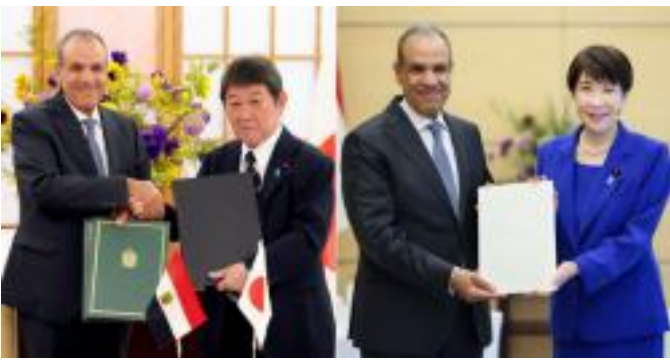




INVESTMENTS

Egypt signs strategic pact framework with Japan, pitches Suez Canal industrial zone to secure global supply chains



Egypt and Japan signed a preliminary strategic partnership framework to prepare for a presidential-level agreement, as Cairo proposed establishing a dedicated Japanese industrial zone in the Suez Canal Economic Zone to help secure global supply chains. The preliminary framework, alongside an agreement on diplomatic training, was signed during the launch of the third Egyptian-Japanese Strategic Dialogue between Minister of Foreign Affairs, International Cooperation and Egyptian Expatriates Dr. Badr Abdelatty and Japanese Foreign Minister Toshimitsu Motegi.

Dr. Badr Abdelatty delivered a written message from Egyptian President Abdel Fattah Al-Sisi to Japanese Prime Minister Sanae Takaichi. The message focused on elevating the bilateral partnership initially announced in April 2023. During the meetings, the minister presented Egypt as a strategic solution for Japanese companies seeking to diversify production centers and supply chains amid global geopolitical tensions. Citing a vastly improved investment climate driven by Egypt's economic reform programme, the foreign minister encouraged the Japanese government and private sector to further enhance business investments across multiple economic sectors.

The minister proposed the creation of a Japanese industrial zone, highlighting the direct and indirect customs and investment incentives available to foreign investors within the Suez Canal Economic Zone. He emphasised the critical need for Japanese expertise to support Egypt's economic development, calling for expanded cooperation in innovation, scientific research, and digital transformation.

Positioning Egypt as a manufacturing and export gateway to Arab, African, and European markets via its extensive network of free trade agreements, Dr Badr Abdelatty also explored trilateral cooperation opportunities between Egypt, Japan, and African nations. He formally invited Japan to participate in the inaugural "Alamein – Africa" Business Forum taking place this month, which aims to boost continental trade and investment partnerships.

ECONOMY

Egypt's banking sector net foreign assets rise to \$22.9 billion in April 2026



The Central Bank of Egypt (CBE) announced that net foreign assets (NFAs) in Egypt's banking sector rose to approximately \$22.903 billion, equivalent to EGP 1.229 trillion, in April 2026, up from \$21.320 billion, or EGP 1.164 trillion, in March.

Net foreign assets are among the most important indicators of banking sector stability and resilience, reflecting the difference between foreign currency-denominated assets and liabilities held by the banking system.

According to a report issued by the CBE, total foreign assets held by Egypt's banking sector—including the central bank and commercial banks—reached EGP 5.049 trillion in April, compared with EGP 4.921 trillion in March. Total foreign liabilities stood at EGP 3.820 trillion, up from EGP 3.756 trillion during the same period.

Banking experts explained that net foreign assets (NFAs) represent the difference between banks' foreign currency assets—such as deposits, securities, and reserves—and their foreign currency liabilities.

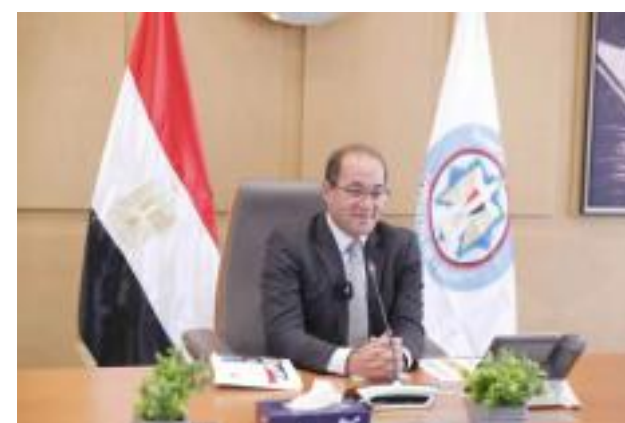
They noted that positive NFAs indicate that the banking sector holds a surplus of foreign currency assets over its obligations, providing a strong signal of banks' ability to meet market demand for foreign currencies without creating additional pressures.

They added that stronger foreign asset positions improve banks' ability to finance the real economy while maintaining adequate foreign currency buffers. This enables lenders to extend foreign currency financing to export-oriented businesses and investment projects, supporting export growth, creating new investment opportunities, and reducing dependence on costly external borrowing.

Banking experts further noted that the rise in NFAs strengthens Egypt's ability to meet its international obligations, enhancing the country's attractiveness to foreign direct investment and reinforcing its position as a stable financial destination in the region.

INDUSTRY

New customs facilitation measures to boost trade, investment, and logistics efficiency: Finance minister



Egypt's Minister of Finance, Ahmed Kouhouk, said a new package of customs facilitation measures marks a further step towards simplifying procedures for the business community and reducing administrative burdens on economic operators, helping to enhance the competitiveness of the Egyptian economy, support trade flows, stimulate productive activity,

and attract additional investment.

In a statement, Kouhouk highlighted the government efforts to reduce documentation requirements and simplify procedural steps to facilitate operations for importers and exporters. He noted that amendments have been introduced to certain provisions of the Executive Regulations of the Customs Law as part of broader efforts to shorten customs clearance times, improve customs services, facilitate investment, and strengthen Egypt's logistics performance indicators.

Under the new measures, customs procedures will be allowed to begin immediately upon the arrival of goods at ports without requiring the submission of a delivery order alongside the customs declaration. Instead, the delivery order can be completed at a later stage before the final release of the shipment.

Kouhouk added that a bill of lading issued in the importer's name will now be sufficient for submitting a customs declaration, provided that all other required documents and procedures are completed before final customs clearance.

He explained that the reforms are designed to strike a balance between accelerating trade procedures and safeguarding the state's financial rights.

For his part, Ahmed Amawi, Head of the Egyptian Customs Authority, clarified that the new measures are the result of a series of meetings and technical consultations with key stakeholders, including the Ministry of Transport, shipping chambers, shipping agencies, chambers of commerce, and MTS.

According to Amawi, the discussions focused on developing a practical mechanism that serves the interests of all parties while ensuring the smooth movement of trade and cargo through Egyptian ports.



DEVELOPMENT

EGX unveils comprehensive plan to boost SME market



Omar Radwan, Chairperson of the Egyptian Exchange (EGX), announced that strengthening the small and medium-sized enterprises (SME) market is among the Exchange's top priorities, under a comprehensive plan developed in coordination with the Financial Regulatory Authority (FRA). The plan aims to support SMEs in expanding their operations, increasing business volumes, and eventually qualifying for listing on the main market.

Radwan made the remarks during a bell-ringing ceremony held at the start of today's trading session to mark the transfer of Tawasoa Factoring Company from the SME market to the

Highlighting EGX's broader development agenda, Radwan noted that the Exchange continues to diversify its product offerings to meet the evolving needs of local and international investors. This includes advancing the derivatives market, introducing modern risk management tools, expanding exchange-traded investment products, and strengthening fixed-income markets through bonds, sukuk, green bonds, and sustainability-linked instruments.

He emphasized that EGX's steady progress is reflected in daily trading values exceeding \$200m, underscoring investor confidence and the market's resilience in absorbing new listings and weathering shocks. "Our strategy is to transform Egypt's capital market into a deeper, more diversified, technologically advanced, and globally competitive platform; capable of driving sustainable economic growth and attracting long-term investment," Radwan said.

For his part, Samer Dawood, managing director and vice Chairperson of Tawasoa stated: "Tawasoa's transition to the main market reflects the success of our institutional growth journey and reinforces investor confidence in our business model. The capital increase to EGP 115 million will fuel our expansion plans and enhance our ability to meet rising client demand."

The Egyptian Exchange recently approved the listing of Tawasoa's capital increase shares, raising issued and paid-up capital from EGP 75m to EGP 115m. The EGP 40m increase was divided into 40 million shares at a nominal value of EGP 1 per share, fully subscribed in cash by existing shareholders. This marks the company's fifth capital issuance since its establishment.

EXPORTS

Egypt targets \$6 billion in outsourcing exports this year: Communications minister



Raafat Hindi, Egypt's Minister of Communications and Information Technology, said the government is targeting outsourcing exports of \$6 billion this year, up from approximately \$5.2 billion in 2024, as part of efforts to

strengthen Egypt's position as a global hub for information technology and business services.

Hindi added that the ministry is currently preparing investment plans for technology zones aimed at attracting more outsourcing companies. He also noted that a cooperation protocol has been signed with the Ministry of Investment to incorporate electronics design and semiconductor services into the country's export development programme.

The remarks were made during a meeting between Prime Minister Mostafa Madbouly and the Minister of Communications and Information Technology to review the ministry's performance and monitor progress on ongoing projects.

During the meeting, Hindi outlined current and future investment opportunities in the communications and information technology sector, highlighting four key areas: outsourcing services, localisation of mobile phone manufacturing, digital infrastructure development, and the data centre industry.

As part of efforts to enhance Egypt's competitiveness in exporting IT services, the minister said the ministry has held discussions with several leading global outsourcing companies regarding investment and expansion opportunities in the Egyptian market. The talks focused on supporting the growth of their operations amid plans to expand investments in Egypt through 2028.

Within the framework of the "Egypt Manufactures Electronics" strategy, Hindi reaffirmed the ministry's commitment to supporting the expansion of mobile phone manufacturing by encouraging companies to increase local production and raise domestic content levels. He said these efforts aim to meet local demand while boosting exports to regional and international markets.

IVESRTMENTS

MSMEDA injected EGP 1.5 billion into green economy projects since 2014: CEO Rahmy



Bassel Rahmy, Chief Executive Officer of the Micro, Small and Medium Enterprise Development Agency (MSMEDA), announced that the agency has provided EGP 1.5 billion in financing for green economy projects between July 2014 and April 2026, reflecting

Egypt's growing commitment to environmental sustainability and climate-conscious economic development.

Speaking on the sidelines of World Environment Day celebrations, observed annually on 5 June, Rahmy said the agency's efforts are aligned with the political leadership's focus on environmental issues and sustainable growth.

He revealed that MSMEDA has also allocated EGP 600m to support the Presidential Initiative for converting vehicles to operate on dual fuel; natural gas and petrol. The initiative is implemented in cooperation with the Ministry of Petroleum and Mineral Resources through its affiliated companies, Cargas and Gastec.

Rahmy explained that the programme aims to support national efforts to reduce harmful emissions, lower fuel costs, improve the profitability of small enterprises that depend on transportation, and enhance their operational efficiency.

The MSMEDA chief said the agency continues to promote sustainable environmental practices through an integrated environmental management strategy that prioritises the preservation of natural resources and incorporates environmental considerations into all financed and implemented projects.

He affirmed MSMEDA's commitment to expanding financing and support for green economy projects across various sectors, while also encouraging innovative start-ups operating in environmental and climate-related activities.