

WAVERLEY GATEWAY GUIDE

Connecting International Capital with Emerging & Frontier Markets

EGYPT

Africa North

Dialogue | Trust | Partnership

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WHERE AND HOW TO ENTER

KEY INVESTMENT LOCATIONS

Location / Region	Strategic Importance	Priority Sectors
Cairo / New Administrative Capital	Political and financial administrative hub	Government contracts, financial services, real estate
Suez Canal Economic Zone (SCZone)	Trade and logistics free zone	Manufacturing, logistics, port services, re-export
Ras El Hekma, North Coast	Mega tourism and urban development, anchored by the ADQ-led deal	Resort and residential development, tourism infrastructure
Red Sea coast (Hurghada, Sharm el-Sheikh)	Tourism and hospitality	Beach resorts, hospitality
Nile Delta and offshore gas fields (Zohr and others)	Natural gas production	Upstream gas, LNG-linked investment
10th of Ramadan and New Capital industrial zones	Manufacturing and export processing	Light and heavy manufacturing, automotive, textiles
Egyptian Exchange (EGX)-listed state divestments	Capital markets and privatization	Equity investment in divesting state-owned companies

INVESTOR ENTRY ROUTES

- GENERAL AUTHORITY FOR INVESTMENT AND FREE ZONES (GAFI) REGISTRATION: The standard one-stop-shop FDI facilitation route
- STATE OWNERSHIP POLICY DIVESTMENT PARTICIPATION: Equity purchase in the 35 companies listed for divestment under the privatization program
- SUEZ CANAL ECONOMIC ZONE (SCZONE) LICENSING: For manufacturing, logistics and free-zone investment
- SOVEREIGN/STRATEGIC JOINT-VENTURE STRUCTURING: Following the Ras El Hekma precedent, for large-scale land, tourism and urban-development co-investment with Gulf sovereign partners
- UPSTREAM GAS PRODUCTION-SHARING AGREEMENT: Via EGPC/EGAS for offshore exploration and production
- IPO / CAPITAL-MARKETS PARTICIPATION ON THE EGYPTIAN EXCHANGE (EGX): For portfolio investors in newly listed or state-divestment offerings

MARKET-ENTRY OBSERVATION

Egypt remains mid-reform under its USD 8 billion IMF Extended Fund Facility and a parallel Resilience and Sustainability Facility. Staff reached agreement on the seventh EFF and second RSF reviews in mid-2026, pending Executive Board approval of roughly USD 1.6 billion in combined disbursements, which would bring total program support to about USD 7.2 billion. Growth has been strong - real GDP grew 5.2% over the first nine months of FY2025/26, and the FY2026/27 budget targets 5.4% - but inflation remains elevated, running around 14.6% in May 2026 with the IMF projecting roughly 15.8% by fiscal year-end.

Egypt's privatization program has nominally outperformed its headline target, reaching 244.8% of goal once the landmark Ras El Hekma deal with Abu Dhabi's ADQ is included. Investors should read that figure carefully: excluding Ras El Hekma, the broader divestment program sits at only 48% of its USD 12.2 billion target, meaning one transformational deal - not broad-based reform momentum - accounts for the headline success. Still, market capitalisation on the Egyptian Exchange has nearly tripled from its pre-2022 decade average, reaching 16.3% of GDP.

INVESTOR RISK & MARKET ACCESS

KEY ENTRY BARRIERS

Issue	Potential Impact	Possible Mitigation
Elevated inflation, running around 14-16%	Erodes real household purchasing power and pressures margins for businesses with local-currency revenue	Structure revenues with pricing flexibility or hard-currency linkage where possible
Suez Canal revenue still pressured by regional Red Sea tensions despite a partial 2025 recovery	Reduced hard-currency inflows affecting broader foreign-exchange availability	Monitor Red Sea shipping-security developments and diversify foreign-exchange revenue exposure
Privatization progress heavily concentrated in a single mega-deal (Ras El Hekma)	The headline privatization success masks a much slower broad-based divestment pace (48% of target excluding that one deal)	Evaluate specific state-owned-enterprise divestment opportunities on their own merits rather than the aggregate headline figure
Elevated public debt and ongoing fiscal consolidation	Continued reliance on IMF program conditionality and future tax-base-broadening measures	Monitor successive IMF review outcomes and budget cycles
History of foreign-exchange shortages and currency devaluation	Investors should not assume long-term pound stability	Structure foreign-exchange-sensitive contracts conservatively and monitor Central Bank of Egypt policy
Large population and social-spending pressure	Government must balance debt reduction against social and infrastructure spending needs, which could affect policy predictability	Monitor the social-spending and subsidy-reform trajectory
Bureaucratic complexity in parts of the public sector despite GAFI one-stop-shop reforms	Uneven implementation speed across different government agencies	Engage GAFI directly and use experienced local legal and tax counsel

INVESTOR RISK NOTE

The IMF's own mid-2026 review explicitly flags that 'geopolitical tensions are hurting foreign currency sources, especially Suez Canal revenue' - a reminder that although canal traffic showed a genuine partial recovery in late 2025 (revenue up roughly 14% year on year in the July-October period as the Gaza ceasefire calmed the Red Sea), major carriers such as MSC, Evergreen and COSCO had not yet fully returned to the route, and the recovery remains incomplete and sensitive to renewed regional disruption. This foreign-currency channel is too significant to Egypt's external balance for investors to treat as fully normalised.

A second, more structural point concerns how to read Egypt's privatization success. The 244.8%-of-target headline is real but is driven almost entirely by the single Ras El Hekma transaction; investors evaluating the broader divestment program, or considering their own participation in a listed state-owned enterprise, should look at that specific transaction's fundamentals rather than extrapolate from the aggregate figure.

MARKET ACCESS

GAFI's one-stop-shop model continues to streamline standard FDI registration, and the IMF program is explicitly pushing faster state-asset sales, a more level playing field between public and private firms, and broader business-environment reforms - all aimed at sustaining the strong recent growth momentum.

Egypt's Suez Canal Economic Zone and its position bridging Mediterranean and Red Sea trade give it a structurally significant logistics role that persists even amid the canal's current revenue volatility, while a wave of Gulf sovereign co-investment (ADQ, Saudi PIF) is establishing templates for further large-scale joint ventures.

WHO SHOULD THE INVESTOR MEET?

INSTITUTIONAL LANDSCAPE

Actor	Why It Matters	Waverley Engagement Angle
General Authority for Investment and Free Zones (GAFI)	FDI facilitation and one-stop-shop registration	Central contact for business registration and incentives
Suez Canal Economic Zone Authority	SCZone licensing and facilitation	Route for free-zone manufacturing and logistics investment
Egyptian Exchange (EGX) and the Ministry of Finance's privatization unit	Capital-markets and divestment-program coordination	Route for state-owned-enterprise equity participation

Actor	Why It Matters	Waverley Engagement Angle
Egyptian General Petroleum Corporation (EGPC) / EGAS	Upstream oil and gas licensing	Route for production-sharing agreement negotiation
Central Bank of Egypt (CBE)	Monetary policy, foreign exchange and banking supervision	Confirm FX-flexibility policy and banking-sector access
Suez Canal Authority	Canal operations and revenue reporting	Monitor shipping-traffic and revenue trends as a foreign-exchange-availability indicator
ADQ and other Gulf sovereign co-investors	Primary mega-deal co-investment partners following the Ras El Hekma precedent	Potential structuring template for large-scale land, tourism or urban-development joint ventures

CURRENT INTERNATIONAL BUSINESS CHANNELS

The UAE's ADQ anchors Egypt's single largest recent investment relationship through Ras El Hekma, with Saudi Arabia's Public Investment Fund and other Gulf sovereign wealth funds also active in earlier privatization phases. The European Union remains Egypt's largest trade partner, closely tied to Suez Canal shipping flows, while China maintains a growing manufacturing and infrastructure-financing relationship. The United States remains a significant strategic and development partner, and the IMF and World Bank anchor the broader reform program.

INVESTOR PROFILE BEST SUITED

Egypt is best suited to capital-markets and portfolio investors participating in specific state-divestment offerings, large-scale developers able to co-invest alongside Gulf sovereign partners in land and tourism mega-projects, upstream gas investors, and SCZone-based manufacturing and logistics operators.

Investors should weigh currency and inflation risk carefully, and should evaluate the privatization program's genuine breadth - beyond the single Ras El Hekma transaction - before assuming broad-based momentum in state-asset sales.

THE WAVERLEY ROUTE

FROM INTELLIGENCE TO ENGAGEMENT

STEP 1: Confirm the Entry Route

Determine whether GAFI registration, SCZone licensing, SOE-divestment participation, or an EGPC/EGAS production-sharing agreement fits the investment.

STEP 2: Engage GAFI and the Relevant Sector Body Early

Open parallel conversations with GAFI and, where relevant, SCZone, EGPC/EGAS, or the Ministry of Finance's privatization unit.

STEP 3: Assess Foreign-Exchange and Inflation Exposure

Structure contracts and financing with currency and inflation risk explicitly in mind.

STEP 4: Secure the Licence, Equity Stake or Production-Sharing Agreement

Finalise the specific legal and commercial structure for the chosen entry route.

STEP 5: Launch and Monitor

Begin operations while tracking IMF program reviews, Suez Canal revenue trends, and privatization-program progress beyond Ras El Hekma.

WAVERLEY'S ROLE

- Independent due-diligence and structuring advisory across GAFI, SCZone and state-divestment entry routes
- Introductions to GAFI, the Ministry of Finance's privatization unit, EGPC/EGAS and Central Bank of Egypt counterparts
- Ongoing monitoring of IMF program reviews, Suez Canal revenue trends, and the broader privatization program's progress
- Coordination with experienced local legal, tax and foreign-exchange advisory specialists

INVESTOR CALL TO ACTION

Investors seeking exposure to Egypt's IMF-anchored reform program, its Gulf-backed mega-project pipeline, or its Suez Canal-linked logistics position are invited to engage Waverley for a confidential structuring consultation.

INTELLIGENCE → STRUCTURING → LICENSING → MARKET ENTRY

WAVERLEY INVESTOR INTELLIGENCE & OPPORTUNITY PIPELINE

Current pipeline items Waverley is tracking include continued Ras El Hekma-linked development phases, including the Montage Hotel and branded residences; further tranches of the State Ownership Policy divestment program as it works toward its underlying USD 12.2 billion target; upstream gas investment opportunities tied to Zohr and other offshore fields; and the trajectory of Suez Canal shipping-traffic recovery, which remains a key swing factor for Egypt's foreign-exchange position.

POSITIONING

Waverley approaches Egypt as a reform story with genuine momentum - strong GDP growth, a landmark Gulf-backed mega-deal, a tripling of market capitalisation - that nonetheless still carries real currency, inflation and external-balance risk.

Our role is to help investors separate durable reform progress from headline figures driven by a single transaction, and to structure market entry with Egypt's foreign-exchange realities built in from the outset.

SELECTED SOURCES

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- AGBI, "Egypt Targets \$4bn Annual Inflow for Investment Zones," May 2026