

Egypt's Foreign Debt Reaches \$200 Billion... Political Bankruptcy

(Translated)

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The International Monetary Fund's announcement that Egypt's external debt will reach \$202 billion by 2030, up from \$162 billion in 2024, was not just a passing economic news item. Instead, it is a dangerous indicator of the state's collapse and an exposure of the failure of the ruling regime, which is riding the wave of borrowing as the sole solution to the crises it has caused. Borrowing has become a deliberate and systematic approach, not to foster a genuine revival or achieve economic self-sufficiency, but to cover up ongoing failure and humiliating political subservience. This makes Egypt's economic crisis today a symptom of a larger crisis: a crisis of the regime, not merely a crisis of management.

Economic facts as acknowledged by the International Monetary Fund

In its latest report, the International Monetary Fund (IMF) predicted that Egypt's external debt would jump to \$202 billion by 2030, compared to \$162.7 billion in fiscal year 2024/25. The IMF viewed this increase as a reflection of high risks to "sovereign stability." Not content with these figures, the IMF linked the provision of future loans to the need to implement "structural reforms," including, expanding the tax base, reducing "untargeted" subsidies, reducing state control (especially military entities) over the economy, enhancing transparency and governance, and accelerating the "privatization" of public companies.

Although these statements may appear to be economic advice, they are enforceable decisions that reflect the colonialist nature of the IMF, which views borrowing countries as nothing more than a market, for imposing its conditions and for long-term political and economic subjugation. This is revealed by Western economists and economic writers themselves, particularly John Perkins in his famous book, "The New Confessions of an Economic Hitman," in which he admits that he was part of a network of economic experts sent to developing countries, including Egypt, under the guise of technical and advisory assistance, when the real goal was to dominate the economies of these countries and shackle their peoples. As John Perkins said, "their real job, as mine was, is to con governments and the public into submitting to policies that make the rich richer and the poor poorer."

John Perkins, who worked as an economic consultant for major American corporations working with the World Bank and the International Monetary Fund, openly admitted in his book that there is a global system of exploitation based on drowning countries in debt, tying them to unnecessary mega-projects, and then enslaving them politically and economically. Perkins says, "Economic hit men (EHMs) are highly paid professionals who cheat countries around the globe out of trillions of dollars. They funnel money from the World Bank, the US Agency for International Development (USAID), and other foreign "aid" organizations into the coffers of huge corporations and the pockets of a few wealthy families who control the planet's natural resources. Their tools include fraudulent financial reports, rigged elections, payoffs, extortion, sex, and murder. They play a game as old as empire, but one that has taken on new and terrifying dimensions during this time of globalization."

This testimony, not by a Muslim thinker, but by an American economist who worked at the heart of the Western system, underscores that the issue is not purely economic and technical, but instead a tool of colonialism and control, and that loans are nothing but a hidden weapon no less lethal than cannons.

In Egypt's case, the expected increase in foreign debt to more than \$200 billion by 2030, according to the IMF's own forecasts, is merely a new chapter in this dangerous saga. The catastrophe is that this increase is not matched by increased real production or independent

industrial infrastructure. Instead, it is directed toward projects that serve a limited class and are managed according to Western capitalist logic.

How does Western domination of peoples occur?

Perkins enumerated the methods in his aforementioned book as follows:

1. Trapping countries into massive, unpayable debts.

Perkins said, "much of my job revolved around arranging huge loans that countries like Indonesia and Panama could never repay." He also says, "financing infrastructure projects through mountains of World Bank debt... a World Bank loan that would hire US corporations to build infrastructure project... a key condition of such loans was that the projects would be built by our engineering and construction companies. Most of the money never left the United States; it simply was transferred from banking offices in Washington to engineering offices in New York, Houston, or San Francisco." This is precisely what happened in Egypt, where massive projects were proposed, such as the new administrative capital, the electric train railway, and power plants, all with massive loans beyond the state's ability to repay them, forcing it to fully submit to the West's conditions.

2. Imposing privatization and seizing public property.

John Perkins stated "an overwhelming emphasis was placed on promoting private businesses... International organizations such as the World Bank bought into this notion, advocating deregulation and privatization of water and sewer systems, communications networks, utility grids, and other facilities that up until then had been managed by governments...In the rush toward privatization, many of the major companies that had set their sights on taking over the small independent power companies now looked toward privatizing water systems in Africa, Latin America, and the Middle East." Dozens of Egyptian public companies have already been sold in waves of privatization, and new assets have recently been offered for sale under the offerings program, in response to IMF conditions.

3. Undermining the economic and political sovereignty of countries:

Perkins said, "I'm haunted by the ways in which that bank, its sister organizations, and I empowered US corporations to spread their cancerous tentacles across the planet. I'm haunted by the payoffs to the leaders of poor countries, the blackmail, and the threats that if they resisted, if they refused to accept loans that would enslave their countries in debt, the CIA's jackals would overthrow or assassinate them. I wake up sometimes to the horrifying images of heads of state, friends of mine, who died violent deaths because they refused to betray their people. Like Shakespeare's Lady Macbeth, I try to scrub the blood from my hands." This is precisely what explains the Sisi regime's reliance on the IMF's approval, despite its awareness of the cost to the people, including increased taxes, the elimination of subsidies, wage freezes, and increased prices for basic services.

The so-called structural reform does not aim to develop countries, but rather to dismantle them economically, and reshaping it according to a consumer capitalist model:

- Expanding the tax base equals burdening the poor with the cost of the crisis.
- Abolishing commodity subsidies without directly compensating the poor with aid, equals starving the people so they will be satisfied with any crumbs.
- Privatization equals stealing public funds and public property, and legally empowering the West and its corporations to control the country, its wealth, and its resources.
- Liberalizing the market equals leaving the rich to prey on the poor, plundering their remaining efforts and savings through continuous inflation.
- Governance transparency for them equals exposing all the state's cards to foreign companies.

This brings us back to a conclusion of Perkin's, when he said, "the main reason we establish embassies around the world is to serve our own interests, which during the last half

of the twentieth century meant creating history's first truly global empire — a corporate empire supported and driven by the US government.”

The foreign debts imposed by international institutions are not merely financing tools; they are modern chains of enslavement of peoples. The International Monetary Fund is not an agent of development, but instead the financial face of American colonialism. The economic advice the IMF offers is nothing more than a package of colonialist conditions that make Egypt, and others, an open market, a cheap labor force, a reservoir of raw materials, and an open drain for foreign profits. John Perkins says, “Once these countries were saddled with huge debts, the US government and the international aid agencies allied with it were able to control these economies and to ensure that oil and other resources were channeled to serve the interests of building a global empire.”

This alarming increase in debt can be viewed from the following perspectives:

The agent regime lacks an independent economic project. Sisi and his regime do not run a sovereign state, but rather operate as a functional agency serving America and global capitalist circles. Their projects do not bring any benefit to the people, but rather burden them with taxes, debt, oppression, and further dependence and subjugation.

Projects financed by loans are pointless and we don't gain anything from them. Instead, they are mostly showy projects, such as the administrative capital, high-speed trains, King Salman Bridge and coastal towers, benefiting a limited class of businessmen and the military, while the general public is asked to be austere and tighten their belts.

The lack of oversight and accountability within the Islamic Ummah, due to the absence of Islam in governance, and the lack of genuine accountability, to halt this collapse, is allowing the authorities to continue this catastrophe, without accountability or oversight.

The regime's dependence on international institutions, particularly the International Monetary Fund and the World Bank, is a fundamental pillar of this crisis. Every loan granted is, in essence, a link in the chain of soft colonialism, a tool for imposing dependency and tightening control.

The IMF is not an innocent institution, but instead a political tool par excellence. It imposes laws and reforms that dictate privatization, subsidy cuts, taxation, and reliance on the free market. These are completely contrary to the Islamic economic system, which rejects unjust taxes, prohibits the transfer of public wealth to individuals, and forbids the privatization of public property. Accepting the IMF's conditions removes the state from the sphere of sovereignty and makes it subject to the decisions and interests of the West.

The Islamic Shariah ruling on this matter is clear in principle:

External borrowing from kafir countries, or from international institutions affiliated with them, is forbidden by Shariah Law, because it causes political dependency and gives the creditor power over the debtor. Allah (swt) said, ﴿وَلَنْ يَجْعَلَ اللَّهُ لِلْكَافِرِينَ عَلَى الْمُؤْمِنِينَ سَبِيلًا﴾ **“Allah forbids the authority of the kafireen over the believers.”** [TMQ Surah An-Nisaa: 141].

The riba (interest) that accompanies these loans is forbidden in itself, and the Egyptian regime borrows with compound interest, which falls under the category of all interest, simple and compound, about which Allah (swt) said, ﴿وَلَنْ يَجْعَلَ اللَّهُ لِلْكَافِرِينَ عَلَى الْمُؤْمِنِينَ سَبِيلًا﴾ **“O you who have believed, fear Allah (swt) and give up what remains of riba (interest), if you should be believers.”** [TMQ Surah Al-Baqarah: 278].

The way out of this crisis is not to reschedule debts, sell off state assets, or impose more austerity measures, and crush the poor. Instead, the solution lies in a civilizational project and genuine, radical change based on the following three principles,

Firstly, we must end our dependence on the West and its financial institutions:

We must stop dealing with the International Monetary Fund, reject all its dictates, cancel all usurious (riba) loans, and consider the interest amounts as invalid political debts, that must not be repaid according to Islamic Shariah Law. We must not recognize any financial

obligations arising from invalid contracts or contracts that violate Islamic Law. The Islamic Ummah does not derive its policies from its enemies.

Secondly: Building an economy based on Islam:

It entails adopting heavy industry, a gold and silver standard, and a productive, not a consumer, economy, within a system that considers natural resources such as oil, gas, minerals, and basic community utilities, electricity, water, public transportation, to be public property that cannot be privatized. Instead, their revenues are distributed among the Ummah. It prohibits usury and monopoly, and prevents the concentration of wealth in the hands of a small group. It does not permit the Ummah's wealth to be diverted to serve the world's wealthy. Instead, it is employed for the sustenance of Muslims and the glory of Islam. It is a unique system:

It is a system that collects Zakah from the wealthy and allocates it to its Shariah legitimate recipients. This alone meets basic needs without incurring debt.

It is a system that restores the gold and silver standard as currencies in themselves, or in fully redeemable, representative paper money. This standard provides strength for the Ummah's currency in and of itself, protecting the Ummah from inflation, rendering it unaffected by disasters and catastrophes, and preventing dependence on global markets, which impose their own conditions.

It is a system that obligates the state to establish heavy and mineral industries based on the policy of warfare, which is the foundation of industrialization and manufacturing. An Islamic Ummah cannot advance unless it builds an independent industrial base, ranging from light industries to nuclear industries. This is a Shariah legal obligation for the state to undertake.

It is a system that requires the state to cultivate its strategic crops, and manufacture its own medicine and weapons, instead of purchasing them from its enemy, as is currently the case. It requires enabling people to benefit from, and own, land by reclaiming it through agriculture and development, without any burdens or taxes, and guarantees freedom of production, without corrupt state intervention in the market.

Recovering plundered wealth, such as the Suez Canal, gold and mineral mines, and oil and gas companies, which must be returned to the Ummah's collective ownership as public property.

The Islamic economic system does not rely on borrowing from the West or on usurious colonial institutions. Instead, it relies on complete self-sufficiency in financing projects, especially heavy industries, which are the backbone of the Ummah's revival, and enable it to achieve economic and political independence.

Heavy industries, including aircraft, ships, tanks, reactors, precision equipment, and metal-extracting and forming equipment, must be a priority for the Islamic State. They are essential, not luxuries, because the Islamic State must possess the ability to defend and attack. This can only be achieved through advanced military and technological manufacturing, not by importing weapons from the West on a conditional basis.

Agriculture and trade, however, are not sufficient to establish a dominant entity. Industry, particularly heavy industry, is essential to ensure the Ummah's self-sufficiency, preserve its sovereignty, and prevent it from falling victim to international economic blackmail. Therefore, the Khilafah State does not limit itself to encouraging arts and craft workshops, it also develops clear centralized plans to build a heavy industrial base. The state possesses self-financing tools to establish and support these industries, including,

- Revenues from spoils of war, spoils of war.
- Revenues from public property, such as oil, gas, minerals, and water.
- Zakat funds for their designated categories.
- Temporary taxes imposed only on the wealthy when there is a real need.

Regarding monetary policy, Islam does not permit the use of fiat currency, or any paper currency, that is not a full representative substitute for gold or silver. Instead, money must be

made of gold and silver, or the paper representative currency equivalent and fully convertible to their value. The Prophet (saw) linked the dinar and dirham by weight equivalent, alone, to precious metal, not by arbitrary convention, or legal state force and backing. This makes Islamic currency stable, and not subject to monetary inflation, or the influence of global markets, as is the case today with the Egyptian pound, which is effectively pegged to the dollar. It is not permissible to peg the currency to the dollar, nor to use paper currency that is not fully convertible to gold or silver, because this violates the Islamic Shariah rulings related to currency, and leads to the erosion of people's wealth and the dominance of major powers over the economy of the Islamic state.

Under this system, the Islamic state would not need the International Monetary Fund or external borrowing. Rather, it would build a productive, not a consumer, economy based on agriculture, heavy industry, and trade governed by Sharia. It would employ the nation's plundered wealth for the benefit of Muslims, not to please creditors or foreign funds.

Thirdly: A system of government that holds rulers accountable and prevents corruption:

Under Islam, its rule, and its state, the Khilafah Rashidah (Rightly-Guided Caliphate) on the Method of Prophethood, all policies are bound to Islamic Shariah Law. The Ummah has a Shariah obligation to hold rulers accountable, using the methods prescribed by Islamic Shariah. Anyone proven to be corrupt, or treacherous, is removed from office and brought to justice.

In light of these three principles, what is happening today is a natural result of the silence of ulema, the sedative anesthetization of the masses, and the marketing of illusions. The Shariah obligation imposes on every zealous Muslim to expose the truth about the existing regime, its subservience to the West, and its betrayal of the Ummah. They must demonstrate that ongoing borrowing is an illegitimate act, according to Shariah, call for the project of complete Islam, including its system, economy, and governance, and work with those working to establish the state of the Khilafah Rashidah (Rightly-Guided Caliphate), which implements Islam, preserves the wealth of the Ummah, and protects it from Western hegemony and subservience in all its forms and manifestations.

This project can only be implemented through an ideological state that rejects subordination and embraces Islam as its doctrine and system. Therefore, the establishment of the Khilafah (Caliphate) is a necessary condition for liberation (tahrir) from the economic and political decision-making of the Western hegemony.

Egypt's debt crisis is not simply a result of mismanagement or a problem of misallocation of funds. Instead, it is a natural consequence of the subservient capitalist policies imposed on the Ummah, since the fall of the Khilafah (Caliphate), which have bound the country to an international order of loans and riba (usury), managed by the West through its tools, such as the International Monetary Fund and the World Bank.

There is no real solution that will liberate the Ummah and guarantee its dignity and progress except a return to Islam as a practical system implemented by the Khilafah Rashidah (Rightly-Guided Caliphate) state, which will cut off the hand of the colonialist, build the economy on the basis of Iman, and restore the Ummah's authority and influence.

O sincere ones in the army of Egypt, al-Kananah (The Quiver of Arrows): O people of power and strength in the land of Egypt, your country is drowning in debt, and its asset wealth is being sold piece by piece, in the name of "economic reform," which is in reality systematic destruction.

You are the most capable of ending this tragedy, not by recycling the corrupt regime, changing faces alone, but by overthrowing this mercenary ruling faction, and supporting the project of the Khilafah Rashidah (Rightly-Guided Caliphate), which will ensure the liberation of the country and its people from economic and political enslavement. Allah (swt) said, **وَلَنْ يَجْعَلَ اللَّهُ لِلْكَافِرِينَ عَلَى الْمُؤْمِنِينَ سَبِيلًا** **"O you who have believed, fear Allah (swt) and give up what remains of riba (interest), if you should be believers."** [TMQ Surah Al-Baqarah 278].