

S&P Global UAE PMI[®]

Stronger sales growth lifts PMI in September

September 2025

New business rises at fastest rate in seven months

Output growth remains sharp

Buying caution leads to further decline in stock levels

The UAE PMI[®] signalled the best performance in the non-oil private sector for seven months in September, driven by a stronger rise in new business intakes.

The upturn secured another robust expansion in business activity and a faster increase in employment, although firms remained cautious with regards to their inventories. After a modest rise in August, output price inflation softened in September, as concerns about competition for new work further limited firms' ability to pass on higher costs.

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 for a second month running in September, climbing from 53.3 to 54.2. As well as signalling a solid and quicker improvement in non-oil business conditions, the PMI was at its highest mark in seven months.

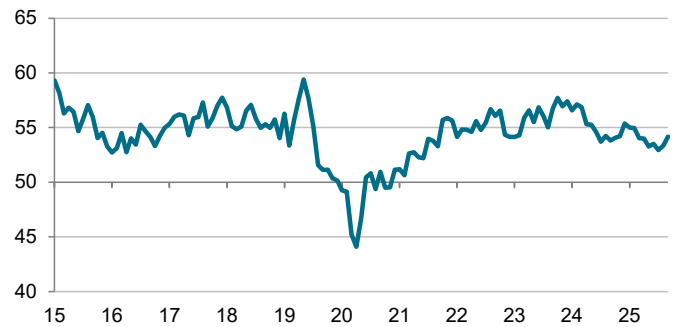
Central to this was a strong recovery in demand growth across the non-oil sector in September. After easing to its weakest rate in over four years in August, the expansion in new orders accelerated to its highest since February, as companies welcomed better demand conditions, increased client engagement and new projects.

In large parts, the improvement in sales volumes was supported by domestic customers. New orders from foreign clients also rose, and the rate of growth quickened, but it was still relatively marginal compared to the overall expansion in sales.

Rising order intakes underlined a robust increase in output levels at the end of the third quarter. Monitored firms generally linked higher activity to stronger demand, ongoing projects, marketing activities and supportive government policy.

September data meanwhile signalled that firms were better able to limit strains on their business capacity, partly through a mix of greater hiring and the use of stocks to fulfil orders. Employment levels were raised at the fastest rate since May, albeit modestly, while inventories were depleted for the third

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



Data were collected 11-24 September 2025.
Source: S&P Global PMI. ©2025 S&P Global.

Comment

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

"The UAE PMI made up some lost ground in September following a trend of moderating growth in the middle of the year. Indeed, the latest reading of 54.2, which sits just below the survey long-run average, suggests that non-oil business performance has recovered well since its trough in July.

"Over 30% of surveyed firms reported an increase in new order intakes during the month, which drove a sharp improvement in sales growth from its over four-year low in August. The uplift pointed to some positive momentum in the domestic market as export sales growth remained relatively muted.

"That said, competitive pressures were again noted as a key issue, with several panellists linking this to caution around purchasing and pricing decisions. Backlogs also rose, although the latest uptick was among the slowest recorded since the start of last year."

month running.

Consequently, backlog growth was less severe in September. Companies continued to accumulate work-in-hand at a solid pace, but the uplift was the second-weakest in 20 months.

Purchasing activity increased in September, after dropping for the first time in over four years in August. However, the rise was muted when compared with recent trends, as sufficient stock levels and concerns about competition and price pressures reportedly weighed on buying at some businesses. Firms did however benefit from a quicker improvement in delivery times, which was the best recorded in five months.

Input costs across the non-oil private sector increased solidly in September, consistent with the trend seen during the third quarter. There were reports of greater purchase price pressures, however this was offset by an easing of salary inflation. Nevertheless, this created challenges for firms when it came to margins, as they showed a greater reluctance to increase their own charges due to strong competition. Notably, the latest data signalled only a fractional rise in average prices charged.

Finally, year-ahead assessments at non-oil companies were strong in September, with the degree of optimism ticking down only marginally from August's ten-month high. Around 15% of respondents held a positive view about future output, while less than 1% were downbeat about their prospects.

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

Non-oil companies in Dubai enjoyed a stronger uplift in sales at the end of the third quarter.

The Dubai PMI rose to 54.2 in September, up from 53.6 in August, aligning with the growth performance signalled by the UAE PMI.

Dubai non-oil firms reported a sharper increase in new work levels than in August. The pace of sales growth accelerated to an eight-month high, after indicating only a modest upturn one month ago.

Rising new business led to a robust expansion in output and an uplift in employment across the non-oil private sector. Though marginal, the rate of job creation was the quickest in a year. Firms also showed much stronger optimism towards future activity compared to that observed in the middle of the year.

Input cost pressures were up in September, with the rate of inflation hitting a five-month high. Despite this, businesses lowered their charges for the first time since last November amid strengthening competition.

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PMI by S&P Global

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