



## EGYPT'S GDP GROWTH RATE DURING Q1 OF FY 2024/2025

- The Ministry of Planning, Economic Development and international Cooperation announced in December 2024, that real Gross Domestic Product (GDP) continues to show signs of economic recovery during Q1 of FY 2024/25, recording a growth rate of 3.5%, compared to 2.7%, during the same quarter of the previous FY 2023/24. This improvement was supported by positive performance in key sectors particularly the non-petroleum manufacturing sector. This overall positive growth came despite the continued decline in the Suez Canal's activity driven by geopolitical tensions in the region, and can be attributed to the reform policies implemented by the government aimed at restoring macroeconomic stability and strengthening the governance of public investments.
- On the sectoral level, the non-petroleum manufacturing sector witnessed a positive growth for the second consecutive quarter, following the economic reform policies implemented since March 2024, recording a growth rate of 7.1% in the first quarter of FY 2024/2025 compared to the same period last year. This performance can be attributed to a series of targeted measures, including streamlined customs clearance processes at ports, increasing the supply of essential production inputs and accelerating industrial production.
- Several key sectors continued to demonstrate positive growths in the first quarter, such as transportation and storage, communications and information technology, tourism (reflected in restaurants and hotels), wholesale and retail trade, agriculture and construction sectors.
- Suez Canal sector remains the most affected by geopolitical tensions in the region, recording a contraction of 68.4% during the first quarter of FY 2024/2025. This is due to the decline in the number of vessels passing through the Suez Canal, resulting in reduced revenues.
- The extraction sector also experienced an 8.9% decline in the first quarter of FY 2024/2025. However, the production of gas and oil is expected to improve in the coming months, supported by the government's efforts to settle outstanding dues to foreign oil and gas companies.
- Moreover, high-frequency data underscore positive developments in Egypt's economic activity. The Business Barometer index, issued by the Egyptian Center for Economic Studies rose to 51 points, surpassing the neutral threshold, driven by gains in production, sales, exports, and production capacity utilization. Similarly, the Purchasing Managers' Index (PMI) showed a relative improvement, particularly in the new export orders sub-index, witnessing a sustained increase in foreign new orders inflows for seven consecutive months, indicating a positive outlook for the recovery of export activity.

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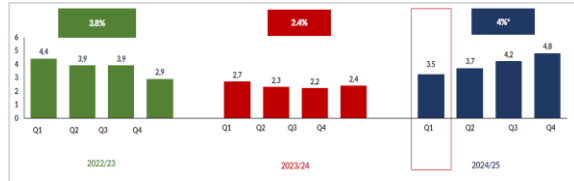
Egypt's GDP records a growth rate of 3.5%, during Q1 of FY 2024/25, compared to 2.7%, during the same quarter of the previous FY 2023/24 with the growth expected to continue throughout the current fiscal year to reach 4.8% in Q4 and 4% on average for the whole year (Figure 1). This growth

is attributed to the reform policies implemented by the government aimed at restoring macroeconomic stability and strengthening the governance of public investments, along with the government's prudent measures to support and stimulate private sector activity and ensure the efficient allocation of



resources to key sectors. This growth is also supported by the improved performance of certain economic sectors, particularly manufacturing, despite the continued decline in the activity of the Suez Canal.

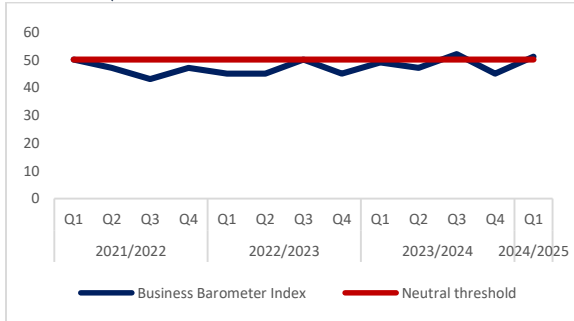
Figure 1: Quarterly Growth Rates of GDP at Constant Prices



Source: Ministry of Planning, Economic Development and International Cooperation

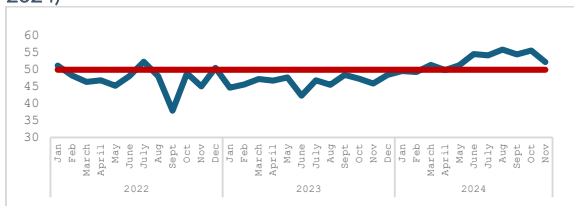
Moreover, high-frequency data also signal positive signs of improvement in economic activity. The Business Barometer index, issued by the Egyptian Center for Economic Studies, rose to 51 points during Q1 of FY 2024/2025, surpassing the neutral threshold, driven by gains in production, sales, exports, and capacity utilization (Figure 2). Similarly, the Purchasing Managers' Index (PMI) showed a relative improvement, particularly in the new export orders sub-index (Figure 3), reflecting a sustained increase in foreign new orders inflows for seven consecutive months, indicating a positive outlook for the recovery of export activity.

Figure 2: Business Barometer Index (FY 2021/2022 – Q1 FY 2024/2025)



Source: Egyptian Center for Economic Studies

Figure 3: Purchasing Managers' New Export Orders (2020 – 2024)

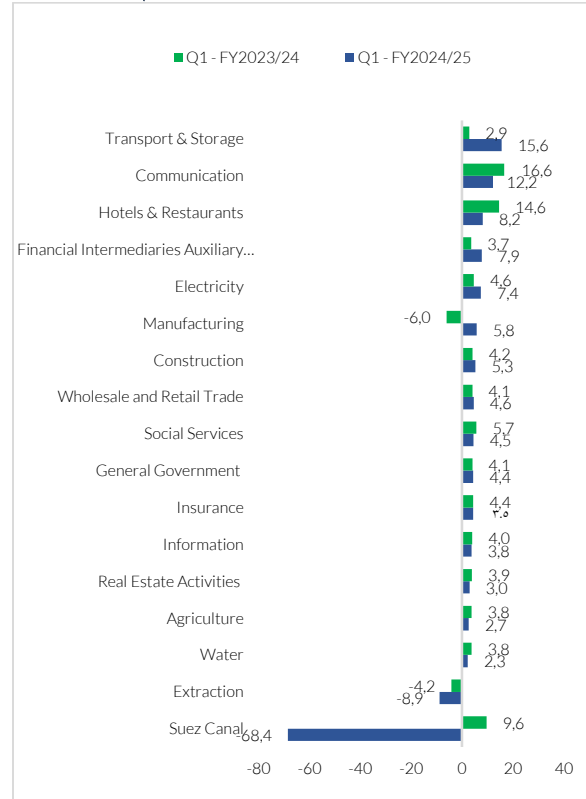


Source: S&P Global

## Sectoral Growth Rate in Q1 of FY 2024/2025

In light of the reform policies adopted by the Egyptian government, several major economic sectors witnessed an improvement in economic performance (Figure 4).

Figure 4: Quarterly Sectoral Growth Rate (%) (FY2023/2024 & FY2024/2025)



Source: Ministry of Planning, Economic Development and International Cooperation

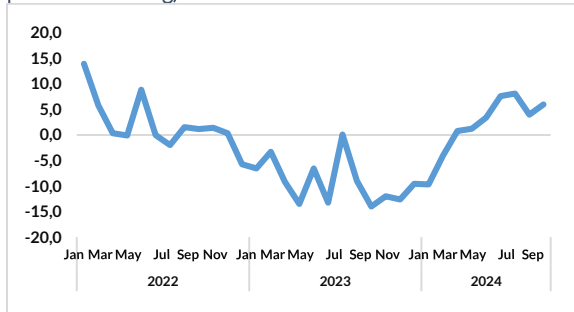
The non-petroleum manufacturing sector witnessed a positive growth for the second consecutive quarter, following the economic reform policies implemented since March 2024, recording a growth rate of 7.1% in the first quarter of FY 2024/2025 compared to the same period last year. This can be attributed to a series of targeted measures, including streamlined customs clearance processes at ports, increasing the supply of essential production inputs and accelerating industrial production.

These efforts are further reflected in the positive outturn observed in the monthly Industrial



Production Index (excluding crude oil and oil refining), which recorded an average growth of 6% during the first quarter of FY 2024/2025, compared to a contraction of 7.7% during the same quarter of the previous fiscal year (Figure 5), reflecting the continued improvement in the performance of the manufacturing sector.

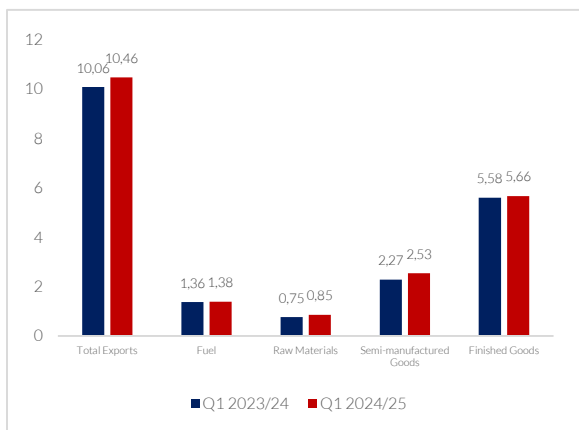
Figure 5: Industrial Production Index (excluding crude oil and petroleum refining)



Source: CAPMAS

This growth is evident in the volume of Egyptian exports during the first quarter of FY 2024/2025, with export revenues rising by approximately 3.9% to \$10.46 billion, compared to \$10.06 billion in the same quarter of FY 2023/2024. This increase is primarily driven by a 13.5% rise in exports of raw materials and an 11.4% growth in semi-manufactured goods, alongside a modest 1.2% increase in petroleum exports, which reached \$1.38 billion compared to \$1.36 billion in the corresponding quarter (Figure 6).

Figure 6: Total Egyptian Exports During Q1 of FY 2024/2025 Compared to Q1 of FY 2023/2024 (in Billion USD)

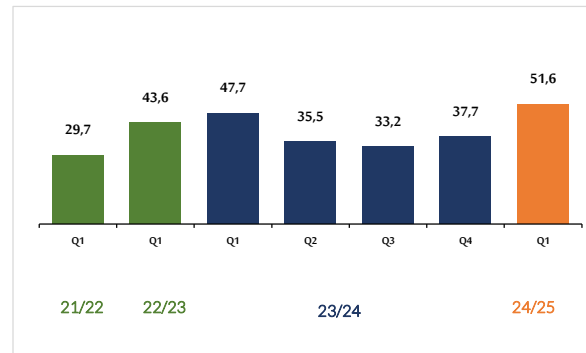


Source: CAPMAS

Furthermore, finished goods witnessed a significant rise, with notable increases in exports of pharmaceuticals, perfumes and cosmetics, and ready-made garments by 26.5%, 23.9%, and 22.95%, respectively.

Several economic sectors continued to achieve positive growth during the first quarter of the current fiscal year. The transport and storage sector recorded a remarkable growth of 15.6%, supported by notable increases in the number of road passengers (3%), metro passengers (11%), maritime freight (17%), and rail freight (59%). This progress aligns with the comprehensive plan implemented by the Ministry of Transport to enhance the railway system, focusing on infrastructure upgrades and workshop developments to improve the efficiency of passenger and freight services. Additionally, other sectors such as construction witnessed a growth rate of 5.26%, while the information and communication technology (ICT) sector and the wholesale and retail trade sector grew by 12.15% and 4.62%, respectively. The tourism sector (represented by restaurants and hotels) also achieved an 8.2% growth rate, with the total number of tourist nights increasing to 51.6 million in Q1 of FY 2024/2025 compared to 47.7 million nights in the same period of FY 2023/2024 (Figure 7).

Figure 7: Tourist Nights (in million)



Source: CAPMAS

Furthermore, the number of tourists rose to 4.28 million in Q1 of FY 2024/2025 compared to 4.2 million in the corresponding period of the previous year, reflecting a 2.1% increase.

On the other hand, the agriculture sector achieved a growth rate of 2.65% during Q1 of FY 2024/2025. This growth can be attributed to several factors, most notably the availability of agricultural inputs following the customs clearance of essential items such as seeds, fertilizers, and animal production supplies like feed, which were prioritized for import. Additionally, government efforts to encourage farmers to expand the cultivation of wheat and corn played a significant role. These efforts included distributing high-quality seeds and establishing demonstration fields to guide farmers toward adopting more efficient modern agricultural practices.

Despite some sectors achieving positive growth rates during Q1 of FY2024/2025, others continued to record negative growth. The Suez Canal sector experienced a significant decline, with its activity contracting by 68.4%. This was accompanied by a sharp drop in Suez Canal revenues, which fell to just \$0.97 billion in Q1 compared to \$2.6 billion in the corresponding quarter of the previous fiscal year, recording a decrease of 63%. Similarly, the tonnage of ships passing through the canal declined by 68.4%, reaching 127 million tons compared to 403 million tons in the same quarter of the previous fiscal year.

The extraction sector also continued to contract, recording an 8.9% decline due to a slowdown in the oil and natural gas sub-sectors, where oil activity decreased by 6.2%, and natural gas production contracted by 18.8%.

However, the production of gas and oil is expected to improve in the coming months, supported by the government's efforts to settle outstanding dues to foreign oil and gas companies. In addition, various companies intend to drill new wells and continue exploration activities for crude oil and natural gas.

### GDP by Expenditure Components

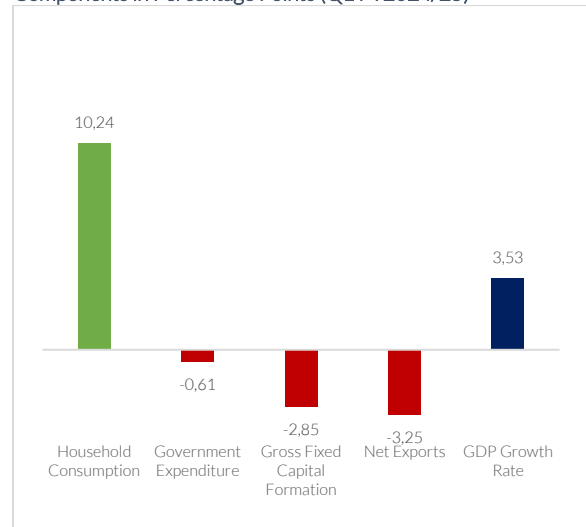
Real GDP increased to EGP 2.23 trillion (Figure 8) due to a rise in household consumption, which contributed 10.2 percentage points to GDP growth (Figures 9 and 10).

Figure 8: GDP components in Constant Prices for Q1 (Trillion EGP) (2022/23 – 2024/25)



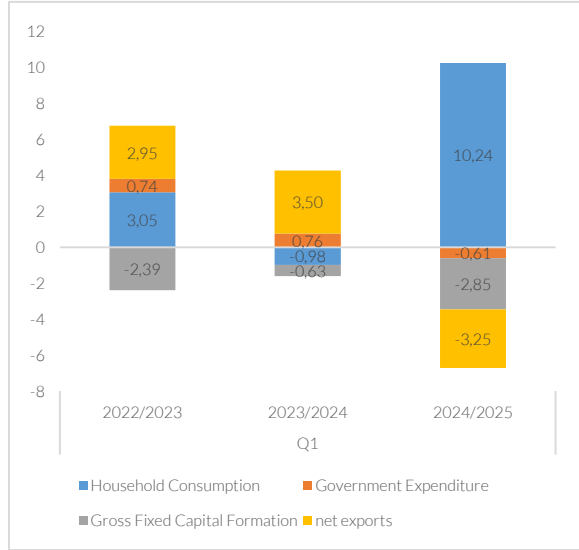
Source: Ministry of Planning, Economic Development, and International Cooperation.

Figure 9: Contribution to GDP Growth by Expenditure Components in Percentage Points (Q1 FY2024/25)



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

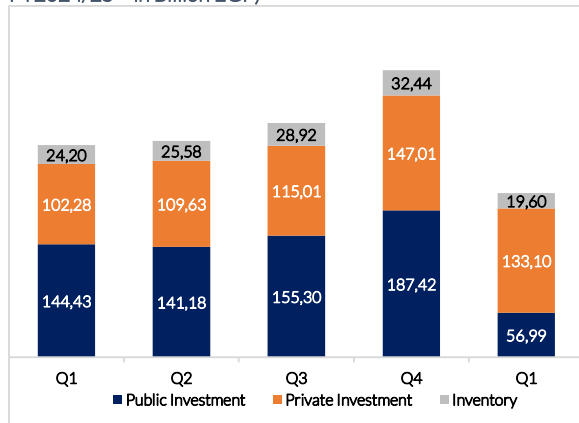
Figure 10: Contribution to GDP Growth by Expenditure Components in Percentage Points (Q1 FY2022/23 - FY2024/25)



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

Despite the current economic and geopolitical challenges, total exports increased by 13.8% compared to the corresponding quarter, while imports rose by 33.6%. However, the investment growth rate declined by 22.6% compared to the corresponding quarter, due to a decrease in public investments during this period, which contracted by 60.5% to record 57 billion EGP in constant prices compared to 144.4 billion during the quarter in the previous year.

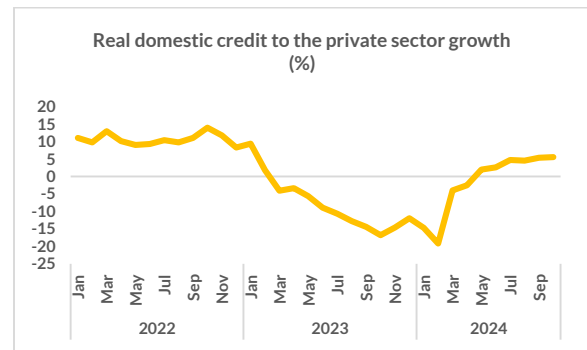
Figure 11: Total Investments at Constant Prices (FY2023/24 - FY2024/25 - in Billion EGP)



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

In the same vein, and in light of the Ministry of Planning, Economic Development and International Cooperation's efforts to support the private sector through the governance of public investments, private investments amounted to EGP 133.1 billion in Q1 of FY 2024/2025, accounting for approximately 63.5% of total investments and recording a growth of 30.1% (Figure 11). This growth coincided with the recovery of real credit growth during Q1 2024/2025 which saw an average growth of 4.9%, compared to a negative growth of 12.7% during the same quarter in the previous year. This reflects an overall recovery in private sector credit performance and a stronger economic activity outlook for the private sector (Figure 12).

Figure 12: Real Growth Rate of Domestic Credit to the Private Sector (2022-2024)



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
	Q1	Q1
<b>Agriculture Forestry Fishing</b>	525,824.60	966,407.41
<b>Mining Quarrying</b>	234,006.09	263,471
<b>A. Petroleum</b>	116,940.21	114,394.27
<b>B. Gas</b>	82,429.84	81,149.23
<b>c. Other Extraction</b>	34,636.04	67,927.10
<b>Manufacturing Industries</b>	451,638.50	647,214
<b>petroleum Refining</b>	63,684.54	88,246.47
<b>Other Manufacturing</b>	387,953.96	558,967.98
<b>Electricity</b>	43,186.16	57,214.91
<b>Water Sewerage</b>	12,916.33	15,606.39
<b>Construction</b>	275,320.94	409,601.94
<b>Transportation and Storage</b>	155,272.09	259,057.69
<b>Communication</b>	77,046.89	97,299.41
<b>Information</b>	12,590.33	14,716.58
<b>Suez Canal</b>	71,479.62	41,676.21
<b>Wholesale and Retail Trade</b>	453,098.36	595,237.48
<b>Financial Intermediaries Auxiliary Services</b>	113,096.90	153,171.28
<b>Social Security and Insurance</b>	20,783.77	27,002.51
<b>Accommodation and Food Service Activities</b>	86,251.46	122,412.28
<b>Real Estate Activities</b>	283,446.41	312,317
<b>A. Real Estate Ownership</b>	182,161.74	201,695.23
<b>B. Business Services</b>	101,284.67	110,622.13
<b>General Government</b>	153,689.08	194,138.29
<b>Social Services</b>	188,018.24	236,038
<b>A. Education</b>	56,090.49	65,301.50
<b>B. Health</b>	79,435.97	104,330.55
<b>C. Other Services</b>	52,491.78	66,406.41
<b>Total GDP (Total Gross Value Added)</b>	3,157,665.74	4,412,583



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

<b>Economic activities</b>	<b>2023/2024</b>	<b>2024/2025</b>
	<b>Q1</b>	<b>Q1</b>
<b>Agriculture Forestry Fishing</b>	3.80	2.65
<b>Mining Quarrying</b>	-4.15	-8.85
<b>A. Petroleum</b>	0.21	-6.16
<b>B. Gas</b>	-11.99	-18.77
<b>c. Other Extraction</b>	3.51	3.41
<b>Manufacturing Industries</b>	-6.00	5.88
<b>petroleum Refining</b>	6.06	-0.50
<b>Other Manufacturing</b>	-8.07	7.14
<b>Electricity</b>	4.64	7.44
<b>Water Sewerage</b>	3.78	2.29
<b>Construction</b>	4.20	5.26
<b>Transportation and Storage</b>	2.90	15.57
<b>Communication</b>	16.57	12.15
<b>Information</b>	4.01	3.81
<b>Suez Canal</b>	9.64	-68.44
<b>Wholesale and Retail Trade</b>	4.10	4.62
<b>Financial Intermediaries Auxiliary Services</b>	3.65	7.85
<b>Social Security and Insurance</b>	4.36	3.46
<b>Accommodation and Food Service Activities</b>	14.58	8.19
<b>Real Estate Activities</b>	3.93	3.04
<b>A. Real Estate Ownership</b>	3.64	2.38
<b>B. Business Services</b>	4.54	4.42
<b>General Government</b>	4.09	4.39
<b>Social Services</b>	5.71	4.55
<b>A. Education</b>	6.04	3.72
<b>B. Health</b>	5.79	4.92
<b>C. Other Services</b>	5.18	5.03
<b>Total GDP (Total Gross Value Added)</b>	2.60	3.49



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

Component	Q1 23/24	Q1 24/25
Household Consumption	2897.5	4512.3
Government Expenditure	203.2	225.5
Gross Fixed Capital Formation	341.1	366.9
Exports	534.1	847.4
Imports	618.9	1332.8
GDP at market prices	3357.0	4619.4

Table 4: GDP by expenditure at constant prices (EGP billio

Component	Q1 23/24	Q1 24/25
Household Consumption	1715.3	1935.4
Government Expenditure	158.1	145.0
Gross Fixed Capital Formation	270.9	209.7
Exports	361.9	411.9
Imports	357.0	476.8
GDP at market prices	2149.2	2225.1