

Egypt Secures \$2 Billion Loan Amid Rising Debt Concerns

Egypt's Parliament gave a green signal to a \$2 billion commercial loan request from President Abdel Fattah Al-Sisi, helped along by a consortium of regional banks, inclusive of the Emirates NBD Capital Limited, Standard Chartered, and more. The loan is targeted to refinance past debts and resolve the country's budget deficit.

Finance Minister Ahmed Kouchouk explained that the loan terms are favourable, with competitive interest rates and flexible repayment conditions. He noted that the government's repayment of previous loans in larger instalments is expected to gradually reduce external debt. Highlighting the importance of the loan, Kouchouk described it as vital for economic stability and addressing fiscal challenges.

Parliamentary Industry Committee head Mohamed Al-Sallab supported the agreement, emphasizing its role in sustaining Egypt's liquidity in hard currency. He acknowledged the reliance on foreign loans but stressed their necessity for maintaining economic stability during challenging times.

However, some lawmakers, like Diaa El-Din Dawoud, opposed the move, citing concerns about Egypt's growing dependence on foreign borrowing and a lack of transparency in expenditure. Dawoud warned that escalating national debt, which reached \$152.9 billion in June 2024, could compromise Egypt's economic and security stability amid regional tensions.

The country's rising debt is largely tied to investments in infrastructure, arms purchases, and stabilizing the local currency, raising questions about sustainable financial practices.

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