For the latest updates on the key economic responses from governments to address the economic impact of the COVID-19 pandemic, please consult the IMF’s policy tracking platform Policy Responses to COVID-19.

After having recovered from the internal political crisis and revolutionary uprising of 2011, the Egyptian economy recently slowed down due to the outbreak of the COVID-19. According to IMF estimates, GDP growth continued to decrease to 3.3% in 2021 from 3.6% in 2020. Despite this slowdown, Egypt remained one of the few countries with positive growth rate in 2021. According to the IMF’s forecast, GDP growth is projected to recover to 5.2% in 2022 and 5.6% in 2023, subject to the loosening of health measures and a post-pandemic global economic recovery.

In 2021, Egypt’s economy continued to be impacted by the COVID-19 pandemic, as recovery was delayed by renewed surge in infections and the emergence of new Covid-19 variants. Proactive measures taken to address health and social needs and support the most directly affected sectors, as well as the IMF-supported economic reform program, helped mitigate the economic and human impact of the crisis (IMF). In addition, before the pandemic, the country was already in a strong position as it had implemented an economic reform program comprising fiscal consolidation measures, the introduction of a floating exchange rate and large cuts in subsidies. In 2021, the budget deficit increased slightly to -7.6% GDP (from -7% GDP in 2020), and is expected to decrease to -6.5% GDP in 2022 and -5.6% GDP in 2023 thanks to economic recovery (IMF). Public debt-to-GDP ratio increased to 91.4% in 2021 (from 89.8% in 2020) and is expected to decline to 89.5% in 2022 and 86.2% in 2023 (IMF). The public debt’s non-resident and foreign currency portions are expected to increase with international financing (Coface). Appropriate monetary policy allowed the inflation rate to further decrease and to stay well below the central bank’s target range, reaching 4.5% in 2021. It should stay under control but increase to 6.3% in 2022 and 7.1% in 2023, according to IMF estimates. For 2022, the priority remains to support the economic recovery while continuing to preserve macroeconomic stability. The authorities are committed to pursue the structural reform program that aims at more inclusive and sustainable private sector-led growth, durable jobs creation and improved external resilience (IMF). The country’s post-Covid-19 recovery will be guided by the Egypt Vision 2030 strategy, which comprises numerous programs related to transport, entrepreneurship, logistics, environment etc. (Oxford Business Group). Major risks include a persistent COVID-19 pandemic, less favourable financing conditions for emerging markets, and a drop in remittances (IMF).

The official unemployment rate, after reaching its highest level in the past 11 years in 2015 (13.4%), has been declining slowly since then. However, due to the COVID-19 pandemic, it increased to 9.3% in 2021 and should remain at that level in 2022 (9.2%) according to IMF estimates. It is estimated that three-quarters of all employees are paid as unofficial workers, and 32.5% of the population lives below the poverty line (state statistics agency CAPMAS). Female youth unemployment remains very high (53% in 2019 according to the World Bank).

<table>
<thead>
<tr>
<th>Main Indicators</th>
<th>2019</th>
<th>2020</th>
<th>2021 (e)</th>
<th>2022 (e)</th>
<th>2023 (e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP (billions USD)</td>
<td>302.34</td>
<td>363.25e</td>
<td>396.33</td>
<td>438.35</td>
<td>476.36</td>
</tr>
</tbody>
</table>
### Main Indicators

<table>
<thead>
<tr>
<th>Main Indicators</th>
<th>2019</th>
<th>2020</th>
<th>2021 (e)</th>
<th>2022 (e)</th>
<th>2023 (e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP (Constant Prices, Annual % Change)</td>
<td>5.6</td>
<td>3.6e</td>
<td>3.3</td>
<td>5.6</td>
<td>5.6</td>
</tr>
<tr>
<td>GDP per Capita (USD)</td>
<td>3,057</td>
<td>3,601</td>
<td>3,852</td>
<td>4,177</td>
<td>4,450</td>
</tr>
<tr>
<td>General Government Balance (in % of GDP)</td>
<td>-7.7</td>
<td>-7.0</td>
<td>-7.6</td>
<td>-6.5</td>
<td>-5.6</td>
</tr>
<tr>
<td>General Government Gross Debt (in % of GDP)</td>
<td>84.2</td>
<td>89.8e</td>
<td>91.4</td>
<td>89.5</td>
<td>86.2</td>
</tr>
<tr>
<td>Inflation Rate (%)</td>
<td>13.9</td>
<td>5.7</td>
<td>4.5</td>
<td>6.3</td>
<td>7.1</td>
</tr>
<tr>
<td>Unemployment Rate (% of the Labour Force)</td>
<td>8.6</td>
<td>8.3</td>
<td>9.3</td>
<td>9.2</td>
<td>8.8</td>
</tr>
<tr>
<td>Current Account (billions USD)</td>
<td>-10.89</td>
<td>-11.17</td>
<td>-15.39</td>
<td>-16.05</td>
<td>-12.91</td>
</tr>
<tr>
<td>Current Account (in % of GDP)</td>
<td>-3.6</td>
<td>-3.1</td>
<td>-3.9</td>
<td>-3.7</td>
<td>-2.7</td>
</tr>
</tbody>
</table>

Source: IMF - World Economic Outlook Database, October 2021

Note: (e) Estimated Data

### Country Risk

See the country risk analysis provided by La Coface.

### MAIN SECTORS OF INDUSTRY

Agriculture contributes 11.6% of the GDP (World Bank, 2020) and employs 21% of the active population (World Bank, 2019). The sector has historically been important for Egypt, and it accounts for about 20% of total exports and foreign exchange earnings. It appears as the most resilient sector in the context of the COVID-19 pandemic. The warm climate and the abundant Nile water allow for several annual harvests. The main crops are cereals, cotton, sugar cane and beetroots.

Egypt's non-oil industry remains rather limited. With automotive manufacturing, steel manufacturing, cotton cultivation, textile production and the construction industry, the secondary sector accounts for 32% of the GDP (World Bank, 2020) and employs 27% of the workforce (World Bank, 2019). The mining industry accounts for only 0.5% of the GDP, but is a strategic sector at the centre of the country’s development plan (Oxford Business Group). In spite of economic diversification efforts, the country continues to depend on the Suez Canal for a large part of its foreign income. In 2021, the Suez Canal Authority generated USD 6.3 billion revenues, the highest annual revenue in its history (Egypt Oil&Gas). Despite the COVID-19 pandemic, Egypt also announced record oil production levels in 2020, exceeding 650,000 barrels per day, stable LNG production and LNG exports at full capacity in December 2021 (Reuters).

Finally, the services sector represents 51.8% of the Egyptian GDP (World Bank, 2020) and employs more than half of the population (52% in 2019). It is largely dominated by revenues from telecommunications and tourism sectors. Due to the COVID-19 pandemic, the services surplus declined sharply from USD 13.0 billion in 2019 to USD 8.9 billion in 2020 and USD 5.1 billion in 2021, mainly as a result of the decrease in tourism revenues. Travel receipts fell from USD 12.57 billion in 2019 to USD 4.86 billion in 2021 (Central Bank of Egypt).

### Breakdown of Economic Activity By Sector

<table>
<thead>
<tr>
<th>Breakdown of Economic Activity By Sector</th>
<th>Agriculture</th>
<th>Industry</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment By Sector (in % of Total Employment)</td>
<td>20.6</td>
<td>26.9</td>
<td>52.4</td>
</tr>
<tr>
<td>Value Added (in % of GDP)</td>
<td>11.5</td>
<td>31.8</td>
<td>51.7</td>
</tr>
<tr>
<td>Value Added (Annual % Change)</td>
<td>3.3</td>
<td>0.6</td>
<td>3.6</td>
</tr>
</tbody>
</table>

FOREIGN TRADE

Trade represents 34% of the country’s GDP (World Bank, 2020). The Egyptian market has been gradually opening up, with the ratification of various free trade agreements, especially the European Free Trade Association (EFTA). The African continental free trade area (AfCFTA) was ratified by Egypt in 2019. Petroleum products (oil and gas) are the most traded items, both for imports and exports. Other important exports are gold, plastics, citrus fruit and nitrogenous fertilisers. Imports are driven by petroleum (as Egypt’s reserves are much less significant than those of other Gulf countries), machinery and mechanical appliances, cereals (the country imports around 40% of its food requirements according to FAO), cars, radio-telephony transmission tools, plastics and medicines (World Trade Organisation and International Trade Center, 2020). Due to the ongoing COVID-19 pandemic, the volume of exports of goods and services is expected to decline by -11.2% in 2021 compared to 2020, and the volume of imports to decline by -7.5%. For 2022, the IMF forecasts a fall in volume of -10.5% for exports and -1.4% for imports.

Egypt's main export partners are the United Arab Emirates (10.7% of total exports), Saudi Arabia (6.4%), Turkey (6.2%), the United States (5.5%), Italy (5.2%) and India (4.6%). Egypt’s main suppliers are China (15% of total imports), the United States (6.7%), Saudi Arabia (6.3%), Germany (5.8%) and Turkey (4.9%) (International Trade Center, 2020).

Structurally, the Egyptian economy has a trade deficit. Excluding services, the deficit staid stable at around USD 29.2 billion in 2020, as both imports (USD 59.8 billion) and exports (USD 26.6 billion) of goods decreased. As for services, Egypt exported USD 14.4 billion worth of services in 2020 (-40.7%), while it imported USD 17.1 billion (-16.1%) (World Trade Organisation). According to Egypt Oil & Gas, Egypt’s exports were reported at USD 29.7 billion, rising by 40% in the first nine months of 2021, compared to the USD 21.2 billion recorded in the same period of 2020. Egypt’s commodities exports increased by 27% during the first 11 months of 2021. The trade deficit is expected to decrease in 2022 thanks to a rebound in tourism, higher gas exports, lower energy imports, and consequent Suez Canal revenues and remittances (Coface).

<table>
<thead>
<tr>
<th>Foreign Trade Values</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imports of Goods (million USD)</td>
<td>55,789</td>
<td>61,627</td>
<td>72,000</td>
<td>70,919</td>
<td>59,843</td>
</tr>
<tr>
<td>Exports of Goods (million USD)</td>
<td>25,468</td>
<td>25,604</td>
<td>27,624</td>
<td>28,993</td>
<td>26,630</td>
</tr>
<tr>
<td>Imports of Services (million USD)</td>
<td>16,978</td>
<td>16,082</td>
<td>17,830</td>
<td>20,415</td>
<td>17,127</td>
</tr>
<tr>
<td>Exports of Services (million USD)</td>
<td>14,305</td>
<td>18,613</td>
<td>22,913</td>
<td>24,253</td>
<td>14,376</td>
</tr>
</tbody>
</table>

Source: World Trade Organisation (WTO); Latest available data
Foreign Trade Forecasts

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2022 (e)</th>
<th>2023 (e)</th>
<th>2024 (e)</th>
<th>2025 (e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume of exports of goods and services (Annual % change)</td>
<td>-11.2</td>
<td>10.5</td>
<td>17.6</td>
<td>11.3</td>
<td>6.8</td>
</tr>
<tr>
<td>Volume of imports of goods and services (Annual % change)</td>
<td>-7.5</td>
<td>-1.4</td>
<td>10.0</td>
<td>11.4</td>
<td>8.1</td>
</tr>
</tbody>
</table>

Source: IMF, World Economic Outlook; Latest available data

Note: (e) Estimated Data

**International Economic Cooperation**

Egypt is a member of the following international economic organisations: WTO, Arab Monetary Fund (AMF), ICC, Black Sea Economic Cooperation Zone (BSEC) (observer), G-15, G-24, G-77, Common Market for Eastern and Southern Africa (COMESA), IMF, Arab League, among others. For the full list of economic and other international organisations in which participates Egypt click [here](#). International organisation membership of Egypt is also outlined [here](#).

**Free Trade Agreements**

The complete and up-to-date list of Free Trade Agreements signed by Egypt can be consulted [here](#).

**POLITICAL OUTLINE**

**Current Political Leaders**

President: Abdel fattah El-Sisi (since June 2014; re-elected for a second term in March 2018)
Prime Minister: Mostafa Madbouli (since June 2018)

**Next Election Dates**

Presidential: 2024
Parliamentary: 2025

**Current Political Context**

Egypt’s presidential elections of March 2018 posed little challenge to incumbent Abdel Fattah el-Sissi being re-elected with 97% of votes. In 2019, a constitutional referendum allowed President Abdel Fattah el-Sissi to remain in power until 2030 (instead of 2022 as per the previous regulations), as well as re-introducing an upper chamber – the Senate - in the Parliament, after its abolition in the 2014 Constitution. Moreover, the amendments strengthened the powers of the president over the judiciary, giving him the power to appoint the head of the Supreme Constitutional Court and making him the head of the Higher Council for Judicial
Authorities, which appoints the public prosecutor and judicial leaders. The 2020 elections strengthened parliament’s pro-presidential group and weakened opposition voices. Egypt plays a pivotal role in regional stability and the fight against terrorism, but tensions remain with Ethiopia regarding the construction of the Grand Renaissance Dam upstream of the Nile, on which about 90% of the country’s drinking water supply depends. Relations with Turkey have also been strained over Libya and gas development in the eastern Mediterranean (Coface).

Main Political Parties
In Egypt, there are 8 different active political alliances based on their religious and political orientation.

Civil Democratic Movement:

Egypt:

National Front Alliance:
Egyptian Democratic, Nasserist Party, Future of Egypt Party, Dignity Party, Tagammu Party

For the Love of Egypt (Fee Hob Misr):

Call of Egypt:

Independent Current Coalition:
Democratic Peace Party, Egyptian Arab Socialist Party

Egyptian Front:

Anti-Coup Alliance:

Also, there are other parties:
Al-Nour [Yunis MAKHYUN]: far-right, conservative-salafist
El Ghad Party [Moussa Mostafa MOUSSA]
El Serh El Masry el Hor [Tarek Ahmed Abbas NADIM]
Freedom Party [Salah HASSABALAH]
Homeland’s Protector Party [Lt. Gen. (retired) Galal AL-HARIDI]: populist
National Progressive Unionist (Tagammu) Party [Sayed Abdel AAL]
Revolutionary Guards Party [Magdy EL-SHARIF]

**Executive Power**
The President is the Head of State and the Supreme Commander of the armed forces. He is elected for a six-year term of office. The President is the head of the executive branch and appoints the Prime Minister, who must be approved by a confidence vote in the Parliament. The President also appoints the head of the Council of Ministers. He can dissolve the Assembly and rule by decree.
In February 2019 the Parliament voted to remove the limit of two terms for the President, whose term has been extended from four to six years.

**Legislative Power**
The legislative power is bicameral since the constitutional referendum of 2019 was approved by the House of Representatives in June 2020. It established an upper chamber called the Senate, composed of 300 seats. The House of Representatives is composed of 596 members elected for a period of 5 years by universal suffrage. The President may dissolve the House of Representatives.

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**COVID-19 COUNTRY RESPONSE**

**COVID-19 epidemic evolution**
To find out about the latest status of the COVID-19 pandemic evolution and the most up-to-date statistics on the COVID-19 disease in Egypt, consult the daily statistics published by the WHO.
For the international outlook you can consult the latest situation reports published by the World Health Organisation.

**Sanitary measures**
To find out about the latest public health situation in the Egypt and the current sanitary measures in vigour, please consult the dedicated page on the website of the US embassy in Egypt.

**Travel restrictions**
The COVID-19 situation, including the spread of new variants, evolves rapidly and differs from country to country. All travelers need to pay close attention to the conditions at their destination before traveling. Regularly updated information for all countries with regards to Covid-19 related travel restrictions in place including entry regulations, flight bans, test requirements and quarantine is available on TravelDoc Infopage.

It is also highly recommended to consult COVID-19 Travel Regulations Map provided and updated on the daily basis by IATA.

The US government website of Centers of Disease Control and Prevention provides COVID-19 Travel Recommendations by Destination.

The UK Foreign travel advice also provides travelling abroad advice for all countries, including the latest information on coronavirus, safety and security, entry requirements and travel warnings.

Import & export restrictions

For the up-to-date information on all the measures applicable to movement of goods during the period of sanitary emergency due to the COVID-19 outbreak (including eventual restrictions on imports and exports, if applicable), please consult the website of the Egyptian Customs Authority (in Arabic).

For a general overview of trade restrictions due to COVID-19 pandemic, please consult the section dedicated to Egypt on the International Trade Centre's COVID-19 Temporary Trade Measures webpage.

Economic recovery plan

For the information on the economic recovery scheme put in place by the local government to address the impact of the COVID-19 pandemic on the Egyptian economy, please visit the dedicated page on KPMG’s website as well as the website of the Central Bank of Egypt (in Arabic). For an overview of the tax measures that have been adopted, refer to the PWC website.

For the general overview of the key economic policy responses to the COVID-19 outbreak (fiscal, monetary and macroeconomic) taken by the Egyptian government to limit the socio-economic impact of the COVID-19 pandemic, please consult the section dedicated to Egypt in the IMF’s Policy Tracker platform.

Support plan for businesses

For the information on the local business support scheme established by the Egyptian government, consult the dedicated page on KPMG’s website.


You can also consult the World Bank's Map of SME-Support Measures in Response to COVID-19.

Support plan for exporters

For the up-to-date information on possible support plans for exporters in Egypt, if applicable, please consult the website of the Ministry of International Trade and Industry.