

UAE, Egypt sign \$500m wheat deal

By [Sarah El Safty](#)

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UAE-based agribusiness Al Dahra and the Abu Dhabi Exports Office (ADEX) have signed a \$500m deal to supply Egypt with wheat, a statement said on Monday.



Source: [fabrikasinf](#) via [Freepik](#)

The five-year agreement, worth \$100m per year will provide Egypt with imported milling wheat "at competitive prices."

Egypt, a major buyer of basic commodities, has been suffering from a foreign currency crunch after the Ukraine war delivered a broad shock to its economy.

Egypt's currency has tumbled by about 50% against the dollar and official headline inflation has soared to an all-time high of 36.5%. The country started deferring payments for wheat imports and has been facing an increasingly difficult task of raising cash for foreign debt repayments.

"The low-cost financing package from ADEX helps us procure high quality wheat at the lowest cost financing available, with

comfortable payment terms," Egypt's supply minister Ali Moselhy said in a statement.

Many recent wheat purchases have been made with loans from the International Islamic Trade Finance Corporation (ITFC), which last year doubled a credit facility extended to Egypt to \$6bn, and from the World Bank, which funded wheat imports earlier this year. The finance ministry said funding for subsidies on food, mostly bread, will rise 41.9% to E£127.7bn Egyptian pounds (\$4.1bn) in the fiscal year from July 2023 to June 2024.

Under the deal, Al Dahra will supply Egypt with imported wheat as of this year. The Emirati company already supplies the government with locally produced wheat via its Egyptian subsidiary, which farms 28,000 hectares in Egypt.

ADEX is the export financing arm of governmental agency Abu Dhabi Fund for Development.

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