

S&P Global Egypt PMI®

Employment growth maintained despite sharper fall in new orders

September 2026

Job numbers rise for second month running

Output and new orders decline sharply

Selling prices rise strongly amid rapid cost inflation

Egyptian non-oil private sector businesses continued their hiring efforts in September, linked to optimism about future activity and capacity expansions to offset backlog growth. However, job creation was seen amid a stronger downturn in new business and persistently steep cost pressures that led to another marked rise in selling prices.

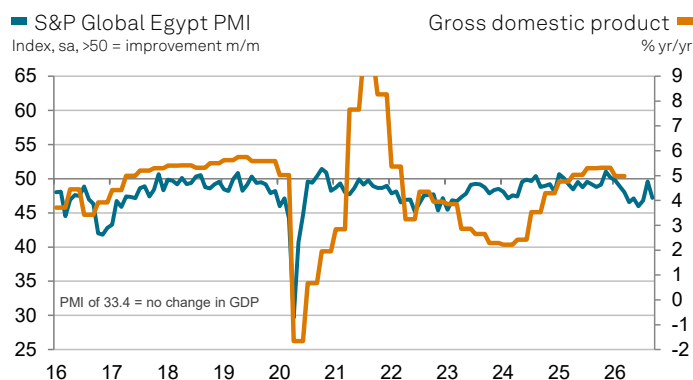
The headline seasonally adjusted S&P Global Egypt Purchasing Managers' Index™ (PMI®) is a composite gauge designed to give a single-figure snapshot of operating conditions in the non-oil private sector economy. It is calculated from measures of new orders, output, employment, supplier delivery times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

Following a seven-month high of 49.6 in August, the Egypt PMI dropped to 47.2 in September and fell below its long-run average of 48.2. The reading pointed to a solid and accelerated downturn in overall business conditions. In terms of domestic economic growth, the latest data were consistent with a slowing of annual GDP growth to approximately 4.3%.

The PMI's two largest sub-components, output and new orders, both decreased at sharp and accelerated rates in September. Businesses often reduced their activity because of a lack of client demand, according to qualitative evidence received from panellists. In turn, the fall in demand was mainly attributed to weaker market conditions, ongoing geopolitical disruptions and strong inflationary pressures.

Companies broadly responded by further reducing their purchases of materials and components. The volume of new inputs bought decreased for the sixth consecutive month, although the latest decline was the least marked since May. Weaker purchasing contributed to a fall in inventories, marking the third consecutive month in which stock levels decreased.

More positively, Egyptian firms made additional efforts to increase their staffing capacity, leading to a sustained rise in employment across the non-oil sector. This was the first occasion of back-to-back payroll growth in more than a year, although the rate of job creation lost momentum from August and was only slight.



Data were collected 10-22 September 2026.

Sources: S&P Global PMI, MPED via S&P Global Market Intelligence. ©2026 S&P Global.

Note: Although a PMI reading of 50.0 indicates no change in output compared to the prior month among the survey panel, historical comparisons suggest that a reading of 33.4 is consistent with no change in annual growth in the broader economy (as measured by GDP in real terms). Any PMI reading above 33.4 therefore signals rising GDP in annual terms and readings below 33.4 signal deteriorating GDP.

Comment

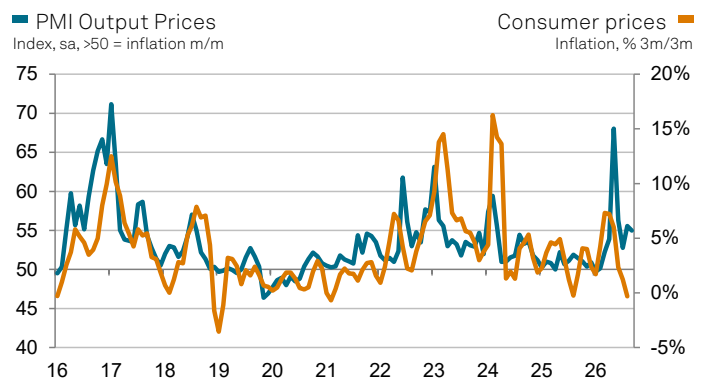
David Owen, Principal Economist at S&P Global Market Intelligence, said:

"While the September data took some of the shine off August's improvement, with the PMI falling back from 49.6 to 47.2, several elements of the latest survey continued to point to resilience among Egyptian businesses. Employment rose for the second month running, backlogs increased further, and firms remained optimistic about the year-ahead outlook, despite a moderation in confidence from August's recent peak.

"All this suggests that Egyptian firms remain hopeful about the future in spite of the economic challenges they face, several of which were again linked by respondents to the Middle East conflict. New orders fell at a faster rate and cost pressures remained elevated, leading firms to raise selling prices sharply again in September. The continuation of the conflict, together with recent Houthi militant attacks, therefore remains a key risk to the domestic economic outlook."

Efforts to build staffing capacity came as Egyptian companies experienced an increase in outstanding business for the fifth month running in September. There was also continued optimism regarding future activity, with firms generally predicting that output would increase over the next 12 months. However, the degree of confidence was less pronounced than in August, when it reached a more than four-year high.

Meanwhile, the survey data signalled that persistent cost pressures led firms to raise their output charges further. Although easing slightly from August, the rate of output price inflation was steep overall and much faster than the survey's historical trend. Companies broadly looked to pass higher operating expenses on to customers, with cost burdens emanating from several sources including oil, metals, electricity and transportation. The strong impact of these price rises was partly offset by a slowing of wage inflation to an eight-month low.



Sources: S&P Global PMI, CAPMAS. ©2026 S&P Global.

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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.

PMI by S&P Global

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. www.spglobal.com/marketintelligence/en/mi/products/pmi

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