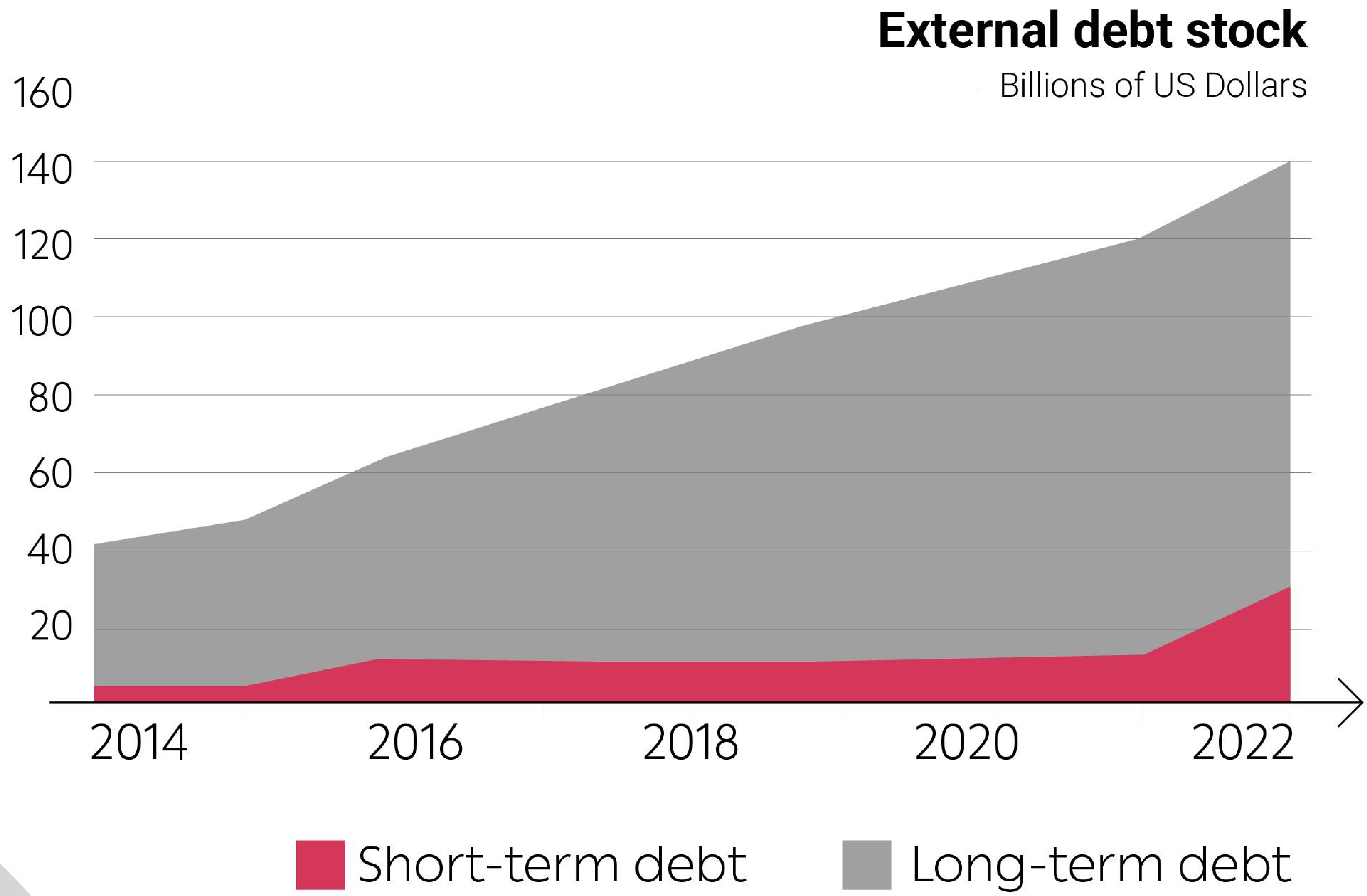
Egypt: Sovereign Debt Crisis

25 years

annd
Arab NGO Network for Development
شبكة المنظمات العربية غير الحكومية للتنمية

Egypt's total public debt reached 17.4 trillion EGP (101.9% of GDP) by 2024, including budget sectors, economic authorities, and external debt



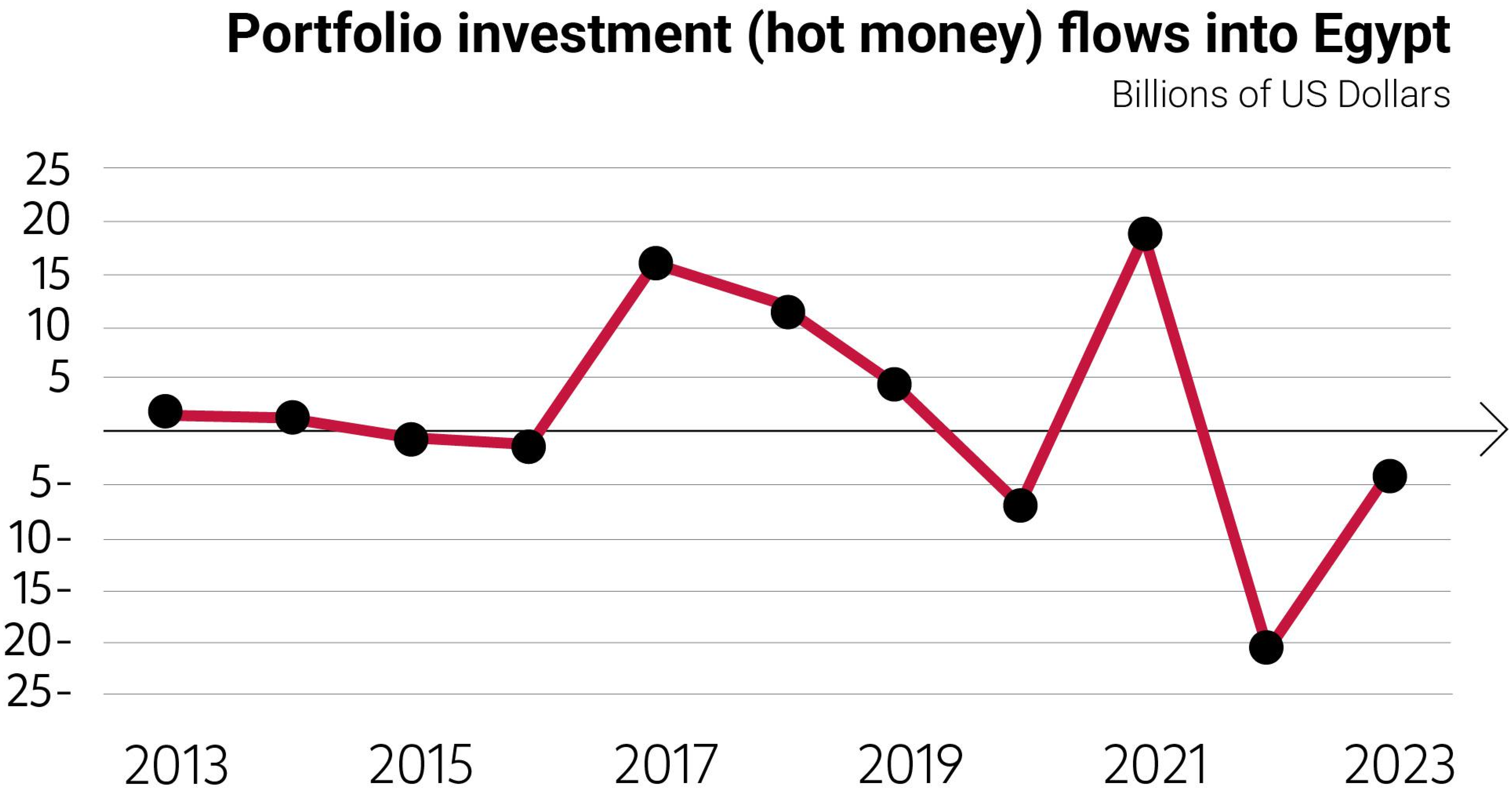
External debt skyrocketed from $44B in 2014 to $168B in 2023, a 281% increase in 9 years, annual growth exceeding 31%

Interest payments consumed 47% of government spending in 2024, up from 25% in 2014—crowding out health, education, and social protection.

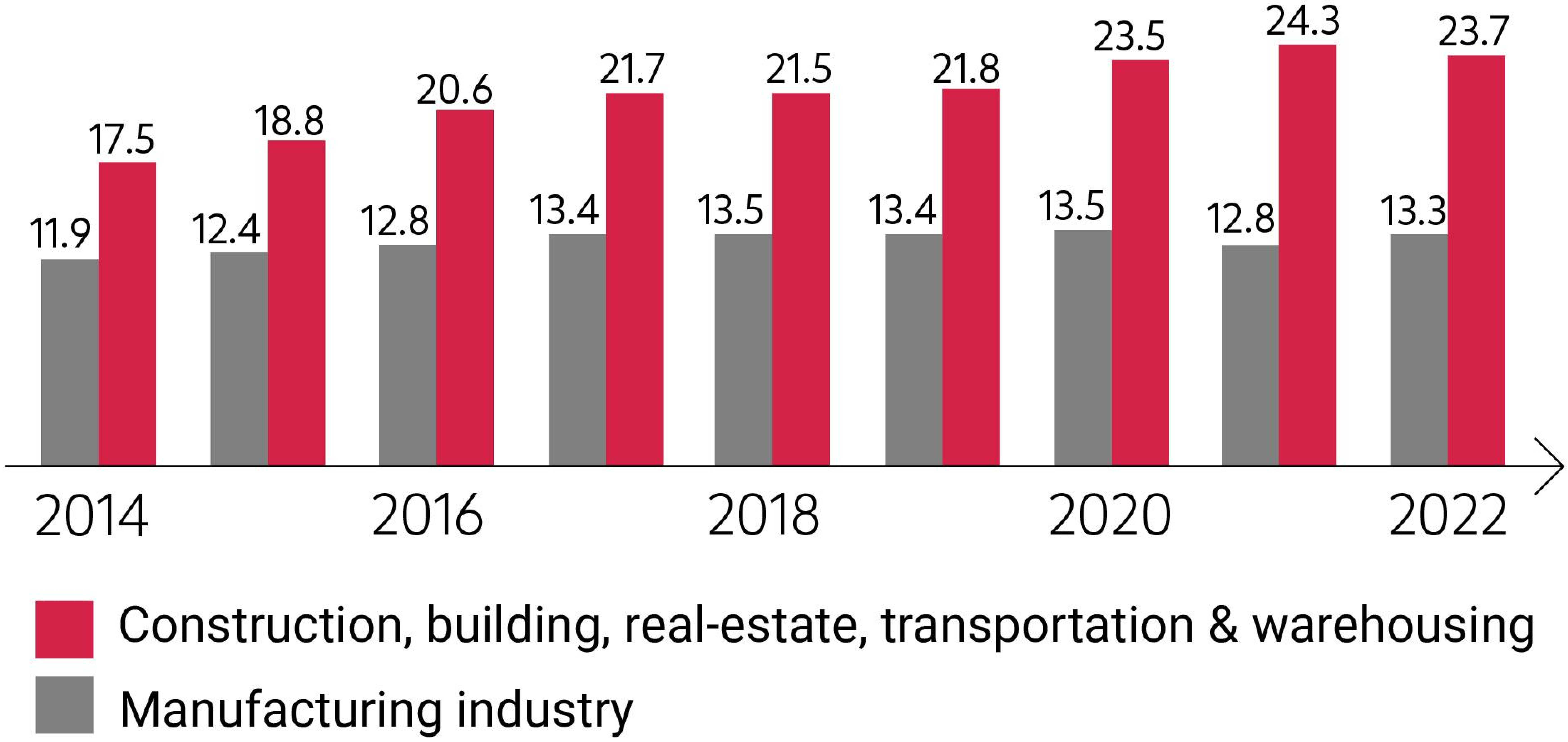
% of expenditures in:	2014	2024
Employees' salaries and compensation	26%	15%
Purchase of goods and services	4%	4%
Subsidies, grants and social benefits	30%	17%
Interest payments	**25%**	**47%**
Purchase of financial assets (investments)	9%	13%
Other expenditures	6%	4%

The Egyptian pound lost over 80% of its value against the dollar between 2016 and 2024, triggering repeated inflation waves and eroding living standards.

Hot money (portfolio investments) flowed in with high interest rates and tax exemptions, then fled at the first crisis, destabilizing the currency repeatedly.



The evolution % of Egypt's GDP Composition



Mega-projects absorbed hundreds of billions in loans, while construction and real estate grew at 9.5% annually —double overall GDP growth— without generating sustainable dollar revenues.

Recovery requires a parliamentary ceiling on borrowing, redirecting investment toward productive sectors, rebuilding social spending, and applying UN Basic Principles on Sovereign Debt for fair burden-sharing.