Regional PMIs, July 2025

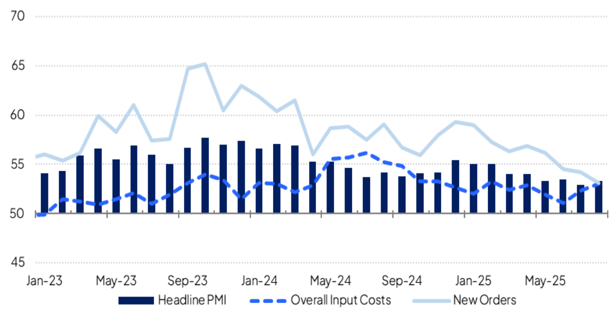
5 August 2025 – Economics

- The S&P Global PMI survey for the UAE strengthened in August as the headline reading rose to 53.3, up from 52.9 in July.
- The S&P Global PMI survey for Dubai ticked up to 53.5 in August, from 51.8 the previous month.
- The Riyad Bank PMI survey for Saudi Arabia ticked up marginally in August, rising to 56.4 compared with the 56.3 recorded in July.
- The S&P Global PMI survey for Egypt weakened to 49.2 in August, down from 49.5 the previous month.

UAE

The S&P Global PMI survey for the UAE strengthened in August as the headline reading rose to 53.3, up from 52.9 in July which was the weakest reading for the index since 2021. There was a marked improvement in output, with business activity ticking up to the highest level since February. Businesses cited strong consumer demand and the ongoing development of new projects as helping boost business. However, new orders rose at the slowest pace since mid-2021 after having slowed for four months in a row. More firms saw order growth than decline still, with 15% seeing an uptick and 8% a decline. The 8% of respondents who saw a decline in sales noted supply chain challenges and competition as holding back growth. New export orders drove much of the slowdown with tariffs noted as an impediment to growth.

UAE PMI survey



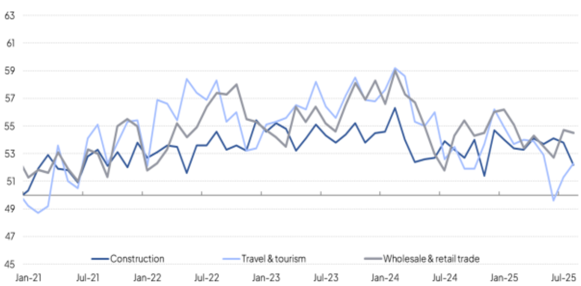
Source: S&P Global, Emirates NBD Research

Businesses saw sharper price pressures in August with overall input costs rising at the fastest pace since February. The bulk of this was driven by higher staff costs as wages were raised in order to offset a higher cost of living. By contrast, purchase prices rose at the softest pace since the start of 2023 with only 3% of firms seeing them increase. As businesses faced higher input costs overall they passed these on to their customers for the second month running and at a faster rate than in July. Firms ramped up their hiring in August despite the slower pace of sales growth as businesses noted that they needed a greater headcount in order to cope with work. Business optimism improved to a 10-month high and fewer than 1% of respondents expected a decline in output over the next year.

Dubai

The S&P Global PMI survey for Dubai ticked up to 53.5 in August, from 51.8 the previous month. This was the strongest reading for the index in five months, while output rose at the fastest pace in seven months as there was strong growth in project work. New orders expanded but a moderately softer pace than seen in July. Firms raised headcount at the fastest pace since September 2024 as business expectations strengthened to the strongest level in 12 months. Input costs rose at a slightly faster pace and firms passed some of this on to consumers as prices charged ticked up.

Dubai PMI survey, sectors



Source: S&P Global, Emirates NBD Research

The ***Construction*** index slowed slightly to 52.2 in August, from 53.8 in July. Firms raised headcount at a slower pace as new orders came in weaker than the previous month, and there was a modest slowdown in output. Input costs accelerated to the highest level since December and firms raised their prices charged accordingly.

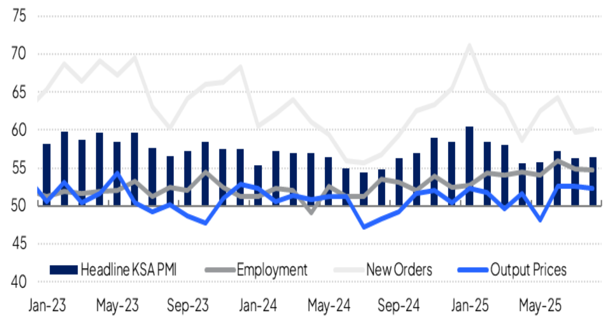
Travel & tourism ticked up in August, rising to 52.3 from 51.3 in July and a contractionary 49.6 in June amidst heightened regional tensions. There was a marked recovery in business activity which rose to a four-month high, but new orders declined modestly compared with the previous month.

Wholesale & retail trade was the strongest performing sector at 54.5, although this was a modest slowdown from the 54.7 logged the previous month. Output remained at a high level, down only marginally from July, but there was a slowdown in new work. Nevertheless, firms raised headcount at the fastest pace since June 2024.

Saudi Arabia

The Riyad Bank PMI survey for Saudi Arabia ticked up marginally in August, rising to 56.4 compared with the 56.3 recorded in July. While third quarter has so far averaged a little slower than the pace set in the first half of the year, it remains well above the neutral 50 line, suggesting an ongoing robust pace of growth in the non-oil private sector in Saudi Arabia.

Saudi Arabia PMI survey



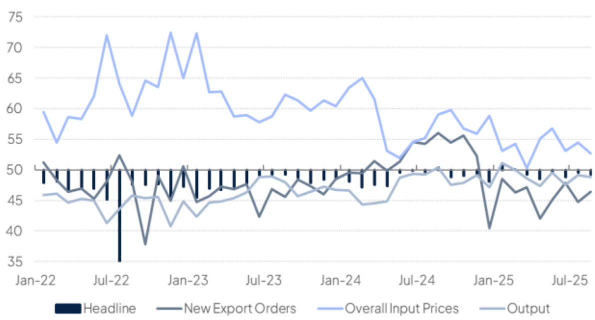
Source: Riyad Bank, Emirates NBD Research

Output growth ticked up in August after slowing slightly in July, and the pipeline for new work is strong as new orders accelerated compared with the previous month. Around 28% of respondents to the survey noted an uptick in orders compared with just 9% that saw a decline, with firms citing infrastructure projects as one of the factors driving sales growth. New export orders expanded again in August after declining in July for the first time since October 2024. The subcomponent remained lower than the overall new orders measure, however, suggesting that it is strong domestic demand that is driving sales growth. Businesses noted a challenging trade environment when it came to international orders.
Overall input prices rose at a marginally faster rate in August than in July, with construction in particular seeing higher costs. Purchase costs continued to rise although at a slightly slower pace than the previous month. Firms noted shipping costs and higher materials prices as contributing. Staff costs rose at the slowest pace since March. Firms passed these higher costs on to consumers as output prices rose, albeit at a slower pace than seen in July. Job creation slowed marginally for the second month running as it came down from the near-record high seen in June. It remained high overall, however, with some firms noting they were hiring for new projects. Business optimism ticked up from the one-year low seen in July, with new project work one of the reasons firmed expected higher output in 12 months' time.

Egypt

The S&P Global PMI survey for Egypt weakened to 49.2 in August, down from 49.5 the previous month. This marked the sixth consecutive contractionary reading for the survey, although the survey has continued to indicate a far smaller contraction in the non-oil private sector than had been the trend prior to the past 12 months. Output declined at a slightly faster rate than in July but still at a slower pace than the recent trend. The decline was broad-based across sectors, however. New orders declined at a faster pace than in July, falling at the fastest rate since April. This appears to have been driven in large part by weaker export orders as they fell at a sharper rate and for the ninth month in a row.

Egypt PMI survey



Source: S&P Global, Emirates NBD Research

There was positive news for businesses on prices as overall input costs rose at the slowest pace since March. Both the manufacturing and services sectors saw an easing of price pressures, although they remained salient for construction. The slowdown overall was driven by a slower rise in the cost of purchases which rose at the slowest pace in five months. Staff costs accelerated to equal the level seen in April as wages were raised to mitigate a higher cost of living. Firms raised their prices charged at the fastest pace since May in a move that could put some upwards pressure on the headline CPI inflation figure.

Firms raised headcount for the second month in a row in August, albeit at a marginal rate, while business optimism was unchanged from its relatively subdued level in August. Some firms remain concerned about residual inflationary pressures.

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