

News Release

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Riyad Bank Saudi Arabia PMI®

Sharper improvement in business conditions across Saudi Arabia's non-oil economy

Key findings

Sales growth accelerates markedly in September

Purchases and employment rise at stronger rates

Supply chain improvements slow and exports fall again

Saudi Arabia's non-oil private sector maintained its expansion trajectory in September, as the latest Riyadh Bank PMI® data showed that demand growth had recovered towards more normal levels, while employment and purchasing activity improved at faster rates. However, the improvement in business conditions was relatively nuanced. Although new orders rose at the quickest rate since February, business activity growth eased to a five-month low and firms' expectations weakened amid heightened concerns about regional tensions and further supply-chain disruption.

Moreover, demand continued to be driven by domestic sales, as orders from foreign clients decreased for the seventh month in a row. On the price front, there were further reports of sharp increases in material and transport prices, leading to a robust increase in selling charges.

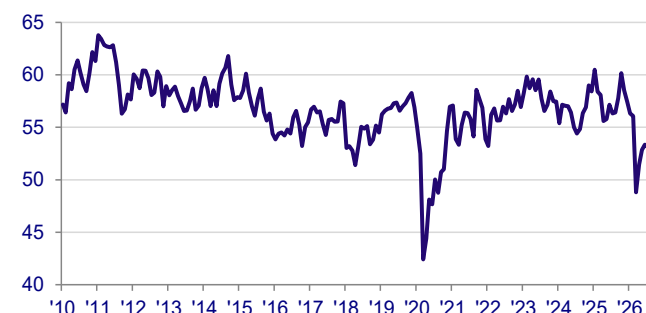
The headline figure is the seasonally adjusted Riyadh Bank Saudi Arabia Purchasing Managers' Index™ (PMI®). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation, the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

The headline PMI rose from 53.8 in August to 55.3 in September, signalling an improvement in operating conditions in the non-oil economy for the sixth consecutive month. The rate of improvement was also the strongest since February. However, the acceleration was largely driven by a marked rise in new order growth and masked a concurrent softening in output growth.

Indeed, the New Orders Index rose sharply in September and was much closer to its long-run average, suggesting that demand conditions had recovered well following a slowdown in the middle of 2026. Comments from businesses in the latest survey indicated that a gradual improvement in market conditions had led to increased client numbers and higher spending. Nevertheless,

Riyad Bank Saudi Arabia PMI

sa, >50 = improvement since previous month



Sources: Riyadh Bank, S&P Global PMI.

Data were collected 10-22 September 2026.

Comment

Naif Al-Ghaith PhD, Chief Economist at Riyadh Bank, said:

"Saudi Arabia's non-oil private sector recorded in September the highest reading since February and the sixth consecutive month of improving business conditions with the Riyadh Bank Saudi Arabia PMI rising to 55.3. The acceleration was primarily demand-led: new orders increased at their fastest pace since February as firms reported improving market conditions, higher client numbers and stronger spending.

"Employment and purchasing activity also strengthened, suggesting that businesses are responding to improved domestic demand by expanding capacity and preparing for continued activity.

"The September results are broadly consistent with the wider picture of the Saudi economy, where domestic consumption, investment activity, government and PIF-related projects, and continued credit availability remain important supports for non-oil activity.

"The strong improvement in new orders provides a positive forward-looking signal for activity in the coming months. The increase in outstanding business for the first time since May, alongside stronger hiring and purchasing—with input purchases reaching a seven-month high—also suggests that firms are building operational capacity rather than simply responding to temporary demand.

"The September PMI also provides an encouraging signal from the labour market. As new orders strengthened, non-oil companies increased hiring at a solid pace, with firms specifically reporting the expansion of sales teams and technical staff to support new investments. This is important because the increase in employment appears to be associated not only with current demand but also with businesses expanding their productive capacity."

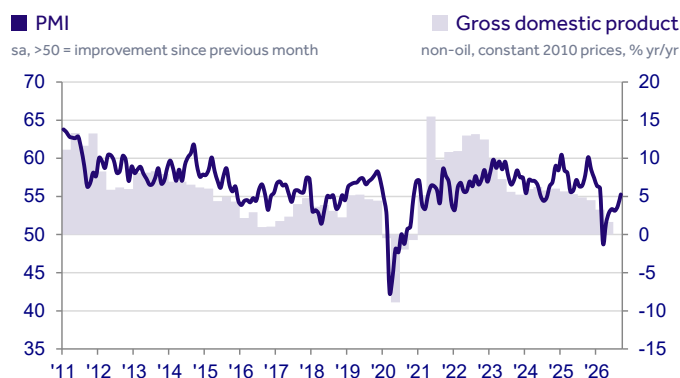
the recovery was predominantly driven by the domestic market. Although the pace of decline softened considerably in September, new orders from foreign customers have now dropped for seven months running, as companies highlighted the negative impact of supply chain disruption.

Survey evidence indicated that supply disruptions persisted during September, as delivery times improved only marginally and at the softest pace in five months. Businesses noted that regional instabilities had led to shipping delays in some cases. Greater geopolitical uncertainty was also reported to have contributed to a slower rate of activity growth in September, which eased to a five-month low, as well as a drop in confidence about future output.

Meanwhile, stronger new order intakes among non-oil firms led to an increase in outstanding work for the first time since May. Firms also increased their efforts to hire new staff, with the latest data signalling a solid expansion in total employment. Survey respondents cited the expansion of sales teams and technical staff to support new investments.

Growth in purchasing activity also gained momentum during September. The rate at which input purchases rose quickened sharply from August to a seven-month high.

Prices paid for inputs continued to rise markedly in September, with firms mainly commenting on higher material and transport costs. Although overall inflationary pressures edged down slightly, firms increased their selling charges at a substantial pace, with the rate of inflation the second-fastest in more than six years.



Sources: Riyadh Bank, S&P Global PMI, GaStat via S&P Market Intelligence

Contact

Naif Al-Ghaith
Chief Economist
Riyad Bank
T: +966-11-401-3030 Ext.: 2467
naif.al-ghaith@riyadbank.com

Monirah Alobaid
Senior Economist
Riyad Bank
T: +966-11-401-3030 Ext.: 8480
monirah.a.alobaid@riyadbank.com

David Owen
Principal Economist
S&P Global
T: +44 1491 461 002
david.owen@spglobal.com

Kriti Khurana
Corporate Communications
S&P Global Market Intelligence
T: +91-971-101-7186
kritikhurana@spglobal.com
press.mi@spglobal.com

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Survey methodology

The Riyadh Bank Saudi Arabia 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. The sectors covered by the survey include manufacturing, construction, wholesale, retail and services. Data were first collected 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.

About PMI

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.

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