regimes to align with international best practices, fostering a more competitive investment environment, besides the upcoming launch of the Egypt Digital Mining Platform, which will provide transparent access to critical geological data. These efforts are intended to catalyze a structural transformation in the mineral sector, significantly elevating its contribution to the GDP, as Egypt possesses investment opportunities in high-demand minerals, including gold, copper, iron ore, phosphate, quartz, silica, potash, kaolin, and sulfur, which are essential to supporting the energy transition and the expansion of renewable energy technologies.

Gross Domestic Product by Expenditure Components

At current prices, the value of GDP increased from about **EGP 4.6 trillion** in the second quarter of fiscal year 2024/2025 to around **EGP 5.4 trillion** in the corresponding quarter of fiscal year 2025/2026, reflecting a clear expansion in overall spending within the economy.

This growth was mainly driven by a **rise in household consumption** from approximately EGP 4.2 trillion to EGP 5.1 trillion. It was also supported by an **increase in imports** from about EGP 1.4 trillion to EGP 1.5 trillion, as well as **a rise in investment and inventories** from EGP 577 billion to EGP 667 billion. In addition, **government final consumption expenditure increased** from EGP 242.4 billion to EGP 277.2 billion. In contrast, **exports declined** from EGP 903.5 billion to EGP 888.3 billion, recording a contraction of 1.7%.

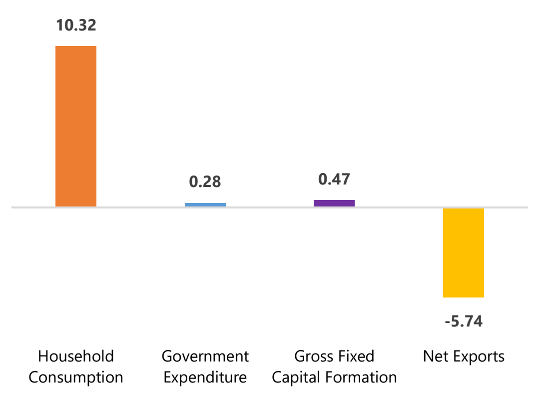
At constant prices, GDP **rose from about EGP 2.23 trillion to approximately EGP 2.35 trillion** over the same period, achieving a **real growth rate** of **5.3%.** This real growth was primarily driven by domestic demand, particularly household consumption, which remained the main engine of economic activity. **Household consumption contributed around 10.32** percentage points to growth, reflecting the continued strength of domestic demand, despite a slight decline in its contribution compared to previous periods (Figure 10).

Government current expenditure showed a modest improvement in its contribution, **rising to about 0.28 percentage** points compared to 0.14 percentage points in the corresponding quarter, indicating a supportive but limited role of fiscal policy in stimulating economic activity. Similarly, the contribution of investment and changes in inventories improved to around **0.47 percentage points**, compared to 0.11 percentage points during the comparison period, pointing to a relative improvement in investment activity.

On the other hand, **net exports recorded a negative contribution of approximately -5.74** percentage points, reflecting continued pressure resulting from higher imports relative to exports, and indicating that the external sector continues to constrain economic growth.

Accordingly, it is evident that the structure of economic growth during this quarter continues to **rely heavily on domestic consumption, with a slight improvement in the contribution of investment, while the external sector remains a constraining factor.** This pattern indicates that the Egyptian economy achieved real growth during the second quarter; however, sustaining this growth requires strengthening the contribution of productive investment and exports. This would support a more balanced and sustainable growth path, while reducing the relative dependence on consumption as the main driver of growth.

Figure 10: Contribution to GDP Growth by Expenditure Components in Percentage Points (Q2 FY25/2026)



Source: Ministry of Planning and Economic Development

With regard to total investment data, the analysis of investment performance during the second quarter of FY 2025/2026 shows a continued improvement in investment activity, with the private sector emerging as a key driver of investment growth.

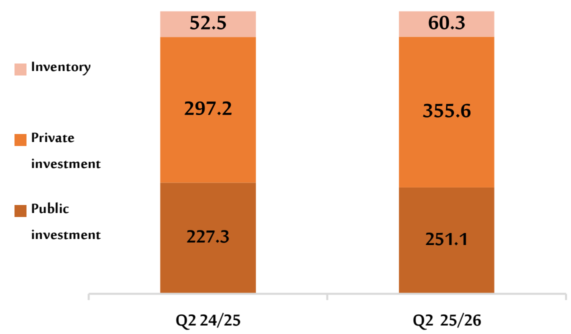
Total investment at current prices rose to about EGP 667 billion, compared with around EGP 577 billion in the corresponding quarter of the previous fiscal year, recording a **real growth rate of 3.6%** at constant prices. This reflects an improvement in the investment climate and an increase in overall investment spending.

In terms of the investment structure, the data show that the rise in total investment was driven mainly by the growth of **private investment, which recorded a notable increase of 19.6%** compared with the previous period. **Public investment also increased, but at a slower pace of 10.5%,** reflecting the state's direction toward allowing greater private sector participation while maintaining its role in implementing strategic projects and infrastructure development (Figure 11).

The upward trend in the **share of private investment in total investment** also continued, with its contribution **rising to 58.6%** in the second quarter of FY 2025/2026. In contrast, **the share of public investment declined relatively to 41.4%** of total investment during the same quarter (Figure 12).

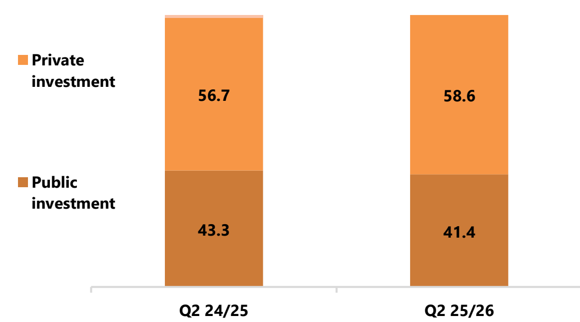
Overall, this development reflects a relative improvement in the **efficiency of investment** allocation within the economy, as the growing role of the private sector helps support growth and create employment opportunities. However, maintaining this trend remains dependent on continued improvements in the business environment, stronger incentives for productive investment, and better integration between the roles of the public and private sectors to achieve more sustainable and balanced economic growth.

Figure 11: Total investments at current prices (billion pounds)



Source: Ministry of Planning and Economic Development

Figure 12: Investments implemented (%)



Source: Ministry of Planning and Economic Development

Turning to external trade data, the figures indicate a **continued widening of the gap between exports and imports** during the second quarter of FY 2025/2026. At constant prices, the value of **goods and services exports declined, recording a negative growth rate of 11.9%**. In contrast, the value of **goods and services imports increased at a rate exceeding that of exports, reaching approximately 14.2%,** which reflects rising demand for imported productive goods without a parallel expansion in the capacity of export sectors.

Table 1: GDP growth rate (at constant prices) (%)

Economic activities	Q2 2025/2026	Q2 2024/2025
Agriculture Forestry Fishing	2.67	1.59
Mining Quarrying	-1.76	-9.21
A. Petroleum	-1.79	-7.52
B. Gas	-6.89	-19.63
c. Other Extraction	4.10	3.01
Manufacturing Industries	8.40	13.43
petroleum Refining	3.34	1.72
Other Manufacturing	10.01	17.74
Electricity	5.57	3.93
Water Sewerage	1.70	1.77
Construction	-3.99	4.85
Transportation and Storage	7.43	9.44
Communication	18.36	13.03
Information	3.80	3.80
Suez Canal	24.17	-69.99
Wholesale and Retail Trade	6.00	3.40
Financial Intermediaries Auxiliary Services	10.73	11.63
Social Security and Insurance	12.53	4.58
Accommodation and Food Service Activities	14.62	17.95
Real Estate Activities	2.58	2.67
A. Real Estate Ownership	2.20	1.89
B. Business Services	3.38	4.34
General Government	5.40	4.77
Social Services	4.14	4.62
A. Education	3.30	4.90
B. Health	4.66	4.51
C. Other Services	4.49	4.40
Total GDP (Total Gross Value Added)	5.30	4.28

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Table 2: GDP at factor cost at current prices (EGP million)

Economic activities	Q2 2025/2026	Q2 2024/2025
Agriculture Forestry Fishing	826,741.2	689,598.2
Mining Quarrying	231,296.3	252,967.6
A. Petroleum	85,481.8	108,708.9
B. Gas	51,552.5	58,904.3
c. Other Extraction	94,262.0	85,354.4
Manufacturing Industries	831,416.5	696,309.1
petroleum Refining	226,230.3	178,657.3
Other Manufacturing	605,186.2	517,651.7
Electricity	62,030.5	54,311.4
Water Sewerage	17,932.3	17,482.8
Construction	520,877.5	477,452.9
Transportation and Storage	301,108.7	226,786.9
Communication	161,378.8	127,203.7
Information	16,279.7	14,631.2
Suez Canal	52,968.4	43,861.5
Wholesale and Retail Trade	856,257.4	733,563.4
Financial Intermediaries Auxiliary Services	197,881.0	162,285.4
Social Security and Insurance	30,993.8	25,011.8
Accommodation and Food Service Activities	199,943.6	154,838.7
Real Estate Activities	361,336.4	302,141.9
A. Real Estate Ownership	252,465.6	200,995.3
B. Business Services	108,870.8	101,146.7
General Government	221,023.6	193,710.4
Social Services	299,423.2	243,361.4
A. Education	78,481.9	69,052.5
B. Health	145,911.6	110,248.3
C. Other Services	75,029.7	64,060.5
Total GDP (Total Gross Value Added)	5,188,888.9	4,415,518.3

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

Component	Q2 2025/2026
Household Consumption	5,050.9
Government Expenditure	277.2
Gross Fixed Capital Formation	667.0
Exports	888.3
Imports	1,518.4
GDP at market prices	5,365.0

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

Component	Q2 2025/2026
Household Consumption	2120.9
Government Expenditure	144.3
Gross Fixed Capital Formation	302.0
Exports	388.4
Imports	607.8
GDP at market price	2,347.8
Growth rate of GDP at market prices	5.3%