News Release
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S&P Global Egypt PMI®

June sees modest decline in non-oil business conditions

June 2025

Contractions in output and new orders accelerate

Sharpest reduction in purchasing activity in 11 months

Lowest confidence towards future output on record

Businesses across the Egyptian non-oil private sector economy saw a moderate deterioration in operating conditions at the end of the first half of 2025, as latest S&P Global PMI® data signalled further demand weakness and a contraction in output. Rates of decline in both new orders and output accelerated, leading to the sharpest cutback in purchasing for almost a year.

Egyptian firms expressed limited optimism towards the year-ahead outlook in June, with activity expectations in fact dropping to a historic low. More positively, input cost pressures softened, contributing to a slower rise in output prices.

The headline seasonally adjusted S&P Global Egypt Purchasing Managers' Index™ (PMI) is a composite gauge designed to give a single-figure snapshot of operating conditions in the non-oil private sector economy. It is calculated from measures of new orders, output, employment, supplier delivery times and stocks of purchases.

The PMI lost some of its gains from May, dropping from 49.5 to 48.8 in June, and publishing below the 50.0 neutral threshold for the fourth consecutive month. The index was consistent with a modest decline in operating conditions.

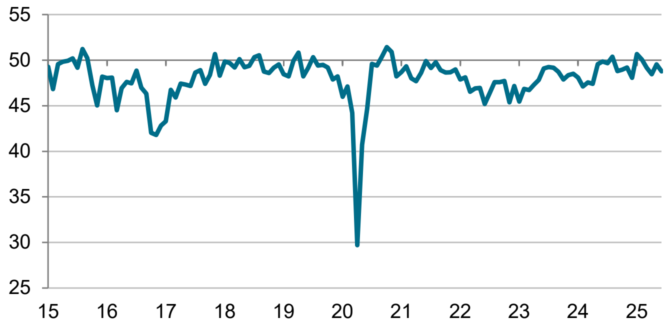
Business activity fell in June, and the rate of contraction picked up from May, though it remained softer than the series average. Surveyed companies widely signalled that weaker order books led them to scale back output.

Similarly, new order volumes across the non-oil economy dropped to a greater extent in the latest survey period. This was partly driven by weak client spending and a broad stagnation in local markets, according to respondents. Although the pace of decline quickened, it was modest overall.

With output and new business volumes falling, non-oil businesses in Egypt reduced their purchases for the fourth month running. The decrease was solid and the fastest recorded in nearly a year, with manufacturers seeing the largest cutbacks out of the main sectors monitored by the survey. The sharper decline in buying levels meant that total inventories stalled in June after increasing marginally in each of the prior three months. There was nevertheless a degree of pressure on suppliers, as highlighted by a slight lengthening of

S&P Global Egypt PMI

Index, sa, >50 = improvement m/m



Data were collected 12-20 June 2025.
Source: S&P Global PMI. ©2025 S&P Global.

Comment

David Owen, Senior Economist at S&P Global Market Intelligence, said:

"The June PMI data pointed to another mild decline in the health of the non-oil sector, driven by sustained decreases in incoming new orders and output volumes. Although rates of contraction accelerated from the prior survey, they remained softer than their respective historic trends. Nevertheless, a faster drop in input purchases combined with stalling hiring activity suggests that firms expect demand to remain low and are thereby looking to make cost savings.

"Overall expectations for future activity were the lowest ever recorded in June, with the respective index having hovered close to all-time lows in 2025 so far. This downbeat sentiment reflects subdued hopes for order books, as well as concerns that geopolitical risks could cause greater economic disruption."

PMI by S&P Global

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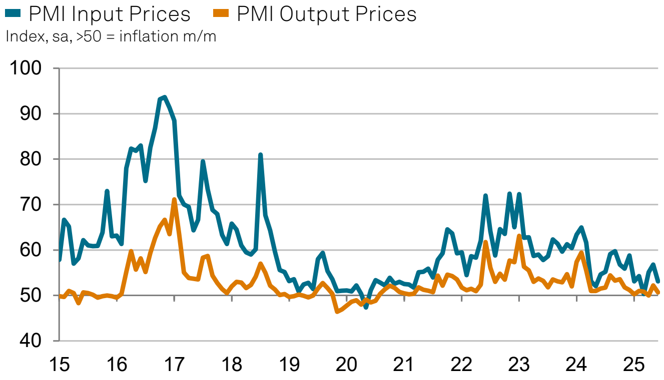
delivery times for the second month running.

The latest survey data meanwhile highlighted sustained weakness on the employment front in June, as firms reduced staffing for the fifth month running. That said, the rate of job shedding was fractional and the softest observed in the current sequence.

While job reductions were mainly associated with weaker demand, they also aligned with the subdued outlook for future activity. In fact, confidence in the year ahead outlook slipped in June and was the lowest on record, with firms generally expecting no growth in output.

On a positive note, rates of input cost and output price inflation softened in the latest survey period. Input cost pressures dropped to a three-month low, while the degree to which charges were raised was considerably weaker than May's seven-month high.



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Contact

David Owen
Senior Economist
S&P Global Market Intelligence
T: +44 1491 461 002
david.owen@spglobal.com

Kriti Khurana
Corporate Communications
S&P Global Market Intelligence
T: +91-971-101-7186
kritikhurana@spglobal.com
press.mi@spglobal.com

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Methodology

The S&P Global Egypt PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 400 private sector companies. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in April 2011.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@spglobal.com.

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