

The National Council for Wages Sets a New Minimum Wage for Employees in the Private Sector

By Mariam Fahmy and Mohamed Nour

The National Council for Wages (the “**NCW**”) decided to set a new minimum wage for private-sector employees, and on 26 February 2025 the Minister of Planning and Economic Development, and International Cooperation Decree No. 15 for the year 2025 (the “**Decree**”) has been published in the Official Gazette outlining the new minimum wage and the annual increment that private-sector employees will benefit from.

The NCW is a public body, and its current structure is established by virtue of Prime Ministerial Decree No. 2659 for the year 2020. The NCW is mandated with setting minimum wages for the public and private sectors. In addition, the NCW is also responsible for reviewing the minimum wages set thereby on an annual basis.

The Decree comes in alignment with the Egyptian government’s efforts to establish social justice in labor relations, to preserve workers’ right to a good quality of life, to boost establishments’ production, and to ensure healthy work environments in accordance with international and local standards.

Key Highlights

Pursuant to the Decree, the NCW has set a minimum wage for employees working in the private sector amounting to EGP 7,000 per month, up from EGP 6,000, starting from 1 March 2025.

In addition to the above, the Decree provides that, for the fiscal year 2025, private-sector employees will receive an increment of a minimum of 3% of the employees’ social insurance wage, provided that the increment is not less than EGP 250.

Further, for the first time, the Decree has introduced a minimum wage for employees working temporary jobs and part-time employees, amounting to EGP 28 per hour (net).

Market Reaction

Dr. Rania Al-Mashat confirmed that the increase in the minimum wage is part of the Government’s commitment to address current economic developments, aiming to enhance economic and social stability. She added that such increase aligns with international standards, as the International Labor Organization emphasizes the need for periodic reviews of the minimum wage to protect the purchasing power of households and accommodate gradual economic changes.

For his part, Mr. Mohamed Goubran, Minister of Labor, confirmed that the Decree aligns with the directives of President Abdel Fattah El-Sisi, aiming at enhancing social protection and improving the living standards of workers. He pointed out that the periodic bonus, with a minimum of EGP 250, contributes to improving workers’ income and ensuring their rights amidst the ongoing economic changes.

Hisham Farouk El-Mahiri, President of the Administrative and Social Services Workers Union, praised the Decree, and stated that the Decree comes as part of the efforts aiming at providing a decent life and strengthening social protection programs for approximately 30 million workers. He further confirmed that the Decree aims at supporting the private sector workforce, which constitutes the largest segment in the labor market, to cope with the living burdens amidst the economic conditions and challenges resulting from global political events.