

S&P Global Egypt PMI[®]

Egypt PMI signals sharper downturn in non-oil activity

March 2026

Operating conditions decline at quickest pace since April 2024

New orders fall amid business uncertainty and higher prices

Purchase costs rise sharply, driving output prices

Egyptian companies reported a steeper decline in business activity in March, as demand weakened and prices rose due to the war in the Middle East.

The Egypt PMI[®], which tracks conditions in the non-oil economy, fell to its lowest point in almost two years during March. New sales dropped at a faster pace than in February, while firms turned pessimistic about future activity for the first time on record.

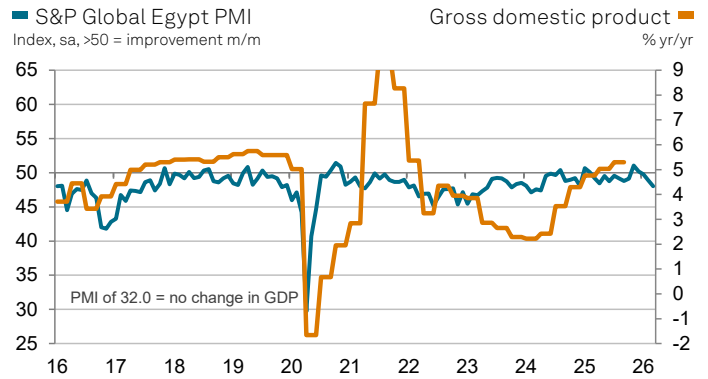
Higher material prices linked to the war led to a steep increase in input costs during March, with firms posting the sharpest uptick since the end of 2024. Consequently, output prices were raised at the strongest pace for ten months.

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 fell for a fourth successive month in March, declining from 48.9 in February to 48.0. While indicative of a relatively moderate contraction in operating conditions, one that was broadly in line with the survey's long-run average (48.2), the downturn was the strongest recorded since April 2024.

Driving the headline index lower were sharper contractions in output and new orders. In fact, both measures were at their lowest levels for almost two years. Panellists responding to the survey frequently reported that the Middle East war had dampened client demand, partly through an increase in price pressures.

Reflecting this, the survey data showed average purchase prices paid by businesses rising sharply during March, with the rate of inflation accelerating to the joint-sharpest in one-and-a-half years. Firms commonly mentioned rises in the price of fuel and other inputs greatly impacted by the war, alongside a strengthening of the US dollar. Manufacturers were the worst affected, registering the most pronounced increase in costs



Data were collected 8-23 March 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:

"While the Egypt PMI fell to a 23-month low and panel members signalled that the Middle East war had weakened demand, the latest figure of 48.0 still relates to annual GDP growth of around 4.3%. Combined with stronger PMI readings earlier in the first quarter, recent data suggests the domestic non-oil sector is on a solid underlying growth path.

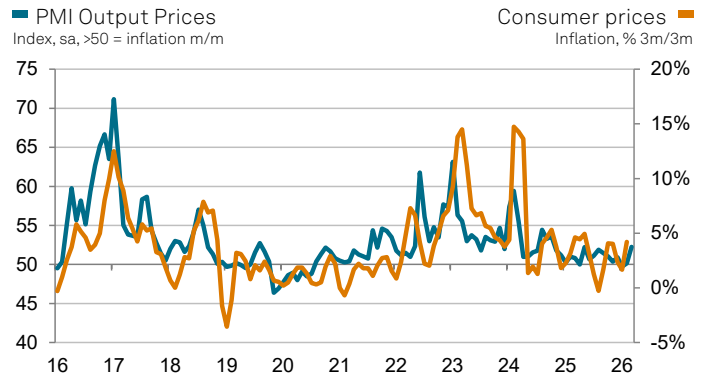
"Input prices increased sharply in March, with panellists citing both commodity price increases linked to the war and a weaker pound against the US dollar. As the US dollar strengthens amid a flight to safety, and energy prices remain elevated, Egyptian companies are clearly feeling the impact on their balance sheets."

out of the monitored sectors.

In response, non-oil companies chose to lift their selling prices. The increase was the quickest observed since May 2025, albeit modest in nature and broadly aligned with the long-run average.

At the same time, purchasing activity was up slightly after two consecutive monthly reductions. Similarly, employment was broadly stable following job cuts since the end of the last year.

Expectations towards future activity in the non-oil private sector slipped into negative territory in March. This was the first time in the series history where firms have predicted a fall in output over the next 12 months. However, the degree of pessimism was mild, with only a few respondents noting that uncertainty surrounding the Middle East war had led them to give negative forecasts.



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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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:

$$\text{Annual \% change in GDP} = (\text{PMI} \times 0.269) - 8.62$$

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

$$\text{PMI} = 40, \text{GDP \%yr/yr} = 2.1; \text{PMI} = 50, \text{GDP \%yr/yr} = 4.8; \text{PMI} = 60, \text{GDP \%yr/yr} = 7.5$$

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