

S&P Global UAE PMI[®]

Business activity growth curbed in March, whilst delivery times lengthen and selling charges rise swiftly

March 2026

Output and new business growth slow markedly

Supplier performance worsens for first time in four-and-a-half years

Strongest increase in selling prices since late-2014

UAE non-oil firms saw a considerable easing of output growth in March as the war in the Middle East restricted customer demand, whilst leading to supply-chain disruptions and accelerated price pressures. Overall sales growth moderated, but remained positive, while the outlook for future activity dropped to the weakest level in over five years.

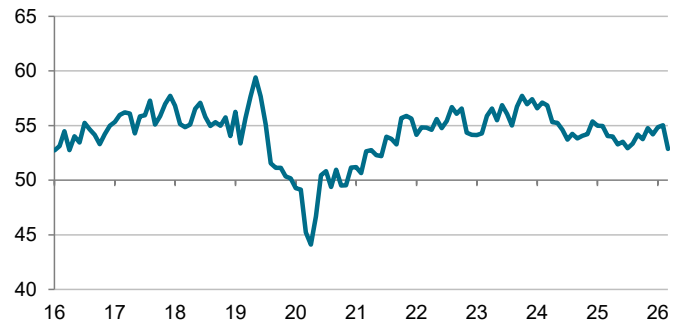
The seasonally adjusted S&P Global UAE Purchasing Managers' Index™ (PMI[®]) – a composite indicator designed to give an accurate overview of operating conditions in the non-oil private sector economy – fell from 55.0 in February to 52.9 in March. Whilst still above the 50.0 no-change mark and thereby indicating an improvement in business conditions, the reading was the joint-lowest recorded since June 2021 (equal to July 2025).

The rate of growth in non-oil business activity across the UAE softened considerably in March, as the survey's respective seasonally adjusted index fell by 6.9 points – its third-largest monthly decline on record. Survey members signalled that the Middle East war constrained output, primarily through the closure of supply routes and softer demand conditions. That said, an overall solid expansion was still recorded, with many businesses reporting resilient sales pipelines and uninterrupted project work.

Intakes of new business rose in March, although the rate of growth slowed to a seven-month low. Many companies noted robust client demand, whereas others commented on weaker tourism activity and a hit to sales from supply-chain shortages, increased freight costs and broader uncertainty. International orders also rose, but the rate of expansion was modest.

The closure of the Strait of Hormuz reportedly led to longer wait times on inputs. As a result, overall vendor performance worsened for the first time since September 2021. Moreover, the respective index also recorded its largest monthly fall since data collection began in 2009.

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



Data were collected 5-25 March 2026.
Source: S&P Global PMI. ©2026 S&P Global.

Comment

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

"The UAE non-oil private sector was knocked back by the impacts of the war in the Middle East in March. That said, for many firms, orders books were resilient and output expanded. Anecdotal comments suggested that sectors such as tourism, retail and logistics were the most affected, whereas segments such as technology and construction signalled a softer, but still notable impact.

"With input prices increasing sharply in March, overall selling charges were lifted at the fastest pace in almost 11-and-a-half years, which could put pressure on client spending. There were also some reports of firms using up stocks to complete orders as supply bottlenecks curtailed purchasing, especially in Dubai. Like the increase in prices, this could be exacerbated over the coming months if supply lines remain fractured.

"Although surveyed businesses displayed high levels of uncertainty, with activity expectations at a 61-month low, they took comfort from strong long-term growth projections, high demand in tech and other sectors, and fiscal spending plans including Abu Dhabi's Economic Vision 2030. Another sharp increase in backlogs of work also suggests that firms should have strong sales pipelines to fall back on should new orders begin to taper."

Difficulties securing some inputs contributed to a larger increase in backlogs, which continued to be affected by pending projects and administrative delays. Businesses recruited additional staff in an effort to deal with these backlogs, although their efforts were partly dampened by heightened cost concerns, leading to a softer pace of job creation and a smaller uptick in salaries.

Although firms were generally able to replenish inputs, supply shortages steered several companies to utilise existing inventories, resulting in the first decline in total stocks for three months. At the same time, the rate of purchasing growth eased to a seven-month low and was only marginal.

Input cost pressures accelerated in March as the war in the Middle East led to strong increases for inputs including logistics, insurance, fuel, energy, steel, technology equipment and machinery. Notably, the rate at which overall purchase prices rose was the sharpest recorded since July 2024. Businesses often decided to lift their prices in order to stem the impact of cost pressures on margins, with average selling charges in fact rising to the greatest extent for almost 11-and-a-half years.

Firms showed positivity towards the outlook for activity in March, but the degree of confidence dropped to its lowest since early-2021. While long-term business expansion strategies and government spending on key domestic projects underpinned optimism, some firms highlighted concerns about the possible depth and longevity of the war's economic impact.

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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Dubai PMI

Business confidence declined in March, but output growth remained strong overall.

The Dubai PMI fell to 53.2 in March, from 54.6 in February, signalling the weakest upturn in non-oil private sector conditions for nine months. Rates of output and new business growth softened due to the economic impacts of the war in the Middle East, qualitative data showed, although they were still solid by historical standards.

Supply chains were hit, with non-oil companies experiencing the greatest lengthening of delivery times since July 2022. There was also a mark-up of cost inflation, while difficulties securing stocks led to the sharpest decline in input inventories on record.

Looking ahead, Dubai firms reported only slight optimism that output will rise over the next 12 months. Indeed, the degree of confidence was the lowest observed since the end of 2020.

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PMI by S&P Global

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