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Knowledge for All

# Egypt - GCC Relations





## 1. Key Domestic Developments

During the 2024-2025 period, Egypt continued its path of economic and developmental reforms, launching new strategic initiatives aimed at fostering sustainable growth and deepening the role of the private sector. On the political front, Senate elections were held in August 2025, resulting in a landslide victory for pro-government parties, led by the “National List for Egypt,” which won by acclamation. However, the elections saw a low voter turnout of 17.1%, reflecting challenges in political participation. House of Representatives elections are scheduled for late 2025 under a new electoral system that combines closed lists and individual candidacy.

Economically, the government launched the “National Narrative for Economic Development” in September 2025. This long-term strategy, extending to 2030, aims to achieve an economic growth rate of 7%, increase investment to 18% of GDP, and create 1.5 million jobs annually. This narrative complements the National Structural Reform Program (NSRP) and emphasizes that the private sector will lead economic development in the next phase. The Egyptian economy has shown remarkable resilience, with a growth rate of 4.77% in the third quarter of fiscal year 2024/2025, the highest in three years. The unemployment rate also fell to its lowest recorded level, reaching 6.4% in the fourth quarter of 2024.

The government continues to implement major national projects, spearheaded by the New Administrative Capital, which has seen significant progress with the trial run of a new metro line and the offering of more land for investment. It is also advancing infrastructure development and renewable energy projects, in addition to launching new developments like the Ras El Hekma City on the North Coast, which aims to transform the region into a global investment and tourist destination. Despite these positive developments, Egypt still faces economic challenges, notably managing external debt and controlling inflation,

alongside political challenges related to expanding political participation and strengthening the role of the opposition.

### *Key Economic and social Data in Egypt at a Glance*

- **GDP (Nominal):** \$347.34 billion USD
- **GDP per capita (Nominal):** \$3,173.52 USD
- **Annual Growth Rate:** 4.5%
- **Inflation:** 25.5%
- **Population:** 118.37 million
- **Unemployment Rate:** 7.0%
- **Credit Rating (2025):**
  - **Fitch:** B (Stable Outlook)
  - **Moody's:** Caa1 (Positive Outlook)
  - **S&P:** B- (Stable Outlook)

## 2. Egyptian Foreign Policy

The Egyptian government pursues a foreign policy that positions the country as a regional anchor of stability, while actively diversifying its external relations to maximize its strategic autonomy. This approach has been particularly visible in the latter half of 2025. Under the leadership of Foreign Minister Badr Abdelatty, Egypt has been central to diplomatic efforts to de-escalate regional crises. In early September 2025, Cairo intensified its engagement regarding the Gaza crisis, with Minister Abdelatty holding a series of discussions with his German, Saudi, Dutch, and Italian counterparts, consistently emphasizing Egypt's rejection of military escalation and its commitment to securing a ceasefire and humanitarian aid access.

This period also marked a significant warming of relations with regional powers. High-level talks between Egyptian and Turkish intelligence chiefs took place to coordinate on pressing issues in Libya, Sudan, and Gaza. Even more notably, a historic visit by Iranian Foreign Minister Abbas



Araghchi to Cairo on September 9, 2025, signaled a potential thaw in relations and a new phase of engagement. This strategy of diversifying alliances runs parallel to maintaining the long-standing partnership with the United States. The strategic military relationship was reaffirmed with the launch of the large-scale “Bright Star 2025” joint military exercise at the end of August, involving 44 nations, even as debates in the U.S. Congress continue over human rights conditions tied to the annual \$1.3 billion military aid package.

External support and collaboration are primarily sought in the fields of security, economy, energy, and infrastructure. International partnerships continue on major projects, such as the development of the Dabaa Nuclear Power Plant by Russia’s ROSATOM. The European Union remains Egypt’s largest trade partner and a primary source of foreign direct investment (FDI). In the Middle East and North Africa (MENA) region, Egypt’s role as an economic partner has grown, and it remains an active member of the Greater Arab Free Trade Area (GAFTA) and the Agadir Agreement. Diplomatically, the government has also maintained its pivot to the African continent, leveraging its membership in blocs like COMESA and the African Continental Free Trade Area (AfCFTA) to enhance its influence and economic reach across Africa

**Key Officials with Responsibility for Regional Affairs**

- Badr Abdelatty, Minister of Foreign Affairs
- Dr. Moustafa Kamal Madbouly, Prime Minister
- Dr. Khaled Abdel Ghaffar, Deputy Prime Minister for Human Development Affairs and Minister of Health and Population
- Ambassador Sameh Aboul-Enein, Chair of Egyptian Foreign Service Council of Assistant Ministers & Senior Officials
- Ambassador Tamim Khallaf, Official Spokesperson for the Ministry of Foreign Affairs

**Key Research Centers and Think Tanks**

- Al-Ahram Center for Political and Strategic Studies (ACPSS)
- Egyptian Council for Foreign Affairs (ECFA)
- National Research Centre (NRC)

**Key Regional Experts**

- Dr. Nabil Fahmy, Former Foreign Minister and globally recognized expert in conflict resolution and Middle East politics
- Dr. Ayman El-Sayed Abdel Wahab, Director of Al-Ahram Center for Political and Strategic Studies
- Robert Mason, Non-Resident Fellow with the Arab Gulf States Institute in Washington and former Director of the Middle East Studies Center at The American University in Cairo
- Dr. Mohamed Abbas Nagi, Editor-in-Chief, Al-Ahram Center for Political and Strategic Studies
- Dr. Amira Mohamed Abdel Halim, Managing Editor, Al-Ahram Center for Political and Strategic Studies

**3. Egypt Trade in Goods with GCC Countries in US Dollars 2023**

Country	Exports (USD)	Imports (USD)	Balance (USD)
United Arab Emirates	2.43 B	2.2 M	+0.23 Billion
Saudi Arabia	1.5 B	3.2 M	-1.7 Billion
Kuwait	0.75 B	0.5 M	+0.25 Billion
Qatar	0.05 B	0.2 M	-0.15 Billion
Bahrain	0.04 B	0.1 M	-0.06 Billion
Oman	0.1 B	0.2 M	-0.1 Billion
GCC Total	4.87 B	6.4 M	-1.53 Billion

Source: Various (e.g., OEC, Daily News Egypt, Macrotrend)



Egypt's trade with GCC countries continued its dynamic growth in 2023. While Egypt's total exports to the GCC reached approximately \$4.87 billion, its imports from the GCC stood at around \$6.4 billion, resulting in a trade deficit of approximately \$1.53 billion for Egypt with the GCC bloc. The United Arab Emirates remains Egypt's largest trade partner within the GCC, with Egyptian exports to the UAE reaching \$2.43 billion and imports at \$2.2 billion, showing a positive trade balance for Egypt with the UAE. Saudi Arabia also represents a significant trade volume, though Egypt typically maintains a trade deficit with it. Key Egyptian exports to the GCC include refined petroleum, electrical machinery, and agricultural products, while imports from the GCC often comprise copper, plastics, and iron and steel products. This reflects the evolving economic landscape and the strategic importance of trade relations between Egypt and the Gulf region.

#### *Establishment of Diplomatic Relations*

- **Saudi Arabia:** 7 May 1936
- **Oman:** 1972
- **Kuwait:** March 19, 1962
- **United Arab Emirates:** 1971
- **Bahrain:** 1971
- **Qatar:** 1972

#### **4. Key Developments in GCC-Egypt Relations**

Egypt's relationship with GCC countries has undergone a fundamental transformation in recent years, evolving from traditional trade partnerships to comprehensive strategic alliances centered on large-scale investments and economic integration. This shift reflects both Egypt's growing appeal as a regional investment destination and the GCC states' strategy of diversifying their economic portfolios beyond oil revenues. The relationship is no longer defined merely by the exchange of goods—Egyptian agricultural products and manufactured items for Gulf energy and capital—

but has expanded into joint infrastructure projects, technology transfer, and long-term development partnerships.

The most significant manifestation of this transformation is the emergence of mega-investment deals that reshape entire sectors of the Egyptian economy. The UAE's \$35 billion investment in the Ras El Hekma development project exemplifies this new paradigm, representing not just capital injection but a comprehensive partnership in urban development and tourism infrastructure. Similarly, Saudi Arabia's NEOM project has created opportunities for Egyptian expertise in construction and engineering, while Qatar's investments in Egypt's energy sector demonstrate the depth of these evolving partnerships. These developments signal a move away from traditional donor-recipient dynamics toward more balanced, mutually beneficial economic relationships that leverage each country's comparative advantages.

Beyond these flagship projects, economic relations continue to flourish. Bilateral trade between Egypt and the UAE, for instance, surged to US\$4.8 billion in the first half of 2025, a 77.7% increase from the previous year, with Egyptian exports alone reaching US\$3.8 billion. This growth is supported by robust investment flows, as UAE investments in Egypt rose to US\$2.2 billion, and Egyptian investments in the UAE grew by 21.7% to US\$750.1 million in the same period. These figures underscore the intertwined economic interests and the success of initiatives like the first Bahrain-Egypt Government Committee meeting in Cairo in 2023, which fostered 15 joint initiatives and 13 memoranda of understanding to boost business collaboration and market access.

Cooperation also extends to critical non-economic sectors. In space activities, the UAE Space Agency and the Egyptian Space Agency signed an MoU on April 20, 2025, in Cairo, to foster collaboration for peaceful purposes, promoting knowledge exchange and innovative solutions. Military



cooperation has also seen recent advancements, with Egypt and Kuwait signing an agreement on February 2, 2025, in Cairo, for the exchange of expertise in various sectors, aiming to enhance military relations and address regional security challenges. Furthermore, high-level diplomatic engagements, such as the meeting between Egypt's Minister of Foreign Affairs and the UAE's Minister of Foreign Trade on September 10, 2025, in Abu Dhabi, continuously work to strengthen technical and trade consultation channels and advance negotiations for comprehensive economic partnership agreements. These multifaceted engagements highlight a shared vision for regional stability, prosperity, and sustainable development, moving beyond traditional frameworks to embrace a more integrated and strategic partnership.



### Egypt-Saudi Arabia

- The period 2023-2025 saw a significant boost in economic cooperation, marked by Egypt's parliamentary approval of a bilateral investment protection agreement and the establishment of the Saudi-Egyptian Supreme Coordination Council. This framework fueled a substantial increase in trade, with bilateral exchange hitting \$6.5 billion in the first eight months of 2024 (up 32.7% from 2023) and total trade reaching \$15.98 billion in 2024. Saudi Arabia also significantly increased investment licenses for Egyptian companies, issuing 789 in Q2 2024, a 71% rise, making Egypt a key investment partner.
- Saudi Arabia maintained its crucial financial support to Egypt, with total deposits in the Central Bank reaching \$10.3 billion by March 2022, aiding reserve stability. However, this support is increasingly linked to economic reforms. Beyond aid, Saudi exports to Egypt grew by 14.3% in 2024, reaching 32.3 billion SAR. Remittances from Egyptians in Saudi Arabia remained strong at \$8 billion (FY 2023-2024), while mutual investments saw Saudi investments in Egypt at \$775.5 million and Egyptian investments in Saudi Arabia at \$116.2 million during the same fiscal year.
- The first follow-up meeting for the 18th Saudi-Egyptian Joint Committee recommendations is set for October 9-10, 2024, in Cairo, aiming to review strategic implementations and address challenges. Concurrently, the Saudi-Egyptian Business Council actively facilitates trade meetings and new investment opportunities. This institutional drive has propelled trade exchange to nearly \$8 billion in the first half of 2024, marking a significant 41% increase from the same period in 2023, with key Saudi exports including metal products and plastics.
- Investments form a cornerstone of the robust economic ties, with Saudi investments in Egypt reaching approximately \$26 billion





across over 8,000 companies. Complementing this, Egyptian investments in Saudi Arabia stand at around \$4 billion, involving more than 3,000 companies. This strong mutual investment landscape, coupled with the active role of joint committees, highlights a deep and expanding economic partnership between the two nations.

### Egypt-Oman

- In July and August 2025, Egypt and Oman significantly advanced their bilateral cooperation. On July 2, seven memoranda of understanding and executive programs were signed in Cairo, covering diverse sectors including labor, mineral resources, investment promotion, media, food safety, and religious affairs. This was followed by a private sector partnership agreement in the energy field on August 20, focusing on expertise exchange, technology transfer, and developing high-quality products. Omani Ambassador Abdullah Alrahbi emphasized that these efforts translate shared history into tangible economic and developmental partnerships, fostering innovation and sustainable growth for both nations.
- On July 2, 2025, Egypt and Oman officially deepened their bilateral ties by signing seven memoranda of understanding and executive programs in Cairo. These agreements aim to boost cooperation in vital areas including labor, mineral resources, investment promotion, media, food safety, and religious affairs, signaling a comprehensive strategic partnership.
- Egypt and Oman Sign \$2.6 Million Industrial Investment in Plastics Sector: On May 26, 2025, an industrial investment agreement valued at one million Omani rials (\$2.6 million USD) was signed at the Omani embassy in Cairo. This partnership between ZEINOX company and the LADAYN Programme (OQ

Group) aims to develop the plastics industry, utilize Oman's raw materials, foster expertise exchange, and enhance industrial integration between the two nations.

- On May 22, 2023, Oman and Egypt signed a DTAA during the Sultan of Oman's visit to Egypt. This agreement aims to encourage capital investment, trade, and other economic activities by preventing international double taxation and tax evasion, with an expected effective date of January 2024 or January 2025, pending procedural requirements.

### Egypt-Qatar

- On August 28, 2025, Egyptian Prime Minister Mostafa Madbouly and his Qatari counterpart discussed activating a \$7.5 billion "partnership package" of direct Qatari investments. This initiative, agreed upon in April, aims to help Egypt address its foreign debts and budget deficit, with specific projects expected to be announced soon.
- During the sixth Egyptian-Qatari Joint Higher Committee session in Alamein, Egypt and Qatar signed a Memorandum of Understanding on social insurance and pensions, aiming to enhance operational and legal structures for social protection. Concurrently, discussions advanced on activating a \$7.5 billion "partnership package" of Qatari investments in Egypt, building on an April agreement to address Egypt's foreign debts and budget deficit, with specific projects anticipated soon.

During the Sixth Qatari-Egyptian Joint Higher Committee session in Cairo, both nations launched a political consultation mechanism between their foreign ministries. This initiative underscores their deep alignment on critical regional and international issues, including the Palestinian cause, the situations in Sudan, Libya, Syria, and Lebanon, and the Iranian nuclear file, emphasizing diplomatic solutions and a unified stance against forced displacement.



## Egypt-Bahrain

- **September 8, 2025:** Egyptian Prime Minister Mostafa Madbouly oversaw the signing of eight pivotal agreements between Egypt and Bahrain, covering various sectors to deepen economic and developmental cooperation.
- Both nations maintain a unified political and diplomatic stance on key Arab issues, including steadfast support for the Palestinian cause and ongoing joint efforts to address the crisis in the Gaza Strip, protect the Palestinian people, and ensure humanitarian aid delivery.
- May 2024: His Excellency President Abdel Fattah El Sisi visited Bahrain to participate in the 33rd Arab Summit, one of several visits underscoring the importance of cooperation across political, economic, military, security, cultural, sporting, educational, health, and social fields.
- Bilateral trade between Bahrain and Egypt reached \$443 million in 2024, supported by Bahraini investments in Egyptian sectors like finance, industry, and tourism, and Egyptian investments in Bahraini real estate and tourism. This growth was significantly boosted by 15 joint initiatives and 13 memoranda of understanding established during the first Bahrain-Egypt Government Committee meeting in Cairo in 2023, fostering business collaboration and market access.

## Egypt-UAE

- **September 7, 2025:** Egypt sealed a significant \$18.5 billion investment agreement with UAE-based Emaar Properties and Saudi Arabia's City Stars Group to develop a vast integrated tourism complex, named "Marassi Red Sea," along the Red Sea coast. The deal, unveiled at the Cabinet headquarters in the New Administrative Capital, is expected to generate up to 170,000 jobs.

- **First Half 2025:** Trade between Egypt and the UAE surged to US\$4.8 billion, marking a 77.7% increase from the previous year, with Egyptian exports to the UAE reaching US\$3.8 billion (up 153.3%). Additionally, UAE investments in Egypt rose to US\$2.2 billion, and Egyptian investments in the UAE grew by 21.7% to US\$750.1 million, reflecting robust economic ties.
- **April 20, 2025:** The UAE Space Agency and the Egyptian Space Agency signed a Memorandum of Understanding (MoU) to enhance cooperation in space activities for peaceful purposes, aiming to foster knowledge exchange, develop innovative solutions, and support sustainable development efforts between the two nations.

## Egypt-Kuwait

- **April 14-15, 2025:** During President Abdel Fattah El-Sisi's state visit to Kuwait, both nations reaffirmed their commitment to strengthening economic, trade, and investment relations. Kuwait expressed its intention to invest across various Egyptian sectors, including energy, agriculture, and IT. The visit underscored deepening bilateral ties, building on the outcomes of the Joint Egyptian-Kuwaiti Committee meeting in September 2024, and highlighted Kuwait's planned participation in the upcoming Gulf-Egypt Investment Forum.





- **April 9, 2025:** Egypt's Minister of Planning and Economic Development and International Cooperation, Dr. Rania A. Al-Mashat, met with Kuwait's Minister of Finance and Minister of State for Economic Affairs and Investment, Eng. Noura Sulaiman Al-Fassam, during the Joint Annual Meetings of the Arab Financial Institutions. The meeting focused on enhancing joint cooperation, reviewing economic developments, and strengthening bilateral relations across various sectors, reaffirming Kuwait's position as a prominent economic partner for Egypt.
- **February 2, 2025:** Egypt and Kuwait signed a military cooperation agreement to exchange expertise in various sectors. The agreement was formalized during a meeting between Egyptian Defense Minister Abdel Majeed Saqr and his Kuwaiti counterpart Sheikh Fahad Youssef Saud Al-Sabah, aiming to enhance military relations and address regional security challenges.

## 5. Supporting Documents

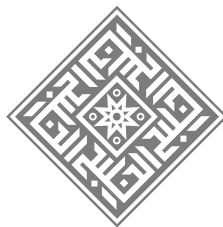
### GRC Publications and Workshops:

- **GRC Annual Strategic Review 2023 - Egypt – GCC Relations** by Araa Magazine – Gulf Research Center – 2023.
- **Egypt and the Gulf: A Renewed Regional Policy Alliance** Edited By: Robert Mason – Gerlach Press – November 2016.

### Araa Publications:

- **GRC Annual Strategic Review 2023 - Egypt – GCC Relations** by Araa Magazine – Gulf Research Center – 2023.





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