

Is Egypt Headed Toward Collapse?

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The country has been described as “too big to fail,” but further deterioration is possible amid mounting debt, major inflation, and delayed military divestment.

The late February reception of the American Chamber of Commerce in Egypt was a swanky affair. Wine flowed in the majestic foyer of the new Grand Egyptian Museum, the buffet brimmed with sushi, and a harpist played soothing music. Despite the festive environs, however, the Egyptian businessmen I met were despondent. These commanders of industry were in a dour mood because the Egyptian economy was in freefall. Today’s precipitous decline was set in motion nearly a decade ago, when Cairo embarked on an unsustainable spending spree, borrowing money for profligate outlays on weapons, megaprojects, and infrastructure. Making matters worse, during this period the military’s role in the economy dramatically expanded, choking off the private sector and disincentivizing foreign direct investment. The downward trajectory of the most populous Arab country should concern Washington greatly...

[Read the full article on the National Interest website. \(https://nationalinterest.org/feature/egypt-headed-toward-collapse-206453\)](https://nationalinterest.org/feature/egypt-headed-toward-collapse-206453) ❖

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