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Egypt's Partnership with Africa: Current Footprint and Opportunities for Mutually Beneficial Expansion



Why the Focus on Africa: Strategic Significance of Africa to Egypt

Africa is one of the most dynamic and attractive investment destinations in the world. The African Continental Free Trade Area (AfCFTA) is unlocking a market worth US\$3.4 trillion, while regional GDP growth is projected to moderate to 4.2% in 2026 from 4.4% in 2025; it is estimated to reach 4.4% again in 2027¹. Full implementation of AfCFTA could raise regional income by up to 9% (US\$571 billion) and create nearly 18 million jobs. In 2024, foreign direct investment (FDI) into the region jumped 75% to reach US\$97 billion, reflecting the confidence of investors in the potential of the African market², and highlighting Africa's role as one of the fastest growing economic regions in the world, in addition to having a young population.^{3 4}

For Egypt, Africa is not only a large neighboring consumer market but also an important source of inputs and a potential production partner. Outward investment by Egypt in the region enhances access to agricultural products, copper, oilseeds, and livestock, while also creating potential for further integration through the combination of Egyptian technology with African resources to satisfy continental and external demand.

And yet, Egyptian trade and investment remain limited in Africa relative to its potential; hence, the purpose of this Economic Lens is to shine a light on missed opportunities and untapped potential in the African continent.

¹ African Development Bank (AfDB), *African Economic Outlook 2026*

² UNCTAD, *Africa: Foreign Investment Hit Record High in 2024*, UN Trade and Development, September 2025

³ UN Trade and Development (UNCTAD), *Economic Development in Africa Report 2024*, 2024.

⁴ African Development Bank (AfDB), *African Economic Outlook 2024*

Egypt's Footprint and Core Sectors in Africa

In this section, we present the trade and investment profiles for Egypt with Africa to the extent permitted by available data.

2.1 Trade

Table 1 below shows a large trade surplus with a narrow product and market base, where in 2024, Egypt exported US\$7.6 billion to Africa while importing only US\$2.1 billion. These exports mainly consist of manufactured exports with low value-added (construction materials, grains, etc.) and are highly concentrated in only five North African markets. As for imports, they consist of raw materials from a small group of suppliers, making the Egyptian economy vulnerable to swings in demand and supply. This implies a lack of diversification of products and the need to increase efforts to expand markets and sources of supply.

Although detailed data for 2025 has not yet been released, we know that the product structure remains unchanged.

Egypt's Share of Intra-African Exports: In 2024, Egypt had the 3rd highest share of intra-African exports with 6.62% after South Africa (27.1%) and Ghana (7.32%). Egypt remained the 3rd largest intra-African exporter in 2025 with 6.46% of total intra-African exports.

Egypt's Share of Intra-African Imports: Egypt ranked 15th among African countries in terms of its share of intra-African imports in 2024 with 2.26%, while South Africa had the largest share, at 12.53%. Egypt ranked 19th in 2025 with a share of 1.67% of total intra-African imports.⁵

Table 1: Egypt-African Union Trade Flows 2024-2025

Trade Flow Indicator	Value	Leading Product Categories (2024)	Top Partner Countries (2024)	Key Characteristic
Egyptian Exports to Africa	US\$ 7.6 Billion in 2024, up to US\$7.73 Billion in 2025 ⁵ .	Building materials (cement/gypsum/salt: \$700M), Plastics (\$593M), Milled grains (\$410M), Electrical equipment (\$358M), Iron & steel (\$289M).	Libya (\$2.0B), Morocco (\$1.1B), Algeria (\$1.0B), Sudan (\$884M), Tunisia (\$369M).	69.1% absorbed by 5 North African/Arab nations, while Sub-Saharan penetration remains minimal.
Egyptian Imports from Africa	US\$ 2.1 Billion in 2024, down to US\$ 1.57 billion in 2025. ⁵	Refined copper & cathodes (\$742M), Coffee/tea/spices (\$287M), Mineral fuels & oils (\$204M), Live animals (\$148M).	DR Congo (\$662M), Sudan (\$293M), Kenya (\$260M), Nigeria (\$165M), South Africa (\$158M).	80.7% concentrated in 5 nations, with most of the imports consisting of raw materials.

Source: CAPMAS⁶

⁵ Afreximbank. African Trade Report 2026

⁶ (CAPMAS), "7.6% Increase in the Volume of Trade Exchange Between Egypt and African Union Countries in 2024," Press Release, November 18, 2025

2.2 Investment

A key constraint in measuring Egyptian investments in Africa is the lack of reliable, integrated official statistics of Egyptian Outward Direct Investments (ODI) in the region, as existing data are fragmented, infrequently updated, and largely confined to single cumulative numbers. Information about investments is mostly collected from individual initiatives.

As seen in the table below, a key competitive strength of Egyptian firms is their ability to deliver sophisticated civil infrastructure in challenging physical environments. Below is a table of some examples:

Table 2: Examples of large Infrastructure Projects in Africa

Type of Project	Description
Large-Scale Infrastructure	- A landmark continental project is the US\$ 2.9 billion Julius Nyerere Hydropower Plant and Dam (JNHPP) on the Rufiji River in Tanzania. - The project is led by a joint venture of the Arab Contractors and Elsewedy Electric and augmented by credit enhancement and guarantees provided by Afreximbank and Egyptian commercial banks.⁷
Integrated Industrial Facilities & Ecosystem Localization	- Elsewedy Electric (through Elsewedy Industrial Development) has developed integrated manufacturing zones, such as Elsewedy Industrial City (EIC) in Kibaha, Tanzania. - This project covers more than 2.6 million square meters with a projected capital investment of more than US\$ 400 million and will accommodate up to 200 manufacturing plants and cover a range of industries from building materials and transformers to pharma and agro-processing.⁸

Source: Prepared by the Egyptian Center for Economic Studies based on various sources.

Expanding Beyond Traditional Sectors and Deepening Regional Value Chains

There is mutual benefit for Egypt and African countries to move beyond the traditional sectors and adopt a broader strategy to organize investment around complete regional value chains: inputs, processing, components, logistics, finance, digital systems, maintenance and skills. This is more developmentally valuable and commercially defensible than exporting finished goods or delivering isolated projects. In what follows are strategic directions to move towards that goal, followed by specific opportunities for investment potential.

3.1 Strategic Directions:

- Transitioning from Pure Contracting to Value Chain Integration: Egyptian infrastructure and engineering companies need to evolve their work beyond the construction of assets and into commissioning. Rents and bilateral alignment are created through long-term Operations and Maintenance contracts, equity ownership, digital asset management, equipment servicing, and local workforce training academies. A power generation or transmission contract, for instance, needs to be designed to embed local assembly of raw materials, switchgear, cabling, digital

⁷ "Inauguration of the Julius Nyerere Dam and Hydroelectric Power Station Project Implemented by an Egyptian Consortium," State Information Service (Egypt),

⁸ "Elsewedy Industrial City (EIC)," Elsewedy Industrial Development

metering systems, and institutional capacity building, transforming a temporary construction contract into a long-term service and supply agreement.

- **Establishing Integrated Manufacturing and Distribution Networks:** To overcome transport costs and national market size constraints, Egyptian manufacturing conglomerates need to consider creating central manufacturing hubs in primary regional gateway economies (e.g., Tanzania or Kenya for East Africa; Ghana, Nigeria, or Côte d'Ivoire for West Africa; Rwanda or DRC for Central Africa). The central hub could undertake scale-intensive and high-technology processing and be linked to distribution and finishing facilities in neighboring and landlocked markets. The raw materials would be sourced locally near their origin (e.g., African copper, agricultural produce), intermediate manufacturing would take place at the regional hub, and final assembly or packaging would be completed near urban consumption centers. Implementing this would cut down on costs related to packaging, transit, shipping, etc.

3.2. Priority Investment Platforms:

The following tables map Egypt's established domestic capabilities against African requirements and outline mutually beneficial actionable integration models.

Egypt's competitive strengths are prominent in numerous sectors, such as a strong contracting track record under challenging environments, one of MENA's leading pharmaceutical manufacturing bases, globally competitive electrical-equipment manufacturers, strategic maritime logistics hubs, a rapidly growing fintech ecosystem, and an established metallurgical, chemical, and industrial processing base.

Sector 1: Building Materials and Modular Construction	
Egyptian Capabilities & Competitive Strengths	Extensive domestic capacity in cement, ceramic tiles, rebar, plastics, insulation, and flat glass.
African Market Requirements & Structural Gaps	Rapid urbanization, 50M+ housing unit deficit, and multi-billion-dollar road/port development programs across Sub-Saharan Africa. ⁹
Mutually Beneficial Integration Model	Egypt to establish local housing plants. Shift from shipping heavy finished cement to exporting intermediate additives to reduce freight, while strengthening local construction supply chains.

Sector 2: Agro-Processing, Fertilizers & Irrigation Tech	
Egyptian Capabilities & Competitive Strengths	Global export leadership in nitrogen fertilizers (urea, nitrates), plastic piping, drip irrigation systems, and grain milling.
African Market Requirements & Structural Gaps	60% of the world's uncultivated arable land ¹⁰ , chronic food security deficits, and severe input shortages (average fertilizer application <20 kg/ha vs. 135 kg global average). ¹¹
Mutually Beneficial Integration Model	Contract farming in East/Central Africa for grain/oilseeds utilizing Egyptian seed technology, paired with regional plants for customized fertilizers.

⁹ Caleb Obiwo, "Africa Faces 50 million Housing Deficits, Could Hit 130 million by 2030 – AIHS," *Nairametrics*, March 28, 2026

¹⁰ Elizabeth Khumalo, "Africa's Arable Land: The World's Next Food Powerhouse," *FurtherAfrica*, April 2, 2025

¹¹ Samuel Njoroge et al., "The Impact of the Global Fertilizer Crisis in Africa," *Growing Africa* 2, no. 1 (2023)

Sector 3: Pharmaceuticals, Medical Supplies & Personal Care

Egyptian Capabilities & Competitive Strengths	Advanced generic formulation, established cosmetics brands (e.g. Eva Cosmetics).
African Market Requirements & Structural Gaps	Africa imports more than 80% of the medicines it consumes and 99% of vaccines, with an annual import bill exceeding US\$14 billion. High incidence of infectious and chronic diseases. ¹²
Mutually Beneficial Integration Model	Egypt to establish regional formulation and packaging plants in East/West Africa. Reduce costs and regulatory registration hurdles while securing public health tenders, expand cosmetics distribution networks.

Sector 4: Electrical Equipment & Distributed Energy

Egyptian Capabilities & Competitive Strengths	Proven capacity in high-voltage cables, transformers, smart meters, and solar engineering, procurement, and construction (EPC).
African Market Requirements & Structural Gaps	Around 600 million people without electricity access, severe grid transmission losses (averaging 15-20%), and rising demand for commercial mini-grids. ¹³
Mutually Beneficial Integration Model	Potential to anchor regional assembly plants for transformers, prepaid smart meters and cabling, as well as bundle civil EPC with Operations & Maintenance contracts.

Sector 5: Transport, Logistics & Bonded Dry Ports

Egyptian Capabilities & Competitive Strengths	State-owned engineering experience in dry ports, railway networks, and bonded customs zones.
African Market Requirements & Structural Gaps	Intra-African trade costs 50% above the global average due to transport and ICT gaps. ¹⁴
Mutually Beneficial Integration Model	Co-investing in bonded dry ports and temperature-controlled logistics corridors near major nodes (e.g., Kwala Dry Port, Mombasa corridor) linked to Egyptian feeder lines, eliminating costly multi-hub transshipment.

¹² African Development Bank, Africa spends more than \$14 billion annually importing medicines and vaccines.

¹³ International Energy Agency, Africa – World Energy Investment 2025, World Energy Investment 2024

¹⁴ UNCTAD, Economic Development in Africa Report 2024

Sector 6: Digital Finance, Enterprise Tech & Trade Facilitation

Egyptian Capabilities & Competitive Strengths	Advanced banking integration, e-invoicing, digital payroll, and micro-lending software architectures.
African Market Requirements & Structural Gaps	Around 960 million people, or 64% of the population, live within network coverage but remain offline, creating a market for affordable devices, payments, and local digital services. ¹⁵
Mutually Beneficial Integration Model	Deploying Egyptian B2B enterprise software and merchant acquiring rails integrated with the Pan-African Payment and Settlement System (PAPSS) to facilitate local-currency cross-border trade settlements.

Sector 7: Critical Minerals Processing & Industrial Inputs

Egyptian Capabilities & Competitive Strengths	Direct access to African raw mineral supplies (e.g., \$742M copper imports from DRC).
African Market Requirements & Structural Gaps	Heavy dependence on raw mineral extraction with little to no domestic beneficiation. A continental push under AfCFTA for localized value addition (battery precursors, refined copper).
Mutually Beneficial Integration Model	Refining raw copper and cobalt in host countries into industrial wire, brass alloys, and automotive cabling rather than exporting unrefined ores to third-party overseas smelters.

Realizing these opportunities will require policy action by the Egyptian government, with suitable incentives to the Egyptian business communities, along with adequate financial and logistic infrastructure.

Certain issues would require negotiations with African governments to further enhance investment and regional integration policies; these are important issues that merit a separate Economic Lens issue.

¹⁵ GSMA, The Mobile Economy Africa 2025