

EGYPT OIL&GAS RESEARCH & ANALYSIS

Driving Growth

Unpacking Egypt's Oil & Gas Economics

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Egypt's oil and gas sector remains a cornerstone of the national economy, playing a pivotal role in driving trade revenues, attracting foreign investment, and supporting overall economic growth.

Over the past few years, the sector has witnessed notable developments, including strengthening strategic partnerships with leading international energy companies. These advances have reinforced Egypt's status as a regional energy hub.

This report offers a comprehensive overview of the economic dynamics that shape Egypt's oil and gas industry. It examines sectoral growth patterns, trade performance, and investment trends across fiscal years (FYs) 2023/24 and 2024/25.

Economic Growth Signals

Oil & Gas Contribution to GDP

The value of Egypt's oil and gas sector's contribution to the gross domestic product (GDP) increased by about 8% in FY 2024/25 to EGP1.27 trillion compared to EGP1.178 trillion in FY 2023/24 on current prices.

This upward trend reflects the sector's continued strategic significance within Egypt's macroeconomic framework despite fluctuations in global energy markets and the domestic production adjustments, according to the Ministry of Planning, Economic Development & International Cooperation.

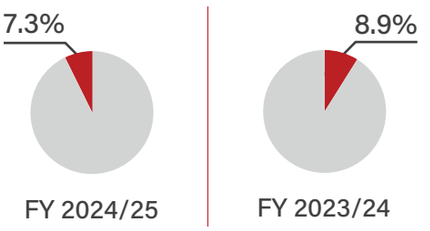
The sector's growth seems to be primarily supported by downstream and refining-side improvements, given recent efficiency measures and capacity/throughput gains in refining.

This aligns with the government's ongoing energy reforms aimed at upgrading infrastructure and promoting local value addition.

However, expansion remains moderate relative to historical peaks, likely reflecting limited momentum in upstream production and continued exposure to global oil-price volatility.

Meanwhile, the oil and gas sector's share of GDP declined from 8.9% in FY 2023/24 to 7.3% in FY 2024/25, suggesting faster growth in other economic sectors—particularly manufacturing, services, and construction.

Sector's Share of Total GDP



The crude oil extraction sub-sector registered a 9% contraction from around EGP 0.517 trillion in FY 2023/24 to EGP 0.469 trillion in FY 2024/25. This downturn is likely driven by the depletion of mature fields, reduced exploration activity, and the sector's gradual shift toward natural gas as a strategic priority.

Moreover, global market dynamics, including the Organization of the Petroleum Exporting Countries and allies (OPEC+) production constraints and fluctuating Brent prices, may have exerted downward pressure on domestic output and revenues.

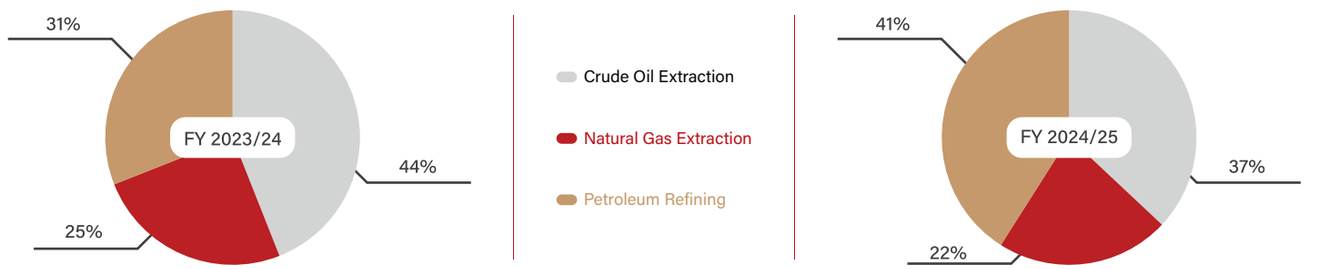
Natural gas extraction also decreased by around 7% over the same period, recording only EGP 0.278 trillion. This modest decline results in temporary operational or demand-side constraints, such as maintenance shutdowns, export reallocation, or lower LNG shipments amid softening international gas prices.

Despite the decrease, Egypt remains a regional gas hub, supported by its liquefaction capacity and export partnerships with Europe and neighboring countries.

Conversely, petroleum refining demonstrated exceptional growth of about 44%, to hike from EGP 0.363 trillion in FY 2023/24 to EGP 0.522 trillion in FY 2024/25, underscoring strong downstream development, reflecting the success of ongoing refinery modernization programs, particularly in Alexandria, Mostorod, and Assiut.

The increase also aligns with Egypt's policy emphasis on enhancing domestic refining capacity, reducing imports of refined fuels, and strengthening the country's position as a regional energy processing and distribution hub.

Petroleum Activities Contribution to the Sector's GDP



Petroleum Trade Performance

Egypt's oil trade balance weakened in FY 2024/25, with the oil trade deficit widening to $13.9 billion from $7.6 billion in FY 2023/24. The wider deficit reflected pressure from two sides: lower oil and gas export receipts and a higher oil import bill, according to the Central Bank of Egypt (CBE).

On the export side, Egypt's oil and gas export receipts totaled $5.6 billion in FY 2024/25, down slightly from $5.7 billion in FY 2023/24, a decline of about $128 million. Crude oil exports fell by roughly $698.3 million, while natural gas exports, including LNG and other gas forms, declined by nearly $512.6 million due to lower exported volumes. In contrast, refined petroleum product exports rose by almost $1.1 billion on higher export quantities, helping limit the overall drop.

Sector's Total Exports in FY 2024/25



$5.6 billion

This weakness in export revenues may be justified by the fall in domestic oil and natural gas production. At the same time, Egypt has increasingly redirected gas to domestic use amid rising local demand, thereby limiting export volumes.

As a share of total merchandise exports, petroleum receipts' share declined from 17.5% in FY 2023/24 to 14% in FY 2024/25. Meanwhile, oil imports surged by 45.5% in FY 2024/25, widening the oil trade deficit to $13.9 billion, which exerted pressure on the current account balance despite gains in other sectors' exports, according to CBE.

Petroleum Exports Share of Total Merchandise Exports in FY 2024/25



14%

In volume terms, FY 2024/25 was characterized by lower crude oil and natural gas exports, manifested by a drop in LNG exports from 1.521 million tons (mmt) in FY 2023/24 to 0.316 mmt in the first 11 months of FY 2024/25, which contributed to the decline in overall petroleum receipts for the year.

Crude oil exports also fell significantly from 3.51 billion tons (bt) in FY 2023/24 to 2.33 bt in the first 11 months of FY 2024/25, further amplifying the downward trend in hydrocarbon export performance, according to the Central Agency for Public Mobilization and Statistics (CAPMAS).

In light of these developments, the Egyptian government took proactive measures to sustain LNG export activity in 2025. The Ministry of Petroleum and Mineral Resources (MoPMR) introduced an incentive package in August 2024, aimed at encouraging foreign partners to boost natural gas production and accelerate exploration.

Under this scheme, Egypt allowed international oil companies (IOCs) to export a portion of their share of newly produced natural gas via Egypt's LNG liquefaction plants, with the export proceeds used to settle outstanding dues owed by the government.

Additionally, the package raised the price of the foreign partner's share of new production, further stimulating upstream investment and operational expansion, according to the MoPMR.

Reflecting these incentives, Egypt exported five LNG shipments during 2025, primarily through the Idku liquefaction plant, directed to both Asian and European markets.

This rebound in LNG exports highlights the effectiveness of government measures, including the accelerated settlement of arrears owed to foreign petroleum companies, which improved investor confidence and provided liquidity for exploration and production.

Further support came from fields' operational expansions, like in West Delta Deep Marine (WDDM) phases 10 and 11, increasing the volume of LNG available for export, according to MoPMR.

Egypt's LNG Exports in 2025

	April	September	October		November
Destination	Taiwan	Spain	Italy	Türkiye	Greece
Company	Shell	TotalEnergies	Shell	TotalEnergies	Shell
Vessel Name	Santander Knutsen	Minerva Amorgos	New Nature	LNG Endurance	Gaslog Gibraltar
Volume (m^3)	136,000	150,000	155,000	150,000	150,000

Overall, while FY 2024/25 witnessed a decline in total petroleum receipts, the combination of government incentives, debt settlements, and strategic production increases enabled Egypt to reschedule and stabilize LNG exports in 2025, positioning the country as a reliable regional gas supplier amid a backdrop of rising global demand for energy.

On the import side, the pressures on the petroleum trade balance intensified further. Following the decline in export revenues, Egypt's oil import bill increased significantly in FY 2024/25, rising by about $6.1 billion to $19.5 billion compared with $13.4 billion a year earlier.

Natural gas imports drove most of the rise, climbing by roughly $3.9 billion, while imports of oil products increased by around $1.7 billion. Crude oil imports also grew by about $495.3 million, reflecting a pickup in imported quantities.

Petroleum Imports Share of Total Merchandise Imports in FY 2024/25



21%

Investment Landscape

Egypt's oil and gas industry is focused not only on meeting the national energy demands and exploring new opportunities but also on attracting international investment and spearheading regional partnerships that are transforming the energy dynamics of the Eastern Mediterranean and beyond.

Egypt's upstream sector currently hosts 57 international oil companies (IOCs), including eight of the world's largest, reflecting investor confidence in Egypt's stable petroleum sector. IOCs primarily focus on natural gas exploration and production in the Mediterranean and Nile Delta, with significant investments in new drilling campaigns.

Oil & Gas Sector's FDI Dynamics

The foreign direct investment (FDI) in Egypt's oil and gas sector achieved a net inflow of $598.3 million in FY 2024/25, compared to a net outflow of $351.6 million in the previous FY. This improvement was driven by higher inflows to the oil and gas sector, which rose to $6.2 billion—representing greenfield investments by foreign oil companies—up from $5.7 billion in FY 2023/24. Meanwhile, outflows (covering cost recovery for exploration, development, and operations previously incurred by foreign partners) declined to $5.6 billion, down from $6 billion a year earlier, according to CBE

This significant turnaround reflects, in part, the government's decision to accelerate payment of arrears owed to foreign petroleum companies, with Egypt having paid hundreds of millions of dollars to settle past due amounts. Moreover, the MoPMR launched a package of new incentives in August 2024 to boost production: the scheme links the incentive eligibility to production growth, exploration, and development drilling, and allows a portion of the increased revenue to be used to repay partners, according to MoPMR.

FDI Flows in Egypt's Oil & Gas Sector ($ million)

FY 2023/24



351.6
Net Outflows

FY 2024/25



598.3
Net Inflows

Oil and Gas Sector Contribution to Egypt's FDI Inflows in FY 2024/25



4.9%

State's Future Investment Roadmap

The Egyptian oil and gas sector has implemented a robust strategy to boost production and attract foreign investment. Investment in exploration and production is expected to rise substantially through new agreements and a government plan to drill nearly 480 wells in the next five years, as announced by the MoPMR.

It is worth noting that Egypt's upstream activities are currently reinforced by the deployment of cutting-edge technologies, including the Ocean Bottom Node (OBN) seismic survey project, led by SLB and Viridien, to unlock deepwater potential in the Mediterranean Sea. This initiative offers advanced subsurface imaging and data-driven mapping, accelerating bid rounds and field development. Egypt is expanding 2D, 3D, and OBN Surveys across the Mediterranean, Western Desert, and Upper Egypt, providing critical data to sustain exploration momentum and investment interest.

Drilling Plan through 2030

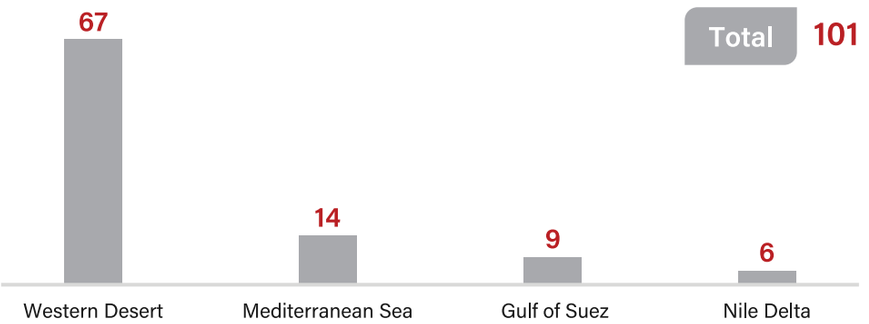
Oil & Gas Exploration Wells

480

Investments

+$5.7 billion

Targeted Wells to be Drilled in 2026



IOCs Plans in Egypt

Major IOCs are planning significant investments in Egypt, committing significant budgets to exploration and production. Egypt is also offering new exploration blocks in the Red Sea and other areas to attract more investment, aiming to boost natural gas output to help restore its status as an exporter by 2027, as stated by the MoPMR.

Eni & bp Investment Plan over 4-5 Years

$13 billion

Upcoming IOCs' Projects

Announcement Date	Partner	Details
November 2025	eni	Signing an agreement with EGPC to extend the Gulf of Suez and Nile Delta concession until 2040
	ExxonMobil	Signing an MoU with EGAS to invest in a new concession area west of the Zohr field, raising the company's offshore operating areas in Egypt to four
July 2025	Shell	Finalizing an investment decision to develop the Mina West gas field in the Mediterranean Sea. The field will be a subsea tie-back to existing infrastructure

Egypt's oil and gas sector continues to demonstrate its strategic weight within the national economy, even amid global volatility and domestic production adjustments. While FY 2024/25 witnessed pressures on the petroleum trade balance and declines across upstream activities, the sector's underlying fundamentals remain resilient. Government-led reforms, including accelerated settlement of foreign arrears, the introduction of targeted production-linked incentives, and the expansion of exploration programs, have restored investor confidence and accelerated investment-driven growth.

At the same time, strong downstream performance, the resurgence of LNG activity in 2025, and the steady inflow of foreign direct investment reinforce the sector's capacity to adapt to shifting market conditions. With new drilling commitments, advanced seismic technologies, and expanding international partnerships, Egypt is moving toward a more diversified and resilient energy landscape.

Looking ahead, sustaining this momentum will require maintaining policy clarity, supporting operational efficiency, and continuing to attract strategic investments. If these efforts persist, Egypt's oil and gas sector is well-placed to strengthen its contribution to national growth, enhance export capacity, and reinforce the country's position as a regional energy hub.



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