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Sudan-Egypt Trade Partnership: Commerce or Influence?

An Analytical Reading of the Sudan-Egypt Foreign Trade Report, June 2026

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In one of the markets of northern Sudan, grocery shelves reflect part of the shift that has overtaken trade routes during the war. Processed food products, oils, juices, canned goods and everyday consumer items arrive from Egypt via a nearby overland route, then move on to other cities according to transport patterns and market needs. Along that same route, Sudanese gold travels north in ever-larger quantities, its proceeds converted into currencies and balances that feed into imports, transfers and the financing of commercial activity.

During the first half of 2026, trade between Sudan and Egypt reached about $1.87 billion. Sudan exported goods worth $1.003 billion to Egypt and imported roughly $867.1 million, recording a trade surplus of about $136.4 million. Egypt's share of Sudan's foreign trade makes the scale of that shift even clearer. Sudan's total exports over the period hit $1.816 billion, meaning the Egyptian market absorbed about 55.3 per cent of all Sudanese exports. Sudan's total imports stood at $4.517 billion, of which roughly $867.1 million came from Egypt, or about 19.2 per cent of total imports. Egypt thus ranked second, behind China, which topped the list of Sudan's suppliers with close to $1 billion.

Combining exports and imports, trade with Egypt accounted for nearly 29.5 per cent of Sudan's total foreign trade over the six-month period, making it Sudan's largest trading partner by overall exchange value. That share means that nearly three of every ten dollars in Sudan's foreign trade during the first half of the year were tied to the Egyptian market.

This weight stemmed from a surge in Sudanese gold exports to Egypt, alongside a rise in fuel imports during the second quarter and the continued flow of food and manufactured goods, a combination that illustrates how war, political decisions and geography have redrawn Sudan's trade routes in a short span of time.

Indicator	H1 2025	H1 2026	Change
Sudan's exports to Egypt	$146.7 million	$1,003.5 million	+584%
Sudan's imports from Egypt	$470.7 million	$867.1 million	+84%
Trade balance	-$324.0 million	$136.4 million	Improved by $460.4 million
Trade volume	$617.4 million	$1,870.6 million	+203%

The comparison with the first half of 2025 shows how fast the change occurred. In just six months, bilateral trade rose from $617.4 million to $1.87 billion, exports jumped by about 584 per cent, imports by about 84 per cent, and the trade balance improved by roughly $460 million.

This trajectory follows years in which Sudan ran a trade deficit with Egypt, about $171.4 million in 2020, then $314.2 million in 2021, $125.3 million in 2022, rising to about $451 million in 2024, before narrowing to $240.8 million in 2025.

Period	Sudan's exports to Egypt ($ million)	Sudan's imports from Egypt ($ million)	Sudan's trade balance ($ million)
2020	363.8	535.2	-171.4
2021	496.4	810.6	-314.2
2022	635.4	760.7	-125.3
2024	277.0	728.0	-451.0
2025	718.9	959.7	-240.8
H1 2026	1,003.5	867.1	136.4

The timeline table shows that the shift recorded in 2026 came after years of deficit in the trade balance with Egypt. Source.

Sudanese Gold Turns Egypt into an Export and Trade-Financing Platform

The transformation that emerged in 2026 is tied to gold. Sudanese gold exports to Egypt during the first half of 2026 reached about $901.1 million, or nearly 90 per cent of total Sudanese exports to the country. Sudan's total gold exports during the period reached about $1.135 billion, positioning Egypt as the leading destination for Sudan's officially recorded gold.

The surge coincided with a rise in production activity: the Sudanese Mineral Resources Company announced that gold output during the first half of the year reached 111 per cent of its target, though production volumes in tonnes were not disclosed. Politics explains a central part of this shift: the trade rupture with the United Arab Emirates during 2025 pushed a larger share of gold flows toward Egypt, given its geographic proximity, the length of the shared border, northern Sudan's links to mining areas, and the trade networks already established between the two countries, all

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factors that raised the appeal of the Egyptian route for traders.

This route has served official exports, but it has also opened wide space for gold movement outside formal channels. The Egyptian market's proximity to mining areas, the ease of overland crossing, and direct demand for gold and currency have together created an active market around the metal, reinforcing Egypt's position as an outlet for Sudanese gold during the war.

"Gold shifts from being an export commodity to a tool for financing part of trade itself."

Gold that reaches Egypt is converted into dollars, dirhams or Egyptian pounds, and those currencies then enter a new trade cycle. Part of that money remains outside Sudan, used to purchase goods, settle shipping costs, finance fuel, and cover importers' needs.

The large number of Sudanese living in Egypt has added to demand for the Egyptian pound and foreign currency: families need cash to cover rent, living costs, health care and education; traders need it to buy goods; importers need foreign balances to settle trade; and gold dealers look for a market to convert the metal quickly into liquidity, moving it as cash between the Sudanese and Egyptian pounds and back again. Together, these factors have created a broad market around gold and currency. Gold shifts from being an export commodity to a tool for financing part of trade itself: its value leaves Sudan in the form of metal, and parts of it return as goods, fuel and finished products. This cycle helps explain the continued pressure on Sudan's foreign-currency market even as exports rise, since part of that value circulates outside the banking system and is used directly in trade and transfers, so its effect shows up more in the movement of goods than in bank balances.

Egypt's importance grows as this cycle widens, because it brings together the gold market, the currency market, the presence of Sudanese residents there, and the sources of goods headed to Sudan. That interdependence raises the weight of border, customs and financial decisions between the two countries within the Sudanese economy.

Fuel Widens the Role of the Egyptian Corridor

Petroleum products drove a large share of Sudan's imports from Egypt during the first half of 2026, reaching $511.8 million, or about 59 per cent of Sudan's total imports from the Egyptian market, a notable volume, since this level of supply through the northern route marks a new shift in Sudan's fuel trade. Sudan's total petroleum bill from all countries stood at about $1.495 billion, giving Egypt a share approaching one-third of total supplies during the period.

Sudan's leading fuel suppliers, H1 2026	Value
Egypt	$511.8 million
Oman	$363.6 million
India	$115.0 million
Other suppliers	$504.5 million
Total	$1,494.9 million

The surge was concentrated in the second quarter, as shipments arriving via Egypt rose sharply between April and June, raising an important question about the nature of this fuel, and about the Egyptian market's own capacity to become, within a short period, one of Sudan's largest sources of energy supply.

A manager at one of the major companies engaged in fuel import and trade in Sudan, who asked not to be named, told Atar that some of the shipments entering Sudan via Egypt consist of Russian fuel, with payments settled with Russian companies in the UAE, in dirhams, before the shipments enter Sudan carrying Egyptian certificates of origin through Egyptian ports close to Port Sudan. The manager added that as United States-Iranian tensions escalated, insurance costs rose and the risks of operating in the Bab el-Mandeb region increased in recent months, making Russian shipments a more attractive option, especially since Sudanese suppliers are known for meeting their financial obligations in the UAE's settlement market, which made direct dealings with Russian companies more accessible through shipments from Egyptian ports.

To explain further, after Western sanctions on Russian petroleum products, sales and collection networks expanded outside Russia, and the UAE became one of the key settlement points for this trade. During 2024, payments for Russian crude oil and fuel exports were delayed for months, as banks in the UAE, China and Turkey tightened compliance measures against US sanctions, though some UAE banks continued processing payments tied to Russian trade, alongside increased scrutiny of the parties and documents involved in these deals.

"Some of the shipments entering Sudan via Egypt consist of Russian fuel, with payments settled with Russian companies in the UAE, in dirhams." - Manager at a major Sudanese fuel import and trading company, who asked not to be named

In June 2025, about 400,000 tonnes of Russian fuel oil and vacuum gasoil, a refining process that separates heavy petroleum components under low pressure to ease their evaporation and processing, moved from Russian ports to the Ain Sokhna terminal in Egypt, a facility used to store and re-export petroleum products. The flow

of Russian products through the Egyptian corridor continued through 2026, alongside an expansion of ship-to-ship transfers off the Egyptian coast. In January 2026, two tankers carrying about 240,000 tonnes of Russian naphtha conducted ship-to-ship transfers at Port Said anchorage and off Togo before heading to Singapore. In February, transfers of Russian naphtha and fuel oil near Port Said and El Hoceima exceeded 200,000 tonnes, while quantities of Russian fuel oil were temporarily stored at Port Said anchorage awaiting buyers, an expansion linked to sanctions and a shortage of tankers available for the Russian products trade.

In March 2026, about 230,000 tonnes of Russian fuel oil and vacuum gasoil passed through ship-to-ship transfers off Egypt, with the final destinations of several shipments remaining unclear, complicating efforts to trace the fuel's trade route between the country of production, the vessel that first carried it, the storage or transfer point, the party reselling it, and the market it ultimately reaches.

The expansion of ship-to-ship transfers adds to the difficulty of tracking a shipment, since moving fuel onto a new tanker can coincide with a change in seller, next port of loading, the party issuing shipping documents, and the country of export or re-export. With multiple intermediaries involved, the chain can produce commercial documents issued by a company in a third country, a bill of lading tied to a new port, or export data reflecting only the last point a shipment left from, widening the gap between the original country of production and the country that appears in trade statistics as exporter or re-exporter.

This point helps in reading Sudan's trade figures more precisely. Egypt's appearance as a fuel exporter in trade data can include shipments that merely passed through, or were re-exported from, its ports after arriving from Russia, and the seller, shipping route, and accompanying trade documents can all change as a shipment moves between vessels, companies and ports. The country of origin itself, however, remains tied to where the fuel was produced or to the industrial processing it underwent under rules of origin.

"The UAE handles settlements, Egyptian ports provide storage, handling and re-routing, and shipments then move to Sudan along a route close to Port Sudan."

In April 2026, Russian President Vladimir Putin floated the idea of establishing a grain-and-energy hub in Egypt to store and distribute Russian supplies to African and Middle Eastern markets, a proposal that situates Egyptian ports' role in the movement of Russian goods and energy within a broader push to expand Russia's trade channels in the region.

This network helps explain the surge recorded in Sudan's fuel imports from

Egypt during the second quarter of 2026: the UAE handles settlements, Egyptian ports provide storage, handling and re-routing, and shipments then move to Sudan along a route close to Port Sudan, widening importers' options and cutting arrival times compared with longer routes.

The growing reliance on this route has made the activity of Egyptian ports, shipping costs, and the speed of re-routing supplies directly influential factors in Sudan's fuel market. Fuel, in turn, feeds into the cost of transport, agriculture, production and the movement of goods, so any rise in supply costs passes through to the rest of economic activity via prices and operating costs.

Food: The Egyptian Market Fills Production Gaps

During the first half of 2026, Sudan's imports of Egyptian manufactured goods hit $137.3 million, other food items $72.8 million, chemicals $49.7 million, and wheat and wheat flour $25.1 million.

The war has raised the value of geographic proximity: factories have been damaged, production capacity has fallen, and the costs of electricity, transport, production inputs and financing have risen. Under these conditions, importers have been able to fill market gaps more quickly, particularly in processed food, grocery products and household goods.

The closure of a factory, or a drop in its output, creates an immediate supply gap, and Egypt's market has an industrial base capable of responding to those gaps quickly at varying prices. As this route has expanded, Egypt has become part of what keeps supply stable in a number of Sudanese markets, especially the northern states and areas linked by overland roads.

This role carries a long-term effect on the structure of the market itself, because the continued flow of Egyptian goods throughout the war years widens the distribution networks tied to them and gives importers and distributors greater experience dealing with the Egyptian market. When Sudanese factories resume operation, they will enter a market in which Egyptian products have become more entrenched, raising the question of price competitiveness between local and imported goods, which in turn increases the importance of policies on restarting production, financing and protecting the competitiveness of domestic industry.

In April 2026, the government issued a decision banning the import of some 46 goods, part of a policy aimed at reducing demand for foreign currency.

"The ban has affected the flow of a number of consumer goods and narrowed the variety of supply in some markets, particularly processed food and grocery products," Ahmed Al-Fadil, an importer, told *Atar*. "The shortage of certain items pushed traders to look for alternatives and raised the prices of goods that remained in demand as supply declined, while the smuggling of some goods from Egypt into northern Sudan through border routes has

picked up to cover part of the demand," Al-Fadil added. He further noted that "continued demand alongside weak domestic production has pushed part of the trade toward border routes, a shift that reduces the volume passing through official crossings, strains customs revenue, makes it harder to track the movement of goods and prices, and gives areas near the border an advantage in accessing goods compared with more distant areas that bear higher transport costs."

This reveals a direct relationship between trade policy and domestic production. The effectiveness of the ban depends on Sudanese factories' ability to supply alternatives for restricted goods, and every gap in production leaves room for border trade, smuggling and rising prices.

Trade Reshapes Policy

Egypt's rise to become Sudan's largest trading partner during the first half of 2026 puts it on a clear path to becoming Sudan's top trading partner by year's end, should current trade momentum continue, particularly with gold flows to the Egyptian market persisting and fuel and goods imports through the Egyptian corridor climbing.

Egypt maintains a close political and security relationship with the Sudanese Armed Forces (SAF), and the expansion of commercial interests makes the stability of the areas under SAF control, and the continued functioning of the ports, roads and crossings that serve this trade, part of Egypt's direct economic interest. Protecting trade routes protects the flow of goods, energy and gold, and the stability of the authority managing these routes becomes a factor shaping Cairo's calculations regarding the war and the future of the Sudanese state.

The widening of Sudan's reliance on the Egyptian route also raises the cost of any political disruption between the two countries, since decisions tied to borders, ports, trade and transit carry greater weight in the Sudanese market.

"Trade, in this sense, becomes a factor that helps explain Egypt's political stance on the war."

As this dependence grows, the relationship with Egypt factors more deeply into Sudan's economic policy calculations, from the management of foreign trade to gold, import and reconstruction policy. The wider the economic interests tied to gold, energy and the Sudanese market become, the greater the importance of the relationship with the military establishment that controls the main ports and crossings.

Trade, in this sense, becomes a factor that helps explain Egypt's political stance on the war, since the stability of the partner that guarantees the continuation of these routes carries both economic and security value.

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