News Release
Embargoed until 0815 GST 5 August 2026 / 0415 UTC 5 August 2026

S&P Global UAE PMI®

UAE PMI recovers to highest since March

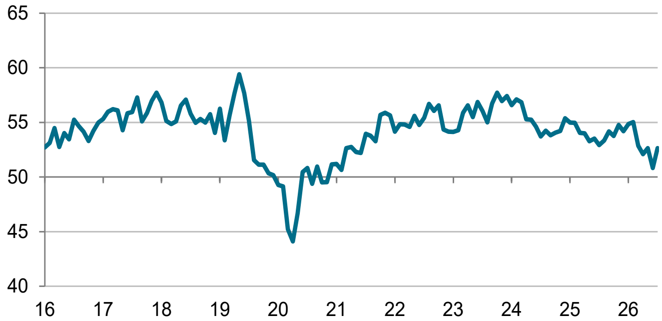
July 2026

New order growth climbs to five-month high as export business rises

Fresh increase in employment, but sentiment dims

Firms purchase more inputs as stock levels fall

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



Data were collected 9-27 July 2026.
Source: S&P Global PMI. ©2026 S&P Global.

The UAE's non-oil private sector saw its strongest improvement in four months in July, as the PMI recovered strongly from June's over five-year low. Demand dynamics strengthened, as new business growth reached a five-month peak amid easing regional tensions and increased client spending. The output expansion consequently regained momentum, while employment returned to growth territory after June's contraction.

However, persistent supply chain disruptions and elevated cost pressures continued to challenge businesses, even as delivery times showed a modest improvement. The recovery's sustainability also faced headwinds from a weaker level of business confidence and ongoing competitive pressures that somewhat constrained pricing power.

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 to 52.7 in July, after decreasing to an over five-year low of 50.8 in June. The latest print, which was the highest recorded in four months, pointed to a moderate improvement in the non-oil private sector's health.

New order growth accelerated to its fastest pace since February, as monitored firms commented on a gradual recovery of customer confidence as regional tensions eased. Domestic infrastructure projects provided additional stimulus, though many firms continued to report tight client budgets and intense market competition.

For the first time since March, non-oil companies received greater inflows of export work, which they often associated with a pick-up in activity across the region. The rise in export sales was modest, yet the fastest seen in a year.

Outstanding business accumulated at the strongest rate in four months in July, reflecting both rising customer demand and supply constraints from freight congestion. Companies

Comment

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

“July data signalled some relief for UAE companies after the PMI dropped perilously close to the 50.0 neutral threshold in June, as a restoration of business confidence and a period of smoother trade flows allowed for a pick-up in growth. Although the July PMI reading of 52.7 remains a step lower than the levels observed prior to the Middle East conflict, it provided some assurance that businesses were coping better after a heavily-disrupted Q2.

“Still, the volatile situation in the Strait of Hormuz continues to make the future uncertain and kept price pressures elevated in July, which firms struggled to fully pass on to customers amid a competitive business environment. Firms also saw a reduction in inventories despite a sharp rise in purchasing, suggesting they are still operating with tighter stock volumes and longer supply schedules.”

responded by increasing output, with the rate of expansion accelerating slightly but remaining below historical norms.

Workforce levels returned to growth in July, after June data indicated the steepest reduction in nearly six years, with firms citing stronger demand as a justification for renewed hiring. At the same time, business confidence towards future output faded for the third consecutive month to its lowest since March, with only 7% of firms predicting an uplift over the coming year.

Although the rate of purchasing activity growth at UAE non-oil firms was robust in July, inventory levels contracted at their fastest rate since December 2025. This was partly linked to ongoing delays to imported deliveries and material shortages. While delivery times improved modestly during July – partly attributed to smoother shipping movements through the Strait of Hormuz – the pace of improvement weakened compared to June.

Input cost inflation remained sharp in July and slowly approached April's recent peak, with 10% of firms reporting higher purchase prices across fuel, food, fertilisers, software and shipping. Staff costs increased at the fastest pace since February, albeit only marginally.

These pressures translated into another round of increased output charges, although the pace of inflation remained mild as competitive conditions limited pricing power. Some firms noted that tight supply combined with firmer demand enabled price rises.

Dubai PMI

Activity growth eased in Dubai, despite a stronger uplift in new orders.

The Dubai PMI rose from 50.7 in June to 51.7 in July, which was mainly driven by a rebound in new business growth. Reports of improving customer demand led to the sharpest increase in new orders since March.

However, business activity rose at the weakest rate since June 2021, as panellists cited headwinds from competitive and price pressures. Similarly, confidence regarding future output slipped to a four-month low.

Firms reported a solid increase in input costs in July, which prompted a moderate uptick in charges. Hiring activity recovered slightly, following the first drop in headcounts for 15 months in June.

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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.