Energy issues lie at the heart of Egypt’s pursuit of sustainable development. At present, this is hindered by heavy reliance on energy- and capital-intensive industries. This paper studies environmental total factor productivity (ETFP) for ten energy-intensive industries through the use of the Malmquist index and data envelopment analysis (DEA) over the period 2002-2014. Through incorporating CO2 emissions by energy intensive industries, DEA helps identify both environmentally efficient and inefficient industries. Findings indicate that i) ETFP has declined over time, underlined by an equal decline in both efficiency change and in technical progress, ii) excluding the environmental component indeed yields overestimated TFP, as predicted by the literature. Policy implications include the reliance on renewable sources of energy, bearing directly on the achievement of the seventh SDG goal. This paper’s scholarly significance lies in its novelty as no such estimation has been previously attempted for Egypt. It would also bear on other countries with similar industrial structures and at same/similar stages of development.