

S&P Global Egypt PMI[®]

Decline in business conditions softens in May

Output and new business fall at slower rates compared to April

Input price inflation quickens to five-month high

Firms reduce purchasing activity and trim workforces

Egypt's non-oil private sector economy moved back towards stability in May, as the latest S&P Global PMI[®] survey signalled softer contractions in new business and output.

Overall operating conditions declined at the slowest pace for three months, as fewer companies reported cutbacks to customer sales. Nonetheless, firms reduced their purchases at the quickest rate in seven months and continued to let staffing numbers fall.

May's survey also highlighted an upshift in cost pressures, driven by increasing supplier charges and unstable exchange rates. The rate of input price inflation was the fastest observed in 2025 so far, leading to a fresh rise in 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.

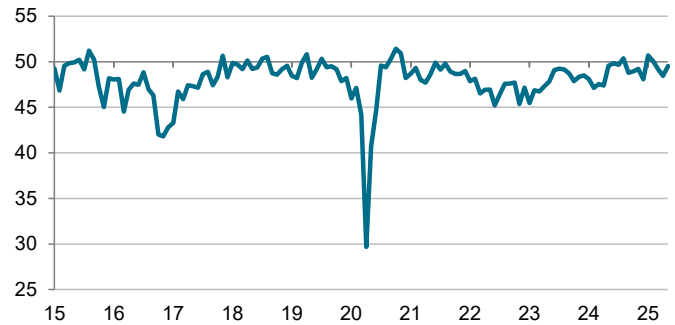
The headline PMI increased from 48.5 in April to 49.5 in May but remained below the 50.0 no-change mark, thereby signalling a deterioration in operating conditions for the third month running. However, the index was above its long-run series average of 48.2.

Non-oil private sector companies operating in Egypt registered a decline in output levels during May. In many cases, survey panellists related the contraction to a drop in order book volumes amid weaker customer demand. Both output and new orders decreased only slightly, however, and to lesser degrees than in April.

Lower levels of new work prompted businesses to reduce their purchasing activity. The latest decline was modest, but the fastest since last October. According to panel members, buying levels were often scaled back to ensure that stocks remained streamlined. Indeed, inventories of inputs rose only marginally.

The latest data also signalled a reduction in the non-oil private sector workforce, with total employment dropping for the fourth month in succession. That said, in line with the general trend seen over this period, job losses were mild. Panellists mainly commented on the decision to not replace voluntary leavers. Despite lower staffing, there was little change in

S&P Global Egypt PMI
Index, sa, >50 = improvement m/m



Data were collected 12-21 May 2025.
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Comment

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

"Although many of the key PMI metrics continued to indicate a deterioration in business conditions in May, the overall pace of decline was not as sharp as in April and softer than the survey's historical trend. Output and new orders fell at the slowest rates for three months, helped by renewed growth in the manufacturing sector. Nevertheless, a number of surveyed firms continued to report softness in market demand, leading them to cut back on purchases and staffing."

"Cost inflation climbed further in May, posting at its highest level in 2025 to date. Companies were particularly hit by an increase in purchasing prices, leading them to pass on at least part of this increase to customers. Uncertainty in currency markets and concerns towards future global trade conditions amid US tariffs were noted as factors behind higher supplier prices."

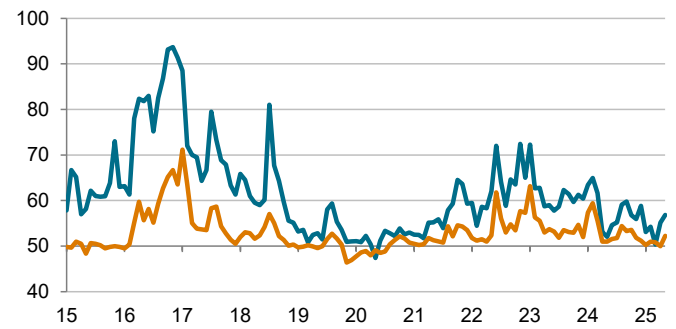
unfinished business.

Non-oil companies faced the steepest rate of input cost inflation for five months during May. The acceleration was mainly driven by a sharper increase in purchase prices, as businesses commented on higher costs for several items, including fuel, cement and paper. Volatile exchange rates, particularly with the US dollar, was also mentioned as a factor driving up costs. Wage expenses meanwhile rose only slightly.

Subsequently, after flatlining in April, selling prices increased to the greatest extent for seven months in May, as firms looked to pass through part of the uptick in costs to customers.

When assessing the 12-month outlook, non-oil businesses in Egypt were slightly more upbeat compared to April, although the level of optimism remained weak by historical standards. Some firms indicated that stubborn price pressures and low demand had weighed on output expectations.

PMI Input Prices PMI Output Prices
Index, sa, >50 = inflation m/m



Source: S&P Global PMI. ©2025 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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