

Impact of Egypt's Declining Growth Birth Rate on Savings, Investments, and Asset Management

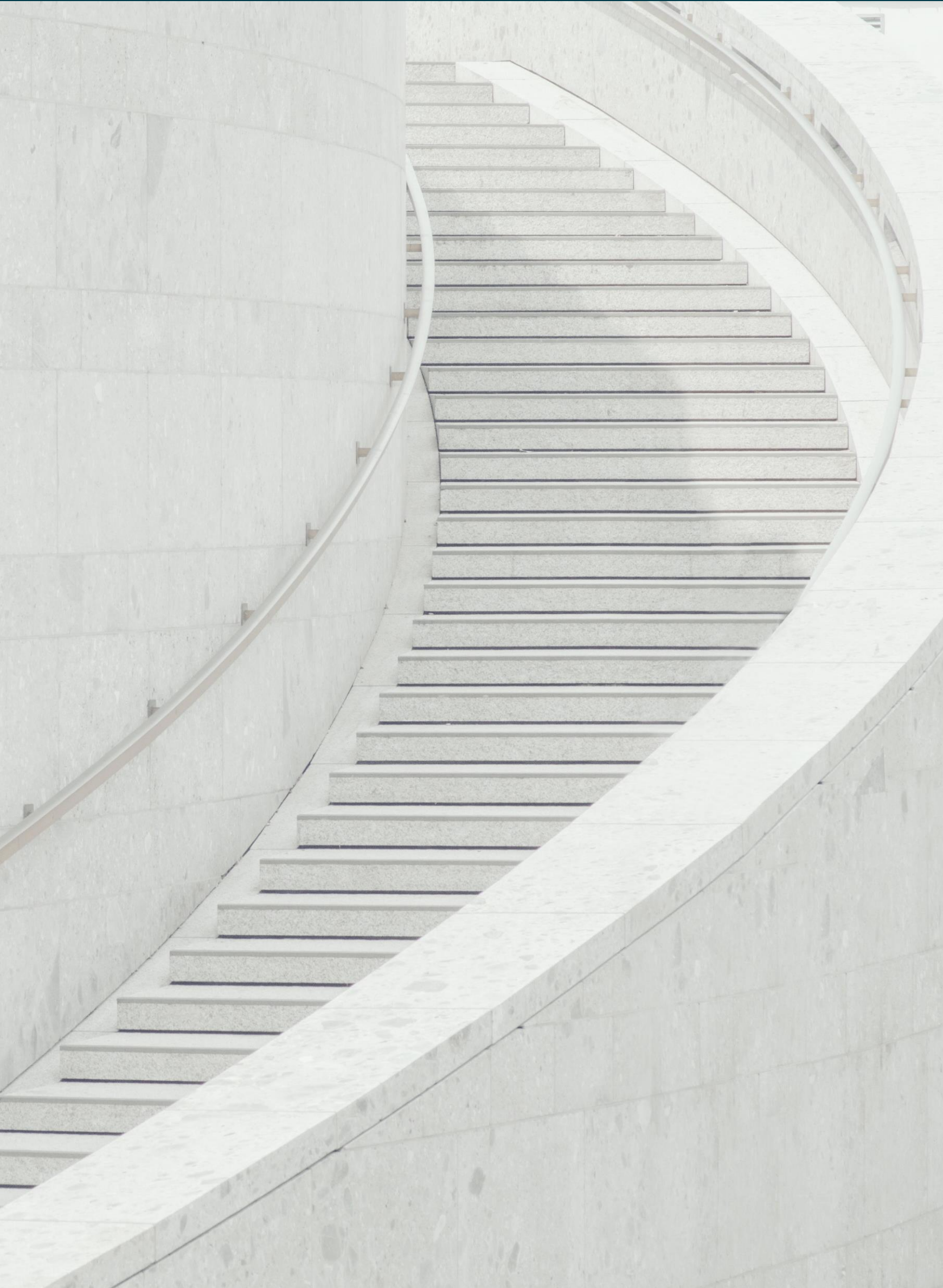


TABLE OF CONTENTS

1. EXECUTIVE SUMMARY
2. DEMOGRAPHICS IN EGYPT
3. SAVING AND INVESTMENT
PATTERNS OF EGYPTIANS
4. ECONOMIC OUTLOOK IN THE
MEDIUM TERM
5. HOW WILL THE CHANGE IN
DEMOGRAPHICS AFFECT
INVESTMENT CHANNELS IN THE
FUTURE

Executive Summary |

- Egypt's declining birth growth rate and shifting demographics are significantly reshaping the nation's financial landscape.
- Egyptians are focusing more on wealth preservation rather than wealth growth, prioritizing stable, long-term investments to safeguard against inflation and economic uncertainties.
- The segment of society aged 18 to 30 is increasingly participating digitally in financial markets through platforms like Thndr while older Egyptians are more reliant on traditional savings instruments.
- The economic outlook in the medium term is gradually recovering growth, lower inflation, interest rates, and public debt. Public investment will decline and stabilize in the medium term with the focus shifting to private investment. Rising foreign exchange revenues will help stabilize the FX market and reduce pressures on businesses. This will lead to a rise in real wages and disposable income for the household sector over time directing more resources for personal investments. The main challenge will be the pace of reforms which will decide on the momentum of economic recovery.
- The stock market is seeing increased participation from younger generations, driven by digital trading platforms and alternative investment products.
- The banking sector is seeing increased demand for retirement savings and digital banking solutions.
- The gold sector is shifting towards investment-oriented demand rather than traditional ornamental demand.
- The real estate market is experiencing a shift towards smaller, affordable housing and retirement communities, reflecting changing population dynamics.
- Private insurance funds are witnessing higher enrollment in pension plans.

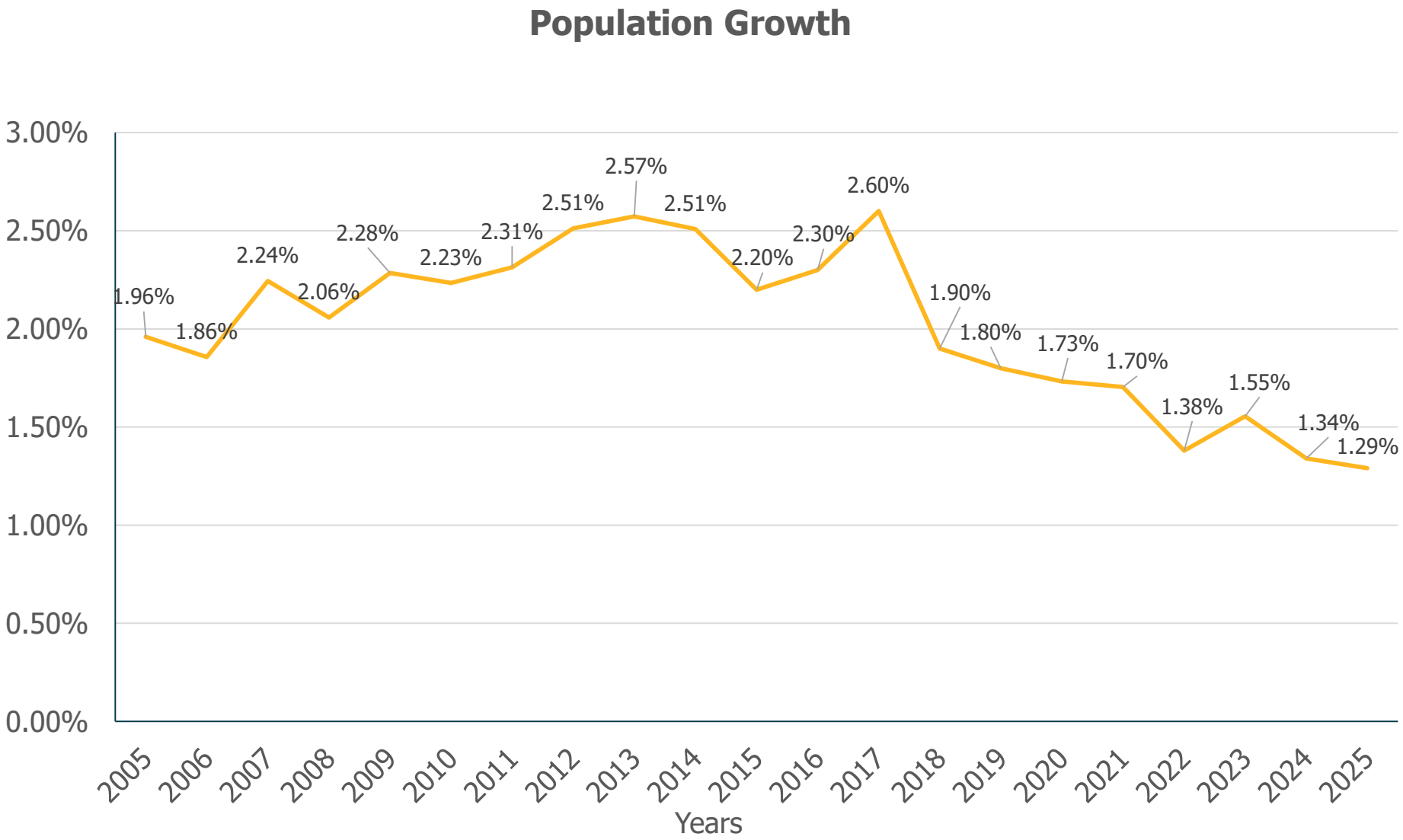
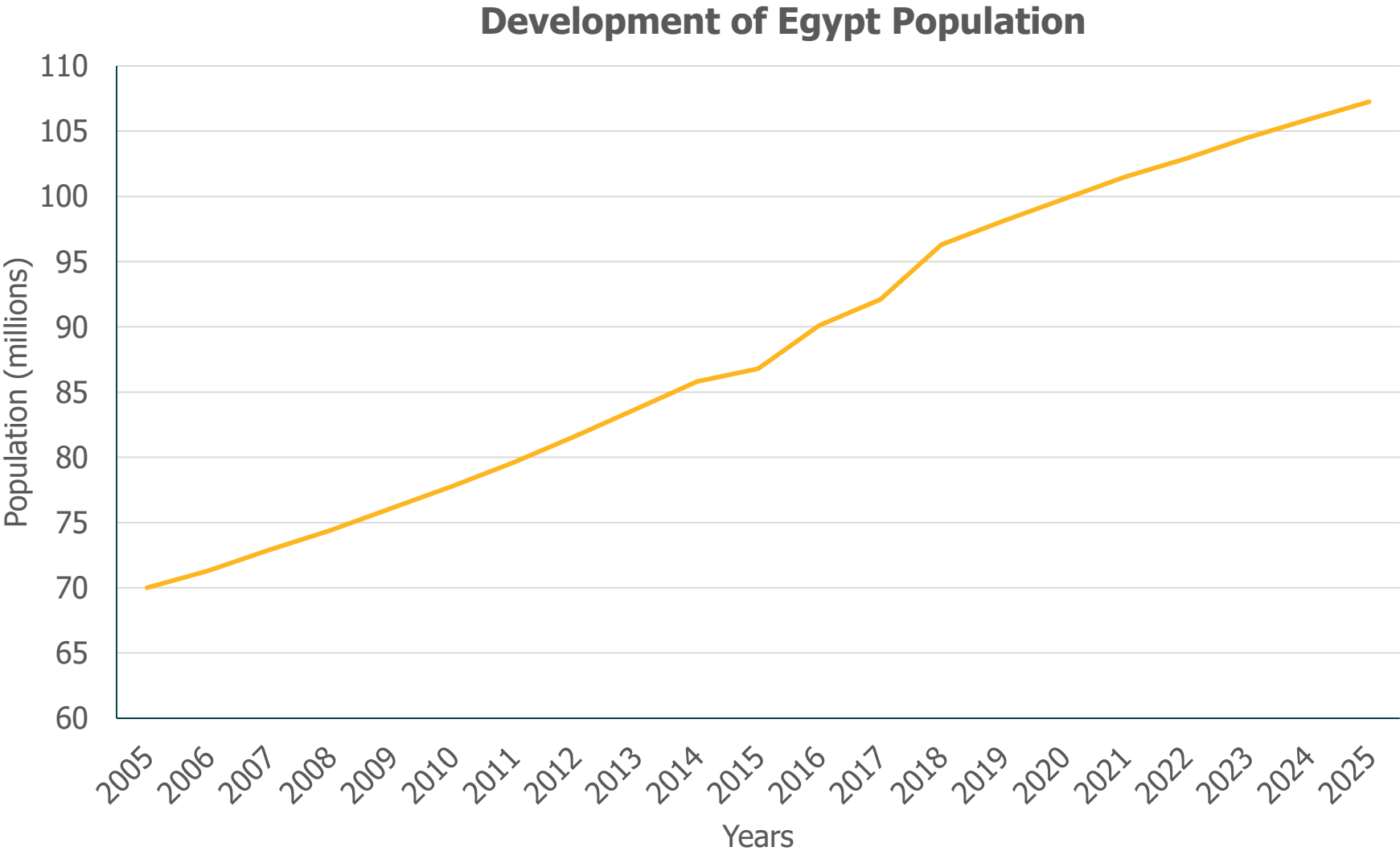


2. DEMOGRAPHICS IN EGYPT

Population Trends in Egypt

Development of Egypt Population

- Egypt’s population grew from 70 million to 107 million in 2025.
- A declining growth rate in recent years shows the impact of higher inflation and lower economic growth in Egypt and socio-economic policies encouraging family planning.
- Population growth rate was 1.96% in 2005, fluctuating until 2014, before peaking at 2.60% in 2017.
- From 2018 onwards, the population growth rate has been declining steadily to 1.29% in 2025.



Sources: CAPMAS and Investia

Demographic Analysis

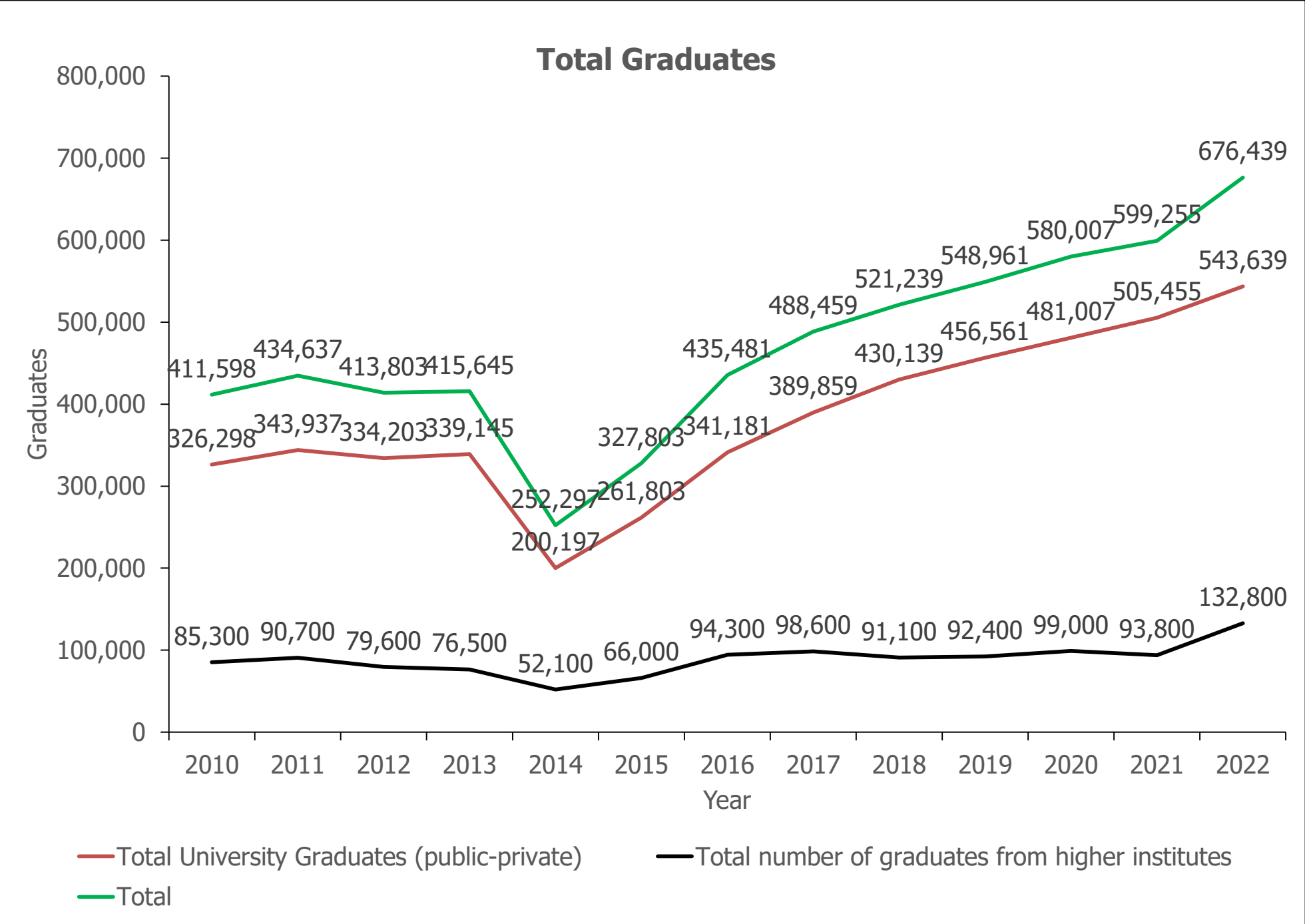
Demographic Analysis: What caused the decrease in growth rate?

- According to a survey conducted by CAPMAS on Egyptian Family Health, the fertility rate in Egypt has shown a noticeable decline. **In 2014**, the fertility rate was recorded at **3.5 children per woman**, which dropped to **2.80 children per woman by 2021**.
- Additionally, the data revealed that the fertility rate continued to decline to **2.76 children per woman in 2022** and **then 2.54 children per woman in 2023**.
- The total number of students graduating from higher institutes in Egypt increased significantly, rising from **85,300 graduates in 2010** to **132,800 graduates in 2022**, representing a notable **56% growth** over the 12-year period.
- Between **2010 and 2022**, the total number of graduates increased by **67%**, rising from **326,298 graduates in 2010** to **543,639 graduates in 2022**.
- In **2014, 2015 and 2016** alone, the number of graduates grew **by 41% , 31% and 30%**, respectively, contributing to a larger proportion of educated individuals.

Factors that caused the decrease in fertility in Egypt:

1. The increase in college and university graduates in Egypt has played a significant role in reducing the fertility rate.
2. Higher education delays the age of marriage as individuals prioritize academic and career goals.
3. Higher education levels correlate with increased career aspirations and workforce participation, especially among women, reducing the likelihood of having larger families.
4. Increased economic distress in recent years, including high inflation and lower growth, and government policies encouraging family planning resulted in smaller families.

Sources: CAPMAS and Investia



Sources: CAPMA and investia

Why is the Declining Growth Rate Important?

Demographic shifts:

- A declining birth rate changes the population structure, resulting for example in a smaller proportion of young people and a growing share of older individuals.
- A slower-growing population eases the strain on natural resources, enabling more sustainable development.
- Families with fewer children can afford to invest more in each child, leading to better education and health which will benefit the economy in the long term.
- Fewer children and dependents per household mean more disposable income, which can be allocated towards **financial goals** like retirement savings, investments, or funds.

Smarter Urban Planning:

- A slower population growth rate allows for better urban planning, reducing overcrowding and pressure on infrastructure which improves resources allocation.
- The Egyptian government should increase the focus on sustainable development and creating “smart cities” which in the long run will decrease the density of the population/Km.

Egypt's Population Pyramid & Generation Characteristics

Baby Boomers born 1946–1964 (61-79 Years old)

Characteristics:

- Born after World War II during significant economic and social changes, including the end of British occupation.
- Value hard work, family, stability, and traditions.
- Loyal to employers, often holding long-term government jobs.
- Shaped by events like the 1952 Revolution and the 1973 War.
- Prefer face-to-face communication and phone calls; less reliant on technology.

Generation X born 1965-1980 (45-60 Years old)

Characteristics:

- Resilient, shaped by political and economic shifts like the October War (1973) and Infitah (1970s).
- Strongly rooted in Egyptian traditions, prioritizing family and community.
- Work-oriented, preferring stable government jobs but adapting to private sector shifts.
- Adapted to technology later; less reliant on it than Gen Z
- Prefer social stability and gradual progress over radical change.

Millennials born 1981-1996(Aged 29–44 old)

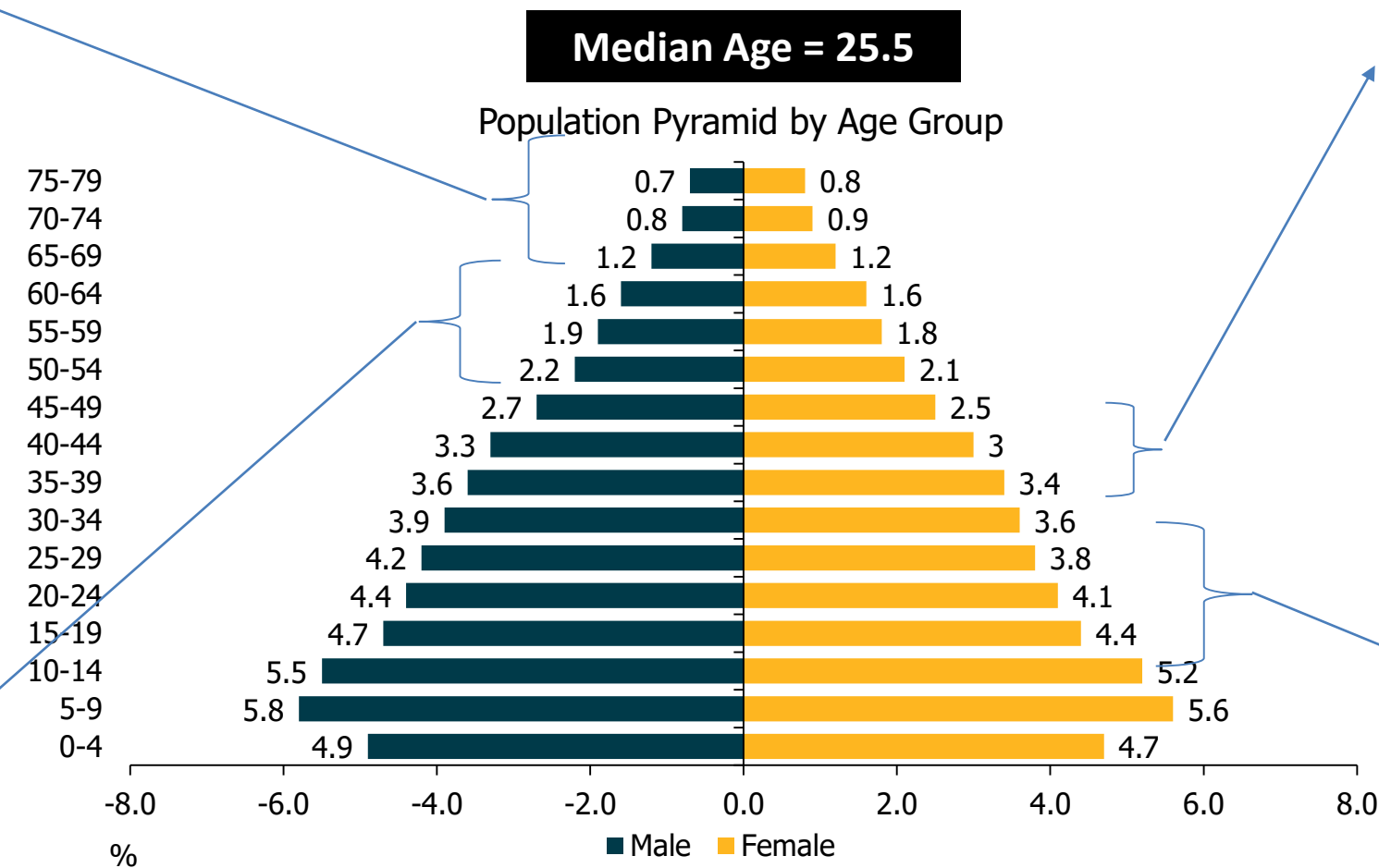
Characteristics:

- Tech-savvy, grew up with the internet, mobile phones, and social media.
- Prefer spending on experiences (e.g., travel) over material possessions.
- Highly educated but face challenges like high education costs and economic pressures.
- Favor flexible jobs with work-life balance and purpose-driven careers.
- Prefer texting and communication apps like WhatsApp and Instagram

Generation Z born 1997-2012(Aged 13–28 old)

Characteristics:

- Tech-savvy, active on social media (e.g., TikTok, YouTube), blending global trends with Egyptian humor.
- Socially conscious, shaped by the Arab Spring, and engaged with issues like education reform and climate change.
- Global outlook with adherence to traditional family values.
- Education-focused but face competition for university seats and evolving job market demands.
- Entrepreneurial, driven by Egypt's growing startup ecosystem and online business opportunities.



The population distribution across generations in Egypt is as follows:

Baby Boomers: 5.8% of the population, approximately 6,206,000 individuals.
 Generation X: 16.2% of the population, approximately 17,334,000 individuals.
 Millennials: 20.9% of the population, approximately 22,363,000 individuals.
 Generation Z: 33.5% of the population, approximately 35,791,500 individuals.

With a total population of 107 million, these figures highlight the significant presence of younger generations, particularly Gen Z, in shaping Egypt's demographic and economic landscape.

Saving & Investment Patterns Across Generations

Baby Boomers born 1946–1964 (61-79 Years old)

Savings Behavior:

- Tend to favor traditional saving methods, such as bank deposits and government bonds.
- Conservative approach, focused on capital preservation and financial security during retirement.

Investment Preferences:

- Prefer low-risk investments like real estate and fixed-income securities.
- Seek stability and consistent returns over high risk options.

Generation X born 1965-1980 (45-60 Years old)

Savings Behavior:

- Balance between saving for retirement and meeting family needs.
- Use employer-sponsored retirement plans and personal savings accounts.

Investment Preferences:

- Favor diversified portfolios, including stocks, mutual funds, and real estate..
- Look for a balance of risk and return, aiming for growth while maintaining stability

Millennials born 1981-1996(Aged 29–44 old)

Savings Behavior:

- Struggle with economic challenges like high living costs and debt, leading to lower savings rates.
- Seek flexible saving solutions and are aware of the importance of saving.

Investment Preferences:

- Tech-savvy and inclined towards fin-tech, online trading platforms, and crypto currencies
- More willing to take risks for higher potential returns.

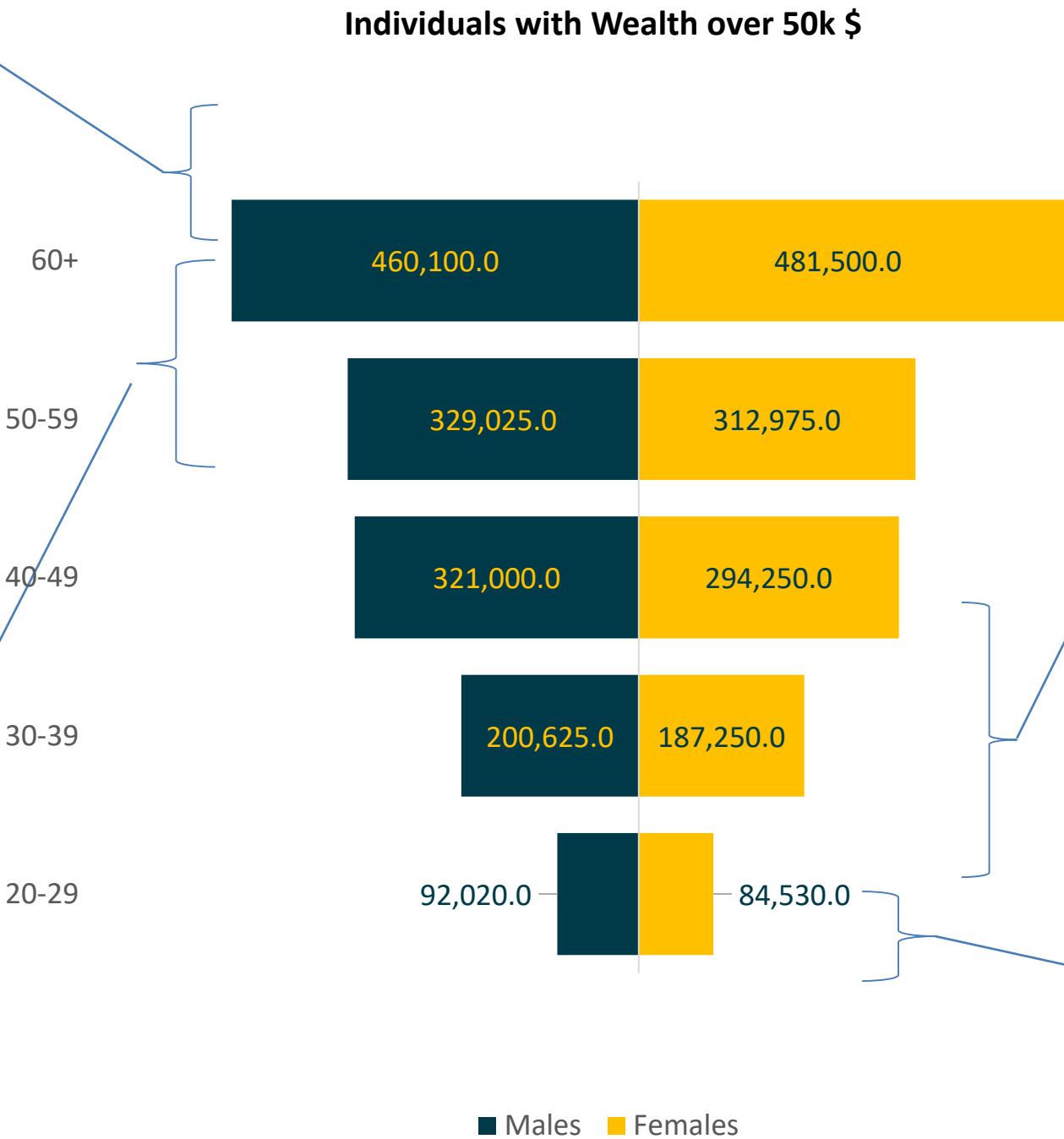
Generation Z born 1997-2012(Aged 13–28 old)

Savings Behavior:

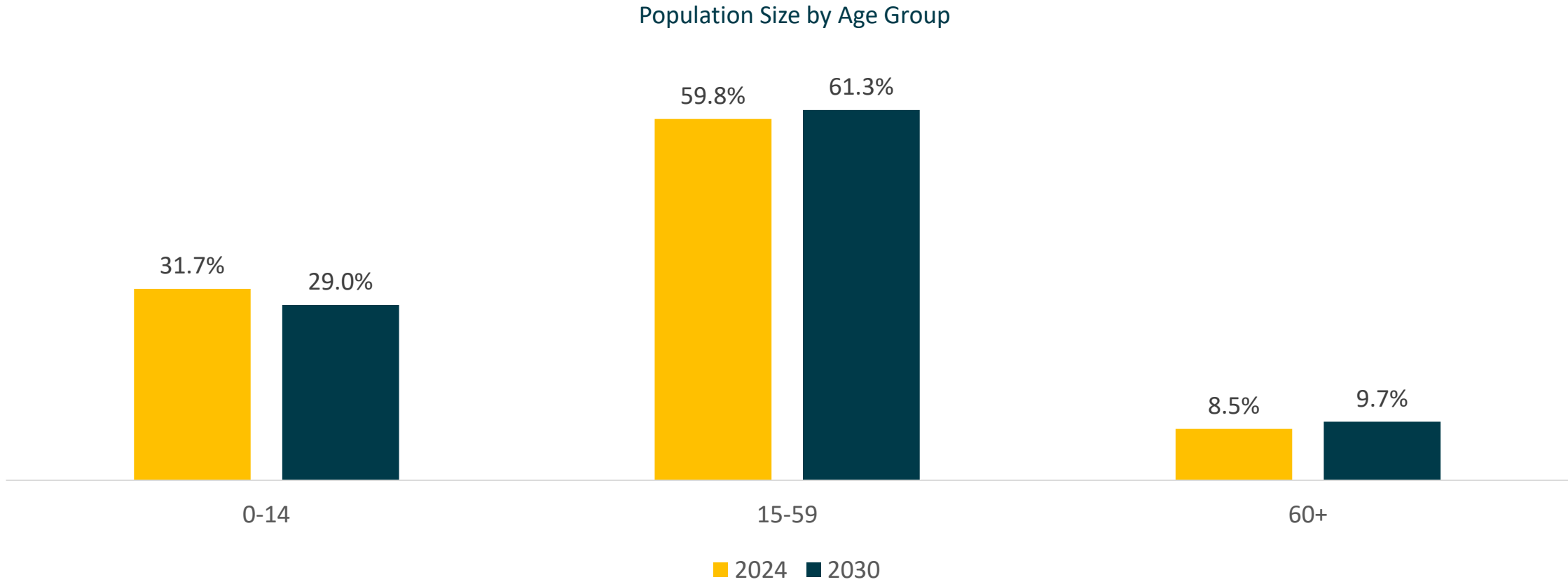
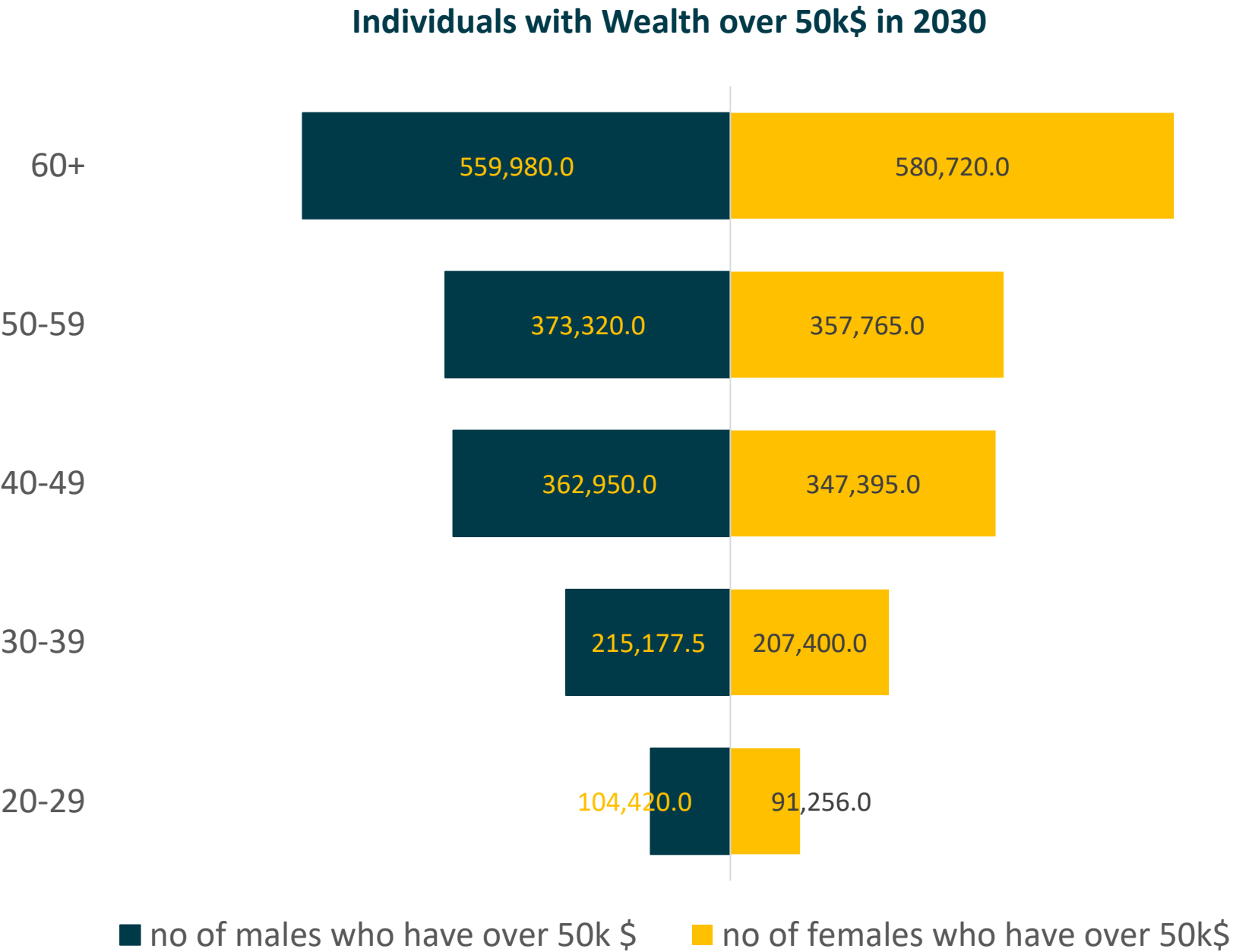
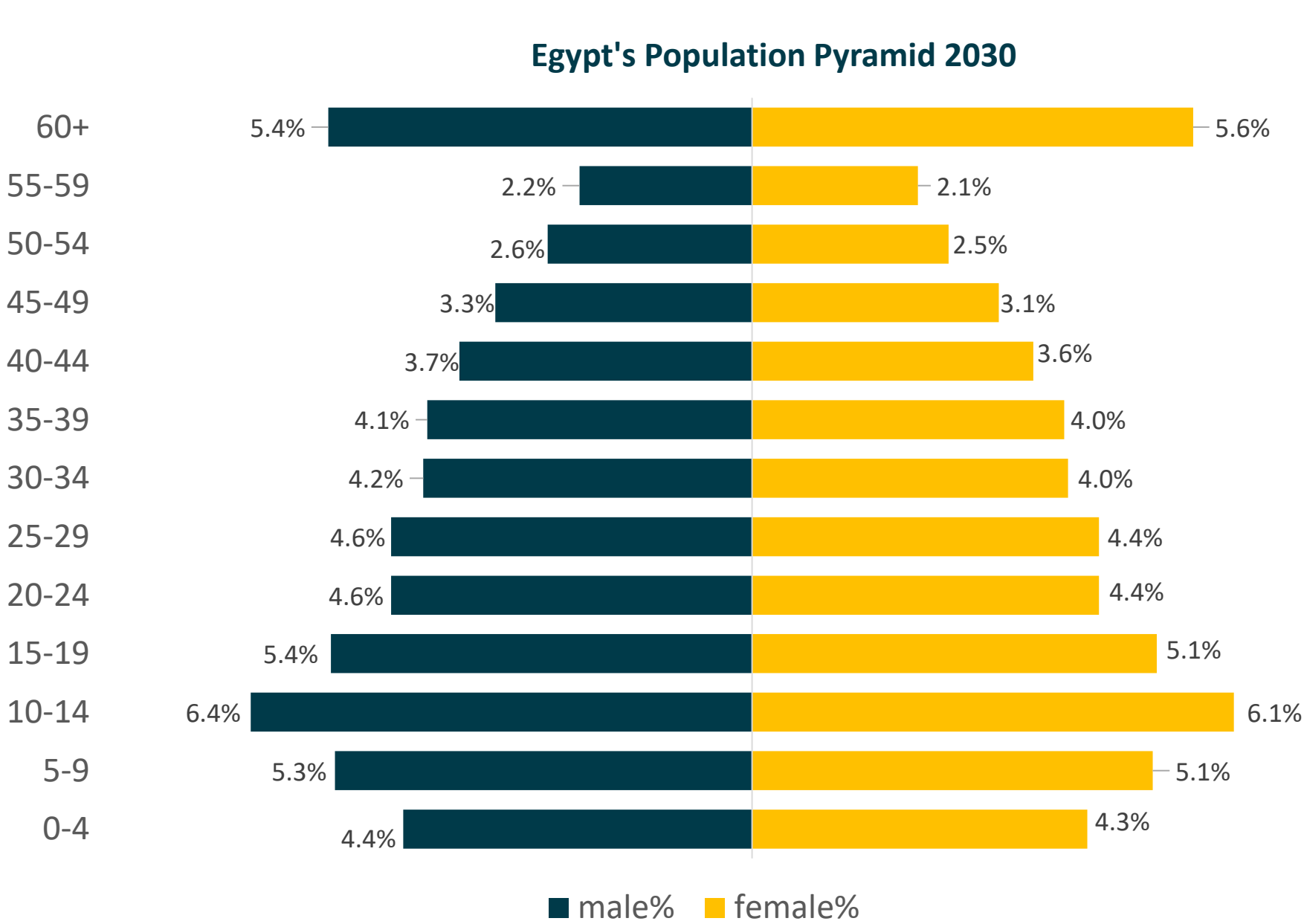
- Proactive in saving, influenced by financial education and awareness campaigns..
- Start saving earlier in life as they enter the workforce.

Investment Preferences:

- Engage with digital banking, micro-investing apps, and sustainable investment options.
- Fractional shares and thematic investments like crypto currencies

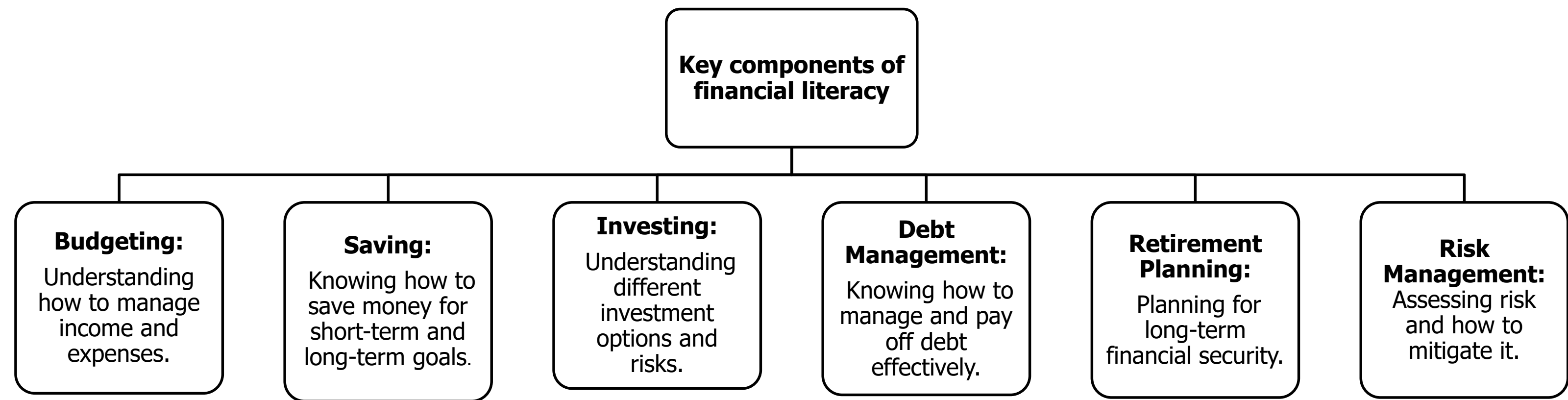


Egypt's Expected Population and Wealth Pyramid in 2030



Financial Literacy and How it Affects Gen Z in Egypt

Financial literacy refers to the ability to understand and effectively use financial skills, including personal financial management, budgeting, investing, and saving. It empowers individuals to make informed financial decisions, avoid debt traps, and build wealth over time.



Impact of Financial Literacy on Gen Z:

1. Increased Awareness of Investment Opportunities

- Due to access to information: Gen Z has access to a wealth of financial information online, including social media platforms, YouTube, and financial blogs. This has made them more aware of investment opportunities, such as stocks, and crypto currencies.
- Gen Z is more open to investing in new financial products like crypto currencies and tokenized assets, fragmented real estate and gold due to their digital nature and potential for high returns.

2. Preference for digital and automated financial tools against traditional banking

- Digital Banking: Gen Z prefers mobile banking, digital wallets, and fintech apps over traditional banking services. They are more likely to use apps like Telda for budgeting, saving, and investing.



3. SAVING AND INVESTMENT PATTERNS OF EGYPTIANS

What are the Savings and Investment Opportunities in Egypt?

The Primary Saving and Investment Channels in Egypt

Banks

Gold

Real Estate

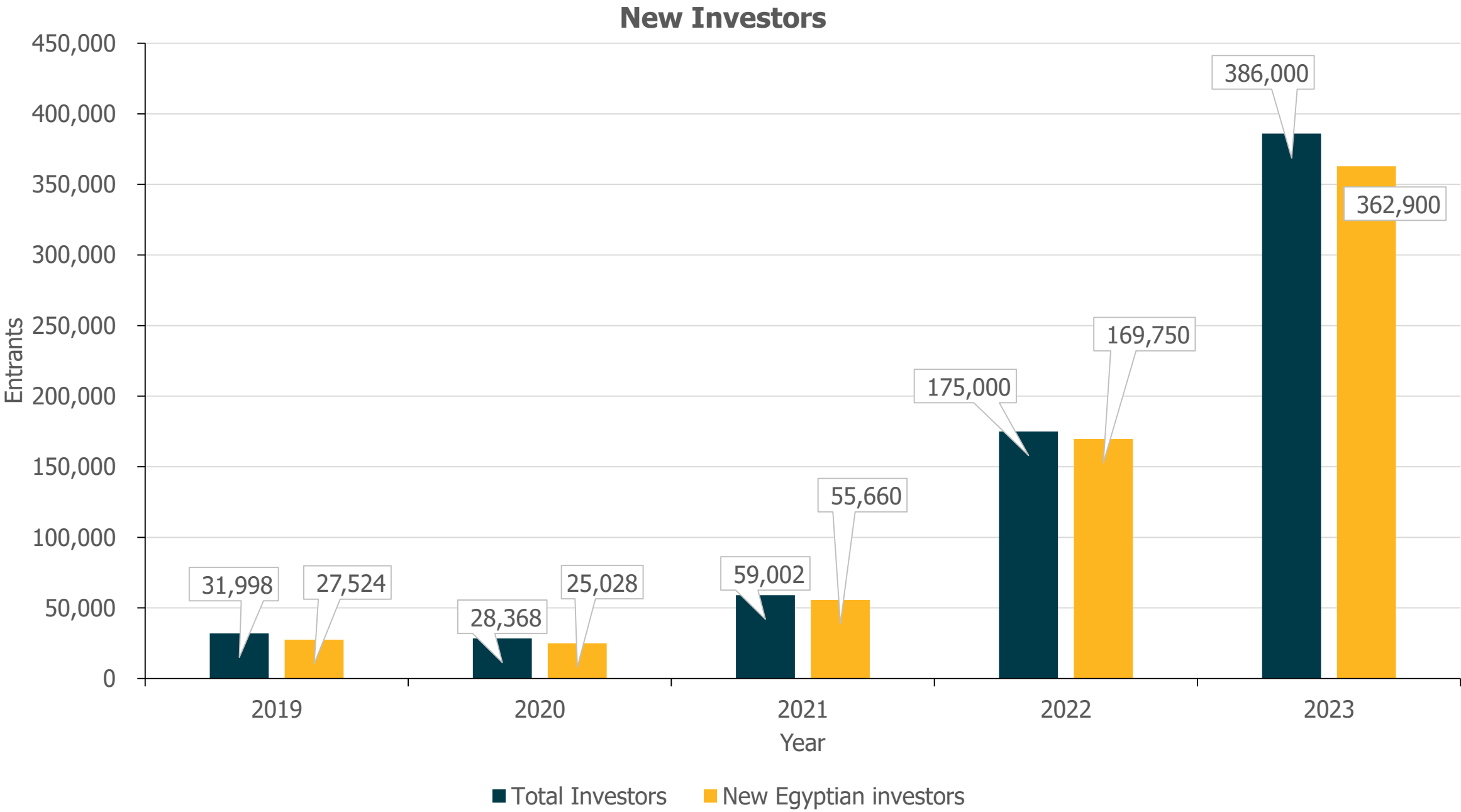
**Private
Insurance Funds**

Stock Market

Stock Market

New investors in the stock market:

- The total number of investors comprises a diverse mix of participants, including individuals, institutions, and investment funds, reflecting the broad scope of market engagement across different investor categories.
- In both 2021 and 2022, Egyptian investors made up **97%** of the total investors.
- The number of new Egyptian investors grew consistently, starting from 27,524 in 2019 to an impressive 362,900 in 2023. This steady growth reflects a notable rise in local interest and involvement in stock market activities.



Sources: The Egyptian Exchange EGX and Investia

The number of new investors in the Egyptian stock market witnessed a significant surge:

- New investors increased by 197% from 2021 to 2022, and by 121% from 2022 to 2023.

This growth can be attributed to several factors:

- Enhanced Financial Literacy: Increased awareness of investment opportunities among Egyptians, driven by financial education campaigns on social media.
- Introduction of Thndr App: Thndr has simplified stock trading by providing an accessible online platform, attracting a broader audience.

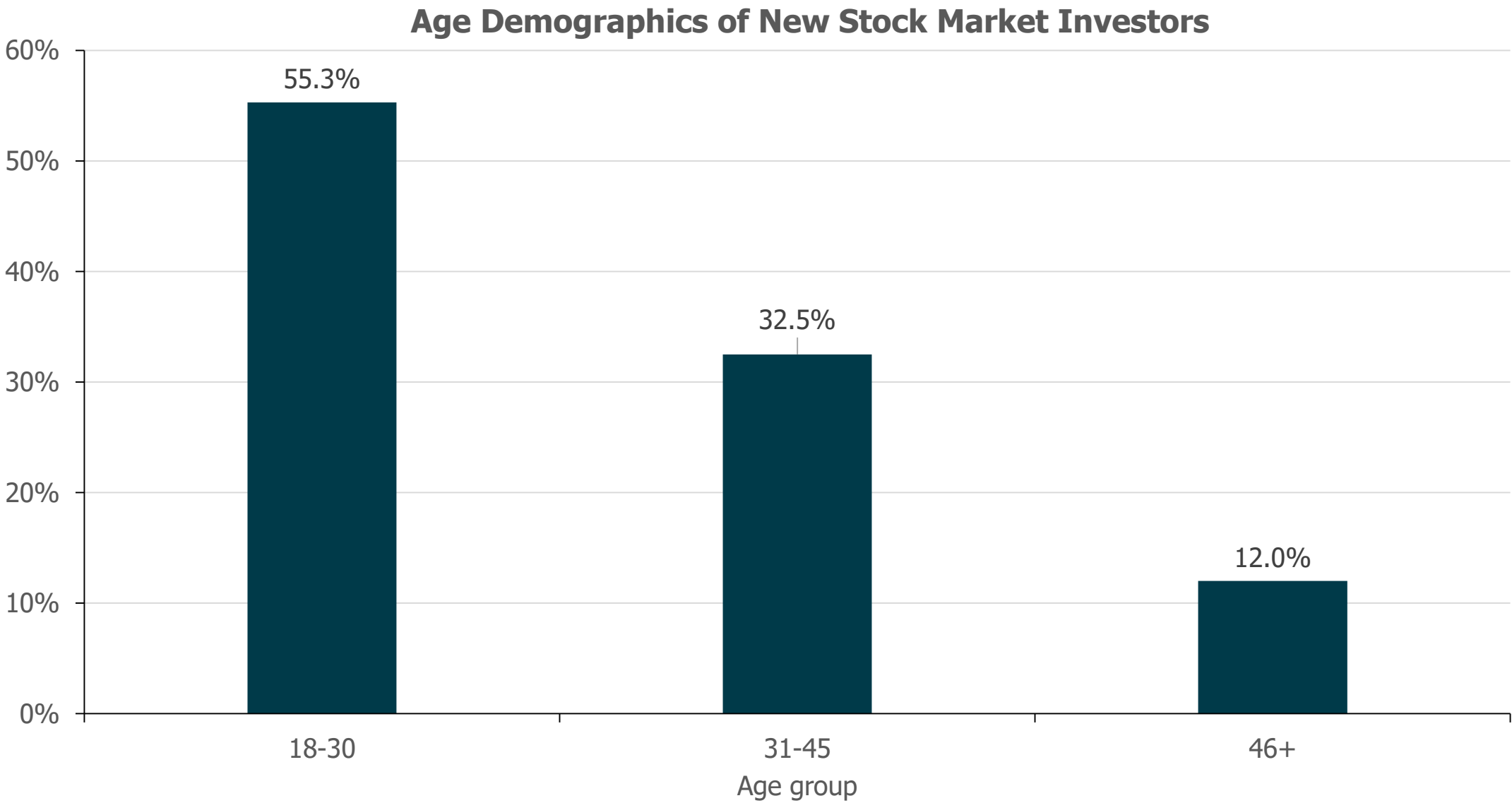
These developments have democratized access to the stock market, encouraging more individuals to invest and actively participate in the Egyptian financial ecosystem.

Age Demographics of New Stock Market Investors:

The Egyptian Stock Exchange (EGX) has seen a notable increase in participation from younger investors.

In 2024:

- Individuals aged 18 to 30 accounted for 55.3% of new investor registrations, this reflects a growing interest in financial markets among the younger generation, likely driven by increased access to online trading platforms and educational resources.
- Individuals aged 31 to 45 accounted for 32.5% of new investors registration.
- Individuals aged 46+ accounted for 12% of new investors.



Sources: The Egyptian Exchange EGX, Egypt today, Mubasher and Investia

To attract a wider range of investors, the Egyptian Stock Exchange (EGX) launched the **Shariah-Compliant Index (EGX33)** in June 2024.

The EGX33 Shariah Index was designed to attract new investors to the financial market by providing Sharia-compliant investment opportunities.

How will tokenization affect the stock market sector?

- Tokenized equity is a digital token or coin that represents shares in a corporation or organization.
- Tokenization is set to revolutionize the stock market industry by enabling the trading of tokenized assets on stock exchanges. This transformation paves the way for the integration of digital tokens and crypto currencies into traditional financial markets, enhancing liquidity, accessibility, and investment opportunities.

Banks

- The chart shows the ownership and usage of transactional accounts by citizens aged 16 years and above in Egypt.
- Transactional accounts include bank accounts, Egypt Post accounts, mobile wallets, and prepaid cards.
- The total number of citizens with transactional accounts increased from 17.1 million in 2016 to 48.1 million in 2024, making an impressive **181% increase**.
- The number of women with transactional accounts increased from 5.9 million in 2016 to 20.8 million in 2024, making a **252% increase**.

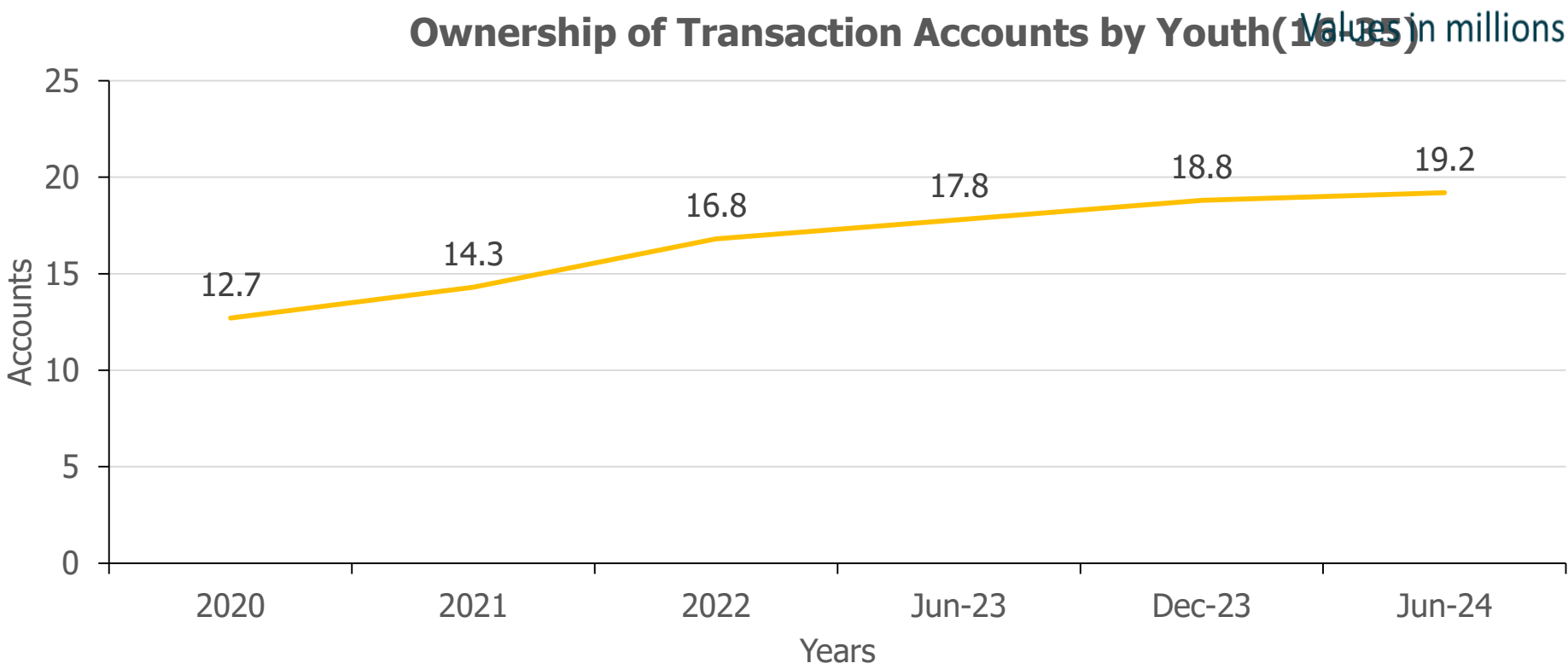
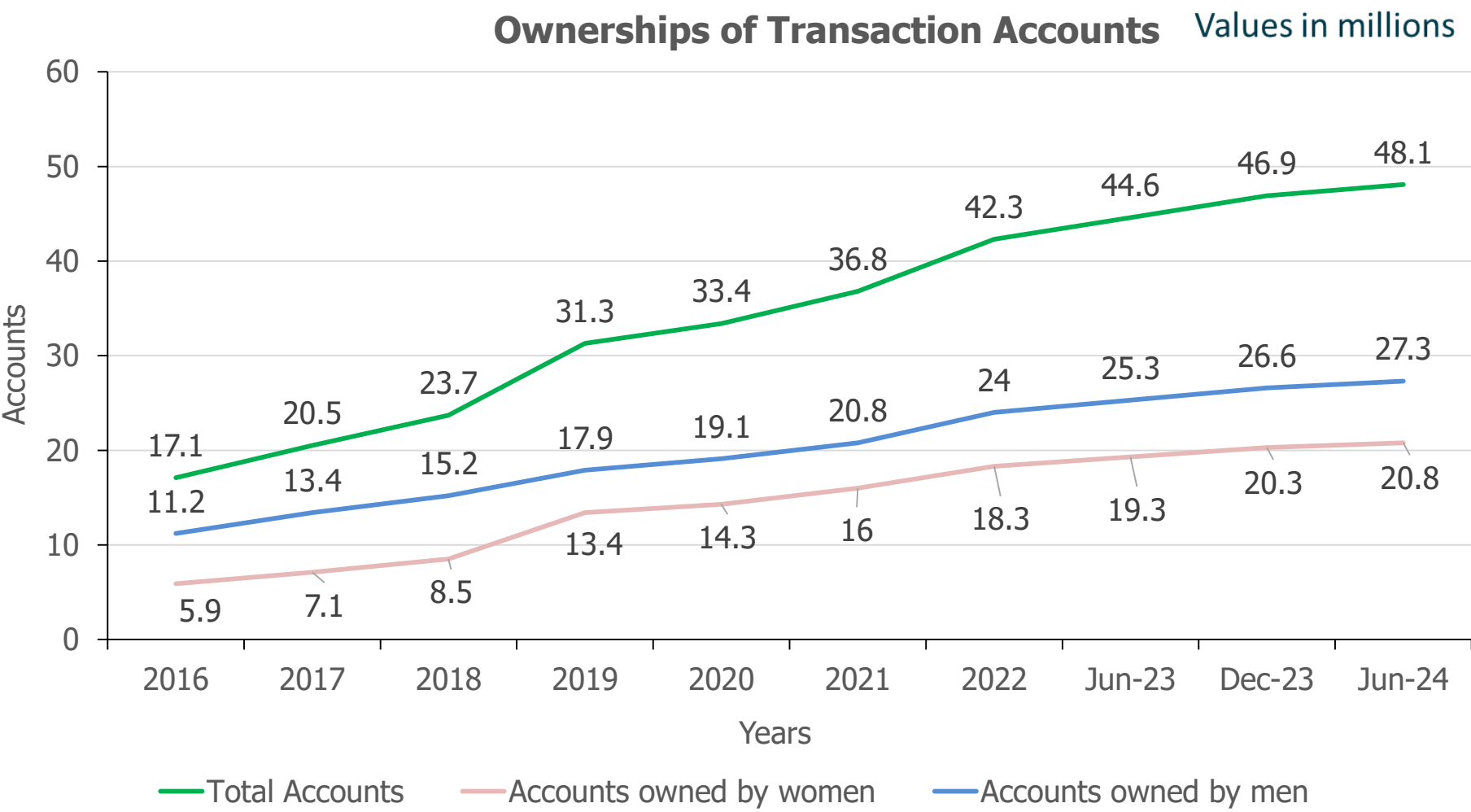
Bank accounts provide security and ease of transactions and allows multiple investment and savings opportunities like:

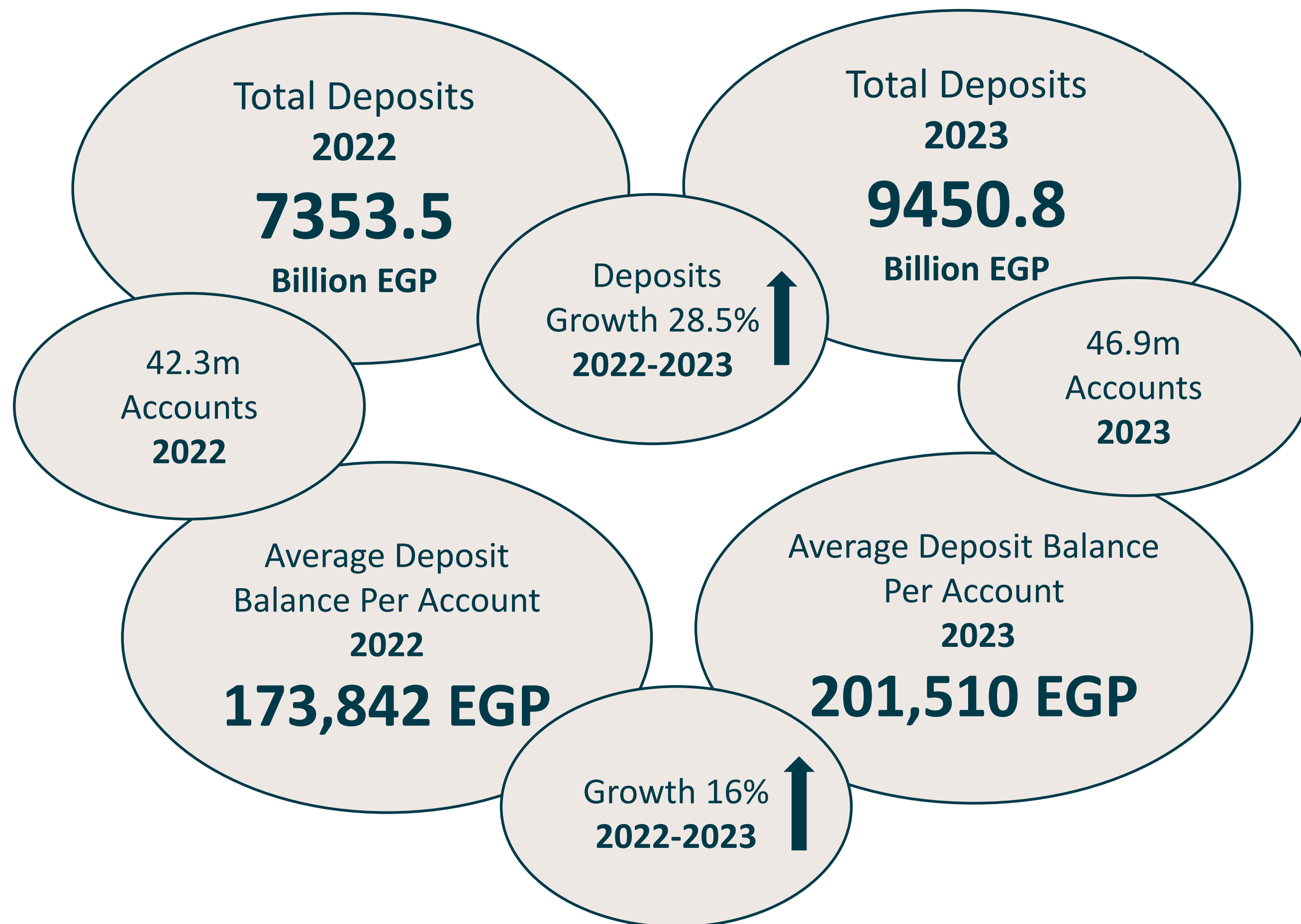
- Certificates of Deposits (CDs): Low-risk investment with guaranteed returns.
- Funds: Invest in diversified portfolios managed by professionals.
- Real Estate Financing: Enables access to mortgage loans for property investment.

Facilitates Automated Saving & Investing

- You can set up automatic transfers to investment accounts also, some banks provide investment advisory services to help you allocate funds strategically.

Sources: CBE and Investia



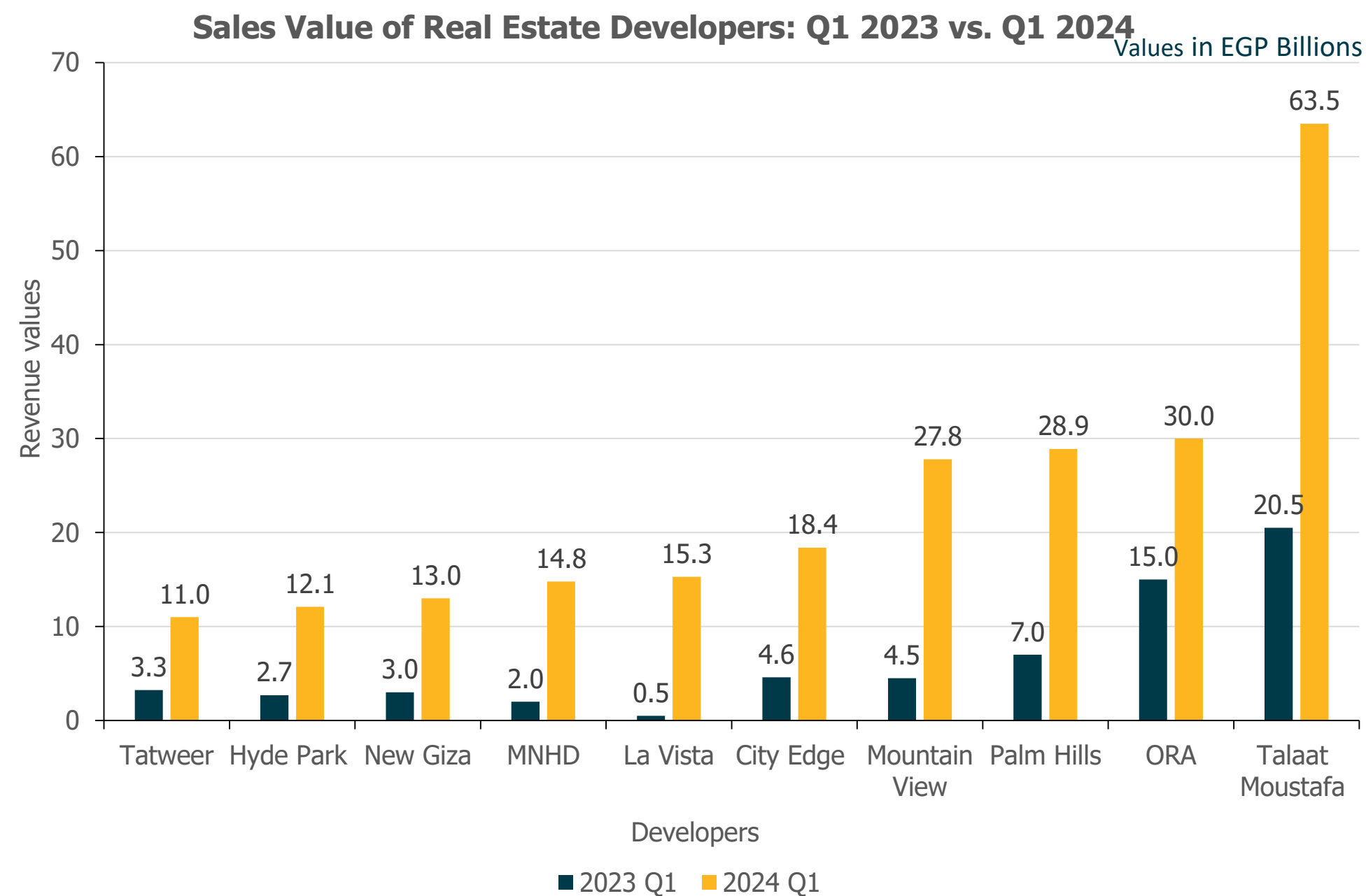


Real Estate

Real Estate sector growth:

1. The outlook for real estate investments in Egypt lacks clarity, however a significant number of Egyptians are actively investing in new real estate projects. This trend is driven by the perception that real estate serves as a hedge against inflation and currency devaluation, providing a stable store of value during economic fluctuations.
2. In Q1 2024, total real estate sales for the top 10 developers in Egypt amounted to EGP 235 billion , a significant increase from EGP 63 billion in Q1 2023.

With an average unit price of EGP 20 million, the estimated number of units sold saw a significant rise from **3,150 units** in Q12023 to **11,750 units** in Q12024. This represents an impressive **273%** year-over-year increase, highlighting strong demand and rapid growth in Egypt's real estate sector.



Sources: NAWY and Investia

How will fragmentation affect the real estate sector?

- Real estate is traditionally illiquid
- Fragmentation allows properties to be divided into smaller tradable shares enabling fractional ownership of properties this will facilitate buying and selling of properties solving the liquidity problem.
- **Nawy Shares and Partment** have introduced fractional ownership in Egypt's real estate sector, allowing investors to purchase stakes in properties rather than entire units. This approach has made real estate investment more accessible, especially after rising property prices.

Gold

Gold Exemption Law:

- In May 2023, the Egyptian government exempted gold imports from customs duties for six months.
- By January 2024, Egyptians had imported approximately 3.8 tons of gold under this exemption.

According to the World Gold Council's report released, Egypt's total gold demand in 2023:

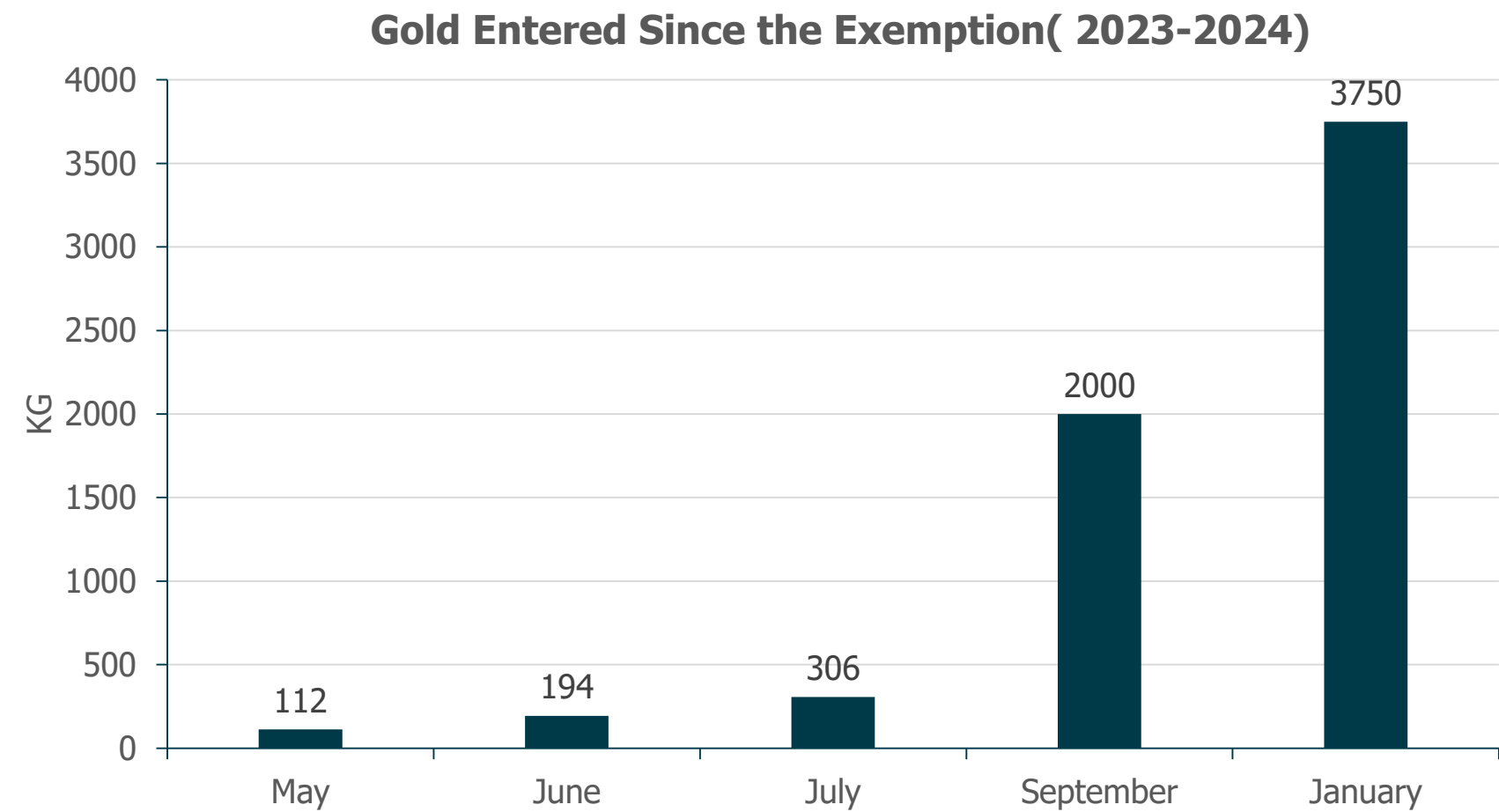
- Reached 57 tonnes, up from 51.5 tonnes in 2022, marking a 10.7% increase.

The breakdown of Egypt's gold demand in 2023 highlights a noticeable shift in consumer preferences:

- **Gold Jewelry:** Demand decreased significantly from 32.3 tonnes in 2022 to 26.7 tonnes in 2023, reflecting a 17.3% decline. This indicates a reduced inclination towards traditional gold jewelry.
- **Gold Bars and Coins:** Demand increased from 19.2 tonnes in 2022 to 30.3 tonnes in 2023, marking a 57.8% increase. This growth demonstrates a growing preference for gold as an investment vehicle, likely driven by a focus on wealth preservation.

How will fragmentation affect the gold sector?

- **MNGM**, is an Egyptian online platform for gold and silver investment, that has transformed the gold sector by introducing fractional gold ownership. This innovation allows individuals to purchase gold in small quantities, starting from as little as **0.1 grams**, making gold investment more accessible to a broader segment of the population.
- **Wealth Preservation:** In times of economic uncertainty and currency depreciation, fractional gold investment offers Egyptians a reliable means to preserve wealth. Gold has historically acted as a hedge against inflation and currency devaluation.



Sources: Almasry-Al-Youm ,Youm7 and Investia

Private Insurance Funds

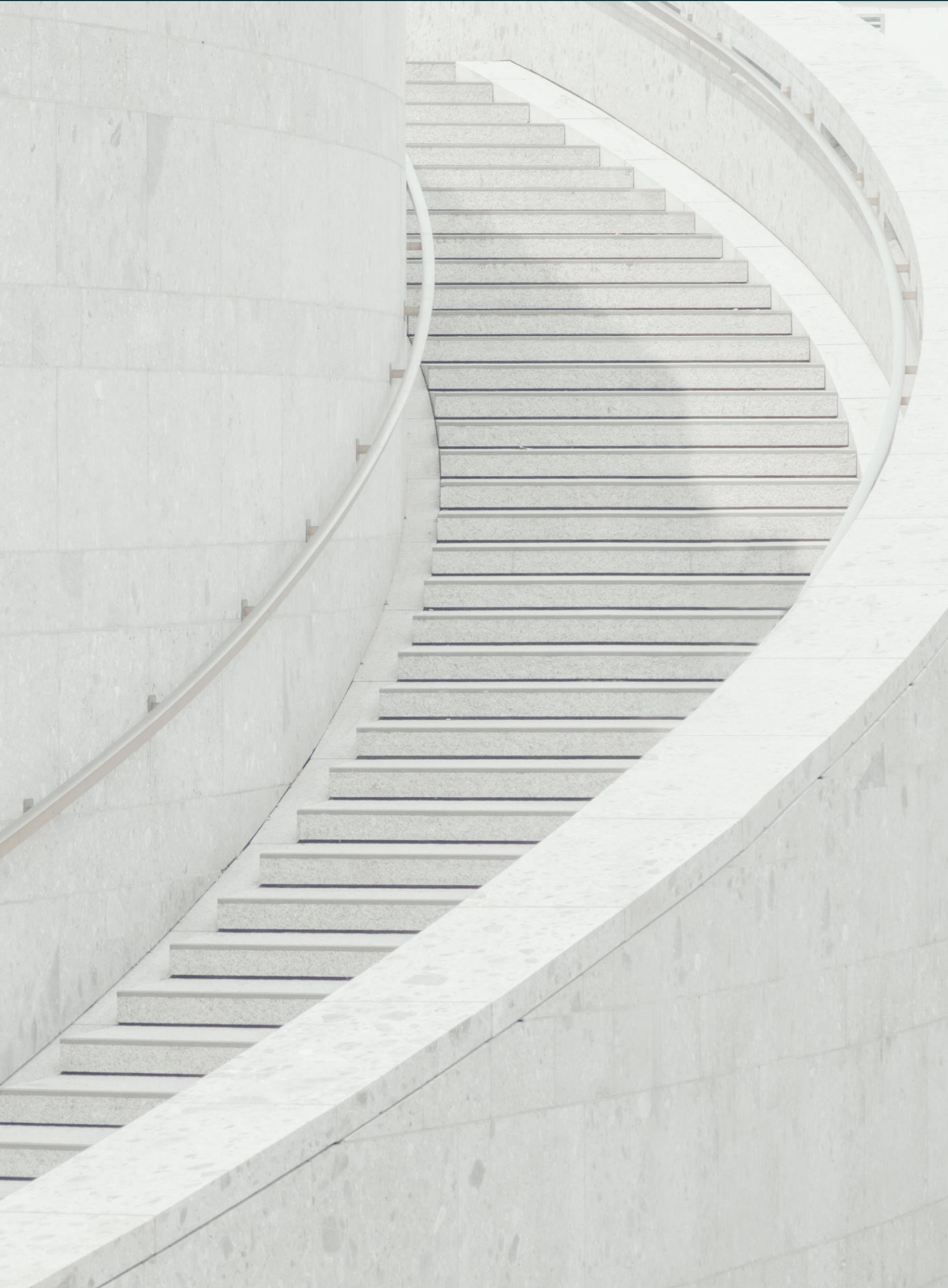
The table provides a comparative analysis of private insurance funds between 2021 and 2022, highlighting changes in the total number of funds, including those under liquidation:

Category	2021	2022	Change	% Change
Number of Active Funds	694	674	-20	-2.9%
Number of Funds under Liquidation	59	76	17	+28.8%
Total	753	750	-3	-0.4%

- The number of active funds decreased from 694 in 2021 to 674 in 2022, reflecting a reduction of 20 funds, equivalent to a 2.9% decline.
- The number of funds under liquidation experienced a significant increase of 28.8%, rising from 59 in 2021 to 76 in 2022, representing a growth of 17 funds.
- As of the end of 2023, there were approximately **4.7 million** clients enrolled in private insurance funds across Egypt.
- These private insurance funds, totaling **676 active funds**, managed investments amounting to **133.7 billion EGP by the end of 2023**.

Future Evolution of Private Insurance Fund Structures:

- Currently, private insurance funds are structured so that each company maintains its own dedicated fund. However, in the future, it is expected that multiple companies may be able to participate in a single collective fund, rather than each having an individual fund tied to their organization. While this model is not yet possible, there is optimism that it will become a doable option in the future.

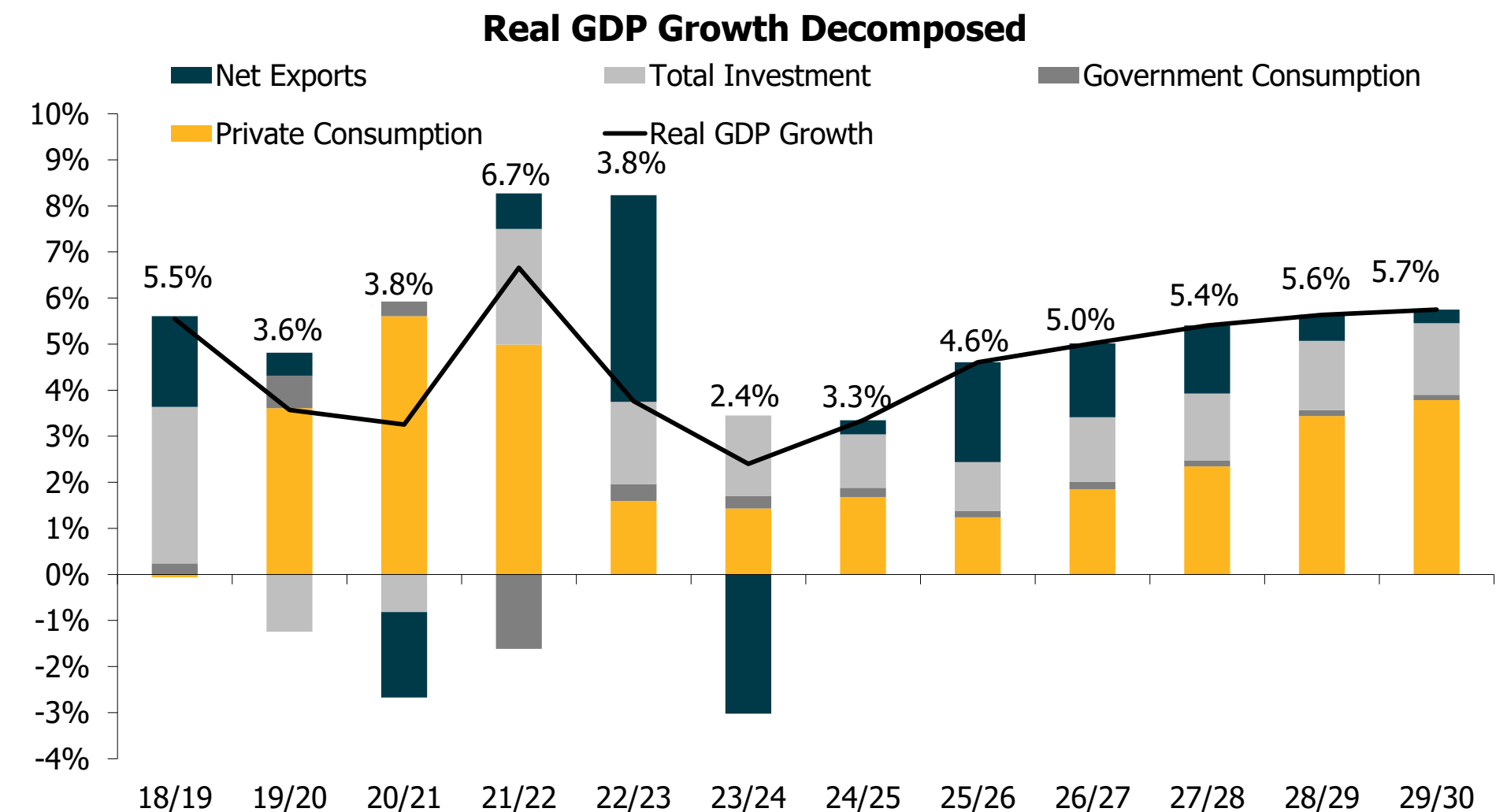


4. ECONOMIC OUTLOOK IN THE MEDIUM TERM

Economic Outlook in the Medium Term

Real GDP Growth Rate Expected to Average 5% until 2030

- Private consumption will remain under pressure with the continuing effects of inflation and subsidy restructuring well into 2026, gradually recovering thereafter.
- Government spending will decline, in line with the cap agreed on with the IMF and stabilize in the medium term.
- Investment increased in 2024/2025 with the major investment deals but will remain under pressure pending a decline in interest rates and acceleration of economic reforms to improve the investment climate.
- Net exports will rise as exports outperform imports with the improvement in business operations. As economic growth recovers imports will rise.
- The government needs to accelerate reforms to increase competitiveness and the private sector's role in the economy. In addition, and as confirmed by the IMF, the government needs to 1) implement inflation targeting in the context of a flexible exchange rate regime, 2) continue with fiscal reforms to accelerate domestic revenue mobilization, 3) implement macroeconomically critical climate reforms to address Egypt's adaptation needs and enhance long-term resilience and sustainable growth

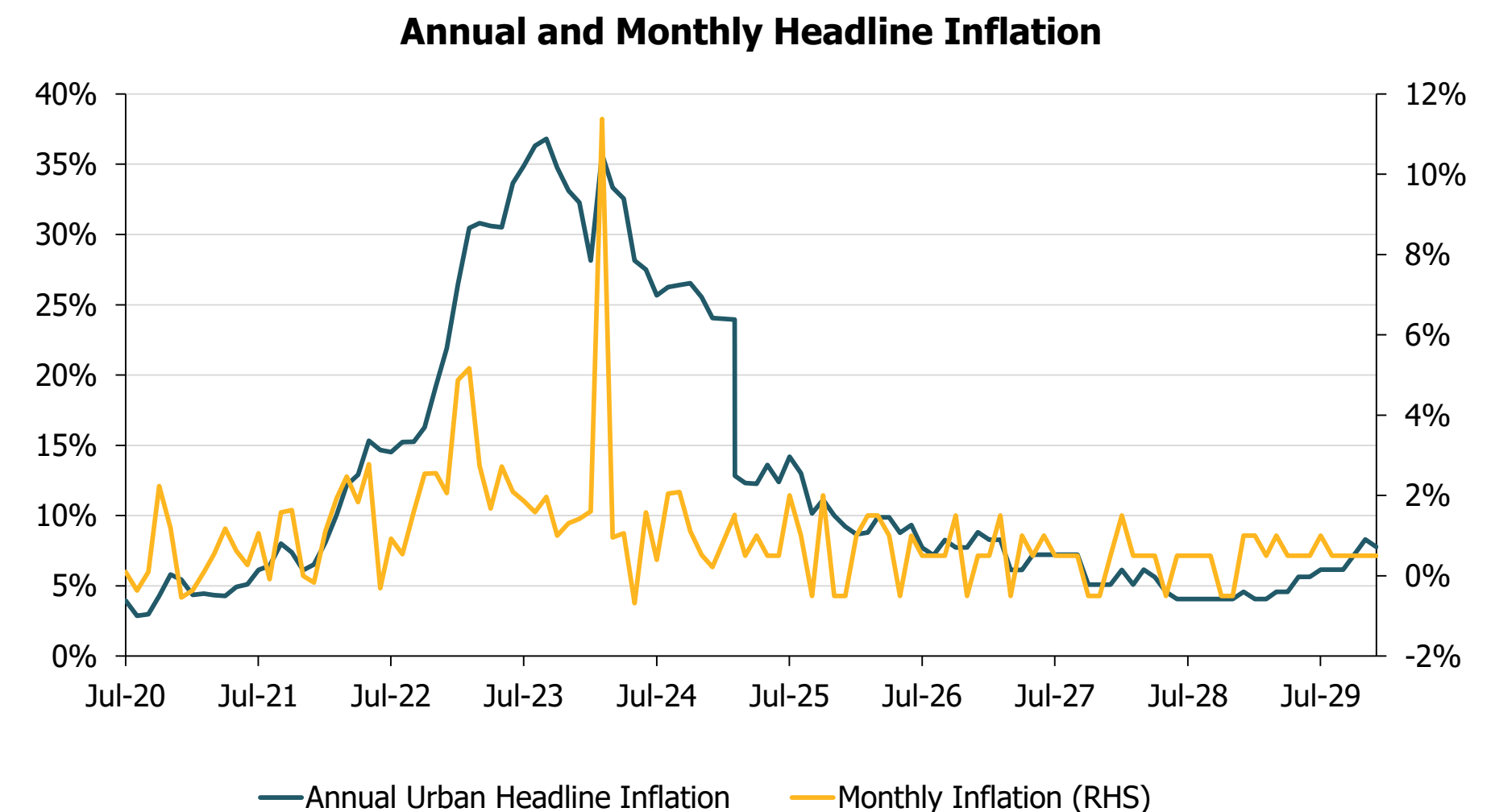


Sources: Central Bank of Egypt and Investia

Economic Outlook in the Medium Term

Inflation & Interest Rates to Decline Gradually Following Subsidy Restructuring

- Inflation declined to 12.8% in February 2025 due to the strong base but will remain elevated in double digit levels in 2025 in response to continued subsidy restructuring (fuel, electricity, food, pharma etc).
- Expect inflation to decline from an annual average (calendar year) of 28% in 2024 to estimates of 14% in 2025, and 9% in 2026. Inflation will decline to an average of 5%-7% in the period up to 2030 fluctuating with economic growth pressures, subsidy restructuring and supply chain issues.
- Interest rates will decline in 2H2025 after the expected upcoming fuel price hike, will rise temporarily in response to future fuel price hikes, but will take a general downward direction afterwards.
- Could expect a 3% first cut in rates in April 2025 followed by additional cuts later in 2025 and throughout 2026 after fuel and electricity price hikes. Cuts will not be too aggressive to maintain local debt attractiveness to foreign investors and avoid inflationary pressures rising again.
- Local investment will start to pick up after interest rates decline but will be dampened by the pressured consumer spending and increase in energy costs. The pace of reforms will decide growth strength.

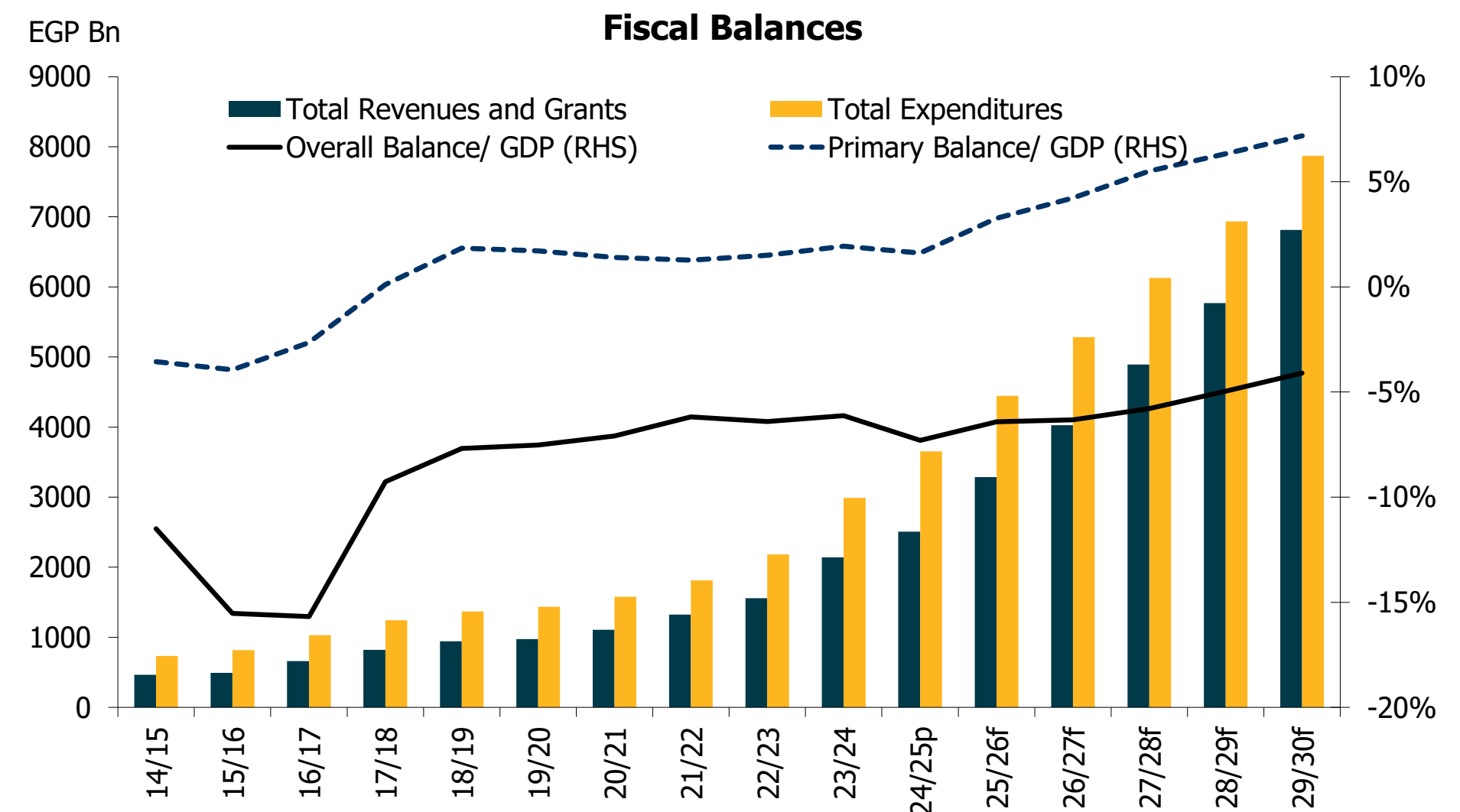


Sources: CAPMAS, Central Bank of Egypt and Investia

Economic Outlook in the Medium Term

Fiscal Deficits to Decline in Medium Term with Reforms

- Fiscal reforms will continue at least until 2027/2028 (subsidy restructuring and lower public spending which was the driver of investment in the years since 2016) pressuring disposable incomes and costs for businesses. Tax and custom reforms will accelerate, and social packages will continue until subsidy restructuring is completed. The budget deficit will decline from around 7% to 4% until 2030 with the decline in interest rates, acceleration of debt payment, and expansion of the tax base significantly.
- Revenue growth will pick up over 2025-2026 period with fiscal reforms then decline but will remain higher than expenditure growth as tax base expands and fiscal consolidation continues.
- Expenditures will remain dominated by interest payments pending a decline in interest rates and debt over the medium to long term. Subsidies will be more targeted to less privileged groups.

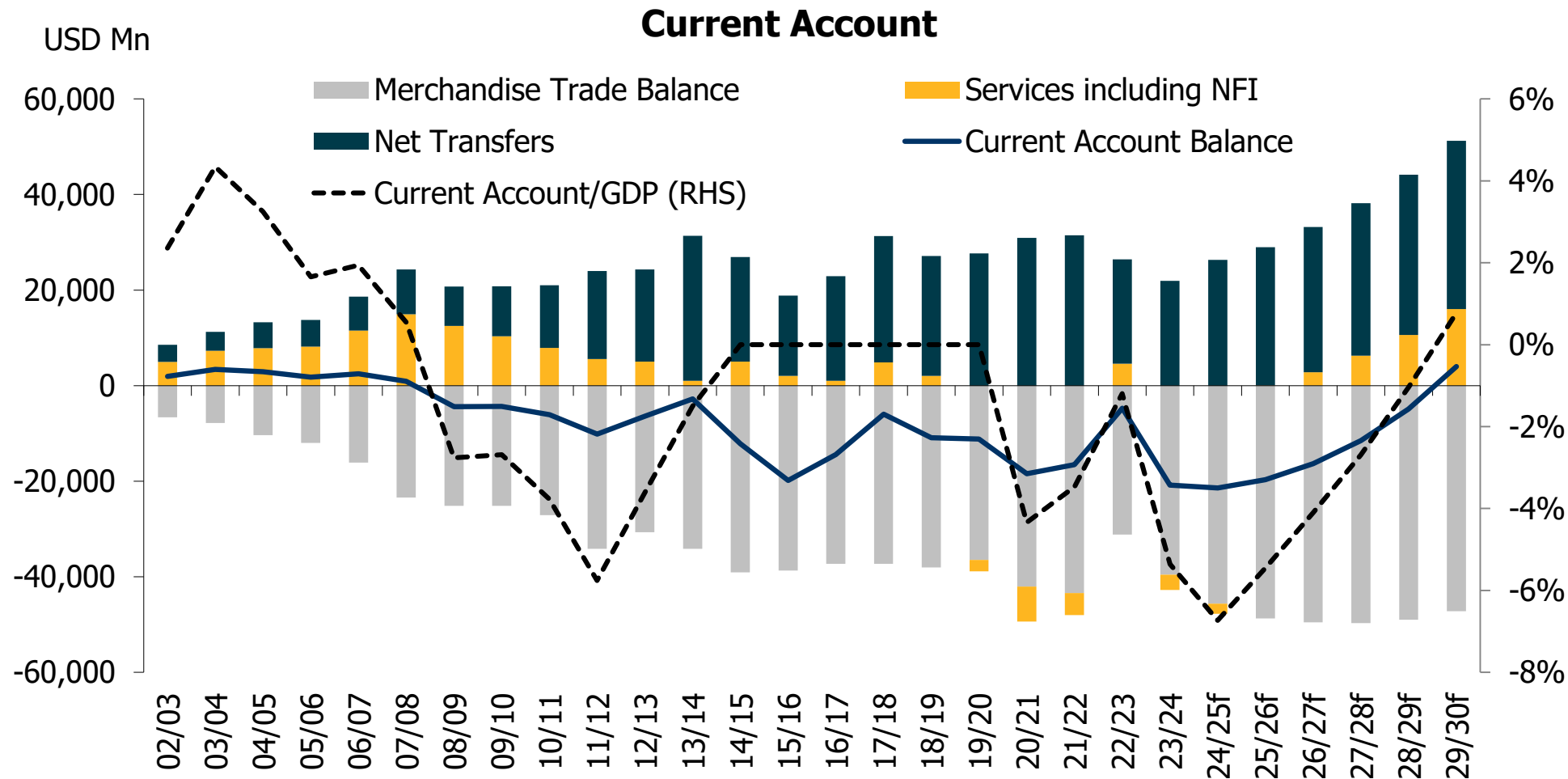


Sources: Ministry of Finance, Central Bank of Egypt and Investia

Economic Outlook in the Medium Term

External balances, Investment and FX

- Non-oil exports will pick up with customs and foreign trade reforms. Egypt will continue to be a net importer of energy, utilizing its infrastructure for re-exporting energy from neighbouring countries. Imports growth will continue to reflect exchange rate movements and growth in the private sector given the dependence on imported components for domestic production and exports. The merchandise trade balance will stabilize in the medium term.
- Tourism growth will rise with the regional stability and increase in tourism accommodation capacity driven by incentives. Suez Canal revenues will recover in 2026 and beyond pending regional stability and changes in oil prices, boosted by the completion projects in the Suez Canal Zone promoting exports and vessel traffic from the Canal area.
- Workers' remittances will decline gradually then stabilize as host countries continue with nationalization plans.
- Current Account deficit to improve with services and transfers.
- Foreign investment will be selective and rise gradually due to uncertainty in the regional/global economy. Expect more transactions in real estate, banking and manufacturing sectors. More investors will target non-banking financial services, IT and start ups with digitalization of economy.



Sources: Central Bank of Egypt and Investia



5. HOW WILL THE CHANGE IN DEMOGRAPHICS AFFECT INVESTMENT CHANNELS IN THE FUTURE

I. Banks

Effects of Change in Demographics:

1. More disposable income for households

- With smaller family sizes, households will have fewer financial dependents, allowing for higher savings rates and increased bank deposits.
- This will result in increased bank deposits and a focus on long-term financial planning. More individuals will prioritize financial planning and retirement savings.

2. Rise of digital banking & fin-tech adoption against traditional banking:

- Millennials and Gen Z, making up a significant portion of the population, prefer mobile banking, digital wallets, and automated investment platforms over traditional banking services.
- Mobile wallet and online banking adoption will continue to rise, increasing the number of digital transactions.
- Traditional banking will decline in favor of fin-tech solutions.
- Lower Demand for Consumer Loans & Mortgages : With a shrinking younger population and smaller household size, demand for home loans and large personal loans may decline.

3. Increased demand for retirement & pension accounts

- A growing older population (Baby Boomers & Gen X) will drive demand for long-term savings products, including fixed deposits, pension accounts, and investment-linked insurance plans.

2. Stock Market

Effects of change in Demographics:

1. Younger generations driving retail investment growth

- With Gen Z and Millennials making up a large portion of the population, retail investment in the stock market will continue to grow. Younger investors will prefer technology, fin-tech, and sustainability-driven stocks.

2. Number of stock market investors will increase:

- Younger generations (Millennials & Gen Z), who are more financially aware and digitally connected, will drive retail investor growth through mobile trading platforms.
- Fintech and online investment platforms (e.g., Thndr) will make stock market access easier and more appealing to first-time investors.
- More individuals (aged 30-50) will shift savings into stocks as they seek long-term investment options beyond traditional bank deposits.

3. Shift toward dividend-paying stocks

- As older investors (Baby Boomers & Gen X) prioritize income stability, they will favor dividend-paying stocks

3. Private Insurance funds

Effects of change in demographics:

1. Number of members in private insurance funds will increase:

- The 60+ age group is expanding, meaning more individuals will rely on pension and retirement insurance funds.
- Workforce-aged individuals (25-54 years) remain stable, ensuring a steady stream of new enrollments in insurance funds.
- Younger generations (Millennials & Gen Z) are becoming more financially aware and may start investing in insurance-based savings earlier.

2. Investments value managed by private insurance funds will increase:

- With more retirees relying on pension payouts, private insurance funds must manage larger reserves to meet future obligations.
- Higher contributions from an aging workforce will result in greater capital accumulation, increasing the total investment value under management.
- More institutional investments in diversified assets (stocks, bonds, real estate) to ensure long-term sustainability of pension payouts.

3 . Growing retirement planning awareness among younger generations

As Millennials and Gen Z recognize the importance of early retirement savings, financial literacy initiatives and technological advancements are reshaping how younger investors engage with retirement planning.

4. Real estate

Effect of change in Demographics:

1. Shift towards smaller, affordable housing

- The declining youth population and smaller family sizes will reduce demand for large family homes, increasing the demand for smaller, affordable apartments.
- Affordable housing initiatives will see higher investment from both private and public sectors.
- Shift from large family homes to more demand for smaller, urban housing units.

2. Growth in retirement & senior housing developments

- The increasing 60+ age group will drive demand for senior housing communities, assisted living, and retirement-focused real estate investments.

3. Continued real estate investment as a store of value

- Egyptians perceive real estate as a hedge against inflation, which sustains strong investment demand. However, while property values are appreciating in Egyptian pounds (EGP), they are depreciating in dollar terms due to currency devaluation.
- Investors see gains when measured in local currency but may face losses when converting to USD
- liquidity remains high in the primary market, however in the secondary market, resale opportunities are limited unless the unit is unique or highly desirable, making it harder to liquidate standard properties.

4. Rise of fragmented real estate investments

- Fragmentation will allow fractional ownership of high-value properties making real estate investment more accessible to a broader investor base.
- Blockchain-based real estate platforms will enable digital transactions reducing paperwork and improving market liquidity.

5. Gold

Effects of change in Demographics:

1. Shift from gold jewelry as luxury, to gold as a saving vehicle

- (Older generations) Baby Boomers and Gen X will continue to view gold as a reliable store of value, leading to sustained demand for gold bars and coins.
- (Younger generations) Millennials and Gen Z are moving away from purchasing gold jewelry, instead they are focusing on gold as a financial asset rather than a luxury good.
- Gold is primarily a store of value rather than an investment, it serves as a hedge against inflation and currency devaluation, preserving purchasing power over time.

2. Rise in fractional gold investments

- Fractional and digital gold investments will rise among young investors, making gold more accessible and tradable.
- Younger investors prefer digital gold investments over physical ownership.
- Easier access to gold investments through digital platforms like [MNGM](#).

Key Takeaways:

Demographic shifts:

- Egypt's population growth rate is declining dropping from 2.60% in 2017 to 1.29% in 2025
- The fertility rate has decreased from 3.5 children per woman in 2014 to 2.54 in 2023.
- The population pyramid is shifting, with Generation Z (aged 13-28) making up 33.5% of the population, followed by Millennials at 20.9%.

Financial Behavior Changes

- Increased financial literacy among younger generations is driving new investment trends.
- There's a significant shift towards digital banking and fintech solutions, especially among Millennials and Gen Z.
- The number of Egyptians with transactional accounts has grown by 181% from 2016 to 2024.

Investment Trends

- Stock market participation is growing, with a 121% increase in new investors from 2022 to 2023.
- Young investors (18-30) accounted for 55.3% of new stock market registrations in 2024.
- Real estate remains a popular investment, with sales for top developers increasing significantly in Q1 2024.
- Gold demand is shifting from jewelry to investment, with demand for gold bars and coins increasing by 57.8% in 2023.

Future Outlook

- The banking sector is expected to see increased demand for digital services and retirement savings products.
- The stock market is likely to continue attracting younger investors through digital platforms.
- Real estate may shift towards smaller, affordable housing and retirement communities.
- Fractional ownership in real estate and gold is emerging as a new investment trend.

investia[®]

Thank You