

# Egyptians Face a Difficult Holy Month This Ramadan as Food Prices Skyrocket

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Brief Analysis

**Runaway inflation, currency devaluation, and unprecedented foreign debt could make this holiday the most challenging one in years, especially for low-income households.**

For Egyptians and Muslims around the world, the month of Ramadan is a time of fasting, prayer, charity, and gatherings with family and friends. Yet Egypt's already severe economic challenges are only likely to grow this month. High demand for traditional Ramadan foods such as meat, poultry, vegetables, and sweets tends to increase prices even as people already struggle to provide basic necessities for their families. Since 2022, the price of food items has increased by 16%. As a result, it will be even more challenging for low-income households to access the food and supplies they need during the month of Ramadan.

A drastic rise in food prices is part of the country's ongoing runaway inflation. On March 9, the Central Bank of Egypt **announced** (<https://www.elaosboa.com/784591/>) that the annual core inflation rate reached about 40.3% at the end of February 2023—an increase from the official rate of 31.2% at the end of January. This hike in inflation follows a series of Egyptian pound devaluations amid foreign currency scarcity and persistent delays in bringing food imports into the country. The government has **devalued** (<https://sa.investing.com/analysis/article-200474738>) its currency three times over the past six years, first in November 2016—slashing the value of the pound by 57%—and in March and October of 2022, losing 15% and 57% of its value respectively. Aid is further limited for citizens by the likely decrease of the intensive charitable activities typically carried out by organizations and individuals during Ramadan as the country's economic situation worsens.

Moreover, the country's unprecedented foreign debt has put significant pressure on the economy. In 2022-2023, more than 50% of the budget was allocated to debt service and loan payment, siphoning funds away from basic services. This percentage is only expected to increase as Egypt's IMF loan is denominated in dollars and the pound continues to weaken. Reduction of basic food subsidies is also a result of IMF financing conditionality.

While the government has recognized the expected pressure on food prices, its attempts to alleviate pressure on Egyptians during Ramadan have been limited and will only provide a temporary fix to the country's food crisis. For instance, the government decided to reinstate Madaat al-Rahman, an Islamic tradition of distributing food to the needy during Ramadan after it was previously disrupted by the COVID-19 pandemic and government security policies. In contrast to previous years, however, citizens must obtain permission from both the local municipality and **security forces** (<https://www.youtube.com/watch?v=09XakLGrTOI>) in order to provide the assistance. Such a requirement will undoubtedly limit the number who receive Madaat al-Rahman this year and exacerbate the suffering of those unable to secure this aid.

Other efforts have included the government's opening of discounted "Ahlan (Welcome) Ramadan" markets to secure the delivery of food commodities at reduced prices for citizens. The number of these exhibitions—which are organized by the Ministry of Supply

and Internal Trade—reached 341 by February 19, and all products and food commodities are being sold at discounts of up to 30%.

Still, many citizens have complained on social media that they could not buy everything they needed at the markets, since customers are only allowed specific amounts of food items. For example, an individual buyer is only permitted one bottle of oil, and a family of more than four is allowed two kilograms of sugar and rice. Many citizens have also complained that prices in these markets are not competitive with those in regular stores. The situation has even motivated the pro-regime television anchor Ahmed Moussa **to urge** (<https://www.youtube.com/watch?v=7ihjeHa1o2E>) the minister of supply to further reduce the prices of several food items.

The impact on specific foods can be even more severe. While meat is an important element of *iftar* meals to break the fast, an unprecedented rise in the price of poultry has pushed the government to import **around 50,000 tons** (<https://www.haaretz.com/middle-east-news/2023-03-02/ty-article/.premium/chickens-from-brazil-fish-from-russia-but-egypt-still-has-nowhere-to-import-dollars-from/00000186-a203-d6b7-a3de-fb1774cf0000>) of frozen poultry from Brazil to provide a “strategic inventory” for Ramadan.

Before the dollar crisis, the poultry industry was stable in Egypt. But the severe rise of the dollar value against the pound has forced poultry fodder prices to skyrocket, making it very difficult for the government to import poultry and consequently damaging the industry. Some citizens complained that the imported Brazilian poultry was not safe for human consumption, and many **wondered** ([https://www.reddit.com/r/Egypt/comments/11cv3i8/are\\_the\\_brazilian\\_chickens\\_safe/](https://www.reddit.com/r/Egypt/comments/11cv3i8/are_the_brazilian_chickens_safe/)) why chickens raised in Brazil and shipped to Egypt are cheaper than Egyptian chickens. In response, television anchor Amr Adib appeared on a recent broadcast **eating** (<https://www.gulftoday.ae/news/2023/02/27/tv-presenter-adib-dispels-egyptians-doubts-and-eats-brazilian-chicken-on-live-show>) Brazilian chicken in response to those who doubted its quality. Still, many see the government’s move as unwise, since the import of frozen poultry along with the severe shortage of fodder will mean further destruction of Egypt’s poultry industry.

Stress on the meat industry has also led to further political involvement in the sector. The Ministry of Interior, for example, **decided** (<https://www.maspero.eg/egypt/2023/01/30/330501/%D8%A7%D9%84%D8%AF%D8%A7%D8%AF%D9%84%D9%8A%D8%A9-%D8%AA%D9%8F%D8%B9%D9%84%D9%86-%D8%A7%D8%B3%D8%AA%D9%85%D8%B1%D8%A7%D8%B1-%D9%85%D8%A8%D8%A7%D8%AF%D8%B1%D8%A9-%D9%83%D9%84%D9%86%D8%A7-%D9%88%D8%A7%D8%AD%D8%AF-%D8%AD%D8%AA%D9%89-%D9%86%D9%87%D8%A7%D9%8A%D8%A9-%D8%B4%D9%87%D8%B1-%D8%B1%D9%85%D8%B6%D8%A7%D9%86-2023>) to continue its “We are all one” initiative originally launched in 2018. Through coordination with major commercial chains, the ministry provided quality food commodities at prices lower than those in the market, by 20-30%. Some have also sought to profit off the price hikes; although **Article 11** (<https://marsd.daamdh.org/2018/02/15/1676/>), Law 40/1977, on Egypt’s political party system prohibits parties from practicing commercial activities that seek profit, the centrist pro-regime Hamat al-Watan party **imported several shipments of meat from Chad** (<https://www.xtrempoint.com/chad-joins-egypts-hamata-watan-party-to-resolve-meat-crisis/>) at 55 tons per shipment. The transaction was directly coordinated by the party and Chad’s State Ministry of Agricultural Production and Reformation.

With government measures unable to put an end to popular frustrations, pro-regime media have attempted to disseminate a positive atmosphere among citizens while encouraging wealthy people to double their donations this year. Amr Adib **maintained** (<https://www.shorouknews.com/news/view.aspx?cdate=19022023&id=88db3400-3a31-437a-a734-540ffeb4181a>) on MBC that business figures had made a lot of profit from the Egyptian people, and now it is “their turn to repay” them. Other media anchors such as Moussa and Nashaat El Diehy underscored the current efforts exerted by charity organizations in coordination with the government to alleviate the impact of prices during Ramadan.

Still others took a different approach: anchors such as Lamis al-Hadidi and Sayed Ali asked viewers to stop complaining since the economic crisis is global in nature and not limited to Egypt. And anchor Tamer Amin provided an unorthodox suggestion on Al Nahar TV, advising Egyptians to eat horse and donkey meat in the face of rising meat prices. He pitched horse as a Parisian delicacy and emphasized that sharia law does not mention any prohibitions against eating donkey or horse meat.

Despite these government efforts and media messages, however, inflation is likely to accelerate and push food and fuel prices still higher. The temporary initiatives to confront this inflation during Ramadan are also insufficient to resolve the roots of Egypt’s economic quandary. Instead, the country’s heavy reliance on imported food rather than local agriculture to feed its population of 100 million people must be addressed. The government should work to achieve self-sufficiency—especially in the field of agriculture—by securing a supply of basic food commodities less susceptible to price fluctuations from a weak Egyptian pound. By increasing

domestic food production, the government can create affordable domestic alternatives for basic products. This could in turn reduce the government's reliance on the dollar, which it uses to import items from abroad.

The government must also rationalize its current expenditures, reevaluating the large sums put toward unproductive megaprojects in the face of Egyptians' suffering and the severe deterioration in the pound's value. In such challenging economic conditions, the government needs to be more transparent about the way it spends its funds to regain the trust of the disappointed people who bear the consequences of poor planning and management. Otherwise, the situation will continue to deteriorate, and a hunger revolution may appear on the horizon. ❖

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