

S&P Global UAE PMI[®]

Sharpest rise in selling prices since May 2011 as improving demand supports pricing power

September 2026

Steepest output price inflation in over 15 years

Output growth quickens to seven-month high

Renewed rise in employment, but backlogs accumulate again

Demand conditions in the UAE non-oil private sector continued to improve markedly in September, boosting pricing power and enabling firms to raise their selling prices at the fastest pace in over 15 years in response to higher input costs.

Meanwhile, business activity increased rapidly and higher output requirements encouraged firms to expand both purchasing activity and employment. Staffing numbers were up only modestly, however, and backlogged work subsequently accumulated again.

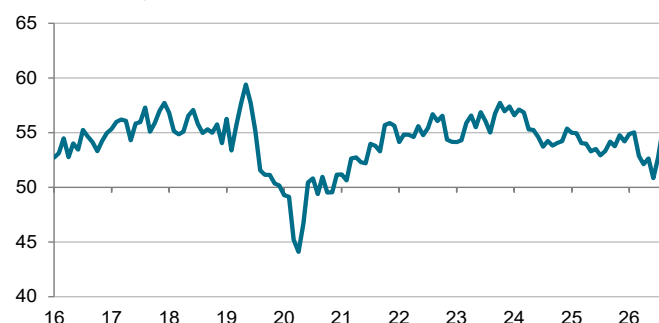
The seasonally adjusted S&P Global UAE Purchasing Managers' Index[™] (PMI[®]) – a composite indicator designed to give an accurate overview of operating conditions in the non-oil private sector economy – was unchanged at August's 20-month high of 55.3 in September, pointing to a marked monthly improvement in the health of the non-oil private sector.

A key driver of the latest improvement in business conditions was a rapid monthly rise in output, with the rate of growth quickening to the fastest since February, just prior to the outbreak of war in the region. Improving customer demand and good pipelines of new work led to increased activity across a range of different sectors, according to anecdotal evidence.

Strengthening demand conditions also supported a further marked increase in new orders, although here the pace of expansion eased from the seven-month high posted in August. Total new orders were supported by a solid increase in new business from abroad, which expanded for the third consecutive month and at the sharpest pace since November 2024.

With demand strengthening, companies had more pricing power in September and raised their output prices solidly. In fact, the rate of inflation was the steepest since May 2011 and among the fastest since the survey began.

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



Data were collected 10-24 September 2026.
Source: S&P Global PMI. ©2026 S&P Global.

Comment

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

"The UAE PMI held at 55.3 in September, another indication that the non-oil economy has moved past the mid-year slowdown linked to the Middle East conflict. Businesses saw customer demand improve, not just in local markets but abroad as well, with new export business rising at the strongest rate in nearly two years.

"While the economic picture looks more robust now, selling charges also rose markedly, suggesting that firms are taking the opportunity to boost their margins following a period of strong input cost pressures. With oil markets remaining volatile, and shipping routes still constrained, input costs and selling charges may remain elevated.

"Although order book growth has rebounded healthily, year-ahead expectations are still not far from their recent low earlier in the year, signalling that firms still view the economic outlook as uncertain. This is one contributing factor to hiring efforts remaining relatively subdued, although a rise in employment was recorded in September following a fall during August."

The rise in selling prices was of a broadly similar magnitude to that seen for purchase costs, which increased at the fastest pace in three months. Panellists reported higher charges from suppliers for raw materials, plus increased freight costs.

Staff costs, meanwhile, were little-changed in September as higher salaries at some companies were largely cancelled out by hiring restraint at others.

Caution around hiring meant that employment increased only slightly despite strong growth of new orders. The modest rise in staffing levels compared favourably with the fall recorded in August as companies made efforts to reduce backlogs of work.

Despite these efforts, the strength of new order growth meant that outstanding business continued to rise sharply in September. That said, the rate of accumulation eased from August's seven-month high.

Purchasing activity increased rapidly in line with greater workloads. Panellists reportedly bought in construction materials such as concrete and steel, as well as electrical items. In turn, stocks of inputs rose for the second month running, and at the fastest pace since November 2023.

Vendor performance continued to improve amid better material availability and smoother logistics. Lead times shortened for the fourth consecutive month.

Despite the generally positive picture painted by the latest data, business optimism remained relatively subdued in September. Sentiment dipped from August and was only just above March's recent low.

Dubai PMI

Business activity rose at the fastest pace in 2026 so far.

The Dubai PMI posted 54.5 in September, up from 54.1 in August, signalling a solid improvement in business conditions. Moreover, the health of the non-oil private sector strengthened to the largest extent in seven months.

Central to the improvement in business conditions was a sharp and accelerated increase in output, one that was the fastest in the year-to-date. New orders also rose markedly, supported by the strongest expansion in new business from abroad for two years.

A renewed rise in employment was registered in September, but backlogs of work still increased markedly nonetheless.

The rate of output price inflation quickened to the fastest since January 2014 as companies passed on higher input costs to customers.

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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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