MULTILATERAL INTERNATIONAL AND REGIONAL ECONOMIC AFFAIRS DEPARTMENT

ECONOMIC BRIEF

Volume #29

August 2026

ENERGY

Eni, TotalEnergies take final investment decision to link Cyprus' Cronos gas field to Egypt

A consortium comprising Italy's Eni and France's TotalEnergies has taken the Final Investment Decision (FID) to develop the Cypriot "Cronos" gas field and connect it to Egyptian infrastructure, according to Egypt's Minister of Petroleum and Mineral Resources Karim Badawi.

During a meeting with Prime Minister Mostafa Madbouly in New Alamein City to review sector developments, Badawi stated that gas produced from the Cypriot field will be transported to Egypt for processing through existing facilities. It will then be liquefied at the Damietta natural gas liquefaction plant before being re-exported to European markets. Badawi noted the step affirms Egypt's position as a regional gas trading hub and a gateway for exporting Eastern Mediterranean gas to global markets, adding that the selection of Egypt reflects its integrated infrastructure and status as a reliable regional partner.

Additionally, Badawi announced that Egypt's crude oil production has recorded its highest level in two years. He attributed the increase to the completion of payments for overdue arrears to investment partners, alongside the regular settlement of current dues. The minister said this has enhanced partner confidence and encouraged operating companies to expand investments and intensify exploration, development, and production activities to meet local market needs.

INDUSTRY

Egypt inaugurates first integrated rapid diagnostic test manufacturing plant

Egypt inaugurated Spectrum Diagnostic Industries' manufacturing facility, the first integrated plant in Egypt and the Arab world dedicated to the production of rapid diagnostic tests (Rapid Tests), in a move aimed at strengthening domestic medical manufacturing, reducing imports, and expanding exports.

Minister of Industry Khaled Hashem attended the inauguration of the company's production facility in the Ismailia Public Free Zone, alongside Deputy Prime Minister and Minister of Health and Population Khaled Abdel Ghaffar, Minister of Investment and Foreign Trade Mohamed Farid, Ismailia Governor Nabil Hasaballah, Chairperson of the Egyptian Drug Authority Ali El Ghamrawy, and other government officials.

Hashem said the factory represents a strategic step toward localising the production of rapid diagnostic tests used to detect infectious diseases and epidemics, conduct drug screening, and identify cancer biomarkers.

EXPORTS

Egypt's apparel exports rise 15% to $1.775 billion in H1 2026

Egypt's apparel exports increased by 15% year-on-year during the first half (H1) of 2026, reaching $1.775 billion compared with $1.548 billion during the same period in 2025, according to the Apparel Export Council (AEC).

The council said the sector maintained strong growth momentum despite ongoing challenges affecting global trade, supported by increased reliance on locally sourced production inputs as part of efforts to deepen domestic manufacturing and strengthen industrial integration.

The AEC also highlighted its continued efforts to promote industrial integration within Egypt's apparel sector and increase local value-added across the industry.

June recorded the sector's strongest monthly performance so far this year, with exports surging 47% to $355 million, compared with $241 million in June 2025, providing a significant boost to first-half export growth.

Fadel Marzouk, Chairperson of the Apparel Export Council, said the first-half results reflect the resilience of Egypt's apparel industry and its ability to sustain export growth despite continued uncertainty in the global economy.

MULTILATERAL INTERNATIONAL AND REGIONAL ECONOMIC AFFAIRS DEPARTMENT

ECONOMIC BRIEF

Volume #29

August 2026

EXPORTS

Egypt launches EU export incubator to support green transition

The Chemicals and Fertilizers Export Council (CEC) has launched a new EU Export Incubator programme to help Egyptian companies comply with European Union regulations, as part of a broader strategy to accelerate the sector's green transition and enhance the competitiveness of Egyptian exports.

The initiative was unveiled during a workshop titled "Responding to Green Transition Requirements in Chemical Industry Exports", organised by the council in cooperation with the German Agency for International Cooperation (GIZ) and Lynx Business Advisors.

The event brought together representatives from the Chemical Industries Chamber, the Egyptian Organization for Standardization and Quality (EOS), the General Organization for Export and Import Control (GOEIC), industry experts, and exporting companies to discuss the growing importance of sustainability standards in international trade.

Mohamed Magid, Executive Director of the CEC, said the green transition has become a defining factor in export competitiveness, evolving from an environmental consideration into an economic, trade, and investment imperative that will increasingly determine which companies remain integrated into global supply chains.

EXPORTS

Investment minister launches 'Egypt Exports' initiative to expand exporter base

Minister of Investment and Foreign Trade Mohamed Farid launched the "Egypt Exports" initiative at Tanta University during a major event attended by representatives of government entities, affiliated agencies, the business community, industry and trade.

The initiative comes as part of the implementation of President Abdel Fattah Al-Sisi's directives to increase productivity, strengthen Egyptian exports and expand the country's base of exporters.

Farid said Egypt has achieved sustained growth in exports, but stressed that the real challenge lies in broadening the number of exporting companies. He noted that just 50 companies currently account for around 45% of Egypt's total exports, a concentration the ministry aims to reduce by reaching businesses across all governorates and helping them access international markets.

INVESTMENTS

Egypt implements EGP 215.5 billion in green public investments during FY2024/25

Egypt implemented approximately EGP 215.5 billion in green public investments during the 2024/25 fiscal year, with transport projects accounting for the largest share, according to a report reviewed by Minister of Planning and Economic Development Ahmed Rostom.

The report highlights the government's progress in integrating environmental sustainability into national development plans, expanding the share of green public investment, supporting the transition to a green economy, and strengthening climate change mitigation and adaptation efforts.

Green transport accounted for the largest share of total green public investment at 71.5%, followed by projects under the presidential Decent Life initiative at 10.5%, sustainable urban development at 8%, environmental improvement projects at 4.5%, agriculture and irrigation at 3%, clean energy at 1.5%, in addition to investments in the communications sector.

The report also showed that 87% of green public investments were directed towards climate mitigation projects, while the remaining 13% supported climate adaptation initiatives.

Ministry of Foreign Affairs, International Cooperation, and Egyptian Expatriates
E-mail: Economic.Affairs@mfa.gov.eg