

# News Release

Embargoed until 0815 GST (0415 UTC) 10 January 2023

## S&P Global Dubai PMI®

### Output growth remains strong in non-oil economy, but slips to weakest since February

#### Key findings

New orders continue to rise sharply

Jobs growth moderates amid subdued outlook

Third reduction in input costs in five months

The latest Dubai PMI® signalled a further waning of growth momentum in non-oil activity at the end of 2022, as output rose sharply but to the least marked extent since February. New business growth also remained down from rates seen earlier in the year, while job creation slipped to the weakest since September. Businesses continued to indicate subdued optimism towards future output, but took some positivity from a renewed fall in overall cost pressures.

The headline S&P Global Dubai Purchasing Managers' Index™ (PMI®) is derived from individual diffusion indices which measure changes in output, new orders, employment, suppliers' delivery times and stocks of purchased goods. The survey covers the Dubai non-oil private sector economy, with additional sector data published for travel & tourism, wholesale & retail and construction.

At 55.2, the headline PMI remained firmly above the 50.0 no-change mark in December to indicate a strong improvement in operating conditions across the non-oil sector. The index improved slightly from 54.9 in November, but nonetheless was at its second-lowest since April.

The latest survey data signalled a strong expansion in output levels at the end of the year, as survey panellists again highlighted rising new order volumes and improving customer demand. The upturn remained broad-based by monitored sector, with sharp increases seen in construction, wholesale & retail, and travel & tourism. That said, reflecting a further slowdown in growth momentum from August's post-pandemic peak, the overall expansion in business activity softened for the fourth consecutive month to the weakest since February.

A similar trend was seen for new orders. Despite growth picking up marginally from November and remaining robust, it was down from the speeds recorded in the middle of the year. On a positive note, new work received by construction firms rose at the strongest rate in nearly two years.

S&P Global Dubai PMI

sa, >50 = improvement since previous month



Source: S&P Global.

Data were collected 6-19 December 2022.

#### Comment

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

"Growth in Dubai non-oil activity slipped to its softest rate for ten months in December, but nonetheless remained robust and stronger than the average seen since the survey began in 2010. Firms linked the expansion to a sharp upturn in new order inflows and a continued improvement in demand conditions.

"The latest results suggest that whilst the post-pandemic bounce in the non-oil sector is continuing to wane from its peak in August, the emirate is performing much better than global economic trends for activity and demand. This outperformance is also true for inflation, as businesses saw a reduction in input costs for the third time in five months helped by improved supply conditions, compared with marked inflation rates across regions such as USA and Europe."

PMI®

by S&P Global

Firms were less upbeat about future activity levels in December, with positivity slipping to a four-month low. Weaker output forecasts fed through to a softer rise in employment numbers, as staffing grew only slightly and to the smallest extent since September. By sector, jobs growth was mainly driven by the construction and wholesale & retail categories, whereas staffing was broadly unchanged in travel & tourism.

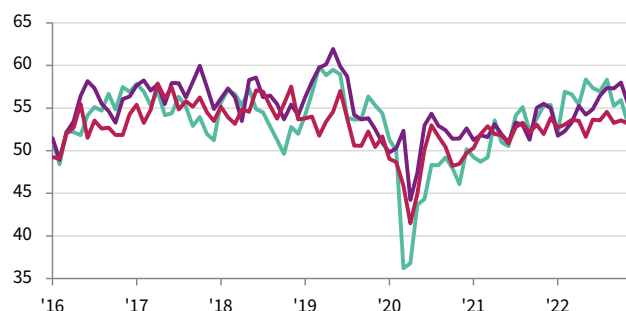
Conversely, businesses expanded their stocks of purchases at a solid and accelerated rate in December, amid reports of higher input requirements for project work. However, with some firms mentioning challenges at customs, there was a slight lengthening of supplier delivery times for the first time in four months.

Greater stockpiling was helped by a renewed decrease in overall cost burdens during December. Input prices fell for the third time in five months, reflecting much softer inflationary pressures than seen earlier in the year, as firms mentioned that improved input availability reduced pressure on prices. That said, input costs continued to increase at travel & tourism companies.

The overall fall in input costs encouraged Dubai businesses to offer additional price discounts at the end of the year. Output charges decreased for the fifth month running, and at a solid pace that was the faster than in November.

■ Wholesale & Retail PMI  
■ Travel & Tourism PMI  
■ Construction PMI

sa, >50 = improvement since previous month



Source: S&P Global.

## Contact

David Owen  
Economist  
S&P Global Market Intelligence  
T: +44 1491 461 002  
[david.owen@spglobal.com](mailto:david.owen@spglobal.com)

Sabrina Mayeen  
Corporate Communications  
S&P Global Market Intelligence  
T: +44 7967 447 030  
[sabrina.mayeen@spglobal.com](mailto:sabrina.mayeen@spglobal.com)

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

### Survey methodology

The S&P Global Dubai PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 600 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 in January 2010.

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@ihsmarkit.com](mailto:economics@ihsmarkit.com).

### 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 registered trade marks of Markit Economics Limited or licensed to Markit Economics Limited 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.

PMI®

by S&P Global