

S&P Global Egypt PMI[®]

Output and demand ease across Egypt's non-oil sector in February

February 2026

Output declines for first time since last October

Firms shed jobs and reduce purchases

Cost pressures accelerate, hitting business margins

Egyptian non-oil private sector businesses reported a reduction in their activity levels for the first time in four months in February, amid a softening of demand and quickening cost pressures.

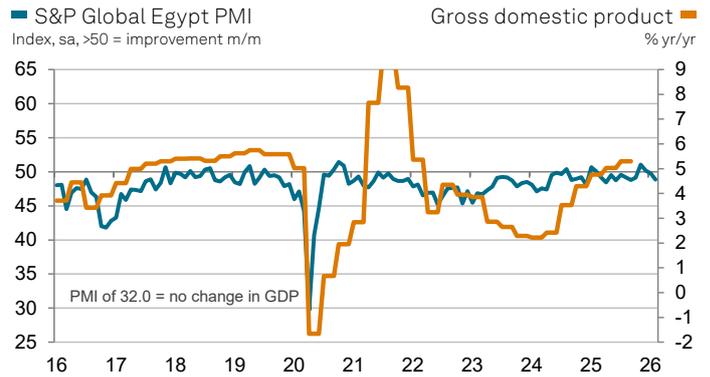
The headline seasonally adjusted S&P Global Egypt Purchasing Managers' Index[™] (PMI[®]) is a composite gauge designed to give a single-figure snapshot of operating conditions in the non-oil private sector economy. It is calculated from measures of new orders, output, employment, supplier delivery times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

The headline PMI dropped from 49.8 in January to 48.9 in February, which was below the 50.0 neutral threshold but above its long-run average (48.3). The trend between the PMI and non-oil GDP growth suggests that the latest reading was still indicative of a robust upturn in domestic non-oil economic output.

All five sub-components of the PMI were at levels consistent with a weakening of business conditions compared to the previous month in February. This included a fresh decrease in activity, which concluded a three-month sequence of expansion. A softening of demand conditions weighed on output, according to anecdotal evidence, while some panellists noted that increased cost pressures had inhibited business operations.

Egyptian non-oil companies also observed a decline in order book volumes over the latest survey period. Although the quickest for five months, the rate of contraction in new business was only modest and softer than the long-run trend. Sales downturns were recorded in the manufacturing, wholesale & retail and services parts of the non-oil private sector, while construction was the only monitored sector where new orders improved.

Contractions in business activity and new orders led businesses to curb their capacity and purchases, whilst also providing a relatively muted outlook for future output. Staff numbers dropped for the third month in a row, albeit only slightly, with firms mentioning both active jobs cutting and hiring freezes. However, this was partly offset by hiring at



Data were collected 10-19 February 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 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.

Comment

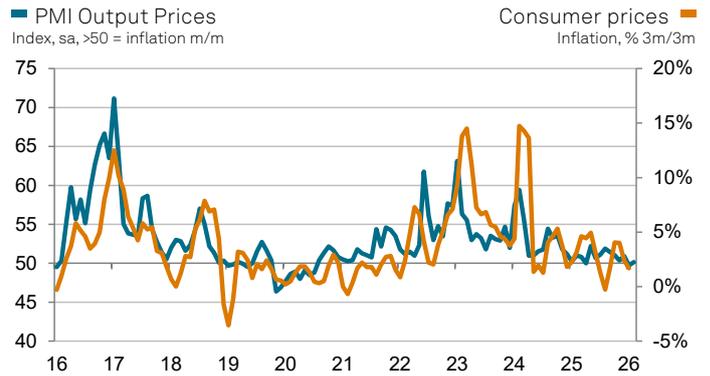
David Owen, Senior Economist at S&P Global Market Intelligence, said:

"The February PMI data pointed to a slowdown in the Egyptian non-oil private sector as activity curtailed and new order volumes weakened. That said, the dip followed an unusually strong run of business performances, while the latest figures are consistent with annual GDP growth running at approximately 4.5%.

"Egyptian non-oil companies were notably exposed to the uplift in global commodity prices, with firms emphasising the impact of higher prices for oil and metals, resulting in the sharpest increase in business costs for nine months and hitting margins at a time when firms are reluctant to raise their selling prices. Firms will therefore be keen to see commodity markets settle, especially as recent periods of high input cost inflation have typically constrained business output."

some companies as part of operational improvements. The quantity of inputs bought likewise fell, but the rate of decline eased since January. This enabled vendor performance to remain broadly unchanged, as input requirements were relatively mild.

Meanwhile, average price pressures in the non-oil economy rose markedly in February, as firms highlighted further increases in material prices and wage costs. Rising global commodity prices hit import expenses, according to survey respondents, as key items such as oil and metals notched higher. Total input costs subsequently grew at the fastest rate since May 2025. Nevertheless, selling prices were up only fractionally, with just a small proportion of firms choosing to pass cost increases onto their customers.



Source: S&P Global PMI. ©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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