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POLICY PULSE

Egypt's State Budget
FY 2026/2027

EXECUTIVE SUMMARY

The Egyptian government has enacted Law No. 77 of 2026, approving the **FY 2026/2027** State Budget.

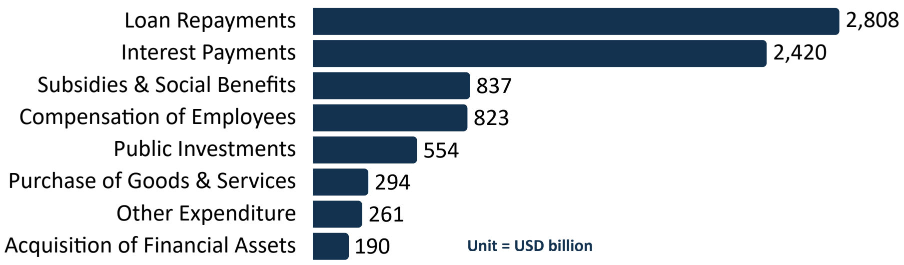
The Budget projects total uses of EGP 8.19 trillion, of which EGP 5.188 trillion (63.3%) is allocated to current expenditures such as wages, debt interest, subsidies, social benefits, and other operating expenses, while total public revenues are estimated at EGP 4.06 trillion, primarily generated from taxes, grants, and returns from public entities and companies.

AT A GLANCE: FY 2026/2027 KEY FIGURES

TOTAL BUDGET USES **EGP 8.186 tn**	TOTAL EXPENDITURES **EGP 5.188 tn**	TOTAL REVENUES **EGP 4.056 tn**
BORROWING REQUIREMENT **EGP 4.011 tn**	INTEREST PAYMENTS **EGP 2.420 tn**	GOVERNMENT DEBT CEILING **EGP 21.93 tn** *(89.5% OF GDP)*
COMPENSATION OF EMPLOYEES **EGP 0.82 tn**	SOCIAL SUPPORT **EGP 0.84 tn** *(Subsidies & Grants)*	PUBLIC INVESTMENT **EGP 0.55 tn** *(Non Financial Assets)*

Source: Ministry of Finance

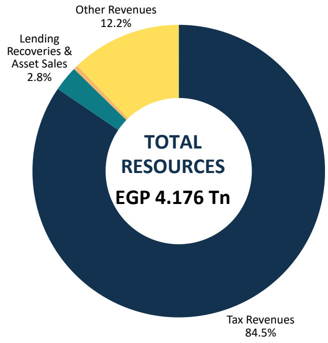
WHERE THE MONEY GOES



TOTAL EXPENDITURES: EGP 5.188 TRILLION

Source: Ministry of Finance

WHERE THE MONEY COMES FROM



Tax Revenues
EGP3,529.3bn— 84.5%

Lending Recoveries & Asset Sales
EGP 119.2bn—2.8%

Grants
EGP19.8 bn — 0.5%

Other Revenues
EGP 507.3bn—12.2%

Source: Ministry of Finance

TOTAL FINANCING NEEDS

TOTAL BUDGET USES **EGP 8.18 tn**	TOTAL RESOURCES **EGP 4.16 tn**	BORROWING REQUIREMENT **EGP 4.01 tn**

The borrowing requirement will be financed through

- *Domestic and external borrowing*
- *Issuance of government securities (excl. equities)*
- *Financing from banking and non-banking financial institutions*

Source: Ministry of Finance

KEY POLICY MEASURES

Fiscal Consolidation

- Tighter expenditure management
- Stronger revenue mobilization
- Expanded financing tools
- Enhanced oversight of government entities

Public Debt Management

- Issue T-bills, bonds & sovereign sukuk
- Strengthen debt management through diversified financing instruments
- External borrowing subject to parliamentary approval

Treasury Resource Mobilization

- Transfer 15% of monthly revenues from special funds and self-financing entities to the State Treasury (effective July 2026)

Government Financial Governance

- Ministry of Finance oversight on financial decisions
- Maintain public sector salary cap (35x minimum salary of Grade six)
- Continued hiring allowed under exceptional circumstances with presidential approval

WHAT THIS MEANS

FOR BUSINESSES & INVESTORS

- Opportunities in infrastructure, construction, energy, transportation & digital transformation.
- Increased issuance of government securities is expected to deepen domestic capital markets.
- Fiscal discipline signals commitment to macroeconomic stability .

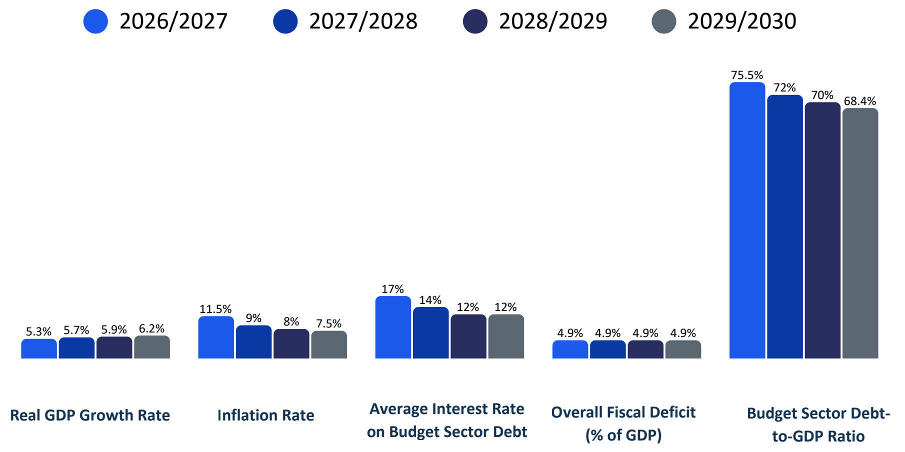
FOR FINANCIAL SECTOR

- Continued government financing requirements.
- Higher treasury bills and bonds is expected.
- Opportunities in debt market transactions.

FOR PUBLIC SECTOR ENTITIES

- Stricter expenditure controls
- Mandatory transfers of special fund revenues
- Closer Ministry of Finance oversight
- Stronger compliance requirements

PROJECTIONS AT A GLANCE



"The government positions debt reduction as the cornerstone of this outlook — a driver of lower inflation and interest rates, stronger competitiveness, and greater room to absorb future shocks.

Sustained deleveraging is also expected to crowd in private investment and support real, lasting job creation."