

S&P Global UAE PMI[®]

UAE non-oil businesses increase selling prices at the sharpest rate for almost 15 years

April 2026

Price pressures accelerate as supply constraints persist

Sales growth slips amid steep fall in new export business

Purchasing growth remains mild, but output rises strongly

UAE non-oil private sector companies reported a historically sharp mark-up in their selling prices in April, as further cost increases and supply disruptions stemming from the Middle East conflict compressed margins. Export orders fell sharply, whilst weaker tourism activity and client hesitancy resulted in a further slowdown in sales 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 – dropped for the second month in a row, from 52.9 in March to 52.1 in April. The latest reading marked the softest improvement in operating conditions since February 2021.

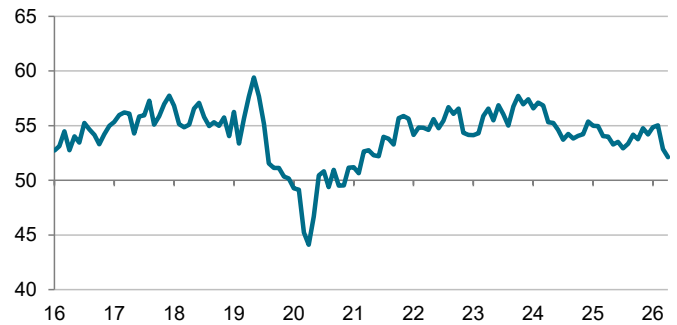
Non-oil businesses faced another easing of new order growth at the start of the second quarter. Whilst several firms cited new customer acquisition and higher demand, there were also many reports of sales decreasing due to lower client spending and a decline in tourism. Consequently, the overall rise in new business was modest and the slowest observed in more than five years.

Disruption to shipping activity in the UAE resulting from the Middle East conflict also led to a marked drop in new export orders in April. In fact, when excluding the height of the COVID-19 pandemic in 2020, the latest downturn in foreign sales was the sharpest recorded since the survey began in August 2009.

In response, non-oil firms reported an increase in output that was considerably softer than that seen at the start of the year. That said, the expansion remained solid overall, as many companies noted progress on existing projects and infrastructure developments.

The Middle East conflict led to a further upsurge in input cost inflation for UAE non-oil companies in April. The latest rise in overall input costs was the sharpest seen since July 2024, with oil and transport most commonly cited as having

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Index, sa, >50 = improvement m/m



Data were collected 9-24 April 2026.

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Comment

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

"The UAE non-oil private sector signalled a further loss of momentum in April, with operating conditions showing their weakest performance for more than five years. Heavy restrictions on key shipment routes resulted in a marked drop in exports, while rising cost pressures placed businesses under additional strain.

"The subsequent uplift in selling prices – the fastest in nearly 15 years according to the survey data – underlined the growing inflation risks to the non-oil sector. Firms are looking to limit the impact where possible, with slowdowns in purchasing and hiring growth and even some reports of wage cuts, but a broad increase in price pressures is nevertheless still likely to dampen customer spending across the economy more widely.

"That said, the underlying strength of the non-oil private sector, highlighted by another strong increase in output, meant that companies expect growth to continue over the next 12 months. Sales pipelines reportedly remain strong, while construction activity and predicted gains from AI investment were also cited as drivers of optimism."

increased in price.

In order to contain the impact on business margins, average prices charged by firms rose at a historically sharp pace during April. In fact, the rate of inflation was the fastest recorded since June 2011.

Companies also sought to limit cost pressures through staffing reductions and salary freezes. As a result, salary inflation fell to a 33-month low and remained only fractional, whilst workforce numbers across the non-oil private sector rose to the least extent in 2026 to date.

Input purchases rose modestly in April, with anecdotal evidence suggesting that rising costs, weak sales and supply-side constraints continued to restrain demand. Some firms again signalled that strong supplier relationships supported quicker deliveries, but overall, supply chain performance continued to be greatly constrained by transport restrictions in the Strait of Hormuz.

On a positive note, non-oil firms were more upbeat about output projections for the coming 12 months in April. Expectations rose to a three-month high, with firms attributing positivity to strong business opportunities, sales pipelines and technological innovation.

Dubai PMI

The Dubai PMI dropped to a 55-month low in April.

At 51.6, down from 53.2 in March, the headline PMI signalled only a modest improvement in non-oil business conditions that was the weakest seen since September 2021.

Output and new business growth softened again in April, as the Middle East conflict continued to deter spending and restrict supply lines. The rate of output growth was the softest recorded in almost five years.

Input cost pressures continued to accelerate in April, driven by uplifts in oil, transport and material prices. Dubai firms responded with an increase in charges that was marked by historical standards but slower than in March.

On a positive note, output expectations rebounded in April as more firms expressed optimism regarding a recovery in overall demand conditions.

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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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