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Middle East & North Africa

TEMPORALITIES OF CRISIS: EGYPT TODAY AND TOMORROW

REPORT
DECEMBER 2025
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Noria Research

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Executive Summary

This report offers a study in the economic crisis that befell Egypt between early 2022 and the middle of 2024. Aiming for comprehensiveness, it considers the causes of the crisis, effects that were set into motion by the crisis, and the prospects of the Egyptian economy going forward.

Regarding causes, findings are largely in line with consensus. In our researcher's estimations, policymaker folly undoubtedly bears the greatest responsibility for the crisis. By pursuing an investment-led growth model but failing to mobilize sufficient levels of capital expenditure, the policy team assembled by Abdel-Fattah el-Sisi locked Egypt into a low growth trajectory. Macrostability was further compromised by failures to improve the country's terms of trade, boost productive capacity, or limit exposure to international commodity markets, all of which served to create recurring strains on Egypt's balance of payments. Moreover, in attempting to ease such strains through selling local currency debt to foreign carry traders, it was policymakers that added the flint which would ultimately set the tinderbox aflame. But other factors contributed to the crisis as well. Variables of a structural nature—the workings of the global financial system in particular—imposed restraints and incentives non-supportive to healthy economic performance. And historical contingency undoubtedly helped spark the crisis, too. Critical here were shifts in the global credit cycle and the Russian invasion of Ukraine.

If our report's findings affirm most of the prevailing wisdom on the causes of Egypt's crisis, they strike out on their own when it comes to the effects that the crisis has generated. The primary claim put forth is that the crisis acted to restore the general rate of profit. Empirically, the rate of profit increased from ~14% in 2021 to ~19% in 2024. Per our investigation, the mechanism that most propelled the jump was extreme levels of disinvestment. In conjunction with normal capital depreciation, disinvestment functioned to increase the ratio between capital income and a (declining) capital stock. Also supporting the rise in profit rates were an intensified squeeze on labor and debt-based extraction, respectively. The secondary claim put forth is that the crisis acted to facilitate *khaliji* capital's ascension to a dominant position within the Egyptian economy. Alongside the Egyptian Armed Forces, *khaliji* capital can be said to now represent a co-hegemonic fraction within the capitalist class—and a necessary condition for regime reproduction.

On the prospects of the Egyptian economy going forward, our report edges toward pessimism. Prognostication is partially informed by concerns over the sustainability of the current rate of profit. According to our analysis, none of the levers which helped lift the rate of profit between 2022 and 2024 can be pushed further without triggering social or financial rupture. As there are few signs of the bygone crisis unleashing a pulse of creative dynamism in its wake, the non-viability of the formula previously used to restore profitability points to danger. Also pointing to danger—and also informing our prognostication—are concerns over the continuities and change which mark the post-crisis economy. Pertaining to continuities, the Egyptian economy remains every bit as predisposed to external imbalances as it was before, and every bit as exposed to the whims of global commodity and financial markets. Distressingly, policymakers are again relying on portfolio investment for hard currency, too, enormous risks be damned. As for changes, three related developments stand out. Firstly, Egypt's subordination within a Gulf-dominated regional economy has deepened. Secondly, capital ownership has concentrated into even fewer hands than before. Thirdly, Egyptian capitalism's social base has narrowed. In our reading, neither the changes nor continuities in question can be deemed auspicious for stability or long-term capital profitability.

Introduction

Economic crises are complex phenomena of far-reaching consequence. By abruptly unsettling processes of capital accumulation, their arrival typically heralds recession. With recession tends not only to come social pain but the unsettling of asset valuation as uncertainty scrambles the orientation of financial systems. On the periphery, the national currency is often dragged into question at these moments as well. And when the smoke finally clears, the destructive forces unleashed and the manner with which governments attempt to blunt, control, or ride the onrushing wave generally result in significant redistributions of wealth and income.

Analytically, economic crises have been approached through many theoretical traditions. In a recent book, Ståle Holgersen proposes that they be conceptualized as societal paroxysms: as sudden outbreaks of a known disease.[1] The second part of the formulation is important. For Holgersen, economic crises in the modern and postmodern age are neither aberrant nor incidental but outputs endemic to capitalism. Their provenance, as such, lie in structure. Furthermore, if a function can be attributed to crisis, Holgersen posits that it is to restore the structures from whence they came: Rather than precipitate revolutionary transitions, crises tend to reinvigorate capitalist economies and stabilize the social formations that make them go. The former is signaled by an increase in the rate of profit. Considered in full, then, it is structure all the way down.

This report offers a case study in economic crisis. Taking Holgersen's insights as an interpretive lens, it specifically considers the economic crisis that befell Egypt under the leadership of Abdel-Fattah el-Sisi. Truth be told, Egypt has loitered in and around crisis across the duration of el-Sisi's tenure (2013-). Things came to a full boil, however, between February 2022 and the winter of 2024, and that period shall serve as the main focus of our analysis.

Our research, a mixed-method effort conducted across 2025, affirms and challenges Holgersen's theses in equal parts. Per Holgersen, we find that Egypt's crisis can indeed be credited, at least partially, with restoring capital's general profitability. We propose this firstly on the basis of synchrony: Notably, it was during the moments of most acute social and economic pain in Egypt that profit rates finally began to climb. But offering more robust support to crisis' regenerative properties were the actual mechanisms through which Egyptian capitalism regained its *good* health.

As will be laid out, the mechanisms in question were predominantly though not exclusively crisis-derived. They included intense wage compression—abetted, certainly, by coercion and the Generals' deployment of conscripts across industry, though ultimately made possible due to corrosions in labor demand brought on by the crisis. They included a hyperinflationary wave: Set into motion as result of Egypt's debt and balance of payments strains, hyperinflation enacted substantial distributive changes—much to the benefit of asset owners. They included vast expansions in

[1] *Ståle Holgersen, Against the Crisis: Economy and Ecology in a Burning World (Verso Books: 2024)*

indebtedness. If the ceaseless growth of the sovereign's liabilities served as a trigger for crisis, it also powered record returns for financial institutions. With the desperation borrowing of poor households offering a second channel for boosting balance sheets, indebtedness most certainly contributed to the recovery of profitability.[2] And most prominently of all, they included extreme levels of disinvestment. This development was impelled by the conditions of crisis, if also nudged on by the Generals' mercurial engagements in regulatory, public finance, and industrial policy. Disinvestment had a restorative effect for capital in that it served, in conjunction with normal capital depreciation, to increase the ratio between output and a (declining) capital stock.

Such findings undoubtedly lend credence to Holgersen's crisis-as-remedy thesis. Other aspects of our research, however, beg questions as to the generalizability of his claims. The main point of contention here is with prognosis: Where Holgersen posits that a crisis' resolution will tend to stabilize an underlying political economy across the medium-term, in Egypt's case, we see a horizon threatened by continued volatility. We also see heightened risk of a new crisis emerging.

This forecast stems from concerns over the sustainability of the crisis-era increase to profit rates. Here, it must first be flagged that none of the levers which helped lift profitability between 2022 and 2024 can be pushed much further without potentially triggering social or financial rupture. Rolling over the debt stock by issuing new high interest obligations points the way to default. The continuation of disinvestment points the way to heightened external dependence and a labor market torn asunder. Any further squeeze on the labor share of income, meanwhile, will bring deprivation to all but the top ten percent of earners. To wit, then, the formula used to restore capital profitability is fundamentally non-viable going forward.

Then there is the matter of continuities and changes left in the wake of 2024. Pertaining to the former, the Egyptian economy remains every bit as predisposed to external imbalances as it was before, and every bit as exposed to the whims of global commodity and financial markets. Distressingly, policymakers are again relying on portfolio investment for hard currency, too, enormous risks be damned. As for changes, three related developments stand out. Firstly, Egypt's subordination within a Gulf-dominated regional economy has deepened. Secondly, capital ownership has concentrated into even fewer hands than before. Thirdly, Egyptian capitalism's social base has narrowed. In our estimation, neither the changes nor continuities in question can be deemed auspicious for stability or long-term capital profitability.

In terms of organization, the report is to proceed as follows. In Chapter One, we will review the causalities, conjunctural in nature, which brought Egypt's crisis about. Tracking demand formation across time, we will show how policy error interacted with structural variables, the global credit cycle, and exogenous shocks to push Egypt into crisis. In Chapter Two, we will turn to crisis resolution and the discontents thereby created. Here, we will being by documenting the restoration of general profitability, a process which began in 2021. After identifying the mechanisms which lifted profits, we will develop the reasoning for why this kind of crisis resolution is unlikely to result in either stability or sustained prosperity. The report will then wrap up with a brief conclusion. There, we will revisit our findings and deliberate on what Egypt's example might reveal about the present moment.

[2] Both a symptom and cause of the crisis, the issuance of Egyptian pound (EGP)-denominated liabilities post-2022 provided capitals with a direct, financialized means for increasing returns via predatory extraction. At a lesser scale, so too did desperation-fueled rises in credit demand from social categories previously excluded from the financial system: Major expansions in consumer lending—including buy-now-pay-later arrangements--, loans for education, and microfinance have furnished capitals from Egypt, the Gulf, and the United States with another lever to absorb wealth and lift asset prices.

Chapter 1: The Road to Crisis

Diving into demand formation affords sightlines into how the Egyptian economy has been organized during the tenure of Abdel-Fattah el-Sisi. It also allows us to pinpoint the drivers powering macroeconomic dysfunction and as such, can clarify how the road to crisis was paved.

The trajectory of demand formation over the past thirteen years was undoubtedly impacted by path dependence: the Generals' did not design an economy from scratch. Nevertheless, they had relatively wide prerogative in choosing a course. The one they opted for is best explained in light of the regime consolidation strategy adopted post-2013 and the domestic and international political economy contained therein—in light of the interests and social constituencies privileged in the building and reproduction of power. As for why the modalities of demand formation instituted by el-Sisi led first to malaise and then to outright crisis, a number of factors pertain. Restraints and incentives conveyed as a result of aforementioned regime consolidation strategies weigh heavily. So too the folly of policymakers at critical moments. Forces from the outside also made themselves felt.[3] Egypt's fall into the abyss, then, then, was one for which agent, structure, and happenstance bear responsibility, even if it was the former who made the decisive leap.

The Terms and Flaws of the Generals' Rule: 2013-2016

Upon executing their coup against the government of Mohammed Morsi in June 2013, the growth model that was initially instituted by el-Sisi and his lieutenants was investment-led. The focus of the strategy came into focus through two debt-financed stimulus packages, the first inaugurated in August of 2013 and the second in January of 2014. In terms of allocation, capital expenditures mobilized in August were predominantly devoted to infrastructure, with roads, electricity grids, land reclamation, and housing development absorbing the lion's share. The stimulus of January 2014, contrarily, concentrated funding almost exclusively within the Suez Canal Zone.[4] In each instance, moneys were run through entities controlled by Egyptian Armed Forces (EAF). Likewise, entities controlled by the EAF—principally, the Armed Forces' Engineering Authority—executed most of the infrastructure projects in question.[5]

[3] In nature, these forces were alternatively structural—set into near perpetual motion by global capitalism itself—and contingent. Counted amongst the latter were exogenous shocks, like the Russian invasion of Ukraine and the SARS-CoV-2 pandemic, and contingent developments like swings in the global credit cycle.
[4] Doaa Farid, "Government unveils new stimulus plan", Daily News Egypt (August 31, 2013)
Staff Writer, "Egypt unveils $4.9 billion stimulus package to prop up struggling economy", Reuters (February 10, 2014).
[5] In instances where they did not, it was the EAF that mediated subcontracting arrangements.

Stimulus and Gulf Financing

In a roundabout manner, aid provided by Saudi Arabia, the UAE, and Kuwait underwrote both stimulus packages. While the USD 12bn that the Gulf powers deposited at the Egyptian Central Bank would primarily be designated for propping up the Egyptian pound (EGP) and returning the USD 2bn deposit Qatar held at the Central Bank of Egypt, the USD 13.7bn that were extended in grants during the first twenty-four months of el-Sisi's rule funded the import of petroleum products. Financial resources being fungible, the latter opened up budgetary space for discretionary spending on capital expenditures.[6]

The schema through which stimulus spending was organized gave an early indication that the Armed Forces and to a lesser extent, the General Intelligence Service, were to be the primary bulwarks of the el-Sisi regime. But if showing where power lay and where capital was to accumulate, these arrangements did not manage to turn investment itself into a lever capable of driving economic growth. In part, this was due to the effects that EAF ascendance had on private capitals. Indeed, the eagerness with which the EAF set out to reclaim its position atop the economy, a position which had been unambiguously weakened under the government of Ahmed Nazif (2004-2011), had a pronounced chilling effect on businesses big and small.

Publicly, relations between Egypt's leading tycoons and the Generals were not overtly antagonistic. Some of the grand families of Sadat's infitah era had offered public backing to the 2013 coup and would go on to contribute to el-Sisi's Tahya Misr fund.[7] Others secured a reprieve from EAF encroachment by way of holding assets outside the country. Given the Army's lack of technical expertise, there were those brought into the loop with mega projects like the dredging of the new Suez Canal, too.[8] Nevertheless, unease with the EAF's broader revanchist turn pervaded, and was only compounded when reforms to energy subsidies in 2014 raised the costs of doing business. As for smaller parties, the swift spread of the Army's commercial empire left fewer spaces for carving a niche within.[9] The creeping pauperization of the middle and lower classes, meanwhile, ate into demand for the locally-oriented services that the country's small enterprises generally provide. All in all, these dynamics led domestic private actors to keep their powder dry when it came to putting money into new fixed assets.

This put the onus on foreign investors. Alas, they too refused to answer the bell, even if US and UK-domiciled entities would show themselves keen to acquire assets in the oil & gas sector. In volume, FDI flows between 2013 and 2016 ranged between USD 4-6bn per annum, well below the averages of the late Mubarak era.[10] Just as consequently, foreign investors showed particular reluctance in committing capital for the building of new productive assets: Even with oil and gas investments juicing the pot, greenfield FDI in these years amounted to only 25% total investment flows.[11] This all transpired despite monetary accommodation easing global financial conditions in 2014[12], and despite amendments to Egypt's investment law being installed in May 2014 which disallowed third parties from challenging contracts that the state entered into with private parties.

[6] David Butter, "Egypt and the Gulf: Allies and Rivals", Research Paper: Chatham House Middle East and North Africa Programme (April 2020).
[7]Sarah Smierciak, Cronyism and Elite Capture in Egypt: From Businessmen Cabinet to Military Inc. (Routledge: Oxon, 2022).
Amr Adly, "The future of big business in Egypt", Brief: Carnegie Middle East Center (November 2014).
[8] Amr Adly, "Taxing the rich but not the capitalists: Direct taxation in Sisi's Egypt", Mediterranean Politics 30:1 (2025).
Joshua Stacher, "Egypt running on empty", Analysis: Middle East Research and Information Project (March 2016).
[9] Zeinab Abul-Magd, "Egypt's military business: the need for change", Analysis: Middle East Institute (November 2015).
[10] OECD, OECD Review of Foreign Direct Investment Statistics: Egypt, Report: OECD (2020).
[11] Allison Corkery and Heba Khalil, "Egypt's new government promised an economic revolution – but Egyptians get more of the same", Foreign Policy (March 12, 2015).
[12] IMF, Risk Taking, Liquidity, and Shadow Banks: Curbing Excess While Promoting Growth", Global Financial Stability Report (October 2014).

The Gulf and the el-Sisi Regime in the Early Day

On the international side of things, the social constituency most critical to el-Sisi's coalition was Gulf capital. In the early days, the interests of this social fraction, represented and embodied in the al-Nahyan and al-Saudi families, were fixed more on the political domain than the economic one. In practice, keeping these coalition mates happy required that the Sisi regime repress the Muslim Brotherhood, obstruct the realization of a democratic example in Egypt, back the UAE's preferred aspirant in Libya (Khalifa Haftar) through intelligence sharing and other means, and later participate in his patrons' interventions in Yemen. Less, then, needed to be done in terms of furnishing the GCC powers with opportunities for commercial and financial gain.

Seen in full, the upshots of the state-led investment push were dual. Factoring in opportunity costs, the push yielded substantial long-term losses: Despite the sums spent, productive capacity was unaffected, and the economy's predilections for external imbalances remained unchanged.[13] Of equal consequence, the investment push failed to deliver scale. As such, investment could not stand as a viable driver of effective demand.

This being the case, economic growth was to rise or fall with private and public consumption and export income. On consumption, there were some who vested hope in el-Sisi's Nasserist pretensions and the fact that the labor movement helped usher him into power.[14] Faith in el-Sisi soon proved misplaced: Steering an economy incapable of servicing the population's basic needs through domestic production and financially beholden both to the Gulf and a range of other creditors (at home and abroad), a workers' state was not to be in the offing. Within weeks of the Generals' takeover, labor stoppages began to be violently repressed, with organizers subjected to punishments such as forced early retirements. In and around the same time, the spectrum of trial by military tribunal for protesting workers was also raised by virtue of the passage of Law no.136 on Securing Public Installations.[15]

If already squeezed by the baton, wages were more directly controlled through a different assortment of measures. Upon taking power, el-Sisi enacted a de facto civil service hiring freeze. (He also issued a presidential decree that would have reduced public sector incomes by way of the civil service payment system, though the measure wound up rejected by the parliament in January 2014).[16] The exclusion of independent trade unionists form the National Wages Council ensured negotiations over pay packages were dominated by the state. And critically, the minimum wage hike announced in early 2014 extended only to select segments of the public sector workforce, limiting its effects on the broader labor market.[17] Amidst generalized stagnation, these maneuvers strained household incomes, as did the selective lifting of energy subsidies which commenced in July 2014. With the vast majority of Egyptians less well-off, growth in final consumption fell below the trendline of the previous decade.

[13] Some of this was due to infrastructure absorbing the lion's share of investment flow.The grift that the EAF-led campaign facilitated also shaped outcomes, though. Hesham Genaina, director of the Central Auditing Agency between 2012 and 2016, publicly alleged that the EAF and associated state bodies siphoned off USD 67bn during the first four years of his tenure. For what it is worth, this was a low estimate: Genaina's public remarks downplayed the extent of corruption documented by the Central Auditing Agency: After reviewing the Agency's full report, Mada Masr revealed that the malfeasance of the New Urban Communities Authority alone exceeded the figure Genaina spoke to the media.. See: Staff Writer, "Egypt sacks top auditor after corruption claims", DW (March 29, 2016).
Note that the CAA report is no longer available on Mada Masr's website. Reference to it can be seen in the following article of the outlet, however: Wael Gamel, "Did Hashem Geneina's study exaggerate Egypt's corruption?" Mada Masr (July 5, 2016).
[14] Critically, Hamdeen Sabahi, the labor leader Kamal Abu Eita, and the Egyptian Federation of Independent Trade Unions (EFITU) all backed el-Sisi's coup. Abu Eita even joined the interim government el-Sisi formed after July 2013, while EFITU pledged its members were ready to work day and night to support the country's new leadership.
Heba el-Shazli, "Where were the Egyptian workers in the June 2013 People's Coup Revolution", Jadaliyya (July 23, 2013).
[15] Fatima Ramadan and Amr Adly, "Low-cost authoritarianism: The Egyptian regime and labor movement since 2013", Research Paper: Malcolm H. Kerr Carnegie Middle East Cnter (September 2015).
[16] See: Stacher (2015)
[17] Jano Charbel, "Falling short: Egypt's new minimum wage, the haves and have nots", MadaMasr (February 17, 2014).

Nor was a rescue forthcoming by way of exports. As a percentage of GDP, exports declined from ~17% GDP in 2013 to ~14% GDP 2014 and 2015. In current USD, receipts fell from USD 49bn in 2013 to USD 43.5bn in 2014 and 2015 before a precipitous drop took the 2016 take to just USD 37.2bn.

The slide had many causes—exogenous and self-inflicted. Counted in the first category, growth in international trade flatlined after the global financial crisis of 2007-2009. (Dragged down by slumping global trade, Suez Canal revenues stagnated just north of USD 5bn per annum.) Europe's drift into an elongated state of torpor in the early 2010s compressed demand for Egyptian goods even further. Critically, political instability and political violence in the Sinai compromised the outlook for tourism. On average, the sector generated hard currency revenues of just USD 6.3bn between 2013 and 2016, less than half the take of 2010. Over in the commodities markets, oil prices began a precipitous slide in the fall of 2014, eating into export earnings further.

As for self-inflicted errors, the policy approach followed by el-Sisi's team can generously be classified as uninspired. Hitching their wagon to domestic firms and multinational corporations (MNCs) staked in extractives, agriculture, and simple manufactures, policymakers limited their efforts to cheapening the cost of labor and breaking worker power in the factory. Toward these ends, they combined the labor crackdowns referenced above with curtailing the ability of workers to organize and independently represent themselves. Notably, shock troops deployed by the state violently snuffed out strikes at the Scimitar Petroleum Company, soon to be acquired by a Dutch investment vehicle, and at the National Vegetable Oil Company, owned by Cargill of the United States.[18] Troops and riot police from the Third Army also aggressively uprooted dock workers at Ain Sukhna and Port Said before taking over port operations in order to limit disruptions for export-oriented firms.[19] Detached, though, from any overarching industrial policy, el-Sisi's war on workers was never going to be able to move the export needle in the aggregate. With import bills as large as ever, the picture for net exports (i.e. exports-imports) got worse as his tenure continued, settling at -8.4% GDP in 2014 and 2015 before touching -9.6% GDP in 2016.

Widening current account deficits hastened the arrival of a balance of payments squeeze. Warning signs first flashed in 2015, when Gulf allies ceased honoring all their investment pledges.[20] With trade deficits growing apace and the central bank committed to preserving the EGP's exchange value, hard currency shortages emerged shortly thereafter. Policymakers strove to mitigate these shortages through restricting dollar transfers abroad. Alas, this only widened the gap between official and black market exchange rates while pushing remittance flows down and outside the banking system.[21] Even with the Gulf monarchies injecting a new round of long-term deposits in April 2015, net international reserves would slide to USD 16.3bn by autumn.

At this juncture, Abu Dhabi took the lead in pressing for reform, conditioning subsequent extensions of aid on Cairo's acceptance of a policy package drawn up by Lazard Investment Bank and Strategy&.[22] The stage thusly set, Abu Dhabi and Riyadh would next facilitate Egypt's coming to terms with the IMF on a staff-level agreement in the summer of 2016. The extended fund facility (EFF) furnished under the agreement, a credit line equivalent to USD 12bn, was the second largest loan the IMF had written to that point. As per usual, the money unlocked access to global capital markets while requiring fiscal consolidation and shifts in monetary policy in return. Pertaining to fiscal consolidation, the IMF demanded that large primary surpluses be run. These brought predictable social pain. If austerity bypassed the military budget and grand infrastructure undertakings, its

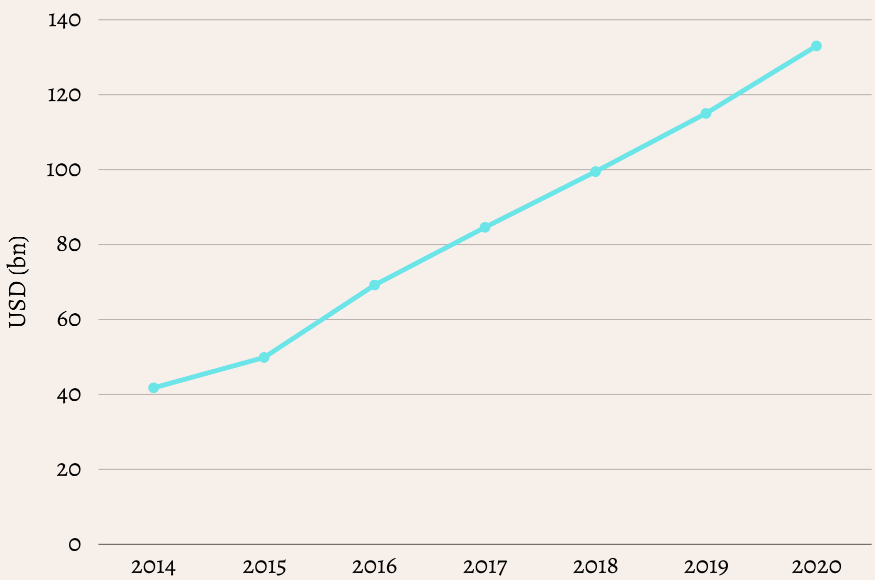
[18] Sharif Abdel Kouddous, "Does Egypt's resurgent labor unrest post a threat to Sisi's power", The Nation (May 8, 2014)
Staff Writer, "Inspector Capital BV acquires Scimitary Production Egypt Ltd to invest in energy", Daily News Egypt (March 23, 2019)
[19] Shana Marshall, "The Egyptian Armed Forces and the remaking of an economic empire", Malcolm H. Kerr Carnegie Middle East Center: Research Paper (April 2015).
[20] The Gulf's decision-making was informed by declines in oil prices—prompted to no small degree by the taper tantruminstituted by the Federal Reserve in December 2013. It was also affected by frustrations with the mess unfolding under el-Sisi's leadership.
Karen Young, "The Gulf's entanglement in Egypt", Analysis: Arab Gulf States Institute (August 2016).
[21] Bessma Momani, "Egypt's IMF program: Assessing the political economy challenges", Research Paper: Brookings Institute (January 2018).
[22] Butter (2020).

effects were harshly felt when it came to education and healthcare. Successive cuts to subsidies—which commenced with the lifting of fuel and electricity subsidies in 2014—meanwhile, rocked middle and lower-income households[23], and disproportionately so when one accounts for subsidy reform's impacts on inflation.[24]

On the monetary front, the IMF required a controlled float of the currency, which was duly implemented by central bank governor Tarek Amer in November 2016. The float resulted in the pound (EGP) depreciating by 50%. Knock-on effects were devastating. With inflation now being imported by way of the EGP's weakened purchasing power, real incomes sank for a large majority. Devaluation's knock-on effects for the external debt burden were pronounced, too.[25] By way of the currency's depreciation, existing hard currency obligations effectively doubled over night. With the EGP's exchange value in the tank, the hard currency yields of exports on a per unit basis declined substantially, too. This was to make it far more difficult to cover obligations out of export earnings.

But the IMF deal and the austerity it imposed did make it possible for Egypt to secure hard currency liquidity through borrowing. And borrow Egypt most certainly did: Lines of credit from bilateral and multilateral leaders grew by leaps and bounds in the years ahead, as did issuance of Eurobonds and sovereign sukuk. With less fanfare, governors also turned the local treasuries market into a back channel for bringing in dollars: By attaching high real interest rates to these instruments and re-instituting a de facto currency peg after the November devaluation, el-Sisi's men transformed EGP-denominated sovereign debt into an exceedingly attractive proposition for carry traders. Unprecedented inflows flooded in from New York in particular. Between 2016 and the end of the decade, foreign holdings of Egyptian treasury bills would jump from USD 60mn to over USD 20bn.

Total External Debt Stock: DOD, current USD



Source: World Bank: International Debt Statistics

[23] Thomas Claes, "Egypt, the IMF and three subsidy approaches: The universal, the self-targeted, and the targeted", Report: Friedrich Ebert Stiftung (2022).
[24] Osama Diab, "The IMF and ending energy subsidies in Egypt: a tale of class war and green washing", Report: Transnational Institute (September 2023).
[25] See: Sara Alnashar, "What are the drivers of Egypt's government debt", Working Paper no.1376: Economic Research Forum (December 2019).

After 2016: A Lull Before the Fall

While leading the state to take on more leverage and ravaging the middle and lower classes, the 2016 EFF package did not substantially shift the character of demand formation in Egypt. The growth model remained investment-led, with a slightly greater emphasis put on exports going forward. What the IMF deal did mark was a change in the international political economy of regime reproduction. Saliently, Gulf capital was to henceforth join the Armed Forces in the catbird seat of the economy.

While meaningful in many ways, the reshuffling of the el-Sisi coalition would not manage to make Egypt's growth model viable. As during the 2013-2016 window, the trouble again lay with the bet being placed on investment. Like the last time around, the bet went bust due to a combination of strategic incoherence and exogenously-imposed conditions.

Comparative to the stimulus-led investment pushes of 2013 and 2014, the investment program followed from 2016 onward did place a greater emphasis on private sector involvement. Seeking to boost investment from small and medium-sized enterprises (SMEs), the central bank capped interest rates on loans to this class of firms in summer 2016. Tarek Amer et al also ordered banks to increase lending to SMEs until it represented twenty percent of their total loan book, while allowing financial institutions to offset SME loans against required reserves.[26]

Efforts were made toward getting the old oligarchs investing again, too. The tax regime was made more favorable through cuts to corporate tax rates as well as through the installment of lesser levies for income derived from dividends and capital gains (Of note, earnings on the sale of unlisted government treasuries were made tax exempt). Many parties who had been close to Gamal Mubarak were also rehabilitated at this juncture, including Ahmed Ezz, Ahmed Heikal, Mohamed Mansour, Mahmoud el Gammal, Rachid Mohamed Rachid, and Talaat Hisham Moustafa.[27] And policymakers endeavored to fold private capitals directly into circuits of accumulation managed by the security forces as well. Seeking to free up the EAF's own balance sheet, from 2019 onward, subcontracting work on the mega development projects was vastly increased. In some cases, bespoke arrangements were set up to facilitate state-backed profiteering: For instance, alongside the General Intelligence Services and American and Israel partners, Alaa Arafa was made pointman for a sketchy deal centered on the importation and liquefaction of natural gas drawn from Israel's Leviathan field.[28] Out in Sinai, meanwhile, Ibrahim al-Argani was raised to prominence through proximity to EAF business in Egypt, Libya, and Gaza.[29]

The Generals' efforts with the private sector were not entirely for naught. Lending to SMEs did indeed pick up without meaningfully elevating rates of default amongst the borrowers (~8%).[30] Egypt's big business increased their activities, too. But gains in terms of fixed capital formation were not gamechanging. For SMEs, the financing gap remained enormous, upwards of USD 40bn, while the identification of bankable opportunities remained challenging.[31] The big guys held off for their own reasons. The regulatory environment never inspired confidence: The Army's continued indulgence in strong-arm tactics—for instance, incarcerating Safwan Thabet until he turned over equity in his company[32] and exploiting licensing power to extract ownership shares of start-ups—

[26] Staff writer, "New lending initiatives increasing access to finance for Egypt's SMEs", Analysis: Oxford Business Group (2017)
[27] Operationally, this was done through penance payments, amendments to the law on illicit gains, and in the case Hisham Moustafa, by dropping charges related to an alleged attempted murder of his girlfriend. It was also advanced by regulators' blessing many of the named parties' acquisition of Commercial International Bank's investment arm (CI Capital) in 2017. Partnerships were forged in the parliament, too, where Zaki el Sewedy, scion of one of the country's large private contractors, led the pro-regime "Support Egypt" coalition.
[28] See: Staff Writer, "The new gas deal: Windfall for Israel, heavy burden for Egypt", NoonPost English (August 18, 2025).
Hossam Bahgat, "Who's buying Israeli gas? A company owned by the General Intelligence Service", MadaMasr (October 23, 2018).
[29] Stephan Roll, "How a network of entrepreneurs and security actors in Egypt wants to profit from the reconstruction of Gaza", SWP Comment: Stiftung Wissenschaft und Politik (April 2025).
[30' Central Bank of Egypt, Financial Stability Report 2021, Report: Cairo (2022).
Lucy Fitzgeorge-Parker, "Central bank drives lending bonanza for Egypt's SMEs", Euromoney (October 2, 2018).
[31]Staff Writer, "SME finance in Egypt: Who's doing it and what's missing in that sphere?" Enterprise Daily (September 28, 2024).
[32] Stephan Roll, "Egypt's business elite after Mubarak: A powerful player between Generals and Brotherhood", Research Paper: Stiftung Wissenschaft nud Politik (September 2013). Thabet was likely targeted because of his one-time closeness to the Brotherhood

suggested the sovereign's views on private property were discretionary. The EAF's dominance in many sectors—and the impossibility of competing with military businesses due to their imperviousness to loss-making[33] and retention of subsidized inputs and conscript labor—likewise disincentivized investment.[34] Costs of production inputs were rising, too, due to the currency's depreciation.[35] Externally, meanwhile, global trade growth remained mired in stagnation while issues of oversupply and fierce competition at the bottom of global value chains only made capital expenditures less promising. As things played out, SMEs developed a touch and Egypt's oligarchs showed themselves happy to take a share of the gains on offer in debt issuance and the infrastructure bonanza. All in all, though, domestic private investment remained low.

The state's own investments made up some of the shortfall. But in debt financing these expenditures at a time when the state's repayment obligations were marching a steady ascent, there was a hard ceiling on the amount of public investment that policymakers could ultimately mobilize. While undoubtedly significant in volume in the years prior to the SARS-CoV-2 pandemic, the state's capex wasn't at the levels needed to carry the day alone.[36] In this context, foreign direct investment was to offer a salve but no salvation. As a percentage of GDP, net inflows of FDI edged up from 2.4% in 2016 to 3.1% 2018. In current USD terms, the sums in question ranged ~USD 7-9bn per annum. These placed Egypt as the top FDI destination in Africa, with much of the uptick driven by British and European commitments into the oil and gas sector, the super-giant Zohr gas field attracting special attention.[37] However, despite the generous terms established under Law no.72 of 2017, FDI flows never reached the scale needed to properly drive demand. They slid lower in 2019, moreover, before witnessing a significant drop-off during the pandemic.[38] Given the composition of the growth model, the performance was compromising.

The Downsides of Gulf Investment

As we will discuss further in the next section, the social and developmental costs of securing what FDI did arrive between 2016 and 2022 were also to prove significant. Crucial in these regards were the Egyptian state's evolving relation with Gulf capital. The chief providers of dollar liquidity to the regime—whether through investments, central bank deposits, or remittance flows—these years saw public and notionally private actors from Egypt's east raised to the most senior reaches of el-Sisi's power bloc. But with the Gulf's indispensability came the easy extraction of benefits. Investors, those from the UAE first and foremost, were allowed acquire prime assets for a scare and to sink their surplus capital into Egypt's built environment[39]; to build oligopolistic powers within key sectors like telecommunications[40]; to build a dominant position within the banking sector; and to secure tax exemptions on business activities. They were also allowed to partake in the commodification of services previously outside the market's reach, such as healthcare[41], and to pursue food security strategies which required taking ownership of roughly 40% of Egypt's reclaimed farmlands, amongst other things.[42] These measures facilitated a profit boom for the capitals in question. They helped undermine productive capacity, though, and widened inequalities, both between and within classes.

[33] On these firms' lack of profitability, see: Ishac Diwan, Nadim Houry, and Yezid Sayigh, "Egypt after the coronavirus: Back to square one", Arab Reform Initiative (August 2020).
[34] Staff Writer, "Egypt's Army Inc.: The rise of a military economy", Zawia3 (May 29, 2025).
[35] Paul Adjibi and Ines Demarquette, "From twin deficits to default risk: Has Egypt reached a critical threshold?", Research Paper: HEC Paris (2025).
[36] And it came with familiar downsides. Oriented into infrastructure, the state's investments had a low fiscal multiplier while bringing a high import bill in their tow. Concerning the latter, the mega projects being undertaken required immense quantities of imported machinery. Strains to the country's debt sustainability and balance of payments were part and parcel of the state's investment strategy.
[37] The UAE's Mubadala Petroleum also took a stake in Zohr via its position in the Shorouk concession. See: Ahmed Megahid, "UAE adds oil and gas sector to business interests in Egypt", Arab Weekly (June 6, 2018).
For a sense of total British investments in the Egyptian economy, see: General Authority for Investment Egypt, "Egypt at a glance", Powerpoint presentation (2019).
[38] International Monetary Fund, Balance of Payments Database
[39] The empire of malls developed by the UAE's Majid al Futtaim in the late 2010s speaks o this development as well.
[40] After Saudi Telecom took over a 55% stake in Egypt Vodafone in 2020, the only meaningful competitor to corporate entities from the Gulf (namely, Saudi Telecom and the UAE's e&) in the Egyptian telecoms market was France's Orange.
[41] In 2018, the Emirates Healthcare Group signed a partnership with Alameda Healthcare Group which gave it ownership of many hospitals including Dar al Fouad and Al Salam International Hospital. In total, Emirati firms control twelve private hospitals in Egypt and also have large stakes in pharmaceuticals and testing labs.
See: Staff writer, "From investment to influence: How the UAE shapes the Egyptian economy", Taqasee (March 2025).
[42] Staff writer, "From land to logistics: UAE's growing power in the global food system", Article: Grain (July 3, 2024).

Private consumption was deliberately repressed through a number of means and as such incapable of buttressing a floundering investment-led growth model. As mentioned, the austerity program imposed at the behest of creditors crushed the poor and middle classes. Subsidy reforms pushed electricity bills ever higher while cynical manipulations of bread subsidies meant prices held while the size of bread loaves shrank.[43] Disinvestment in the domains of public education and health burdened cash-strapped households even further.[44] The central bank's jacking of real interest rates—done both to signal commitments to price stability and to attract hard currency through bringing foreign investors into the treasury bill market[45]—created enduring slack in the labor market. And the state's retreat from its role as job provider, cemented with the passage of Civil Service Law 81 in 2016, dragged the wage structure further down: Combined with attrition due to retirements and dismissals, el-Sisi's legislative maneuvers saw 700,000 jobs shed from the state bureaucracy's payroll between 2013 and 2020.[46]

Making matters worse, one of the particularities of the economy the Generals midwifed into existence was that it severed the traditional relationship between economic expansion and job creation. As such, even when the economy was growing at a decent clip, as during the 2016-2019 window, employment to population ratios fell. Where work did come available, moreover, opportunities were disproportionately informal and irregular in nature[47]: By 2023, income derived from informal employment in the private sector had become the most prevalent source of household earnings.[48] Young people suffered worst, as evinced by the steady climb in the percentage of those classified in NEET status (not in education, employment, or training) between 2014 and 2020. At a national level, impoverishment and malnutrition spread.

Rounding out the demand pie were exports. Lifted by oil and textile sales as well as rising tourism receipts, export earnings did increased by a substantial margin between 2016 and 2018. Remittance flows, originating almost entirely in the Gulf, boosted the current account as well. Nevertheless, the listlessness of the regime's industrial policy approach continued. In the face of global value chains' rigidly vertical structure, this led to no progress being made in improving the country's terms of trade, which would contribute to a receding of export receipts from 2019 onward.

Discrete policy errors played a part in the decline, too. Salient were failures in upgrading domestic refining facilities and the mismanagement of the Zohr natural gas field. The former left the economy highly reliant on the importation of refined petroleum products, which added constant strains to the trade ledger. The latter, meanwhile, compromised what was to be a boon for Egypt's balance of payments. Once declared the largest gas field in the Mediterranean, production out of Zohr would never reach near the heights projected. This was partially due to the workings of natural phenomena.[49] But the state's growing debt troubles clearly had a role as well: The Ministry of Petroleum's accumulation of billions in arrears to Eni, the field's primary developer, led the Italian firm to slow play its work, ultimately contributing to the field's deterioration.[50] Viewed in full, Egypt's net exports (i.e. exports minus imports) remained deep within negative territory across the pre-pandemic years. In conjunction with weak private consumption and insufficient investment, the result compromised el-Sisi et al.'s reformed growth model.

[[43] Sara Seif Eddin, "Bread subsidies: The history of a 'red line'", Mada Masr (December 22, 2021).
The Big Pharaoh, "Understanding Egypt's economic troubles", The Tahrir Institute for Middle East Policy (June 16, 2022).
[44] Salma Hussein, Reem Abdelhaliem, Mohamed Ramadan, and Yousse Sharaf, "Egypt's Successive Economic Crises: The IMF's impact and pahtways to just monetary, food, and social policies", Paper no.10: Social Protection (Arab Reform Initiative, Arab Region Hub for Social Protection, and Women for Justice Foundation: 2024).
[45] Maged Mandour, "Dollars to despots: Sisi's international patrons", Sada Center (November 2020).
[46] Bruce Rutherford, "Understanding change in Egypt's social contract", Mediterranean Politics 30:5 (2025).
[47] Ragui Assaad, Abelaziz Alsharawy, and Colette Salemi, "Is the Egyptian economic creating god jobs? Job creation and economic vulnerability from 1998 to 2018", Working Paper no.1354: Economic Research Forum (October 2019).
[48] Mona Elsayed, May Gadalla, and Mariam Hagag, "Trends in income and wage inequality in Egypt (1988-2023), ERF Policy Brief no.141 (December 2024).
[49] Reservoir pressure decreases and water leaks in particular hurt production. See: Staff writer, "The Zohr field: The rise and fall of a Mediterranean gas giant", Analysis: C&C Reservoirs (2024).
[50] Imam Ramadan and Manar Behary, "Zohr field's declining output: a threat to Egypt's energy future", Zawia3 (June 30, 2024).

Critically, post-2016 struggles on the export front also left the economy highly exposed to external shocks. Exposure was a byproduct of the manner with which the Generals' endeavored to cover the trade deficits being run up. As was earlier touched upon, following the IMF deal, the funding strategy adopted hinged on selling domestic treasury bills to foreign investors. To make these debt instruments attractive, policymakers needed to hike real interest rates to some of the highest levels in the world. They also needed to institute a de facto fixed exchange rate system in order to protect investors against risks of currency depreciation. For a time, such measures sufficed to draw tens of billions in dollar liquidity into Egypt, albeit at great expense: With debt maturities shortening and interest payments growing, staying current on payments became increasingly burdensome. In requiring that policymakers also regularly intervene in foreign currency markets to protect the EGP, the vicious cycle set in motion by the gambit was only made worse. But to return to our original point, in becoming dependent on hot money, the Generals tethered Egypt's macrostability to the whims of the global financial system. In so doing, a simple change in investor sentiment could provoke cataclysm.

Into the Depths

Such vulnerabilities first made themselves felt in 2018. The precipitating cause was a policy shift inaugurated by the Federal Reserve in the spring of the previous year: Embarking on a tightening cycle, between March 2017 and December 2018, the Fed hiked interest rates by 175 basis points.[51] In strengthening the dollar and increasing the returns that could be had on deposit accounts in the United States, the move flushed tens of billions out of emerging markets. In Egypt, the shift in financial conditions led USD 15bn to exit the country, most of it previously parked in treasury bills.[52]

Less than two years later, the same dynamic repeated itself. In this instance, the trigger was the onsetting of the global pandemic. Prompting investors to again seek protection in safe-haven assets, the spread of uncertainty in January 2020 would cause USD 20bn to flee from Egypt's local debt market. To stave off a balance of payments crisis, the IMF approved a Rapid Financing Instrument worth USD 2.772bn for Egypt in May 2020 and a Stand-by Arrangement in June that furnished an additional credit line of USD 5.2bn.[53] Over the next two years, Saudi Arabia, the UAE, and Qatar also dispatched USD 24.3bn to the Central Bank of Egypt to further prop up the country's hard currency reserves.[54] But with the pandemic paralyzing tourism and trade, debt repayments suctioning dollars out at a relentless clip, and losses due to structurally compromised terms of trade running in the background, these rescue efforts could only patch over the cracks of a dam busting at the seam.

The dam ultimately broke in 2022. The impulses of pressure that did the breaking again came from the outside. With the Russian invasion of Ukraine in February came swift reductions in investor risk appetites and soaring wheat prices on international commodities markets. Three months thereafter, the Fed's hiking of interest rates abruptly tightened global credit conditions. In drawing capital back to the United States—where yields were now more attractive—the Fed's moves also provoked sharp deleveraging from emerging markets.

[51] For a full history of Federal Reserve interest rate policy, see: Taylor Tepper and Farran Powell, "Federal Funds Rate History 1990 to 2025", Forbes (October 30, 2025).
[52] Patrick Werr, "Egypt can no longer depend on hot money for budget: finance minister", Reuters (June 27, 2022).
[53] See: IMF, "IMF Executive Board approves USD $2.772 billion in emergency support to Egypt to address the COVID-19 pandemic", Press Release (May 11, 2020).
[54] IMF, "IMF Executive Board Approves 12-month US$5.2 billion Stand-By Arrangement for Egypt", Press Release June 26, 2020)
4Mohamed Ramadan, "The governing framework for Gulf acquisitions in Egypt", Report: Arab Reform Initiative (August 30, 2024).

For Egypt, the consequence of both shocks were pronounced. Events in Ukraine led to a growing import bill, reduced capital flows, reduced tourism revenues, and massive losses in portfolio investment. Across February and March of 2022 alone, foreign investors unloaded $22bn in Egyptian treasury bills on secondary markets. These and other liquid assets were quickly converted to dollars for sending home: In total, sales of the Egyptian pound on FX markets in February and March would total $30bn. Fed-induced changes to credit conditions in May, meanwhile, served to close capital markets to Egyptian borrowers, the state first and foremost. Thereafter, spreads on the country's credit default swaps leaped skywards and the sovereign's credit rating was downgraded to junk status.

Squeezed on all sides, el-Sisi's lieutenants attempted to contain the damage through controlled floats of the pound. The initial effort in March 2022 brought a swift 14% depreciation. Insufficient to stop the bleeding, subsequent operations, the largest being in October 2022 and January 2023, saw the EGP shed another 56% of exchange value against the dollar.[55] Currency collapse, in turn, led to runaway inflation being imported. Across 2023 and 2024, monthly reads of the consumer price index (CPI) showed prices jumping by 25-38% year over year. Food inflation was even worse. Arriving in the wake of a decade of stagnation and flatlining wages, inflation spread pauperization to a large share of what was once referred to as the middle class. By mid-2023, 60% of the Egyptian population was living below or close to a poverty line[56] set well beneath the levels of consumption actually needed to purchase necessities.[57]

Hence was reached the nadir of the Egyptian economy's crisis. For two years, social pain spread extensively and intensively while macrostability remained elusive. During this period, Saudi Arabia and the UAE did inject some dollar liquidity by scooping up a number of prime assets, as will be discussed in the next section. Alas, such interventions failed to ease the strains pressing upon the balance of payments: Pricing on credit-default swaps for Egyptian sovereign debt continued reflecting widespread fear around Egypt missing a payment on its debts, bets against the Egyptian pound continued to stack, and inflation continued pulsing.

Relief finally arrived in February of 2024 in the form of a USD 35bn investment arrangement agreed to between the Egyptian state and Abu Dhabi. The arrangement centered on development projects in Ral el-Hekma, beachfront lands along Egypt's Mediterranean coastline. Mindful of Cairo's liquidity troubles, Abu Dhabi put the cash up front. The al-Nahyans did so both by deploying fresh capital and converting deposits hitherto held at the Central Bank of Egypt into investment funds. With the deal in place, the IMF, World Bank, and European Union all greenlit fresh lines of credit for Egypt and in so doing, finally pushed the country's external accounts out of the danger zone. But the collective bailout, containing USD 57bn in pledges in total, was contingent on the Central Bank of Egypt administering another devaluation and another round of interest rate hikes. Both actions were carried out on March 6th, the former resulting in the pound declining 38% against the dollar and the latter pushing the overnight deposit rate up by 6%.

In the period since the announcement of the Ras el-Hekma project, the macroeconomic situation in Egypt would gradually stabilize. Inflation began a slow if steady decline, too, if one that did little to roll back the breadth of social suffering. Curiously, though, it was during the very worst moments of the crisis that Egyptian capitalism began to show signs of revitalization: After a long run languishing in the area of 14%, the profit rate finally leaped upward in 2021 and then held its gains through 2024. In the next section, we will parse how, precisely this was achieved. And in identifying the mechanisms at play and the effects set into motion, we will show why capital's restoration through crisis may have only deepened Egypt's structural troubles—and hastened crisis' return.

[55] Abigail Flynn, "Devaluation: What the future holds", News: American University of Cairo (January 17, 2023).
[56] Aidan Lewis and Patrick Werr, "Explainer: how deep are Egypt's economic troubles", Reuters (December 8, 2023)
[57] Elham Elmerghany, "Gauging poverty and its impacts", Manassa (August 3, 2025)

Chapter 2: The Limits of Egypt's Recovery

The Restoration of General Profitability

When and to what degree did profit rates (i.e. the annual yield generated by the Egyptian capital stock) increase during the tenure of Abdel-Fattah el-Sisi?

The math required to answer these questions is not straight forward. This is primarily due to the challenges of estimating the value of the capital stock. The complicating factor here is accounting for the rate of capital depreciation against which the annual rate of fixed capital formation must be discounted. Many working on rate of profit analyses adopt rates of capital depreciation assumed by the team at the Grongingen Growth and Development Centre. This is the team that manages the esteemed Penn World Tables (PWT). In the case of Egypt, the rate put forth in the PWT for the years covering el-Sisi's tenure hovers close to 6%. For what it is worth, note that the Central Bank of Egypt itself uses the PWT's estimates in making its own calculations. Be that as it may, it is important to remember that estimates these percentages are. And there are cases for using lower ones. Indeed, by dint of recent developments, the growing prominence of public investment in particular, there is grounds in thinking capital depreciation rates in Egypt may be a bit lower than what the PWT assumes. This is because publicly owned capital tends to depreciate at a slower rate than privately owned capital: Inasmuch as the public share of investment flows under el-Sisi has been high in comparative terms—and inasmuch as publicly held share of the capital stock was already relatively high, grace of Nasserist rule—it stands to reason that Egypt's aggregate rate of capital depreciation could be closer to the 3.4% that Restout, Acurio Casconez, and Desmarchelier have posited as a potential alternative.[58]

But in using either the PWT standard or the alternative just referenced for calculating the rate of profit, one does ultimately rely on a theoretically assumed rate of capital depreciation. There is a third way for getting where we want to go, though: one can take sums reported as the consumption of fixed capital as a proxy for capital depreciation. Obviously, the merits of this approach is that it better grounds our calculations in the empirics. But there are demerits, too. Businesses calculate and report their consumption of fixed capital not on the basis of a machine's historic cost,

[58] Romain Restout, Veronica Acurio Vasconez, and David Desmarchelier, "Pollution, endogenous capital depreciation, and growth dynamics", Working Paper: Bureau d'Economic Theoriqe et Appliquee, UDS Strasbourg (2024).

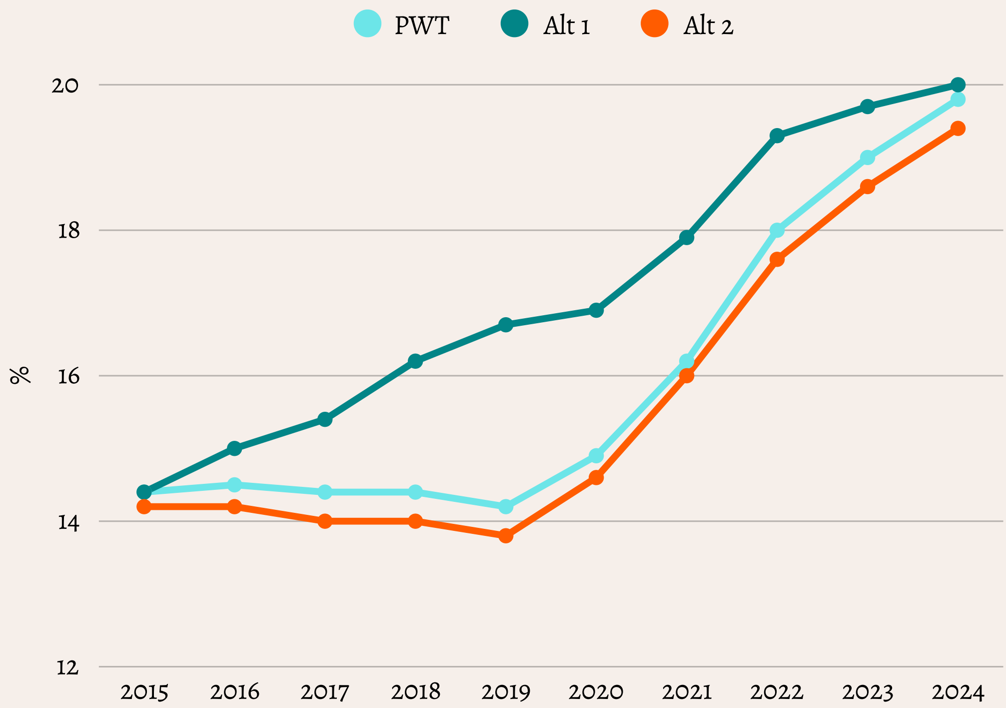
but on the basis of the machine's current market value. This opens the possibility for distortionary effects to slip in to our calculations of profit rates by way of market vagaries. And then there is the issue of data non-availability. The World Bank only has data on capital consumption through 2021.

To hedge our bets, we used all three of the options just sketched (PWT, Acurio Casconez, and capital consumption) in calculating the rate of profit in Egypt. The results can be seen below.

Methods for Calculating Profit Rates

To calculate our three estimates of the profit rate in Egypt, the following method and data were used:
For the PWT version (PWT), we used the PWT's estimates of the capital stock through 2019, the last year for which an estimate is available. Thereafter, the capital stock is estimated by deducting 6% from the previous year's capital stock (to account for capital depreciation) and then adding the volume of fixed capital formation that was reported in the World Bank's World Development Indicators (WDIs) to the resulting sum. For our first alternative calculation (Alt 1), we took the PWT's 2015 estimates of the capital stock as our baseline. Thereafter, we derived the capital stock for subsequent years by deducting 3.4% from the previous year's total and then adding the volume of fixed capital formation reported in the WDIs to the resulting sum. For our second alternative (Alt 2), we again used the PWT's 2015 estimates of the capital stock as our baseline. Thereafter, we derive annual estimates of the capital stock through a two-step process: First, we deduct the sums of capital consumption which are estimated in the World Bank's The Changing Wealth of Nations database from the previous years total, then we add in the sums of gross fixed capital formation recorded in the WDI. Note that the World Bank's data on capital consumption only goes through 2021. In order to impute figures for 2022-2024, an average of the capital consumption numbers annually reported for 2015-2021 was taken and applied for the years in question. For all three calculations, to determine the annual capital share of income (hence, gross profits), we used the International Labour Organisation's estimates of the labor share of income and subtracted it from total per annum output (i.e. GDP). To keep consistency in unit of measure, all figures were converted to 2017 USD.

Profit Rates Across the Tenure of el-Sisi



Sources: World Bank: World Development Indicators
World Bank: The Wealth of Nations: Measuring Sustainable Development in the New Millenium
Grongingen Growth and Development Centre: Penn World Tables 10.1

Encouragingly, all three iterations of our calculation move in the same general direction across the period covered. To slightly differing degrees, they each show a distinct and significant jump in profitability occurring between 2021 and 2024. As the graph depicts, the leap is in the area of four to five percentage points regardless of how capital depreciation has been accounted for. In relative terms, this amounted to a 30-40% bump in the rate of profit vis-a-vis the pre-crisis years. Empirically, then, it is clear that Egyptian capitalism experienced a recovery during, and by way of, the economic crisis that rocked the country and its people.

Means of Resurgence: Capital's Problematic Revival

But if the rate of profit does indicate a leap upward in the years in question, there is nevertheless cause in thinking the good times may not last long. Minimally, it seems unlikely that capital's recovery will lead to social or developmental gain.

To appreciate why, one need first home in on the mechanisms through which profit rates were raised.

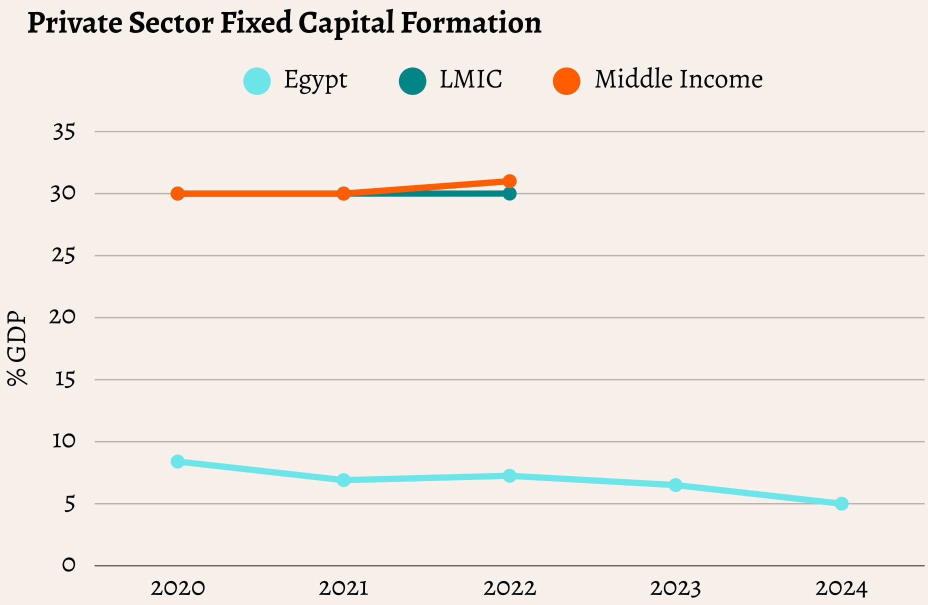
(a) A Disinvestment-led Job

The factor most responsible for the recovery of profit rates between 2021 and 2024 was the diminution of the capital stock. This was itself a function of reduced capital expenditures—to wit, the state's failed investment-led growth model—the effects of which were compounded by the continuous advance of capital depreciation. As touched on in the previous section, disinvestment, to use a catchall for the wider process, was especially pronounced in the private sector.

Of course, private investment was already weak, and strikingly so, in the years preceding Egypt crisis. Between 2014 and 2019, it crawled from a measly 7.26% GDP to a still measly 9.3% GDP. But things grew decidedly worse thereafter. From 2020 to 2023, the private sector's contributions to fixed capital formation averaged just 7.25% GDP. And in 2024, the wheels came all the way off. That year, private investment represented just 5% GDP.[59]

Setting these numbers in comparative context can give a sense for just how low they are. In 2022, the private sectors of low and middle income countries recorded levels of gross fixed capital formation (GCFC) that was on average equivalent to 30% GDP. In the same year, private sectors in middle and upper middle income countries recorded amounts of GFCF equivalent to 31% and 32% GDP, respectively, on average. Even Afghanistan, but two years from the collapse of the US-backed government and the return of Taliban rule, observed private sector fixed capital formation of 9% GDP in 2022. During the depths of Egypt's crisis, then, private investment was coming in at a rate roughly 16% of what was seen in peer countries, and at levels that in relative terms were about half as strong as those achieved under Mullah Hibatullah Akhundzada's leadership.

[59] Amr Adly, "The IMF's half truths", Al Manassa (July13, 2025).



Source: World Bank: World Development Indicators

As the graphs above clarify, the early 2020s were truly years of mass private sector disinvestment in Egypt. And with the state constrained in the same period by el-Sisi's economic managers amassing ever enlarging sums of sovereign debt, public investment could offer no stand-in either. In 2020, public sector GFCF was just a hair more than the private sector contribution: 8.7% GDP. The next three years, the public sector recorded average volumes of fixed capital formation equivalent to just 9.6% GDP. And when Egypt's crisis probed the depths in 2024, things fell entirely off the table. That year, public sector GFCF only amounted to 6.7% GDP. With depreciation eating into the existing capital stock at an unrelenting pace throughout, the result was the stagnation if not degradation of Egypt's aggregate pool of productive assets.

The social and developmental consequence of this are difficult to overstate. In diminishing the capital-labor ratio—in simplified terms, the amount of tools and equipment which can be deployed on a per worker basis—disinvestment has structurally reduced the economy's ability to generate productivity gains. In shuttering factories rather than building new ones—a reality reflected not only in low investment numbers but in low capacity utilization rates, which have loitered below 70%[60]—disinvestment has also structurally reduced the economy's ability to create jobs, never mind decent ones. In holding their investment powder dry, furthermore, Egyptian firms only drifted further away from the global technological frontier while foregoing opportunities, scarce though they may be, for grabbing external markets and climbing global value chains. Across medium and long-term horizons, this too is hardly auspicious.

But from the perspective of capital as a whole, disinvestment did play a critical role in lifting profits, and undoubtedly so. The causality at play is apparent in basic arithmetic. With growth in the capital stock effectively flat (if not negative), even a modicum of GDP growth would serve to increase the ratio between output and capital. So long as the labor share of income does not simultaneously advance, an increased output to capital ratio amounts to an increase the profitability of capital in the aggregate. In Egypt's case, the crisis years did indeed observe a modicum of GDP growth. And as we will see in the next subsection, they most certainly did not observe an increase in the labor share of income. As such, the reduction in the capital stock functioned to boost the profitability of the capital that remained.

[60] Pascal Deveaux, "Egypt: The Egyptian economy remains vulnerable despite positive momentum", Eco Perspectives: BNP Parbas (Feburary 2025). Data released by the Central Bank of Egypt confirms Deveaux's assertions.

(b) The Labor Squeeze

The restoration of general profitability was also facilitated through a redistribution of income from workers to capital owners. This is verified in the data and estimates published by the International Labour Organisation. According to the ILO's calculations, Egypt's labor share of income fell from just south of 44% in 2020 all the way to 40.9% in 2022 before settling between 41.6% and 42.1% over the next three years.[61] Put differently, workers saw their slice of the total income generated by the economy drop by between two and three percentages points per annum as compared to the pre-pandemic era.

During the crisis years, inflation served as the primary instrument for mediating the transfer of income from labor to capital. Per the Central Bank of Egypt's Monetary Policy Report, inflation outpaced nominal wage growth by a meaningful margin from the fourth quarter of 2021 through the spring of 2024: Measured in real terms, wages declined across the period in question, with the real wage gap ~-10% by period's end.[62]

In view of how much Egyptian workers were already being exploited prior to the onsetting of inflation, the effects of the crisis-era squeeze on labor were especially pronounced. Rather quickly, the state-instituted minimum wage fell below the levels needed to keep a family out of extreme poverty.[63] This was particularly distressing given how many workers actually earned less than the minimum wage: In 2022, when the minimum wage was set at 3000 EGP per month, the average wage of employees documented in the Labour Force Sample Survey was just 3241.3 EGP. In 2023, the minimum wage was bumped to 3500 EGP, but average wages climbed only to 3889.2 EGP. In 2024, finally, with inflation still running hot, the minimum wage was increased to 6000 EGP. The average wage did not even come close to keeping pace, though, falling more than 1000 EGP short of the threshold (4953.6 EGP).[64] As early as 2023, the proportion of the active labor force with hourly earnings below the minimum wage—a threshold that is itself far below what is actually required for an individual (never mind a family) to meet their basic needs[65]—had climbed from the 55% observed in 2012 to 69%.[66] Nor does the picture become any better when one moves from average earnings to median ones. The median monthly income fell by approximately 5% per year across the tenure of the Generals: Come 2023, the earnings of those in the middle of the bell curve were still ~28% below 2012's level. Geographically, workers in upper Egypt were hit hardest by inflation-powered distributive change. Predictably, women's earnings lagged the paltry national averages just referenced, too.[67]

But for capital, inflation's compression of labor compensation amounted to a direct lift of profitability: Moneys generated through production were expressly rerouted from workers to the owners of capital. In some instances, this was enacted at the firm level, where negotiations ensured that wage growth was contained at levels below product price increases. More generally, it was enforced at a sector and economy-wide scale, where market-making firms leveraged their pricing power to acquire windfall gains. The Central Bank of Egypt acknowledges that wholesalers and retailers in the food industry exploited volatility in international commodities markets to raise and then keep prices elevated after the initial shock subsided.[68] Asmaa Abdel-Alim's analysis of 2024 financial

[61] See: International Labour Organisation—Model-based extrapolation of the Egyptian labour share of income (Accessed November 2025).
[62] Central Bank of Egypt, "Monetary Policy Report: Q2-2025", Cairo (2025): 18-19.
The real wage gap measures the difference between worker income and the long-term wage trend
[63] Elmerghany (2025).
[64] International Labour Organisation, ILOSTAT data explorer: Statutory nominal gross monthly minimum wage, Average monthly earnings of employees (Accessed December 2025).
[65] Alternative Policy Solutions, "Why raising Egypt's minimum wage is not enough", Adasa edition 91 (February 24, 2025)
[66] Elsayed et al (December 2024).
[67] International Labour Organsiation, ILOSTAT data explorer, "Average monthly earnings of employees by sex" (Accessed December 2025).
[68] Central Bank of Egypt (2025): 15
[69] Asmaa Abdel-Alim, "Food company revenues soar as bellies rumble", Al Manassa (May 17, 2025).

reporting from three of the largest publicly listed food companies in Egypt affirms the prevalence of the practice.[70] There is abundant evidence of landlords also taking advantage of inflationary pulses to raise rents in working class areas.[2]

(c) Debt-powered Redistribution

While exerting a lesser effect than disinvestment and the squeeze on labor, crisis-era debt expansions too made a contribution in restoring profit rates. Most salient in this regard was the growth in the sovereign's obligations.

During the crisis era, state borrowing concentrated in EGP-denominated instruments. (This was necessary, as public financial managers were effectively locked out of international capital markets): Between financial year 2022/2023 and financial year 2024/2025 (i.e. from July 2022 to June 2025), a full 90% of the state's gross financing needs were met domestically.[71] Notably, much of the debts issued at this time held two properties in common: short-term maturities and large coupon rates. For a sense for the former, consider that between March 2021 and September 2024, the state's outstanding balance on Treasury Bills, which are debt instruments with maturities of less than one year, more than doubled, leaping by 137% in total. As for coupon rates, the weighted average yield on one-year treasury bills clarifies just how high the returns were for investors: By summer 2022, the relevant figure was 15%. From there, it swiftly ascended to the ~25% range before peaking north of 30% in early 2024.[72] Even with inflation running hot, this was a large alpha for a short-term investment. Disproportionately cashing in on the state's troubles were the investment houses and commercial banks populating the Egyptian financial sector. As will be clarified later in the chapter, many of these institutions are owned by *khaliji* capital. Regardless, the entirety of the creditor class made out very well.

The extent to which sovereign indebtedness drove banking sector profits is quite clear in the financial reporting posted by Egyptian banks. As this reporting shows, by late 2022, securities trading in Egypt had largely reduced to the purchasing of sovereign debt.[73] Over the next two years, this led to a massive expansion in bank balance sheets. In EGP terms, the aggregate financial position of the banking sector doubled between 2022 and 2024, with portfolio investments in treasury bills and government bonds responsible for ~90% of the increase.[74] As of September 2024, net claims on the government had come to represent 68.6% of all bank credit extended in Egypt.[75] With high interest rates being attached to sovereign debt, the upshot was historic profits for the Egyptian financial sector. In 2023, banks operating in Egypt reported net profits of EGP 283.4 billion, a take worth USD 11.45bn as the calendar turned over. The following year, in EGP terms, net profits jumped even higher to reach EGP 534.8bn. Due to currency depreciation, this amounted to the slightly lesser sum of USD 10.6bn.[76] And the boom continued into 2025. In the first quarter of the year, banks reported net profits of EGP 152.76bn.[77]

Beyond boosting profitability, the state-bank-debt nexus also created distributive effects quite similar to those created by inflation. To appreciate why, it is necessary to consider what goes into the making of debt repayments. While an oversimplification, it is largely the case that for a state to stay current on existing obligations, it must generate public revenues or issue new debts. In Egypt, though Suez Canal receipts help fill the public coffers, the levying of taxes is the primary means through which revenues are raised, being

[70] Asmaa Abdel-Alim, "Food company revenues soar as bellies rumble", Al Manassa (May 17, 2025).
[71] Laila el-Abd, "Evicted by inflation: The rising cost of renting in Egypt's working class districts", Al-Manassa (November 12, 2025).
[72] Central Bank of Egypt (2025): 27
[73] Central Bank of Egypt, Monthly Statistics Bulletin (July 2025): 41
[74] Central Bank of Egypt Economic Research Sector, "Economic Review Vol.65 no.1 2024/2025", Report (2025): 17-18
[75] Ibid: B
[76] Elias al Helou, "Egyptian banks report record profits of $10.6 billion in 2024", Middle East Economy (March 20, 2025).
[77] Hossam Mounir, "Banks in Egypr report EGP 152.8bn in net profits for Q1 2025: CBE", Daily News Egypt (June 15, 2025).

responsible for 75-78% the government's total income in any given year. As is beyond contention at this stage, the Egyptian tax system is itself highly regressive.[78] As such, in the state's debt repayments is contained a transfer from the middle and lower classes—who disproportionately foot the tax bill—to those who own the state's debts, the latter category broadly being reducible to the banking sector's largest equity holders.

What is more, the transfer in motion is even more pronounced than appears at first blush. This is because funding debt repayments has required the cutting of other public expenditures which might otherwise benefit the middle and lower classes. The tradeoff is painfully visible in the evolution of annual budgets. With the onsetting of the economic crisis, interest payments on domestic and foreign debt would crowd out other public expenditures at an accelerating clip. During financial year 2021/2022, the share of total expenditures devoted to interest payments was 32.3%. Over the following twelve months, it climbed to 35.4%. As of 2023/2024, the figure had leaped to 45.2%. Come financial year 2024/2025, it was running at ~55% per quarter. By the end of the period, interest payments were equivalent to approximately 14% Egypt's GDP, more than double what had been paid as recently as 2013.[79] Covering such enormous obligations required more and more spending cuts, with public education and healthcare taking an especially large hit. While the state's indebtedness helped lift profit rates, it did so at great expense.

(d) Profits Are Up, But This Pump Can't Be Primed

To review, the rise in profit rates during the crisis years can be predominantly attributed to disinvestment, on the one hand, and distributive changes facilitated by inflation and debt on the other. Is this formula sustainable? Can policymakers continue to lean on it to preserve profit rates at current levels?

The most likely answer to both questions is no. In the first instance, this is due to the diminishing returns of the formula in question. Let us begin with disinvestment. To be sure, it is not exceptional for a capitalist economy to require the withering or ruination of particular capitals in order for the wider system to return to good health. Capitalism hold a tendency for engendering overcapacity and the price and profit drops this brings, and as such, often needs a hard reset to get itself back onto a stabler course. What stands out in Egypt's case, though, and what gives concern for the sustainability of the current upcycle, is that capital destruction has not given way to vigorous expansion, as a Schumpeterian might have hoped. Grand undertakings in the built environment are once again in vogue, to be certain: Qatari Diar's announcement of a massive real estate and tourism project in Alam al-Roum in November 2025 testifies well to this. Nevertheless, the willingness and desire of investors to allocate capital expenditure into productive assets at scale remains unambiguously absent.

This is most immediately apparent in the data on fixed capital formation. For fiscal year 2024/2025—which started July 1, 2024—the Ministry of Planning and Economic Development reported quarterly figures of gross capital formation (in constant prices) at EGP 224.29bn, 291.52bn, 250.51bn, and 380.6bn, respectively. Taken in the aggregate, these investment figures paint a picture of enduring decline, with the sums in question coming in well below even the low levels of 2021/2022, 2022/2023, and 2023/2024. Even the final quarter bump fails to inspire. Moreover, with central bank governors still keen on maintaining a high real interest rate regime in order to bring in dollars from carry traders in New York[80], it strikes as fanciful that businesses might begin debt-financing investments of meaningful amounts any time soon.[81]

[78] *For a brief synopsis, see: Alternative Policy Solutions, "The poor hand over their income in taxes", Adasa Paper no.70: American University of Cairo (May 2024).*
[79] *European Bank for Reconstruction and Development, Regional Economic Prospects, Report (September 2025): 15*
Osama Diab, "The role of subordinate financialisation in Egypt's employment crisis", Review of African Political Economy 49:174 (2022).
[80] *See: Matt Smith, "Carry trade lifts foreign appetite for Egyptian treasuries", Arabian Gulf Business Insight (September 30, 2025).*
[81] *See: Mohamed Gad, "The gain and pain of raising interest rates", Al Manassa (September 28, 2025).*

Pointing in that same direction is the data on capacity utilization and non-oil private sector activity. As mentioned, capacity utilization remains stuck at 70%, twenty percentage points short of the threshold that typically triggers companies to undertake meaningful investments. As for non-oil private sector activities, between 2015 and 2024, these contracted for ninety-three of one hundred and eight months.[82] In 2025—after the crisis' resolution—the S&P Purchasing Mangers' Index shows non-oil private sector activities retracting in nine of the eleven months for which data is so far available.

At the present juncture, then, the evidence points to the capitalist class being stuck in a state of paralysis. Broadly speaking, a logic of rent-seeking, wealth preservation, speculation, and risk intolerance abides. Not that this is terribly out of step with global capital's broader orientation at the moment. Nevertheless, for Egypt, capital's unwillingness to invest ensures that desirable outcomes, be they of a social or developmental nature, will not be realized. That this might lead to political instability and with it, a decline in profitability, cannot be ruled out. Furthermore, even in the absence of political instability, the kind of lassitude evinced by capital in Egypt may make it difficult to maintain general profitability across distal horizons. With disinvestment corroding the productive base and obstructing movement toward the technological frontier and higher value-add activities, there is little opportunity for securing returns through regionally or globally-scaled trades.

The squeeze el-Sisi's economic managers have put on labor does not have the look of a sustainable profit engine, either. After all, it is a squeeze that eats directly into domestic consumer demand. If up a touch since early 2024, the weakness of the local demand for goods and services has recently been flagged by company owners as constituting a substantive danger to the business outlook.[83] With prospects for export-led growth limited, shrinking the labor share of income any lower—or even sustaining existing levels—might, in time, compromise rather than advance the interests of capital.

Consumer Credit for Struggling Workers

The dangers of deficient consumer demand has not been lost on all those operating in Egypt. To juice household spending amidst heightened labor exploitation, a number of parties—prominently including fractions of khaliji capital—have recently taken to building and diversifying consumer lending activities. Everything from traditional bank loans to microfinancing to buy now pay later arrangements (BNPL) are way up in recent years. The high interest rates attached to these kinds of credit instruments do allow for a quick buck to be made. That said, the ceiling here is relatively low: With current labor market conditions being what they are, expanding the borrower pool promises to bring higher rates of default. Lest wages improve, rolling over or growing credit lines with existing debtors may be akin to kicking the can down the road, too. The profit returns to be had on hyperexploitation in a place like Egypt, then, faces a hard cap, even in the context of consumer credit growth. Without some kind of policy pivot, this reality casts a shadow on the current recovery.

As for debt, this too is a lever whose utility for generating sustainable profit rates invites a number of basic question. For one, is sovereign debt issuance likely to facilitate major investment returns outside of crisis conditions? This is improbable, as the yield on state debt instruments will, to one degree or another, move inversely to the risk they present. Yes, Egypt's peripheral status within the global financial system will always allow for fixed income traders to make healthy returns on the state's obligations. Windfall gains of the kind seen in 2023 and 2024, however, would require the perpetuation of financial crisis, which is itself an impossibility. Then there is the danger of capital loss: A sovereign default in Egypt can hardly be ruled out and with it, the chance for bond holders taking a significant hit. After all, under el-Sisi, default or an extreme monetization of the debt have only thus far been avoided due to recurring interventions from the Gulf and the IMF. Like with hyperexploitation, there are limits which cannot be transgressed in extracting profits from the state's obligations.

[82] *Yezid Sayigh, "The Second Republic: Remaking Egypt under Abdel Fattah el-Sisi", Paper: Malcolm H. Kerr Carnegie Middle East Center (May 2025).*
[83] *Eduard Cousin, "Egypt's economy stabilises, but poverty challenges persist", Al Jazeera (December 5, 2025*

Crisis Effects and Their Consequence Going Forward

a) Structural Problems Endure

Alas, the means through which profit rates were lifted during the recent crisis are not the only thing giving pause as one charts Egypt's economic future. The non-resolution of the economy's structural flaws does as well.

Indeed, the post-crisis Egyptian economy remains compromised by many of the same issues which, though they did not directly cause the crisis of 2022-2024, did create the conditions for its emergence. As has long been the case, today's economy is predisposed to running sizable trade deficits. This predisposition may even have grown over the crisis years. Here, the disinvestment trend previously detailed is chiefly responsible: Blocking a move into higher complexity (and higher value-added) industrial lines, disinvestment ensures Egypt's terms of trade will not improve going forward.

Undoubtedly aware of this, policymakers have bet that they can offset losses through juicing tourism receipts and "exporting" real estate. The strategy is manifest in projects like Ras el-Hekma, frequent planning sessions amongst policymakers and business leaders, and the launch of Egypt Real Estate Platform in February 2025.[84]

Efforts to boost terrorism present genuine upside, albeit at the expense of local ecology. Selling off real estate to foreigners, contrarily, holds virtually no promise. Ventures in the built environment are without the potential for generating sustained inflows of hard currency. This is because real estate purchases from non-residents provide but a one-time injection of dollars or Euros, and trigger no useful knock-on effects for the economy to boot.[85] To date, moreover, it is also a fact that the state's real estate export initiatives have failed attract significant capital inflows, and what has come in is money deployed by expat Egyptians.[86]

After the crisis as before it, Egypt's economy also retains the structural flaw of being acutely vulnerable to exogenous shocks. Playing a critical role here was the stalling of efforts meant to upgrade capacity for oil and gas refining. As mentioned, this was an outcome for which the sovereign's debt problems bears great responsibility. And its consequence are significant. By dint of weak refining capacity, Egypt continues needing to import large volumes of refined petroleum: Accounting for crude products as well, petrochemical products made up one fourth of Egypt's total import bill in 2025.[87] Low oil prices meant this did not bring undue stress to the country's balance of payments. Things can change quickly on international commodity markets, however. With electricity production from renewables still stuck around ~230 Terrawatts, even if one excludes transportation-related costs from consideration, Egypt's enduring dependence on imported energy for powering homes and industry leaves the country's external position highly exposed to forces outside its control.

Decisions to hand over even more agricultural lands to Gulf-based agrifood businesses heightens this exposure further. Al-Walid bin Talal of the Saudi family paved the way for GCC actors in purchasing reclaimed Egyptian farm lands. Under el-Sisi's leadership, though, Emirati entities, prominently including Jenaan and Al-Dahra, the latter being majority owned by the sovereign wealth fund ADQ, have taken the baton. In Toshka of the western desert and East Owaynat of the New Valley

[84] *On the latter, see: Staff Writer, "National vision for real estate exports, tourism investment in Egypt takes shape as experts convene", Daily News Egypt (October 12, 2025).*
[85] *Alternative Policy Solutions, "The mirage of growth through exporting real estate", Adasa no.90 (February 17, 2025): American University of Cairo.*
[86] *Staff Writer, "How can Egypt unlock its real estate export potential", Enterprise Egypt (September 16, 2025).*
[87] *See: CAPMAS, Foreign Trade Monthly Bulletin: September 2025.*

alone, Al-Dahra owns 67,000 feddans of land[88], two thirds of which it is currently farming.[89] And over the next five years, the firm intends to add another 80,000-90,000 hectares to its Egyptian land portfolio.[90] This pertains to Egypt's external position in that Gulf-owned entities are predominantly export-oriented, with much of their Egyptian cultivation devoted to products like alfalfa, which serve as feed for dairy industries back home.[91] Al-Dahra does also grow grain for the Egyptian market: Between 2019 and 2024, it sold 450,000 tons of wheat Egypt's General Authority for Supply Commodities, volumes making it the largest private sector wheat producer in the country.[92] Inasmuch as Egypt must import about one million tons of grain per month to satisfy the basic needs of the population, however, the meaningfulness of al-Dahra's contributions, while not negligible, should not be overstated.[93] And as a general rule, with Gulf investors devoting most their resources and land under cultivation for export production, their growing presence—a quid pro quo necessitated by the el-Sisi regime's endemic reliance on Gulf bailout funds— is doing little to insulate Egypt from the extreme price swings which regularly rock commodities markets in Paris, Amsterdam, and Chicago.[94] This could prove costly down the road.[95]

Just as distressingly, the experience of the crisis—and its causa proxima lying in the flight of hot money in 2022—does not seem to have had any edifying effect on the policy community. Once again, Egypt is courting carry traders and using the dollars they use to acquire high-interest EGP-denominated treasury bills to prop up hard currency reserves.[96] In May of 2025, foreign holdings of Egyptian treasury bills topped EGP 1.9trn, a sum equivalent to USD 40bn and a remarkable 42% the entire treasury bill market.[97] Two months later, the last date for which the Central Bank has made data available, foreign holdings had increased to EGP 2.04tn.[98]

As in the recent past, these speculative inflows are serving to furnish the financial system with essential dollar liquidity, helping to cover import bills and debt repayments, and allowing for the EGP to be defended in FX markets. But also as in the recent past, they are rendering Egypt profoundly vulnerable to a deleveraging event while trapping policymakers in a vicious cycle where they must keep real interest rates perpetually high. For now, the cushion Cairo was handed through Abu Dhabi's commitments in Ras el-Hekma and Qatar's in Alam al-Roum reduces the immediate risk of hot money flight. But should global financial conditions change, these dollars will fly out the exits, wrecking asset prices and the balance of payments in the process. And in the background, the maintenance of high real interest rates is continuing to hold back investment and the development of productive capacity.

b) Gulf Dominance

Crisis-era changes to the composition of the capitalist class and, by extension, to the social foundations of the el-Sisi regime, add another troubling wrinkle to the mix. The expanding position and power, both in a market and political sense, of those Adam Hanieh once christened *khaliji* capital, is of greatest concern.

[88] Al Dahra firm secured most of these holdings at cut rate prices, acquiring them during Hosni Mubarak's reign at the cost of 50 EGP per feddan at a time when the market rate was closer to 11,000 EGP per feddan.
Ahmed Abdelhalim, "Development that devours sovereignty: Egypt cedes agricultural resources to Abu Dhabi", NoonPost (October 24, 2025).
[89] *See: Sarah el Safty and Maha el Dahan, "Exclusive: UAE agribusiness in talks to acquire land in Egypt – sources", Reuters (October 17, 2023)*
Staff Writer, "UAE's Dal Dahra wants to buy up more land in Egypt's Toshka", Enterprise Egypt (October 18, 2023).
[90] *Staff Writer, "Al Dahra's Egypt arm looks to invest USD 230mn to purchase up to 90k feddans, fund reclamation", Enterprise Egypt (November 19, 2024).*
[91] *See: Staff Writer, "UAE acquires Egypt's largest agricultural complex: Inside the 'Hashemeya deal'", Report: Al Istiqlal (August 2025).*
Staff Writer: Grain (2024).
[92] Enterprise Egypt (November 19, 2024).
[93] *U.S. Department of Agriculture: Foreign Agricultural Service, "Egypt: Grain and Feed Update", Report (September 22, 2025).*
[94] *Staff Writer, "When food becomes a gambling game", News and Analysis: War on Want (April 25, 2025).*
[95] *Note that Egypt also loses immense amounts of water and embodied land via the export of agricultural goods to the Gulf.*
[96] *Mirette Magdy, "Egypt pound at strongest this year as foreign investors pile in", Bloomberg (August 1, 2025)..*
[97] *Eduard Cousin (2025).*
[98] *Central Bank of Egypt, "Monthly Statistical Bulletin" (August 2025).*

Taking advantage of the sovereign's desperation for hard currency, Gulf actors acquired a vast array of assets in Egypt across the crisis years. Leading the way was Abu Dhabi's ADQ Holding, one of emirate's sovereign wealth funds. In March 2022, ADQ acquired sizable equity positions in the Commercial International Bank (17.5%), Abu Qir Fertilizers (21.5%), Mopco (20%), Alexandria Container and Cargo Handling (32%), and Fawry (11.8%). Shares were purchased for a combined USD 1.8bn, with the five companies together representing 39% of the EGX 30 index.[99] Roughly eighteen months later, ADQ added to its Egyptian portfolio by acquiring a 25% share in the Egyptian Drilling Company, a 30% share in Egyptian Ethylene and Derivatives Company, and a 35% share in the Egyptian Linear Alkyl Benzene Company. These moves in the energy and petrochemical sector cost USD 800mn.[100] Just prior to the announcement of the Ras el-Hekma deal in March 2024, ADQ, in partnership with a subsidiary (the Adnec Group) buttressed its holdings in Egyptian tourism and luxury real estate as well by buying a 40.5% share in the hospitality arm (the Icon Group) of Talaa Moustafa Group Holdings.[101] As for that Ras el-Hekma deal, it is worth noting that Modon Holding, an entity controlled by ADQ and the International Holding Company—the latter of which is steered by Tahnoun bin Zayed of the Al Nahyan family—serves as the master developer.[102]

Nor was ADQ the only state-owned Emirati vehicle doing big business at the time. During the crisis years, the Abu Dhabi National Oil Company took a 50% stake in TotalEnergies' Egypt business and purchased USD 600mn worth of equity in Alexandria Mineral Oils Company. First Abu Dhabi Bank, a financial giant whose lead investors are the Al-Nahyan family and the sovereign wealth fund Mubadala, completed its acquisition of Bank Audi Egypt. And the UAE's leading players in logistics—the majority state-owned Dubai Ports World (DP World) and Abu Dhabi Ports Company Group—scaled their positions, too: Already set up in Alexandria and across the Suez Canal, DP World grew its involvement at the Ain Sokhna Port on the Red Sea and acquired the rights to develop and operate the container terminal at Damietta Port. With deals spread throughout 2024 and 2025, the Abu Dhabi Ports Group secured itself the right to develop and operate the KEZAD industrial ad logistics zone near Port Said and the right to develop and operate terminal two at Safaga Port.[103]

Privately-owned Emirati companies likewise grew their stakes in Egypt. Dragon Oil of Dubai secured new drilling and exploration rights in the Gulf of Suez.[104] Firms in the agrifood sector, prominently including the Agthia Group and NRTC Food Holdings, bought out major Egyptian firms.[105] The retail giant Majid al Futtaim opened its one hundredth store.[106] In July 2024, Electra Investment Holding of Abu Dhabi bought a 20% stake in ElSewedy Electric, the second largest publicly traded firm in Egypt by market capitalization. (A little more than a year later, note that it would take an intervention from the Financial Regulatory Authority to block Electra's parent company, Sagasse Investment, from taking full ownership of ElSewedy Electric.[107]) Least surprising of all, perhaps, Emirati developers spread their wings. Al-Dar, the controlling investor in the Sixth of October Development and Investment Company, grew its portfolio significantly. By 2025, meanwhile, the local affiliate of Emaar Properties had USD 20bn spread across the Egyptian built environment.[108]

If to a lesser degree, Saudi Arabia also moved to diversify its asset pool in Egypt in much the same way. Playing pointman was the Public Investment Fund (PIF), the country's largest sovereign wealth fund. Through a fully-owned subsidiary called the Saudi Egyptian Investment Company(SEIC)—a vehicle launched in the summer of 2022—the PIF would acquire a 24% stake in the aforementioned Abu Qir Fertilizers and a 24% stake in the Misr Fertilizers Production Company, the latter of these being the twelfth largest publicly traded company in Egypt. At the same juncture, the SEIC also bought a 19.33% stake in the Alexandria Container & Cargo Handling Company, one that it would go

[99] The EGX 30 tracks the thirty largest publicly traded firms in Egypt.
See: Imam Ramadan, "Selling Egyptian assets: Between the dollar crisis and Abu Dhabi Fund Profits", Zawia3 (December 17, 2024).
[100] *Staff Writer, "Competition regulator approves ADQ's acquisition of stakes in 3 state-owned petroleum companies", MadaMasr (November 12, 2024).*
[101] *Staff Wrtiter, "Abu Dhabi wealth fund ADQ signs deal for stake in Egypt luxury hotels", Reuters (January 12, 2024).*
[102] *Staff Writer, "Modon invites contractors for Egypt's Ras al Hekma infrastructure development: Report", Zawya (September 10, 2025).*
[103] *Abdul Karim Salim, "Why is Egypt giving the UAE so much control over its ports", The New Arab (May 22, 2025).*
Mahmoud Hassan, "How the UAE took control of Egypt's ports", Middle East Monitor (May 20, 2025).
[104] *Staff Writer, "Dragon Oil signs $30 million agreement with EGPC to boost exploration in Gulf of Suez", GCC Business Watch (September 15, 2025).*
[105] *Doaa A. Moneim, "What do the recent Emirati investments mean for the Egyptian economy?", Ahram Online (August 4, 2022).*
On the UAE's NRTC Food Holding's acquisition of the largest single agricultural complex in Egypt, see: Al Istiqlal (2025).
[106] *Staff Writer, "Majid al Futtaim launches 100th store in Egypt; investments cross $2.5bln", Zawya (September 1, 2025).*
[107] *Staff Writer, "Electra parent company Sagasse hits regulatory wall in Elsewedy takeover push", Enterprise Egypt (October 20, 2025).*
[108] *Conquer Properties, "Emaar Misr: 2025 Investments & Resale Opportunities"*

on to sell to ADQ in November 2025. Private Saudi investors made hay, too with Abdelmoniem Al Rashed in particular diversifying his portfolio via investments run through a holding company bearing his family name as well as through Rimco Investments and EGT Investment LLC.

With less fanfare, the 2022-2024 window also saw the Gulf more deeply embed key fractions of Egyptian capital within its orbit. Saliently, the businesses of many of Egypt's wealthiest persons were further tethered to Abu Dhabi. Apart from Electra Investment Holding buying into ElSewedy Electric, Ahmed el Sewedy was integrated in Abu Dhabi's circuits of accumulation at Ras el-Hekma, where he was made a major partner.[109] The same for Hisham Talaat Moustafa. After bringing ADQ into his hotels business in early 2024, Talaat Moustafa would play a major role in brokering Abu Dhabi's bailout of el-Sisi via the Ras el-Hekma investment. A prominent middleman thereafter, Talaat Moustafa was rewarded for his efforts—and connected more thoroughly within the Emirati capital circuitry—by being incorporated into the Ras el-Hekma bonanza as a subcontractor and then winning a USD 21bn from the Egyptian state for a separate building project up on the north coast.[110] The Sawiris family likewise redoubled their anchoring in the UAE. Having already incorporated Orascom Construction in Abu Dhabi and listed shares on the Dubai exchange, they are presently flirting with merging the two largest entities under family control—OCI Global and the aforementioned Orascom—and listing the newly created conglomerate solely on the Abu Dhabi Securities Exchange.[111] Through the launch of UAE subsidiaries and the breaking of ground on a major project in Abu Dhabi, the Mansour family, via Palm Hills Development, has hitched its wagon to the al-Nahyan family, too.[112] More generally, there is reporting to suggest that 1,500 Egyptian companies decamped for the UAE in 2024 alone.[113] On the tech side of things, Egyptian startups are now tied into the fabric of Emirati capital markets to a degree that looks irreversible.[114]

These developments pertain to the outlook for the Egyptian economy in a number of ways. In the first instance, Gulf capital's ascent has served to further polarize the capitalist class in Egypt. By virtue of the moves just detailed, the distribution of profits within Egypt has become even further skewed toward a handful of large players. Broadly speaking, the players in question are either non-nationals or Egyptians that retain intimate relations with non-nationals, the representatives of khaliji capital in particular.

While the change in profit capture may be incremental vis-a-vis the recent past, the consequence could still be pronounced. It is not only a matter of an ever larger share of the wealth generated by economic activity accumulating in the Gulf: it is also a matter of corroding what remains of the el-Sisi regime's social base. With workers excluded from the generals' coalition, the fact that fewer capitals are seeing their interests advanced by the powers that be means that the domestic bulwarks upon which el-Sisi et al stand are narrowing. Government supports for SMEs may partially slow the momentum[115], but they are not sufficient to reverse the direction of travel. An upshot is greater risk for political instability.

[109] Staff Writer, "Modon and Elsewedy join forces to build industrial zone in Ras el Hekma", Waya Markets (April 3, 2025).
[110] Shereif Barakat, "Talaat Moustafa Group joins Egypt-UAE Ras el Hikma Project", Egyptian Streets (February 25, 2024).
Staff Writer, "After Ras el-Hekma: Egypt launches new $21bn joint venture to build SouthMED on the North Coast", Ahram Online (July 2, 2024).
[111] Mfonobong Nsehe, "Egypt's richest family to merge OCI Global and Orascom Construction, aiming to build a global infrastructure giant", Billionaires Africa (September 22, 2025).
[112] Omokolade Ajayi, "Egyptian billionaire Yasseen Mansour's Palm Hills signs for real estate project in UAE", Billionaires Africa (May 28, 2025).
[113] Staff Writer, "Naguib Sawiris: 1,500 Egyptian firms moved to UAE & warns of unstable dollar", Waya Markets (February 27, 2025).
[114] Staff Writer, "Why are Egyptian startups moving headquarters abroad, in droves?", Launch Base Africa (October 14, 2024).
[115] Yomna Samy, "The growth of the military economy in Egypt since 2014: The impact on investment dynamics and investor rights", Rowaq Arabi (August 19, 2025).

Gulf Wealth Extraction

The extent to which profits are skewing toward Gulf capitals and a handful of other actors proximate to Egypt's military leadership is most immediately apparent in the financial reporting that firms recently acquired by Gulf investors have released over the past few years. Take ADQ's holdings as a relatively representative example. In the two-and-a-half years since ADQ made its initial USD 1.8bn capital injection in Egypt, net profits and asset appreciation have allowed the sovereign wealth fund to recoup a staggering 50% on its original investment.[116] In 2024 alone, Abu Qir fertilizers, where Saudi is also staked, printed net profits of USD 264mn while the Alexandria Container and Cargo Handling Company printed profits of USD 123mn. And those firms barely kept the pace with another ADQ asset: the Commercial International Bank (CIB). After bringing in USD 1.1bn in net profits in 2024, the CIB reported a take of EGP 62.1bn, or USD 1.31bn, for the first nine months of 2025.[117]

Meanwhile, a broader sense for the profit skew toward the Gulf and a select few Egyptian hands can be had through considering who most benefited from the lifting of profit rates between 2022 and 2024. Hyperinflation allowed agribusinesses and retailers, industries where Gulf parties are well positioned, to make windfall profits. As previously discussed, the state's relentless issuance of debt on the local market redounded to the benefit of those with sizable equity stakes in the financial sector. That list includes many of Egypt's richest persons. But it also features the local agents of khaliji capital. Apart from ADQ's holdings in CIB, five Emirati banks have subsidiaries operating in Egypt. All made huge profits during the crisis. The same for Qatari-owned entities: Qatar National Bank's affiliate posted USD 500mn in net profits in 2024 and USD 460mn for the first nine months of 2025. And with real interest rates still very high, the good times are unlikely to end soon. Should Emirates NBD end up with the majority stake in Banque du Caire that it seeks, khaliji capital will, alongside the Egypt's state-owned commercial banks, boast a wholly dominant position in Egypt's financial sector for many years to come.

If only because it exemplifies the extractiveness that was so central to the rise in profit rates between 2022 and 2024, it is also worth emphasizing that khaliji capital captured much of the gains that were created through extending credit relations into vulnerable communities. The leading player in Egyptian microfinance is an entity named Tasaheel, which is itself owned by a company named MNT Halan. Alongside the World Bank Group's International Financial Corporation, counted amongst MNT Halan's largest shareholders is Lunate, an Abu Dhabi-based investment house directed by Tahnoun bin Zayed al Nahyan. More than owning it, Gulf financial houses—principally, First Abu Dhabi Bank, Abu Dhabi Commercial Bank, Bank ABC, and Saudi Investment Bank—also directly funded Tasaheel as it expanded its loan book in 2025. They did so by standing in as the primary purchasers of the sukuk sold by the microcreditor.[118] Through Chimera Investment's position in Beltone Holdings, another financial services company stepping deeper into the microfinance space, khaliji capital is also involved with a second poverty lender. While old Egyptian money is not entirely out of the game—through CI Capital, leading lights like Mohamed Mansour are positioned in the start-up Reefy[4]—this puts the Gulf at the forefront of predation-led profiteering.

The Gulf's ascent may also obstruct the Egyptian economy from striving for greater regional market share or moving into more sophisticated, higher value-added activities.

In charting their own developmental courses, Saudi Arabia and the UAE have, for more than a decade, prioritized the advance of their petrochemical and logistics industries.[1] Within each sector, they have nurtured national champions. In the case of logistics, they have also deployed huge resources into turning national ports into the dominant hubs connecting west Asia, Africa, and Europe. This is relevant in that the development strategies of the Gulf powers bear inevitable consequences for their recent investments in Egypt. At the most basic level, the likes of Saudi

[116] Ramadan (December 2024).
[117] *Hossam Mounir, "CIB reports record EGP 28.8bn net income for Q3 2025; nine-month profits surge 47% to EGP 62.1bn", Egypt Daily News (November 4, 2025).*
[118] *Staff Writer, "Tasaheel completes EGP 7bn social sukuk issuance, Africa's largest", Enterprise Egypt (February 24, 2025).*
[119] *Smierciak: 316*
[120] On Saudi Arabia's commitments to building up petrochemicals in the 2010s, see: Stefania Bianchi, Zainab Fattah, and Archana Narayanan, "Saudi Arabia wants tot take its biggest and best companies global", Bloomberg (December 13, 2016).

Arabia and the UAE retain little interest in the likes of Abu Qir Fertilizer scaling the value chain: After all, a development of that order might impact the fortunes of national champions, whether through worsening oversupply issues in global markets or intensifying competition. Preferable, from the point of view of the Gulf, is that Egyptian holdings are made into suppliers of primary and intermediate inputs for the giants back home, and that Egypt more generally becomes a place where more high polluting industrial activities can be outsourced. There is evidence in Egypt's recent export data to suggest that these preferences are being acted on[121]: Tellingly, Egypt has been sending ever greater volumes of simple polymers and phosphate and chemical products to the UAE over recent years.[122]

Likewise, the Gulf stands to gain little from Egypt's ports growing to the point that they might pose a threat to Jebel Ali or King Abdulaziz Port. A better outcome would be for DP World and Abu Dhabi World to ensure that their operations in the Suez, Alexandria, Ain Sokhna, and Damietta feed the ports back home. Here, too, there are indications that Gulf investors are not acting especially energetically in developing recently acquired assets in Egypt.[123] All of which is to say that *khaliji* capital's ascension during the crisis years may expressly lower Egypt's developmental ceiling.

And fiscal losses must be accounted for, too. By virtue of preexisting tax treaties, Gulf investors in Egypt had long paid precious little in taxes to the Egyptian state. A supplementary protocol added onto the Egyptian-United Arab Emirates tax agreement in June of 2025, however, took the extra step of making the sovereign entity that has led Abu Dhabi's recent buying spree, ADQ, fully tax exempt when it comes to dividends, capital gains, and interest.[124] Having acquired many assets at submarket prices, being spared the obligation to pay levies on capital gains is hardly insignificant. Likewise for the last of the exemptions named, as the protocol defines interest income to include earnings made on government debt instruments.

After backing themselves into a corner where macrostability and the retention of power rest upon the Gulf's extension of dollar liquidity, el-Sisi et al had little option but to grant these privileges to ADQ. Regardless, doing so has made it that much more difficult for Cairo to escape its debt problems. With the tax exemptions offered to ADQ also making it virtually impossible for upstarts to challenge the firms it controls, catering to Gulf wishes has also deprived the Egyptian economy of the competitive energies it most certainly needs.

To summate, general profitability may well have been restored through crisis in Egypt. The manner through which this came about, however, and effects set into motion thereafter, can hardly be said to inspire optimism. Indeed, surveying the landscape just traversed, one can only come away thinking that Egypt's troubles are far from over.

[121] On outsourcing polluting industries, see: Osama Diab and Colin Powers, "Devalued money and depleted resources: The ecologial consequences of monetary policy in North Africa", Noria Research (November 18, 2025).
[122] *Central Bank of Egypt, "Monthly Statistical Bulletin" (August 2025).*
[123] *See: Mahmoud Hassan (2025).*
[124] *Farah Fangary, "House approves tax exemptions for UAE sovereign fund", MadaMasr (June 18, 2025).*

Conclusions

The impacts of economic crises are hard to miss. To a large degree, these are events and processes which set the course for countries and classes. As the weeks when decades happen and the elongated junctures when capital acquires steadying new ballasts, crisis effects emanate and compound across multiple timelines and geographies. In adhering hierarchies and determining developmental prospects, crises are a constitutive fiber not only of national sociologies and political economies, but global ones, too.

Egypt's recent experiences well exemplify the salience of economic crisis. The crisis which ran between 2022 and 2024 certainly brought untold social destruction to the country. Following a decade of stagnation, it left Egypt's GDP per capita just $105, or 3%, above the level of 2014. As early as 2023, conservative estimates of the poverty rate put forth a figure of 35.7%, 43% in upper Egypt.[125] And in creating conditions of widespread hardship, Egypt's crisis did not only precipitate pauperization but a number of other maladies. Due to rampant food price inflation, 40% of Egyptians presently suffer from anemia, including 43% of those under five years of age.[126] Birth rates slowed, pushed downward by flatlining incomes and rising costs of living.[127] A number of pathologies of despair took flight, too. Narcotics' abuse is especially noteworthy: Following trends observed elsewhere in the region, addiction to shabu—a synthetic stimulant made of the ephedrine and pseudoephedrine found in common cold medicines—jumped significantly, and with it, violent crime.[128]

Developmentally, the scars left by the crisis and that which preceded it are also gnarly. With most the population carving out subsistence livings in the informal sector, total factor productivity continues circling the drain.[129] A broader condition of torpidity is observable as well: It is as visible in the productive capacities index maintained by the United Nations Conference on Trade & Development (UNCTAD)[130] as it is in Egypt's score on the Economic Complexity Index, which showed negative growth throughout the past ten years.[131]

Through processes covered in great detail, general profitability has ultimately been restored in Egypt. But as the back-half of Chapter Two makes plain, admist the recovery, signs of impending danger continue to flash. The economy's structural flaws are much the same as they were before. In some instances, in fact, they have grown more pronounced. The levers used to restore profit rates between 2022 and 2024, moreover, cannot be pulled further without risking rupture. And changes introduced through the crisis—the ushering of *khaliji* capital to the innermost sanctums of Egypt's political economy—give grave cause for concern as well.

While ribbons are cut and grand new ventures like Qatari Diar's in Alam el-Roum are announced, then, dark clouds continue to hang over the Egyptian horizon. Whether they should bring a storm will depend on alignments of global conditions, local policy decisions, and historical contingency. One way or another, though, the futures for a vast majority of Egyptians are likely to be shaped by hardship and precarity.

[125] Elhamy Elmerghany, "Gauging poverty and its impacts", Al Manassa (August 3, 2025).
[126] Aya Yasser, "Malnutrition in Egypt: When hunger is a policy outcome", Zawia (April 11, 2025).
[127] Shimaa Elkholy, "One or none! Why Egyptians are having fewer babies", Zawia (October 1, 2025).
[128] Rasha Ammar, "From cold meds to killing sprees: the rise of shabu in Egypt", Zawia (April 5, 2025).
[129] On TFP, see: Chahir Zaki, "On productivity's performance in Egypt: What is at stake?" Report: ILO, ADWA, and the Ministry of Planning and Economic Development (July 2022).
On labor productivity
[130] See: UNCTAD Data Hub: Productive Capacities Index, 2000-2024: Egypt.
The index weights human capital, natural capital, energy, transportation systems, ICT infrastructure, institutional capacity, private sector functionality, and structural change
[131] The Economic Complexity Index is maintained by the Observatory of Economic Complexity.

In the end, is there anything we can induce from Egypt's recent history? To put a bookend on things, is there anything Egypt can contribute to Holgersen's theses on economic crisis?

In many ways, Egypt affirms the proposition that crises tend to shake but ultimately renew capitalist social formations. After the smoke cleared in Egypt, what reemerged in 2024 was a formation with a new capital structure and one where preexisting modalities of class and state-capital relations had been reworked decidedly to the benefit of asset owners. But the country's example also clarifies that nothing is predetermined. This is especially so when it comes to the stability of the post-crisis social formation. Where Holgersen posits that a social formation's stability is likely to hold once profit rates have recovered, what we have observed suggests that this is no given. What we have observed also suggests that policymaker agency may be decisive in determining which way things ultimately break. On balance, it is by virtue of decisions made by el-Sisi and his lieutenants that the medium-term prospects of the Egyptian economy remain decidedly in doubt today, and it is by virtue of their decisions that the door to another major crisis remains frighteningly ajar.

On the global periphery, conditions will always be such as to make stabilizing capitalism a daunting task. The task is not impossible, though, and is certainly one that can be taken on with greater or lesser levels of wisdom and dexterity. In Egypt's case, the record we have traced shows that wisdom and dexterity are traits not commonly found amongst the policy community empowered by Abdel-Fattah el-Sisi. Tragically, their missteps in recent years may redound onto the Egyptian people for many years to come.

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Author: Colin Powers

Cover Photograph:
Paul Kagame, “Egyptian President Abdel Fattah el-Sisi delivers remarks at the Egyptian Economic Development Conference - Sharm el-Sheikh” (March 2015)

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