News Release
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S&P Global Egypt PMI®

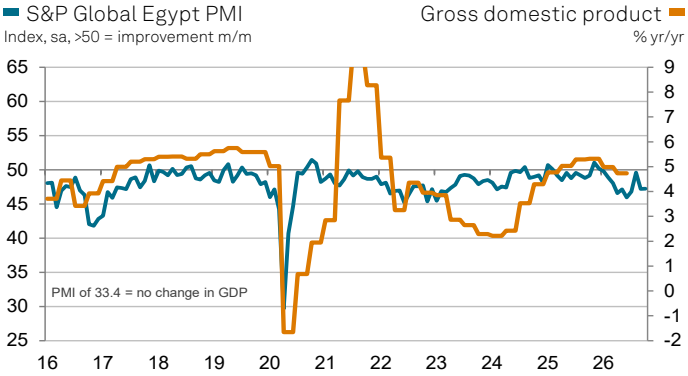
Sharper falls in output and new orders as cost pressures intensify

October 2026

Output and new orders fall at faster rates in October

Employment returns to decline

Input cost inflation hits five-month high



Data were collected 12-22 October 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.

Egyptian non-oil private sector businesses recorded sharper declines in output and new orders at the start of the fourth quarter, as weak demand and the Middle East conflict weighed on activity. Meanwhile, a sharp acceleration in input cost inflation led to the fastest increase in selling prices since June, while business confidence slipped to a seven-month low.

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 Egypt PMI was unchanged at 47.2 in October, signalling a contraction in operating conditions in the non-oil private sector economy for the tenth month running. This meant the PMI remained below its long-run average of 48.2. Based on the historical relationship with Egyptian GDP, the latest data is consistent with domestic output growing at an annual rate of approximately 4.3%.

Output and new orders both decreased at the fastest rates in four months during October. Panellists generally linked lower activity to weaker client demand, which they attributed to market stagnation, higher prices and reduced purchasing power. Demand conditions also continued to be impacted by the Middle East conflict, with firms noting a softening of external market conditions and greater delays to vendors.

Firms subsequently cut their purchases of inputs sharply. Nevertheless, stocks of purchases rose for the first time since June as companies attempted to build buffer stocks amid inflation concerns. Supply chain performance deteriorated further, with delivery times lengthening to the greatest degree since June amid maritime disruptions, material shortages and slower customs procedures.

Employment levels returned to contraction in October, ending a two-month sequence of job creation. The decline was modest, however, and was generally attributed to staff leaving voluntarily. Backlogs of work fell for the first time since

Comment

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

"Although the headline Egypt PMI was unchanged at 47.2 in October, the underlying picture deteriorated at the start of the fourth quarter. Output and new orders fell at the sharpest rates in four months, while employment and backlogs returned to contraction and business confidence slipped to a seven-month low. Moreover, the PMI was partly supported by longer delivery times and a build-up of stocks, both of which reflected supply disruption and inflation concerns rather than stronger demand.

"Cost pressures intensified, with input price inflation rising to its highest since May. Egyptian non-oil firms pointed to higher import, energy and shipping costs, as well as a weaker exchange rate against the US dollar, and raised their selling prices at the quickest rate since June as a result. This suggests the recent easing in official inflation may prove short-lived, making things harder for policymakers. With the Middle East conflict continuing to weigh on export demand and supply chains, the risks to the near-term outlook remain tilted to the downside."

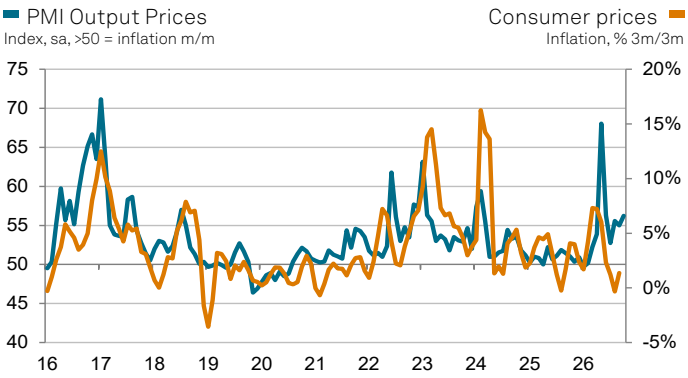
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January, albeit marginally.

Business confidence weakened further, with Egyptian firms only slightly optimistic about output over the next 12 months. While some companies hoped for improving economic and market conditions, others were concerned that wars, high inflation and supply chain disruption would weigh on growth.

On the price front, input cost inflation accelerated sharply in October to the strongest rate since May. Purchase prices rose at a steeper pace, with firms citing higher costs for imported inputs, energy and shipping, as well as a weaker exchange rate against the US dollar. Staff costs increased more quickly than in September, often reflecting salary adjustments for rising living costs. Consequently, firms hiked their output charges at the fastest rate since June, as they passed higher operating expenses on to customers.



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

Contact

David Owen
Principal 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

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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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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

Using PMI to estimate growth

PMI data are available faster than official GDP figures and at a higher frequency, providing an accurate advance guide to economic growth. Comparing the average of the headline Egypt Whole Economy PMI for each calendar quarter with annual GDP growth rates since 2014 shows a correlation of 42%, with the PMI acting as a coincident indicator of economic growth.

With this correlation as the basis of PMI-implied GDP growth rates, we can build a simple OLS regression model where the annual rate of change in GDP is explained by a single variable: the headline Egypt Whole Economy PMI. The model therefore allows us to estimate GDP using the following formula:

Annual % change in GDP = (PMI x 0.311) – 10.4

Using this formula, a headline PMI reading of 33.4 is comparable to a zero annual growth rate of GDP. Each index point above (below) is roughly the same as 0.31 percentage points of GDP growth (decline) such that: Annual % change in GDP = (PMI x 0.311) – 10.4

PMI = 40, GDP %yr/yr = 2.4; PMI = 50, GDP%yr/yr = 5.2; PMI = 60, GDP %yr/yr = 8.3

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