S&P Global Egypt PMI®

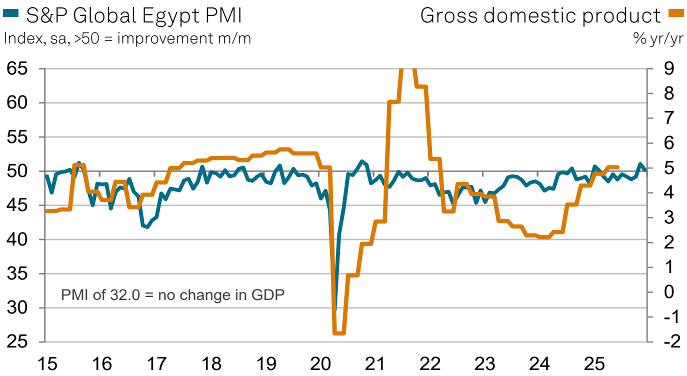
Egypt PMI remains just inside growth territory

December 2025

Output increases for second month running

Firms continue to receive higher new orders

Purchases rise for first time since last February, but staff numbers fall



Data were collected 4-15 December 2025.

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 32.0 is consistent with no change in annual growth in the broader economy (as measured by GDP in real terms). Any PMI reading above 32.0 therefore signals rising GDP in annual terms and readings below 32.0 signal deteriorating GDP.

The Egypt PMI® signalled a continued upturn in business conditions at the end of 2025, marking only the second instance of back-to-back improvements in over five years. Firms benefited from increased new orders, supporting a slight expansion in output, although the pace of growth in both areas slowed compared to November.

Purchasing activity rose for the first time in ten months, but hiring caution underscored a fresh drop in employment. Input cost inflation remained subdued overall, though it picked up slightly from its recent low in November, resulting in only a marginal increase in average 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.

The headline PMI dropped to 50.2 in December, after reaching a 61-month high of 51.1 in November. The index was above the 50.0 no-change mark for the second month running, indicating a sustained improvement in the health of the non-oil private sector. A PMI reading of 50.2 historically correlates with annual gross domestic product growth of approximately 5%.

Driving the latest improvement in business conditions were additional expansions in activity and new orders, reflecting reports from survey panellists of stronger demand conditions and increased client spending. Inflows of new work rose for the second month in a row, although the rate of growth eased since November. In response, firms increased their output, with sectors such as manufacturing and construction experiencing growth, while wholesale & retail and services saw declines.

Amid improvements in output and new orders, Egyptian non-oil firms reported a fresh increase in their purchasing activity in the latest survey period – the first in ten months. However, reports of shortages among some vendors led to a decrease in input stocks for the third month in succession.

Comment

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

"Egyptian businesses have seen things improve at the end of 2025. December's PMI signalled another upturn in operating conditions across the non-oil sector which, when combined with October and November's figures, represents the best quarterly performance since the final quarter of 2020.

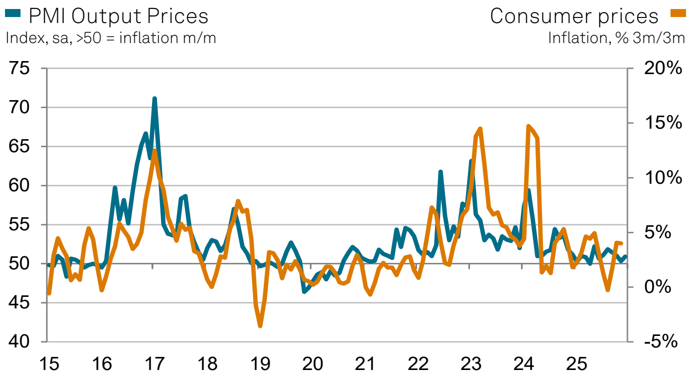
"Improvements in order books have been a clear factor behind strong business performances over the past few months. The uplift in sales arrived amid a softening of inflationary pressures in the Egyptian economy, which has enabled businesses and consumers to spend with more confidence. Adding to signs of growth spreading, firms' purchases of inputs increased for the first time in ten months.

"That said, the overall upturn in business conditions was softer in December compared to one month ago, suggesting this growth trend should be treated with caution. Firms also face continued uncertainties in the domestic and global sphere, which has made them hesitant to show optimism."

December meanwhile saw a renewed decline in employment, with most firms that recorded a decrease citing challenges in replacing staff who had left. The overall reduction was the sharpest in 13 months, though it remained modest.

Input cost pressures remained subdued relative to the long-term trend. The rate of input price inflation edged up slightly from the previous month, with increases noted in items such as fuel, cement, and staff wages. Nevertheless, the impact on business expenses was modest enough to facilitate only a marginal increase in overall selling charges.

Although business conditions showed signs of improvement, surveyed firms looked towards future activity with a degree of hesitancy. The outlook for the next 12 months was neutral in December, reflecting subdued confidence levels during the latter half of 2025.



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

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 0.269) – 8.62

Using this formula, a headline PMI reading of 32.0 is comparable to a zero annual growth rate of GDP. Each index point above (below) is roughly the same as 0.27 percentage points of GDP growth (decline) such that: Annual % change in GDP = (PMI x 0.269) – 8.62

PMI = 40, GDP %yr/yr = 2.1; PMI = 50, GDP%yr/yr = 4.8; PMI = 60, GDP %yr/yr = 7.5

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