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S&P Global UAE PMI®

Selling prices rise at record pace in October as cost pressures intensify

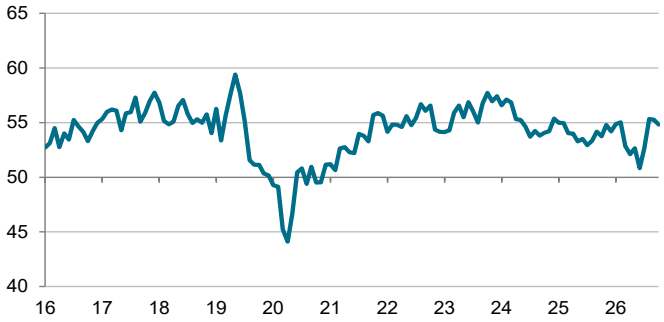
October 2026

Output charges increase at fastest rate in survey history

New order growth strengthens, supporting rise in activity

Confidence improves to highest since January, but employment dips

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



Data were collected 12-26 October 2026.
Source: S&P Global PMI. ©2026 S&P Global.

UAE non-oil businesses raised their selling prices at the fastest pace in the survey's history in October, as firms passed on a sharp increase in operating costs amid strengthening customer demand.

Meanwhile, new order growth accelerated and output continued to rise strongly. Business confidence improved to the highest since January, although firms remained cautious on hiring such that employment fell fractionally.

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 – registered 54.8 in October, down slightly from 55.3 in September but indicative of a solid improvement in overall business performance. Expansions in output, new orders and stocks of purchases contributed to the sustained growth trend, offsetting the impacts of lower employment and looser supply-chain conditions.

Output growth remained strong at the start of the fourth quarter, easing only marginally from September's seven-month high. Firms linked higher activity to a range of sectors, including construction, retail, tourism and manufacturing, although some noted restraints from regional conflict, competition and lower discretionary spending.

New orders rose at a sharper pace than in September, supported by both new clients and repeat business. Companies signalled that the upturn in demand partly consisted of a boost to foreign order inflows. In fact, the overall level of new export work rose at the quickest rate in exactly two years.

Output prices were raised at the sharpest rate since the survey began in August 2009. Panellists frequently linked price hikes to spiralling operating costs and efforts to protect margins.

Input price inflation quickened to the fastest pace since June 2022, driven predominantly by higher purchase costs. Firms

Comment

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

"Output prices across the UAE non-oil private sector rose at the fastest rate in the survey's history in October, as input cost inflation quickened to its highest since June 2022. The unprecedented rise reflected efforts to pass cost burdens on to customers, with firms feeling the impact of higher fuel prices and increased charges for critical materials. The findings point to greater inflationary risks for the UAE economy in Q4, especially in the light of successive increases in petrol and diesel prices.

"Order book levels grew at a faster rate in October, but capacity remains limited – signalled by another sharp increase in outstanding business. There was also evidence that firms were reluctant to take on staff while costs are high, as employment fell for the third time in the past five months. This all suggests that businesses are focused on protecting their margins whilst sales recover.

"Looking ahead, non-oil firms are becoming more upbeat. Year-ahead expectations rose to their highest since January, underpinned by robust demand forecasts and hopes that improving regional conditions will lift sectors such as tourism. Supply conditions are also supportive, with vendor performance improving to the greatest extent since June as firms increasingly turn to local suppliers. Alongside the sharpest rise in purchasing activity for nine months, this should help businesses keep pace with growing order books heading into the end of the year."

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reported paying more for a wide range of raw materials, as well as fuel, energy, freight, maintenance, storage and rent.

Employment fell fractionally in October, marking the third decline in the past five months. Some firms reduced headcounts to control costs, which offset hiring at others in response to rising sales. Consequently, backlogs of work increased sharply again as new orders outpaced firms' ability to complete existing projects. However, the rate of accumulation was the softest for three months.

Purchasing activity rose at the sharpest pace in nine months as firms responded to stronger demand. Nevertheless, stocks of inputs increased only marginally and at the slowest rate since July, as purchased items were often used quickly to fulfil sales.

Vendor performance improved to the greatest extent since June, with firms citing good local supplies of key items and responsive suppliers. This continued to highlight the trend of domestic non-oil firms switching to local vendors to combat the effects of disrupted maritime routes.

Business optimism strengthened in October, with expectations for activity over the coming year rising to the highest since January. Firms mainly attributed positive sentiment to robust demand forecasts and hopes of improving regional conditions.

Dubai PMI

The Dubai PMI ticked up to an eight-month high in October.

At 54.6, up from 54.5 in September, the PMI reading signalled a strong improvement in business conditions at Dubai non-oil companies. October's upturn was underscored by a sharp increase in new business volumes that was the joint-fastest since February. Businesses subsequently raised their output levels, but made modest reductions to staffing.

As was the case across the UAE, Dubai non-oil firms reported a record increase in selling prices in October. Companies mainly opted to pass-through rising input costs to customers, with overall cost pressures quickening to the fastest since June 2022.

Local firms were more confident about future activity in October, but cost considerations meant that stockpiling efforts were less pronounced than in September.

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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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