

Egypt's New Budget is Between Misleading Numbers and the Absent Truth

(Translated)

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On 16 June 2025, the Egyptian Member of Parliament Diaa El-Din Dawoud rejected the draft general budget for the fiscal year 2025/2026, pointing out that the government claims to be reducing public debt, while the figures show the opposite. He noted that domestic and foreign debt has increased significantly since 2018, reaching a total of 11.5 trillion Egyptian pounds in June 2024. He explained that the deals announced by the government do not translate into tangible results felt by the people, criticizing the continued use of the same economic policies. He also pointed out that debt revenues and installments alone in the new budget amount to around 4,382.6 billion Egyptian pounds.

In a public session of the Egyptian parliament, MP Diaa El-Din Dawoud made a notable statement as he firmly rejected the state's new general budget for the fiscal year 2025/2026. He exposed a stark contradiction between the government's claims of reducing public debt and the official figures, which indicate a dangerous rise in both domestic and foreign debt, with the total public debt reaching around 11.5 trillion Egyptian pounds. Dawoud pointed out the painful irony that Egyptians feel no improvement, despite repeated talk of deals and investments.

Despite the importance of these stances, they remain confined to superficial diagnoses of the symptoms, without addressing the root of the illness, merely protesting policies without questioning the capitalist system that produces these burdensome budgets in the first place. Therefore, it is a Shariah obligation upon the Ummah to present a fundamental Islamic vision for dealing with public funds, budgeting, and public debt in order to distinguish truth from falsehood, and real solutions from mere patchwork fixes.

The Egyptian budget is based on a purely capitalist model, governed by agreements with the International Monetary Fund (IMF) and the World Bank, whereby the state becomes subject to external dictates under the pretext of "economic reform." In this model, the budget turns into a tool for collecting taxes and servicing debt, instead of caring for people's affairs, guaranteeing their rights, and fulfilling their needs.

Tax revenues account for more than 85% of total public revenues, which is an illegitimate form of collection according to Islamic Shariah Law, as it is not based on the Shariah rulings regarding the state's financial sources.

Debt expenses alone consume more than 65% of the budget in the form of installments and interest-based returns. This means that the state functions as an intermediary for repaying riba loans, rather than acting as a guardian of the people's affairs.

This structure reveals that the Egyptian state does not exercise true governance, but instead functions as an executive agent for the interests of foreign creditors under the guise of reforms, while the poor grow poorer and the people's resources are plundered under the banner of investment.

The state claimed it was moving toward reducing the debt-to-GDP ratio, but the figures contradict that claim. Domestic debt rose from 3.4 trillion to 8.7 trillion Egyptian pounds in six years, and external debt from 844 billion to 3.7 trillion pounds, amounting to nearly a threefold increase in total debt. This situation reflects not only poor financial management, but also a complete lack of adherence to Islamic principles. Usury (riba) is categorically forbidden in Islamic texts, and borrowing from disbelievers is prohibited not only because it involves riba, but because it places the state in political and economic subservience, which is forbidden in Islam, as it constitutes reliance on disbelievers in a way that leads to their dominance.

Dawoud criticized the government's announced deals for lacking tangible results and he is right. However, in reality, these are not developmental deals; rather, they are sovereign exchanges that squander state assets under the guise of investment. Privatizing profitable public companies such as Heliopolis Company, Arabian Cement, Banque du Caire, as well as gas fields and coastal areas at bargain prices violates Islamic Shariah rulings that prohibit the privatization of public property, as it belongs to the Ummah. The Prophet (saw) said, «الْمُسْلِمُونَ» **“Muslims share ownership in three things: water, pasture, and fire,”** and this includes minerals, energy resources, and public utilities. These deals are not

solutions to the crisis; they are a systematic dismantling of the state's economic structure in favor of local and foreign capitalists.

The solution does not lie in drafting new budgets within the capitalist framework, nor in adjusting revenue or expenditure ratios. Instead, it lies in uprooting this system entirely and establishing the Khilafah Rashidah (Rightly-Guided Caliphate) that implements Islam's economic system. Under the Islamic State, taxes are not imposed on the people to cover deficits; instead, the state relies on Shariah sources of income. There is no interest-based borrowing, nor any dealings with colonialist, usurious institutions such as the International Monetary Fund or Western banks.

The state will work to cancel all interest-based public debt, as its foundation is invalid in Sharia; it is neither recognized nor passed on to the Ummah. Instead, those responsible for incurring such debt will be held accountable. The Khilafah (Caliphate) will also manage resources, public utilities, water, energy, and mines as public property that may neither be sold nor privatized. These resources must be used to care for the people's affairs, not to serve creditors.

Dawoud expressed a genuine pain, but he did not move beyond surface-level criticism to a deeper, fundamental diagnosis. As Muslims, it is our Shariah obligation to declare that the problem does not lie in the numbers, nor in who rules, but in how they rule. Today, governance is not based on Islam, but on the secular capitalist system, which produces poverty, debt, privatization, and corruption. There is no salvation for Egypt or for any other Muslim country except through the Khilafah Rashidah, which upholds the Deen, implements the Islamic economic system, and restores the Ummah's sovereignty over its resources.

O soldiers of Egypt, O descendants of 'Amr ibn al-'As (ra)

You are the shield and sword of the Ummah, its strong fortress in times of hardship, and the vigilant guardians of its Deen, security, and dignity.

You are the sons of this Ummah, its flesh and blood, and upon your shoulders rests a great trust and a heavy responsibility: to protect the Deen, defend the sanctities of the Muslims, and prevent the domination and control of enemies over your lands and resources.

What Egypt is experiencing today, its deterioration, collapse, and humiliating subservience to Western institutions and funds is not a destined fate. Instead, it is a direct result of the absence of Islamic governance, and the country's submission to a ruthless capitalist system that knows nothing but exploitation of peoples and the plundering of their resources.

O soldiers of Egypt, do not be a shield for those who have betrayed and sold out. Do not be a sword in the hands of those who have mortgaged the land and its people to foreign lenders. Do not be a protector of those who have violated the wealth and livelihoods of the people, under the guise of reform and budgeting.

Do not allow your weapons to be used in entrenching this falsehood. Do not tarnish your honor by defending a system that serves only the interests of the enemies. Instead, be as Allah (swt) intended you to be: protectors of your Ummah, striving sincerely to establish the Khilafah Rashidah upon the Method of Prophethood; a state that rules by the Shariah Law of Allah (swt), liberates the Ummah from subjugations, returns wealth and resources to their rightful owners, truly cares for the people's affairs, and carries Islam as a message of guidance and light to the world.

O soldiers of Egypt,

The nussrah (military support), that Allah (swt) awaits from you, is not support for a flag or borders. Instead, it is nussrah for the Deen, nussrah for the call of truth, and nussrah for the great Islamic civilizational project. So be its people, and do not miss the greatest opportunity to inscribe your names in the eternal register of good deeds, securing Islam and its state, the Khilafah Rashidah upon the Method of Prophethood. May Allah (swt) hasten its establishment and make you, O soldiers of Egypt, its Ansar (supporters).

﴿يَا أَيُّهَا الَّذِينَ آمَنُوا اسْتَجِيبُوا لِلَّهِ وَلِلرَّسُولِ إِذَا دَعَاكُمْ لِمَا يُحْيِيكُمْ﴾

“O believers! Respond to Allah and His Messenger when he calls you to that which gives you life.” [TMQ Surah Al-Anfal 24]

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