EGYPT OIL&GAS
RESEARCH & ANALYSIS

Egypt at the Heart of Africa's Energy Transformation:

Driving Integration, Investment, and Global Connectivity

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TABLE OF CONTENTS

Introduction

Africa's abundant natural resources and strong renewable potential do not negate the fact that about 600 million people still lack dependable electricity; transmission and distribution networks endure high losses and frequent blackouts; and roughly three-quarters of power generation still comes from fossil fuels.

It does not end there, as the continent faces shortages in technical expertise and has to live with inconsistent regulatory frameworks. These weaknesses leave many projects dealing with a lack of access to finance and millions without reliable power.

Against this continental backdrop, Egypt has rapidly consolidated a position as a regional gateway for energy investment. In 2024, Africa recorded seven landmark energy transition deals worth about $17 billion, and Egypt captured roughly 57% of that total, underscoring its high appeal for clean energy capital. The country's wider appeal is reflected in 2024 foreign direct investment (FDI) inflows of approximately $47 billion, which placed Egypt first in Africa and ninth globally among FDI recipients in United Nations Conference on Trade and Development's (UNCTAD) World Investment Report 2025. Complementing capital attraction, Egypt's H2 2024 greenfield investment rose to some $2.9 billion, signaling renewed investor confidence in both hydrocarbons and downstream opportunities.

Egypt's strengths are both practical and geographic: flagship projects like the Benban solar complex with ~2 gigawatt (GW) and new Gulf of Suez wind farms offer proven templates for utility-scale renewables, grid integration, and local job creation. The New and Renewable Energy Authority (NREA) reports nearly a 90% rise in Egypt's installed renewable capacity in under ten years, and recent Kom Ombo solar projects pushed Egypt to second place in Africa for installed solar capacity by the end of 2024. These achievements deliver replicable lessons in procurement, contractor development, and grid management that other African markets can adopt.

At the institutional level, Egypt's recent policy reforms-licensing streamlining, digitalization, and subsidy rationalization practical lessons for creating a business environment to attract long-term capital.

It also has a geographical advantage. Egypt's strategic location and existing liquified natural gas (LNG) and power infrastructure make it a natural transit and liquefaction hub for African gas, and planned cross-border interconnections with Jordan, Saudi Arabia, and Sudan expand its role in regional power trade.

Egypt has a lot to offer to the continent. By linking infrastructure with technical support and regulatory guidance, Egypt can help bind the fragmented markets of African countries into a more integrated and resilient energy system.

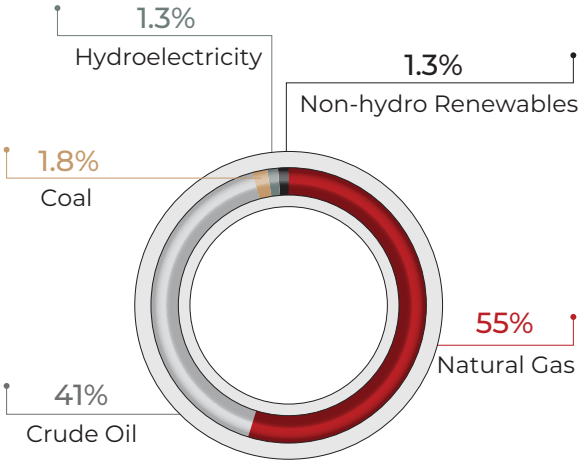
Egypt’s Energy Profile & Growth Potential

Egypt's Energy Profile & Growth Potential

Egypt's primary energy supply remains dominated by hydrocarbons, with natural gas accounting for approximately 58% and crude oil comprising about 34% of the total energy mix, according to the International Monetary Fund (IMF) Fourth Review Report. Although the contribution of renewables is still modest, the government has embarked on a significant strategic shift: Egypt aims to derive 42% of its generation mix from renewables by 2030, a goal that was previously set for 2035.

Hydrocarbons accounted for the bulk of Egypt's total energy supply in 2024, while coal, hydro, and non-hydro renewables made only marginal contributions, according to the Statistical Review of World Energy 2025 (74th edition) released by the Energy Institute (EI).

Egypt's Total Energy Supply by Source in 2024



Source: EI Statistical Review of World Energy 2025

Egypt's electricity sector demonstrates substantial growth potential. Total electricity generation rose to 237.4 terawatt-hours (TWh) in 2024, marking an annual increase of nearly 7%. This growth builds on earlier expansions of 2.4% in 2023 and 3.3% in 2022, underscoring a steady upward trajectory that positions Egypt as the largest power generation market in Africa and highlights opportunities for expansion in transmission networks, distribution systems, and regional interconnection projects, according to the EI.

Meanwhile, renewable generation reached 26.6 TWh in 2024, advancing by around 2% year-on-year (YoY). Though still modest in scale, this steady growth signals the early stages of Egypt's clean energy transition.

AMBITIOUS STRATEGIES & INITIATIVES

Egypt has articulated a series of national strategies and initiatives that define its pathway toward an efficient, diversified, and low-carbon energy system. These efforts encompass expanding renewable energy projects, improving energy efficiency, modernizing infrastructure, and creating policy and regulatory frameworks that encourage private investment and technological innovation.

OIL, GAS, AND MINERALS BLUEPRINT

In 2024, the Egyptian Ministry of Petroleum and Mineral Resources (MoPMR) outlined six key pillars defining its priorities for the upcoming period, with two of them focused on improving the investment climate and strengthening collaboration with international partners.

MoPMR's Sixth-pillared Strategy

- Meeting the citizens' needs for petroleum products by focusing on production and exploration activities
- Maximizing the utilization of petroleum resources through refineries and petrochemicals to create added value
- Re-launching of the mining sector and maximizing its added value
- Working as one team with the Ministry of Electricity and Renewable Energy to provide the energy mix, drive growth of the Egyptian economy, and leverage Egypt's location for hydrogen production and energy trading
- Create an attractive investment environment while maintaining safety, energy efficiency, and reducing emissions
- Enhancing regional cooperation to attract investments in Egypt and the region

In 2022, the MoPMR launched the Petroleum Sector Energy Efficiency Strategy 2022–2035, aiming to reduce energy consumption and outlining institutional reforms, energy management frameworks, and regulatory mechanisms to improve efficiency across the oil and gas value chain.

VISIONS FOR ELECTRICITY, RENEWABLES, AND GREEN ENERGY

Egypt's Integrated Sustainable Energy Strategy (ISES) to 2035 continued to guide long-term electricity sector planning. It provided a clear framework for expanding renewables in the electricity mix, with technology-specific targets of 25% solar, 14% wind, and 2% hydropower, providing a transparent roadmap for investors in Egypt's renewable sector, according to the Cabinet's Information and Decision Support Center (IDSC).

By 2024, attention turned to hydrogen as the fuel of the future, driving decarbonization. Egypt launched its National Low-Carbon Hydrogen Strategy in August 2024, positioning the country as a regional hub for clean hydrogen production. The strategy targets 1.5 million tons (mmt) per year by 2030 and 5.8 mmt per year by 2040, according to the Egyptian Cabinet.

Regarding the initiatives taken to accelerate the green transition. In 2022, the Nexus of Water, Food, and Energy (NWFE) platform was introduced as the national country platform to mobilize climate finance and private-sector investment for the green transition. The initiative was set to mobilize about $10 billion in green investments, according to the NWFE Progress Report 2024.

In June 2025, Egypt and the European Union (EU) launched the EU-Egypt Investment Guarantee for Development Mechanism, designed to mobilize up to €5 billion in investments by 2027 under the EU's Global Gateway strategy. A significant share of this financing is directed toward clean energy and sustainable infrastructure, according to the EU's official website.

Together, these strategies and initiatives provide a coherent policy framework that combines national planning, international partnerships, and targeted investment platforms, creating a predictable and attractive environment for energy investors in Egypt.

Energy Investment Drivers in Egypt

Energy Investment Drivers in Egypt

RELIABLE AND INTEGRATED ENERGY INFRASTRUCTURE

Egypt has consolidated its role as a regional energy key player through a robust and diversified energy infrastructure. This foundation supports natural gas pipelines, liquefaction and refining facilities, and an expanding electricity grid. Together, these assets strengthen connections between Africa, the Mediterranean, and international energy markets.

NATURAL GAS PIPELINE NETWORK

At the core of this system lies the National Natural Gas Grid (NGG) with Length of 104,000 kilometers (km) in fiscal year (FY) 2023/24, which is managed through advanced Supervisory Control and Data Acquisition (SCADA) systems at the National Network Control Center. The NGG ensures reliable transportation and distribution of natural gas across Egypt's governorates, according to the Egyptian General Petroleum Corporation (EGAS) annual report.

In addition to its domestic infrastructure, Egypt is interconnected with regional markets through two key cross-border pipelines. The Arab Gas Pipeline (AGP) links Egypt with Jordan, Syria, and Lebanon, with a transmission capacity of up to 10 billion cubic meters per year (bcm/y). The Ashkelon-Arish East Mediterranean Gas (EMG) pipeline enables flows between Egypt and Israel, with a capacity ranging from 147 to 247 billion cubic feet per day (bcf/d), according to the U.S. Energy Information Administration (EIA).

LIQUEFACTION AND REFINING FACILITIES

Moreover, Egypt is the only country in the Eastern Mediterranean with operational LNG export capacity. Its two major facilities, the Egyptian LNG (ELNG) plant in Idku and the Damietta LNG (DLNG) plant, form the backbone of its natural gas export strategy. The ELNG plant operates two liquefaction trains, each with an annual capacity of 3.6 million tons (mmt/y), equivalent to roughly 120 cargoes, while the DLNG plant operational capacity 4.8 mmt/y, according to the Egyptian LNG website.

Also, the refining sector further anchors its prominent role with 11 operating refineries to meet domestic demand and export requirements, according to the Egyptian General Petroleum Corporation (EGPC) annual report.

NATIONAL ELECTRICITY GRID SYSTEM

As for the electricity infrastructure, the National Electricity Grid ensures a reliable power supply nationwide with a length of 602,904 km. Beyond generation, transmission, and distribution. The grid incorporates electricity from state-owned, private, and renewable projects, while advancing regional interconnection initiatives to enable cross-border trade, positioning the grid as both a foundation of Egypt's energy security and a driver of regional integration, according to the Ministry of Electricity and Renewable Energy (MoEE) annual report.

ENERGY INVESTMENT LAW

Egypt has established one of the most advanced legal and regulatory frameworks in the region to attract energy investments. The updated Investment Law No. 72/2017, amended by Law 160/2023, provides a wide package of incentives, including 35–55% cash rebates on corporate income taxes, legal guarantees for investors, and special incentives, including tax exemptions and reduced utility costs, extended for up to nine years.

It also allows strategic projects such as LNG liquefaction plants, gas pipelines, fertilizers, and steel industries to be set up under free-zone mechanisms upon the Energy Council approval, further enhancing competitiveness, according to the General Authority for Investment & Free Zones (GAFI).

NATURAL GAS MARKET LIBERALIZATION

The natural gas sector followed a similar transformation under the Gas Market Activities Law No. 196/2017, which enhanced competition across midstream and downstream activities. It established the GAS Regulatory Authority (GASREG) as an independent regulator responsible for licensing facilities, setting tariff methodologies, and ensuring safety and environmental standards. This law enabled private-sector participation in domestic gas sales. It guaranteed transparent operations across the value chain, according to the GASREG.

ELECTRICITY AND CLEAN ENERGY REGULATIONS

In the electricity sector, Law 87/2015 reshaped the market by unbundling generation and opening the door for private producers, while strengthening the role of Egyptian Electric Utility and Consumer Protection Regulatory Agency (EgyptERA) as the main regulator for licensing, efficiency, and consumer protection.

Renewable Energy Sector Incentives

Solar Energy

Wind Energy

- Feed-in Tariffs
- 30% Tax Cuts
- Simplified Regulations

Together with the Renewable Energy Law No. 203/2014, this reform created the foundation of Egypt's Independent Power Producer (IPP) program, which developed from a feed-in-tariff system to competitive tenders, attracting large-scale renewable investments and positioning Egypt as a leader in clean energy, according to the Egyptian Electricity Holding Company (EEHC).

Applicable Incentives in SCZONE

- A discount on taxable net profits equivalent to 50 % of the investment costs
- 0% Customs and value-added tax
- 72 hours to obtain all permits & licenses via SCZONE one-stop shop
- SCZONE is especially empowered by a dedicatedlegal framework, with special laws governing its exports and imports

Egypt's Hydrocarbons & LNG Anchor Africa's Energy

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HIGHLIGHTING UPSTREAM ACTIVITIES

CRUDE OIL & NATURAL GAS PRODUCTION

Egypt's crude oil and condensate production stood at around 0.576 million barrels per day (mmbbl/d) in 2023, before declining to 0.545 mmbbl/d in 2024. This moderate drop reflects challenges in sustaining output from mature fields, yet crude production continues to provide a stable base for Egypt's refining capacity and downstream industries. Regarding the EGPC, total domestic output exceeded 60 mmt in FY 2024/25, while refining activities processed about 25.3 mmt of crude oil to meet the local demand of 83.6 mmt of petroleum products and natural gas, according to data from the EGPC.

Natural gas, which remains the backbone of Egypt's hydrocarbon profile, registered a sharper decline. Production fell from approximately 5.98 bcf/d in 2023 to 4.99 bcf/d in 2024, representing a contraction of around 17%, according to data from the EGPC. The drop reflects waning output from offshore fields such as Zohr and underscores the pressing need for discoveries and sustained upstream investment.

Meanwhile, the EGAS confirmed that about 1.85 trillion cubic feet (tcf) of additional natural gas reserves were added during FY 2024/25, helping to reinforce Egypt's resource base and demonstrating the sector's resilience despite current production headwinds.

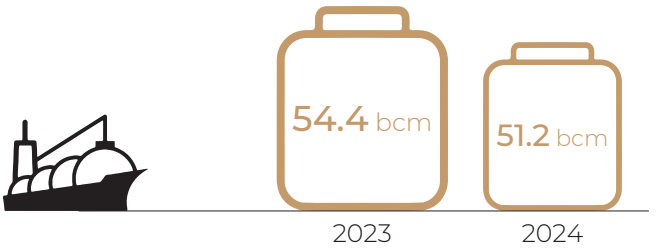
The dual trajectory of moderate declines in crude output and steeper drops in natural gas production carries strategic implications. While crude oil provides a reliable base for energy security and downstream industries' growth, lower natural gas production affects Egypt's LNG exports.

To safeguard its role in regional energy markets, Egypt needs to accelerate exploration, introduce more flexible investment frameworks for international oil companies (IOCs), and link gas development with renewable and low-carbon projects to strengthen long-term energy security and competitiveness.

EGYPT: A MAJOR PLAYER IN AFRICA'S LNG MARKET

Egypt is considered one of the top five countries exporting LNG in Africa and holds a central role in North Africa's LNG market, supported by its substantial liquefaction capacity through two plants: ELNG in Idku and DLNG in Damietta. Alongside Algeria, both countries play a pivotal role in supplying Europe with LNG, according to the State of African Energy 2025 Outlook Report.

Africa's LNG Exports



In LNG exports, Egypt experienced a downturn of 79.4% in FY 2023/24. This decline is due to a decline in natural gas production and an increase in domestic consumption, according to EGAS annual reports.

ATTRACTING INTERNATIONAL INVESTMENTS & FINANCING

IOCS OPERATING IN EGYPT

Egypt's oil and gas sector continues to be a fundamental driver of strategic investments and an achiever of ambitious production objectives. In recent years, the exploration and production (E&P) activities have accelerated, creating a dynamic environment that attracts leading IOCs. By leveraging advanced technologies and fostering strong public-private partnerships, Egypt is maximizing the value of its hydrocarbon resources while reinforcing its position as a regional energy hub.

Some IOCs Operating in Egypt

Field	ieoc	bp	Chevron	TotalEnergies	
	Zohr Nooros Nargis	WND Project East Damanhour Qattameya	Nargis Red Sea Block 1	N. Ras Kanayes	N. Marina N. Cleopatra N. Sidi Gaber

RECENT AGREEMENTS & INVESTMENT DEALS

In the second half of 2024, Egypt's petroleum sector experienced a turnaround in FDI, shifting from net outflows in the same period of the previous year to net inflows. This reflects renewed investor confidence and growing interest in new oil projects. Net oil FDI inflows reached $196.9 million, supported by a marked increase in greenfield investments and a decline in cost-recovery outflows from foreign partners, according to the Central Bank of Egypt (CBE).

The Egyptian Cabinet continues to approve petroleum concession agreements to reinforce Egypt's position as a regional energy hub. These exploration and development agreements represent a calibrated mix of foreign investment attraction, resource diversification, and operational streamlining.

Over the past two years to date, the Egyptian Cabinet has endorsed a series of strategic petroleum concession agreements, reinforcing the country's position as a leading destination for energy investment. Most recently, in February 2025, five new agreements were approved with the participation of EGPC, EGAS, GANOPE, and IOCs. Valued at a minimum committed investment of approximately $225.3 million, the agreements target to drill at least 40 wells for the exploration and extraction of natural gas and crude oil.

In May 2025, the Cabinet approved five further petroleum commitment agreements involving EGPC, EGAS, and international partners. These agreements secured a minimum investment of $221.23 million, plus $31.5 million in non-refundable grants. The five agreements should witness the drilling of at least 24 wells.

In the same context, the MoPMR is advancing a robust strategy to attract and retain investment. Through tailored marketing plans and a supportive legislative framework, the ministry creates a compelling environment for local and international investors. In FY 2024/25, 12 new oil and gas agreements were signed involving 43 wells and a total of $631 million in investments, as announced by the Ministry in May.

Secured Investments in FY 2024/25*

$631 million

*Announced in May 2025

EGAS awarded nine new natural gas exploration blocks and finalized 6 new agreements during FY 2024/25, according to the MoPMR.

EGAS Secured Investments in FY 2024/25

$479 million

In FY 2024/25, Ganope successfully concluded 8 active agreements, and the work is underway to allocate four additional areas. In parallel, Ganope is working with the Egypt Upstream Gateway (EUG) to promote 15 attractive investment opportunities, according to the MoPMR.

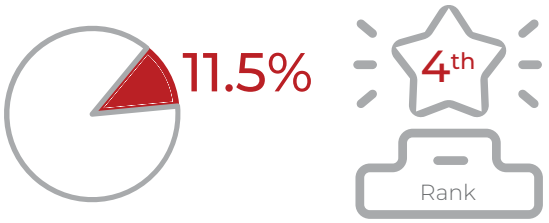
Pathways to a Sustainable Energy Future

RENEWABLES UTILIZATION IN EGYPT

EGYPT'S LEADERSHIP IN AFRICA'S RENEWABLES GENERATION

Egypt is a top-tier renewable player in Africa, holding a share of 11.5% of the continent's renewable generation in 2024. Egypt's total installed capacity of renewable energy has climbed to 7.7 GW in FY 2023/24, according to the NREA. Egypt is not just an African renewable leader; it is poised to become the energy gateway between Africa, the Middle East, and Europe if it continues to sustain growth momentum and diversifies its renewable mix. Egypt has the most balanced renewable energy mix in Africa, with hydro (55%), wind (21%), and solar (22%). Most of the African countries depend on only one renewable source, according to the Statistical Review of World Energy 2025.

Egypt's Share of Africa's Renewable Supply in 2024



Renewables Production Remarks (TWh)

	Africa	Egypt
2023	224.2	26
2024	230.8	26.6

PROMINENT INVESTMENTS & PROJECTS

Egypt's accelerated shift towards renewable energy unlocks substantial investment opportunities, especially in solar and wind projects. The government has undertaken a comprehensive program to rebuild infrastructure and enhance the legislative framework to encourage the private sector and international financing bodies to implement renewable energy projects. Strategic projects such as the Benban Solar Park and large-scale wind farms on the Red Sea are setting benchmarks, while public–private partnerships continue to expand the investment landscape.

In 2024, Egypt emerged as Africa's leading destination, capturing 4 of 7 major projects in Africa. Among them are a $3.8 billion undersea power transmission cable, a $2.5 billion hybrid wind and solar plant, and a $2.2 billion onshore wind project, as highlighted in the World Investment Report 2025.

In line with the state's commitment, the NWFE program has secured EGP 4 billion in development financing over two and a half years for the local and foreign private sector. This contributes to increasing FDI in the renewable energy sector and strengthens Egypt's position as a regional energy center. These funds have helped finance projects with a capacity of 4.2 GW, out of a total of 10 GW targeted by the program until 2028, as highlighted by the Ministry of Planning, Economic Development, and International Cooperation.

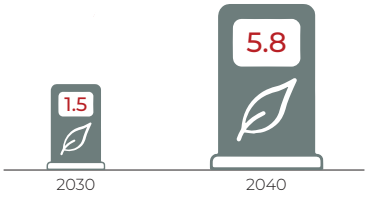
Mega Renewable Projects

	West Suhag Wind Farm	Hurghada Wind Power Plant	Shadwan Wind Power SAE	Abydos Solar PV Plant	Obelisk Solar Project
Partners	MASDAR / INFINITY POWER / HASSAN ALLAM UTILITIES	ACWA POWER	Scatec	AMEA POWER	Scatec
Investments	$10 billion	$2.3 billion	$1 billion	$850 million	$600 million
Generation Capacity	10 GW	2 GW	900 MW	1,500 GWh	1 GW

EMERGING LOW-CARBON FUELS IN EGYPT

Egypt is positioning itself as a leader in green hydrogen, leveraging its abundant solar and wind resources. In August 2024, Egypt launched its National Low-Carbon Hydrogen Strategy in cooperation with the European Bank for Reconstruction and Development (EBRD). The plan targets a major share of the tradable hydrogen market and outlines an investment need of about $60 billion. According to the Egyptian Cabinet, the strategy will also boost Egypt's gross domestic product (GDP) in the order of $10-18 billion by 2040.

Targeted Annual Production (mmt/y)



Expected Contribution to the Tradeable Low-Carbon Hydrogen MArket

Export **3.8** mmt

Share in the Anticipated Tradable Low-Carbon Hydrogen Market **5%**

GREEN HYDROGEN

Egypt is advancing its hydrogen economy through the launch of low-carbon projects and the accelerated deployment of hydrogen technologies, aiming to establish itself as a key player in global energy transition efforts. The Suez Canal Economic Zone (SCZONE) has become the focal point for these initiatives, supported by international partnerships that strengthen Egypt's position for green fuel investments in Africa and the Middle East.

Egypt has long pursued green hydrogen cooperation through multiple agreements with international partners. Building on this track record, the government advanced a major program in February 2024 by signing seven memoranda of understanding (MoUs) with international developers in the SCZONE.

The state-led initiative targets about $40 billion in investments over ten years, starting with a $12 billion pilot phase and $29 billion for initial development, positioning the SCZONE as a leading platform for green hydrogen and renewable projects, according to the Egyptian Cabinet.

GREEN AMMONIA DEVELOPMENT

Egypt has identified green ammonia as a key driver in advancing its decarbonization targets and supporting the transition to a sustainable economy. The country is positioning green ammonia as a clean energy source for shipping, aligning with its strategy to attract investment and boost development.

Egypt marked a milestone in November 2023 by exporting the world's first shipment of domestically produced green ammonia, underscoring its ambition to become a global leader in clean fuels, according to the Egyptian Cabinet. The shipment was delivered from the SCZONE to India by Fertiglobe, in partnership with the Sovereign Fund of Egypt (TSFE), Scatec, and Orascom Construction. The project in Ain Sokhna is designed to produce 15,000 tons per year (t/y) of green hydrogen, which serves as feedstock for up to 90,000 t/y of green ammonia.

Major companies are poised to invest billions in Egyptian green ammonia and green hydrogen projects that could produce millions of tons of green fuel. Several partnering companies have drawn up a framework for agreement and investment and are preparing studies to build their projects in the SCZONE.

Several agreements have been signed between international companies and the SCZONE, the TSFE, GAFI, EETC, and NREA to produce green ammonia.

Major Green Ammonia Investments in Egypt (2023-2024)

Company	bp, MASDAR, HASSAN ALLAM UTILITIES, INFINITY POWER	DAI Shaping a more livable world.	OCIOR ENERGY	TAQA, voltalia	HYnfra	BPI Benchmark Power International	John Cockerill, Scatec & partners
Investment Value	$14 billion	$11 billion	$4.25 billion	$3.46 billion	$1.6 billion	$1 billion	>$900 million

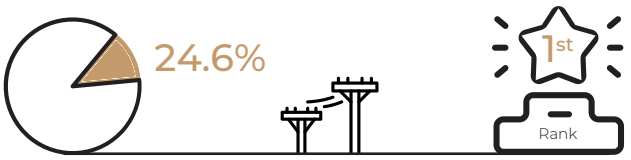
Egypt
Lighting Up Africa

Egypt Lighting Up Africa

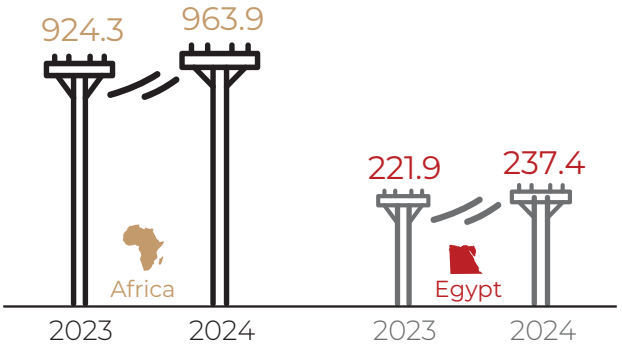
ELECTRICITY GENERATION GROWTH

Africa's electricity production recorded moderate growth between 2023 and 2024, expanding by 4.3%. Egypt outpaced this trend, with production increasing by 7% over the same period. As a result, it ranked 1st among all African countries, according to the Statistical Review of World Energy 2025. This leading position reflects the country's substantial generation capacity and its ability to maintain growth. It further underscores Egypt's role in advancing Africa's energy security, regional interconnection, and long-term power sector development.

Egypt's Contribution to the Overall Electricity Generated by Africa in 2024



Electricity Production (TWh)



ELECTRICITY INVESTMENTS

Egypt's electricity and renewable energy sector is witnessing a significant scaling-up of investments. The FY 2025/26 plan targets EGP 136.3 billion of total investments to electricity, almost double the allocations of the previous fiscal year and notably higher than the actual spending of EGP 95.8 billion in 2023/2024. This sharp upward trajectory reflects the state's strategy to accelerate energy transition and infrastructure modernization.

The FY 2025/26 plan also highlights a dominant public sector role, with 73% of investments versus 27% from the private sector, underscoring Egypt's continued reliance on state-owned entities for large-scale projects, while private participation remains comparatively limited, according to the Ministry of Planning, Economic Development, and International Cooperation.

In 2024, two MoUs were signed under the Build–Own–Operate (BOO) system to generate electricity from renewable sources, with a total capacity of 5,200 Megawatt (MW) —comprising 3,100 MW of wind energy and 2,100 MW of solar energy. The agreements were concluded between the EETC and the New and NREA on one side, and Alcazar Company on the other, to initiate studies and assessments for a wind energy project with a planned capacity of 2 GW, according to the Egyptian Cabinet.

Foreign Investments in the Electricity Sector

2023

Partners	Finance	Aims
KFW	€76 million	Implementing Key Electricity Projects

2025

Partners	Finance	Aims
AFD AGENCE FRANÇAISE DE DÉVELOPPEMENT + EU	€6 million	Establishing the Regional Control Center Project in Alexandria

COOPERATION & INTERCONNECTIONS

The FY 2025/26 plan aims to expand interconnection capacity nearly fivefold, from 780 MW at present to approximately 3,900 MW, thereby strengthening Egypt's role in regional power exchange and integration.

In parallel, Egypt is advancing its strategic outreach to Europe through the planned Egypt–Cyprus–Greece corridor. The first phase entails laying a 1,650 km submarine cable, providing Europe with direct access to North African electricity resources. Collectively, these projects not only diversify Egypt's energy export markets but also enhance its geopolitical influence, positioning the country as a transcontinental energy bridge connecting Africa, the Middle East, and Europe, according to the Ministry of Planning, Economic Development, and International Cooperation.

Outlook & Strategic Recommendations

Outlook & Strategic Recommendations

Egypt's energy sector is poised to consolidate its role as Africa's primary gateway for investment, trade, and regional integration. The country's energy investment outlook is positive and strongly focused on new and renewable energy, especially solar and wind, with significant growth projected over the next decade. Egypt aims to increase renewable energy's share to 42% by 2035 and has a target of 29.7% for 2027, backed by public and private sector investments and international support through initiatives like the NWFE platform. Key developments include commencing nuclear power utilization, large-scale green hydrogen projects, and a focus on energy export markets and grid modernization.

Leveraging its strategic geographic location between the Mediterranean, the Red Sea, and the African hinterland, Egypt offers investors access to both mature and emerging energy markets. Egypt's targeted diversified energy mix, spanning natural gas, oil, renewables, and green hydrogen, will position it to meet rising domestic demand and export surpluses to Europe, Asia, and neighboring African states.

STRATEGIC RECOMMENDATIONS

To strengthen Egypt's position as Africa's premier energy gateway, a holistic strategy for energy investments is essential. Policymakers have a great role in continuing to streamline licensing and providing a favorable investment climate. At the same time, investors are encouraged to diversify beyond traditional oil and gas into solar, wind, and green hydrogen projects, leveraging Egypt's vast renewable resources and export potential.

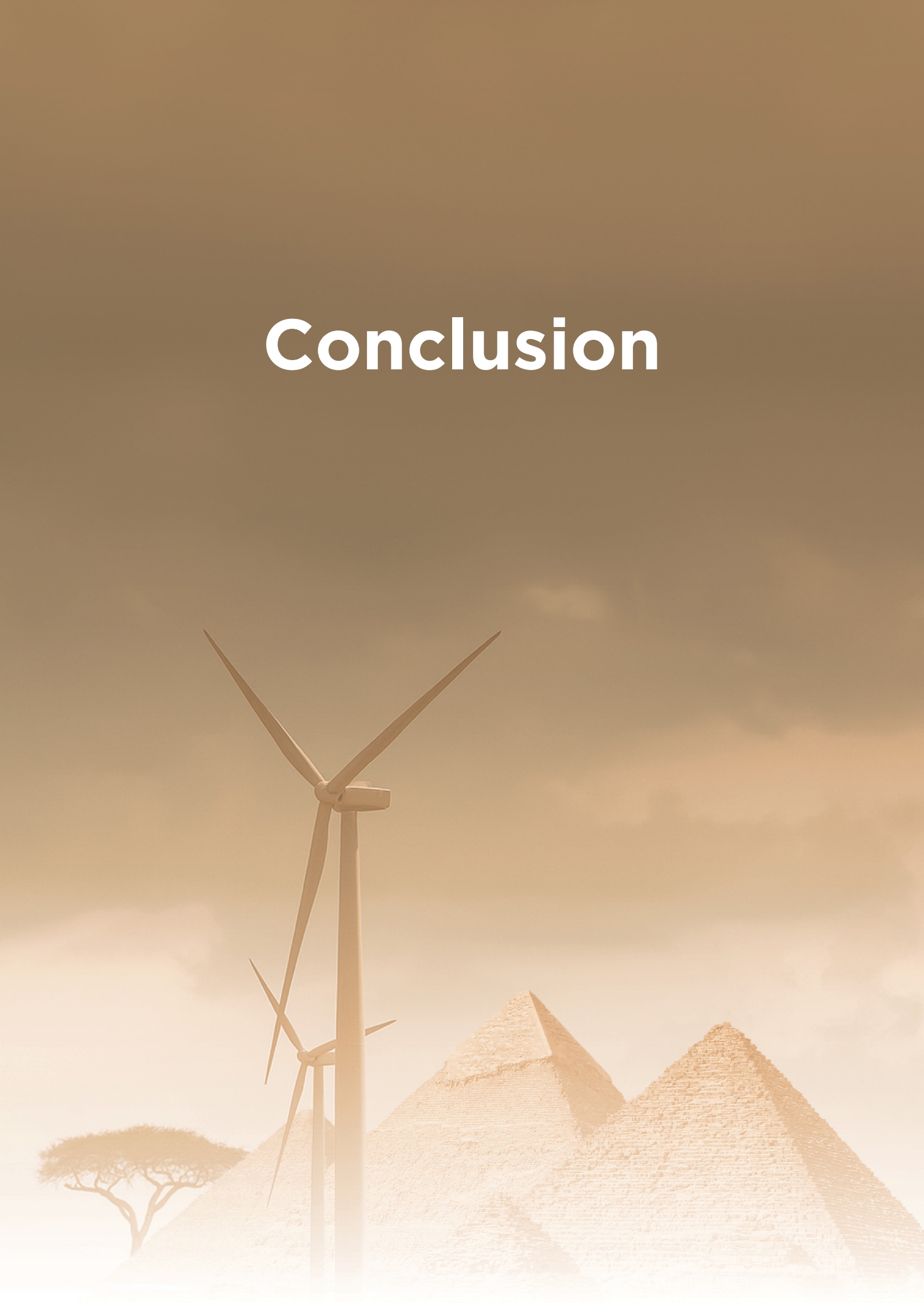
Public-private partnerships and blended finance mechanisms, including green bonds and climate funds, can de-risk large-scale projects while fostering technology transfer and local content. In parallel, deploying advanced digital, low-carbon, and energy-efficiency technologies across upstream, midstream, and power operations will improve competitiveness and accelerate Egypt's energy transition. Together, these measures can unlock sustainable growth and position Egypt as the continent's most attractive destination for energy investment.

Main Stakeholder

Priority Action

Government & Regulators	
Streamline approvals & digitalize licensing	Offer stable fiscal and legal frameworks
Accelerate cross-border infrastructure & interconnectivity	
Investors & Operators	
Enter JVs	Adopt advanced digital & low-carbon tech

Conclusion



Egypt has emerged as Africa's foremost gateway for energy investment, leveraging its strategic location, diversified energy resources, and advanced infrastructure to consolidate its role as a regional and global hub. The hydrocarbons sector continues to anchor the energy system, supported by upstream exploration, new discoveries, and strong refining capacity. Yet, the decline in natural gas output, down 17% in 2024, combined with reduced LNG exports by 80% in FY 2023/24, highlights the urgent need to accelerate exploration and adopt more flexible investment frameworks to safeguard supply security and competitiveness.

At the same time, Egypt is advancing a strong clean energy agenda. Installed renewable capacity has nearly doubled in less than a decade to reach 7.7 GW in FY 2023/24, which now accounts for 11.5% of Africa's renewable generation.

Egypt's evolving power sector reflects a transition from capacity expansion toward a more integrated and strategic energy model. By planning to raise interconnection capacity nearly fivefold, the country is positioning itself as a central link in transregional electricity trade, enhancing both reliability and geopolitical weight. In parallel, the National Low-Carbon Hydrogen Strategy demonstrates a clear commitment to low-carbon fuels. These initiatives collectively signal a structural shift in Egypt's energy policy, aimed at diversification, resilience, and long-term global competitiveness.

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