News Release
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S&P Global Egypt PMI®

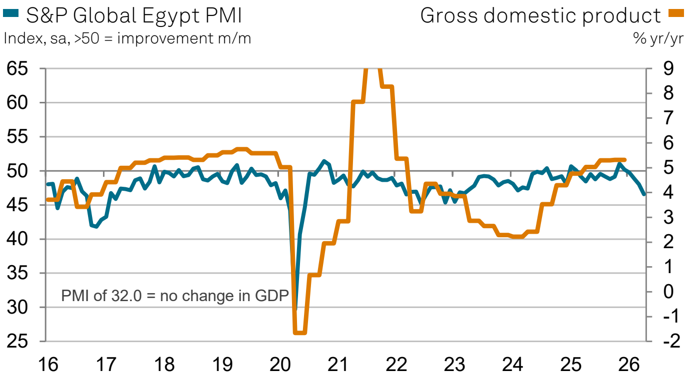
Business activity drops sharply as cost pressures accelerate

April 2026

Input prices rise at sharpest pace since January 2023

Order books decline markedly, prompting lower output

Selling prices increase, whilst purchasing activity falls



Data were collected 9-22 April 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.

Egyptian non-oil companies experienced a sharp contraction in operating conditions during April, as elevated price pressures weighed on both new orders and output. Input prices rose at the fastest rate since the beginning of 2023.

Companies reportedly curtailed their purchases of inputs and reduced their headcounts in response to tightened budgets driven by higher costs for fuel and materials. Selling prices increased solidly, with the survey data signalling the sharpest uptick since August 2024.

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 48.0 in March to 46.6 in April, indicating a solid decline in the health of the non-oil private sector. Moreover, the rate of contraction was the steepest recorded since January 2023. According to the long-run relationship with gross domestic product, the latest PMI reading pointed to GDP growth falling to an annual rate of approximately 3.9%.

Higher cost pressures were the dominant theme from the April survey, as the war in the Middle East reportedly drove up the prices of a range of inputs, most notably fuel. Around 27% of surveyed businesses reported that their input prices had risen since March, resulting in the quickest rate of overall cost inflation in more than three years.

With firms subsequently raising their selling prices at the fastest rate since August 2024 and customers facing elevated costs more broadly, the survey data signalled a marked contraction in sales volumes. New business declined at an accelerating pace for the third consecutive month in April, with the latest fall the most pronounced since March 2023. Weak demand conditions were evident across all monitored sectors, with the steepest downturns recorded in manufacturing and wholesale & retail.

Comment

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

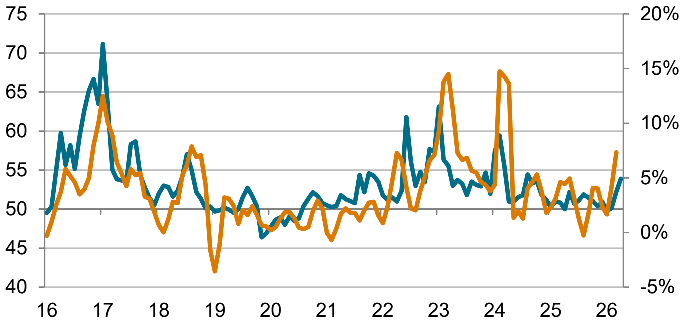
"April PMI data indicated that activity slowed and price pressures quickened across the domestic non-oil sector, as the Middle East conflict continued to disrupt global supply chains and drive sharp increases in fuel and material prices for Egyptian companies. Cost pressures reached their most marked level in over three years, prompting a stronger rise in selling prices. The rapid acceleration in price pressures faced by businesses suggested that the spike in headline inflation—which had reached 15.2% in March—may have further to run.

"Output and new orders declined sharply in April, pointing to a slowdown in GDP growth at the start of the second quarter. Companies consequently exercised greater caution towards purchasing and employment decisions, whilst presenting a subdued outlook for the year ahead."

Alongside heightened price pressures and falling demand, companies reported that input shortages contributed to weakened output levels. Firms reduced their activity to the greatest extent since the beginning of 2023. Supply shortfalls and international shipping delays also resulted in vendors' delivery times lengthening for the first time in 2026, albeit marginally.

Purchasing quantities were reduced during April, while stocks of inputs remained stable. Weaker sales prompted some staff reductions, although the decline in employment was only modest and close to the survey's long-run average.

Lastly, non-oil companies demonstrated subdued optimism regarding year-ahead output. Panellists expressed some hopes that market conditions would recover and that disruption stemming from the Middle East conflict would ease. The latest sentiment marked a modest rebound from March, when expectations had turned negative for the first time on record.



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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