

News Release

Embargoed until 0715 AST (0415 UTC) 5 May 2026

Riyad Bank Saudi Arabia PMI®

Saudi Arabian business conditions improve in April, but price pressures accelerate rapidly

Key findings

Business activity and new work return to growth

Input prices rise at fastest pace since the survey began in August 2009

Delivery times lengthen, prompting some stock building efforts

The Saudi Arabian non-oil private sector returned to growth territory in April, as companies increased their output in response to an improvement in new business volumes and to progress existing work. Businesses also highlighted a modest uplift in activity expectations for the year ahead. However, the overall rate of business expansion continued to be dampened by deferrals in client spending decisions amid the Middle East conflict, whilst shipping disruptions continued to impact supply chains.

Non-oil companies experienced a rapid increase in cost burdens in April as regional instabilities impacted raw material and freight prices. Overall input costs rose at the fastest rate in the survey's history, driving a near-record increase in selling charges.

The headline figure is the seasonally adjusted Riyad Bank Saudi Arabia 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.

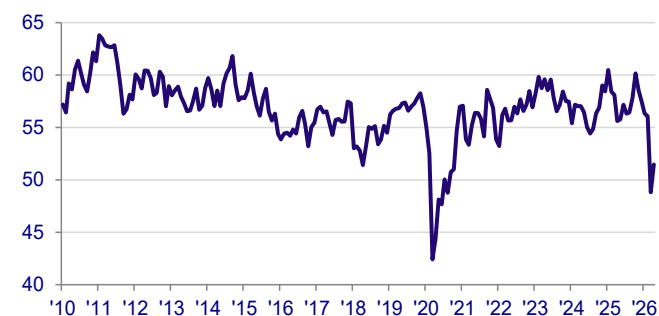
The headline PMI increased from 48.8 in March to 51.5 in April, returning above the 50.0 neutral threshold. The latest figure signalled a modest recovery in operating conditions, after disruptions due to the Middle East war in March.

New business received by non-oil companies improved in April, following a decline one month earlier. Survey respondents reported an uptick in client numbers and stronger demand. However, the rate of sales growth remained relatively mild, with delays in client spending and investment decisions reportedly offsetting gains. Anecdotal evidence indicated that caution surrounding the Middle East conflict had weighed on purchasing decisions. Domestic sales drove the upturn, whilst new export orders declined at the fastest rate in the survey's history.

Overall business activity expanded in April after March's contraction, although the pace of expansion was historically

Riyad Bank Saudi Arabia PMI

sa, >50 = improvement since previous month



Sources: Riyad Bank, S&P Global PMI.
Data were collected 9-22 April 2026.

Comment

Naif Al-Ghaith PhD, Chief Economist at Riyad Bank, said:

"The Riyad Bank PMI for April 2026 signals a constructive and resilient trajectory for the Kingdom's non-oil sector, reinforcing the broader narrative of economic diversification under Vision 2030. With the headline PMI rising to 51.5, the sector has returned to expansion territory following a temporary dip in March, indicating that underlying business conditions remain fundamentally strong despite external headwinds.

"The improvement in the PMI reflects a recovery in business activity and new orders, both of which moved back into growth territory. Firms reported higher output levels, supported by an increase in domestic demand and continued progress on existing projects. This suggests that internal economic momentum—driven by government spending, infrastructure development, and private sector participation—continues to act as a key stabilizing force for the economy.

"The strength in local demand has effectively offset some of the weakness in export orders, highlighting the increasing importance of Saudi Arabia's internal economic engine. This shift is aligned with the Kingdom's strategic objective to reduce reliance on external cycles and build a more self-sustaining growth model.

"Operationally, supply chain dynamics remain a key area of focus. Delivery times lengthened during the month, prompting some firms to build inventories as a precautionary measure. While this reflects short-term logistical challenges, it also indicates proactive business behaviour and forward planning.

"Looking forward, sentiment remains constructive. The Future Output Index indicates that firms expect activity to strengthen over the next 12 months. The combination of resilient domestic demand, improving business activity, and forward-looking optimism reinforces confidence in Saudi Arabia's economic transformation. The underlying fundamentals remain robust, positioning the Kingdom for continued non-oil growth and long-term economic stability."

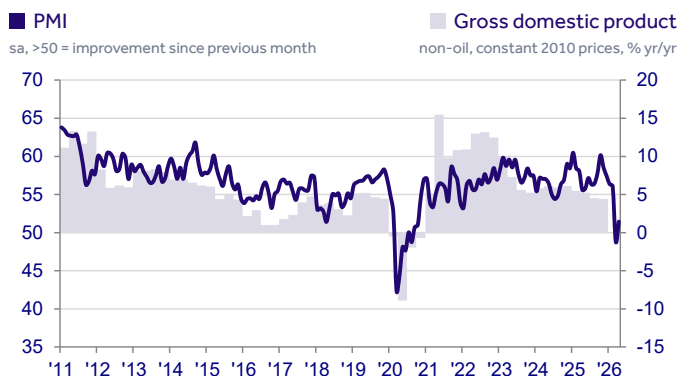
-muted. According to survey respondents, higher output was linked to progress on existing projects and mild improvements in order books.

In some cases, non-oil companies reported that hold-ups to import shipments had constrained business activity and led them adopt a cautious approach to input purchases. Overall purchasing quantities decreased for the second successive month. However, inventory growth continued as survey respondents noted efforts to maintain elevated stocks of purchases where possible. Average delivery times lengthened, with some firms opting to source inputs locally to limit the impact of international shipping delays.

April survey data indicated a substantial increase in cost burdens at Saudi Arabian non-oil firms. Uplifts in raw material prices and transportation costs resulted in the steepest rise in business expenses since the survey began nearly 17 years ago.

Likewise, output charges rose at the second-fastest pace on record (behind August 2009) as firms looked to pass on higher costs to their customers. The marked rise in charges came despite some reports of firms discounting prices due to strong competition.

Despite current headwinds, Saudi Arabian non-oil private sector firms remained upbeat about the activity outlook, with the degree of confidence improving since March. Companies tended to cite longer-term expansion and domestic infrastructure development plans as reasons to be optimistic.



Sources: Riyadh Bank, S&P Global PMI, GaStat via S&P Market Intelligence

Contact

Naif Al-Ghaith
Chief Economist
Riyad Bank
T: +966-11-401-3030 Ext.: 2467
naif.al-ghaith@riyadbank.com

Monirah Alobaid
Senior Economist
Riyad Bank
T: +966-11-401-3030 Ext.: 8480
monirah.a.alobaid@riyadbank.com

David Owen
Senior Economist
S&P Global
T: +44 1491 461 002
david.owen@spglobal.com

Kriti Khurana
Corporate Communications
S&P Global Market Intelligence
T: +91-971-101-7186
kritikhurana@spglobal.com
press.mi@spglobal.com

If you prefer not to receive news releases from S&P Global, please email press.mi@spglobal.com. To read our privacy policy, [click here](#).

Survey methodology

The Riyadh Bank Saudi Arabia PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 400 private sector companies. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. The sectors covered by the survey include manufacturing, construction, wholesale, retail and services. Data were first collected 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.

About PMI

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends.

www.spglobal.com/marketintelligence/en/mi/products/pmi

Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("Data") contained herein, any errors, inaccuracies, omissions or delays in the Data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the Data. Purchasing Managers' Index™ and PMI® are either trade marks or registered trade marks of S&P Global Inc or licensed to S&P Global Inc and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.