News Release
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S&P Global UAE PMI®

UAE non-oil sector records fastest growth since December 2024

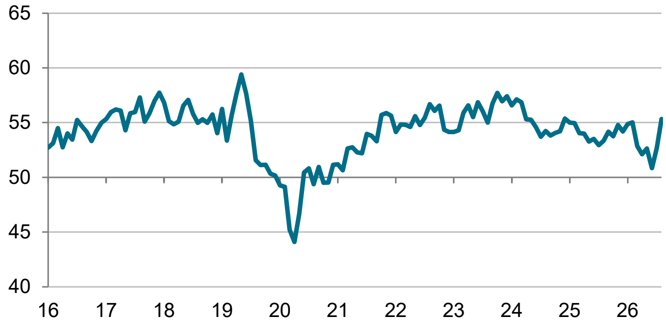
August 2026

Output and new business expand at sharper rates

Inventories of inputs rise strongly after muted spell

Cost pressures ease to six-month low as supply conditions improve

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



Data were collected 12-24 August 2026.
Source: S&P Global PMI. ©2026 S&P Global.

The August PMI® survey data signalled an upshift in growth across the UAE non-oil private sector. Firms reported a substantial rise in new business, the joint-strongest for more than two years, as well as sharper output growth, inventory expansion, easing supply constraints and lower price pressures.

The seasonally adjusted S&P Global UAE Purchasing Managers' Index™ (PMI®) – a composite indicator designed to give an accurate overview of operating conditions in the non-oil private sector economy – rose from 52.7 in July to 55.3 in August, pointing to an acceleration in growth for the second month running. Furthermore, the improvement in operating conditions was the fastest recorded since December 2024.

The robust upturn reflected a combination of growing sales momentum and renewed stock buildouts. The former was highlighted by a steep increase in new work inflows that was the joint-quickest since March 2024. Companies remarked on an improvement in customer activity that came amid a steady, if not complete, easing of economic caution arising from the Middle East conflict. Export demand also increased, marking back-to-back expansions following a spell of decline throughout the second quarter.

Output levels rose to a greater extent during August, representing the fastest upturn for six months. As well as rising order book volumes, non-oil companies also related higher activity to ongoing project progressions, client digital migrations and reduced logistics challenges.

Although output expanded, UAE non-oil firms also reported a rapid build-up of unfinished orders. The pace of new order growth reportedly left some companies with insufficient time to scale up operations. Furthermore, anecdotal evidence suggested that ongoing uncertainty surrounding the regional conflict and its macroeconomic impacts made firms hesitant to recruit staff, contributing to a reduction in employment levels for the second time in three months.

Comment

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

“The UAE's non-oil economy has shifted decisively into a higher gear, with August's PMI reading of 55.3 marking the fastest improvement in business conditions since December 2024 and suggesting that firms are adapting more effectively to the current market environment. Demand growth accelerated, while delivery times improved and cost pressures softened, indicating a broad-based strengthening in domestic economic conditions.

“UAE businesses are actively building supply chain resilience through localisation, with surveyed firms increasingly switching to domestic suppliers to help circumvent geopolitical disruptions. This strategy contributed to a further reduction in delivery times and strong purchasing growth. In addition, firms accumulated inventories at the sharpest pace in nearly three years, pointing to growing confidence in the demand outlook and efforts to limit the impact of potential future supply shocks. At the same time, however, employment decreased, reflecting a degree of hesitancy to commit to long-term capacity expansion.”

PMI by S&P Global

Positively, non-oil companies were able to accumulate input stocks. This was supported by a sharp increase in purchasing activity, as well as reduced sourcing issues as more firms leaned on local vendors. The uplift in input inventories, which was the most marked for nearly three years, contrasted with the muted stock-building trend seen in recent survey periods.

Vendor performance improved in August, aided by greater trade flows and faster deliveries from nearby suppliers. This helped to ease the rate of input price inflation to the lowest since February, despite reports of higher prices for energy, fuel, cement, steel and chemicals.

Average prices charged by non-oil businesses rose modestly, marking the quickest increase in four months. While a number of firms lifted their charges because of rising costs and stronger demand, others commented on price promotions and fierce competition.

Business expectations for the coming year improved in August, reaching their highest level since April. Optimism was partly linked to improving sales trends, as well as optimism surrounding construction projects and hopes for an easing of regional tensions.

Dubai PMI

Output and new order growth surged to six-month highs in August.

Dubai's non-oil private sector experienced stronger business activity growth midway through the third quarter, as companies highlighted an uplift in client spending and an improvement in export trade. The Dubai PMI rose sharply from 51.7 in July to 54.1 in August, signalling a robust improvement in business conditions.

The latest data also signalled the quickest rise in input stocks since December 2017. Employment meanwhile declined slightly, contributing to capacity pressures.

In contrast to the UAE trend, Dubai non-oil firms recorded an acceleration of price pressures in August, with total input costs rising at the fastest rate in four months.

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Methodology

The S&P Global UAE PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 1000 non-energy private sector companies. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in August 2009.

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.

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PMI by S&P Global

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