

S&P Global UAE PMI[®]

UAE non-oil economy records solid expansion in October

October 2025

Output and sales growth remain strong

Business confidence drops to 34-month low

Softest increase in input costs since June

UAE non-oil private sector firms experienced another solid improvement in business conditions in October, according to the latest PMI[®] survey data. Although the pace of growth slowed from September, it remained above the mid-year trend, supported by a strong rise in new orders that drove a notable expansion in total business activity.

Businesses also welcomed a slower increase in input prices for the second consecutive month in October, which helped to keep output charges relatively stable. However, confidence in the outlook for activity declined, contributing to a near stagnation in hiring growth.

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 – dipped from 54.2 in September to 53.8 in October. Nevertheless, the index stayed higher than in the previous four months. Posting above the 50.0 no-change mark, the reading also signalled an improvement in non-oil business performance.

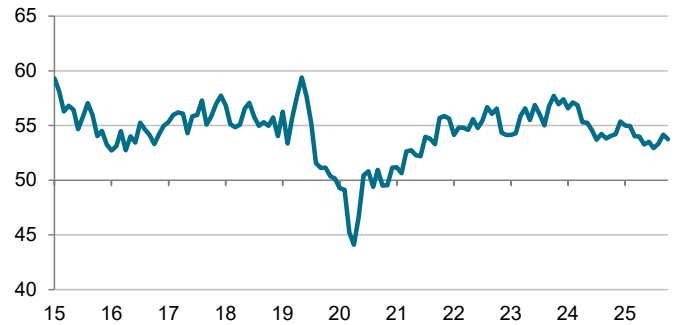
The total volume of non-oil private sector activity rose considerably in October, as surveyed firms frequently cited that improving sales and new project initiations had encouraged an expansion. The rate of growth was above the survey's historical trend for the third consecutive month.

Similarly, new order volumes rose sharply in October. This marked a second month of demand recovery after the survey data indicated the weakest upturn in over four years in August, although growth softened from September. Overall, panellists reported that strengthening economic conditions and expanded marketing efforts contributed to increased client numbers. New orders from foreign clients grew only marginally.

Purchasing activity increased during the month, with firms recording the largest rise in input buying since June. This helped stabilise inventory levels, which had declined throughout the third quarter.

Conversely, firms adopted a more cautious approach to hiring, partly due to diminished confidence regarding growth

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



Data were collected 9-27 October 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 continued to signal a steady growth rate in the non-oil private sector as we draw closer to the end of the year. The pace of new business growth has recovered well since its low in August, supporting increases in output and purchasing activity.

"However, employment remained a weak spot, with October data showing the slowest rise in job numbers in seven months. This partly reflected a relatively subdued level of business confidence. In fact, the latest survey revealed that firms were the least optimistic in nearly three years. Although most companies still anticipate that economic conditions will remain favourable and that order inflows will sustain activity, concerns regarding market competition and the potential impact on profit margins persisted."

prospects. Job numbers rose at the slowest pace since March and only marginally. At the same time, optimism about future non-oil output growth reached its lowest point in nearly three years.

Backlog accumulation persisted in October, indicating continued capacity pressures driven by rising new business levels and administrative delays. The pace of backlog growth accelerated for the first time in three months.

Input costs across the non-oil private sector increased modestly in October, with inflation easing for the second month in a row. While some firms noted higher supplier prices, increased transport costs and wage rises, only 4% reported cost increases. As a result, the survey pointed to a negligible change in average selling charges for a second month running.

Dubai PMI

The Dubai PMI reached a nine-month high in October.

Non-oil businesses in Dubai registered a stronger upturn in activity as the fourth quarter commenced, leading the PMI to rise to its highest level since January. At 54.5, the index was up slightly from 54.2 in September and signalled a robust improvement in overall operating conditions.

Again, non-oil companies received greater inflows of new orders during October, underpinning a sharper increase in output levels. Employment rose for the seventh month running, but the rate of job creation was relatively mild. Firms also demonstrated lower confidence towards the year-ahead outlook.

Input prices increased at the fastest pace for six months in October, driven by higher prices for raw materials and technology, alongside reports of pay rises. As a result, selling prices were lifted, overturning the first decline in ten months recorded 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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PMI by S&P Global

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