

# MENA PMI surveys November 2024

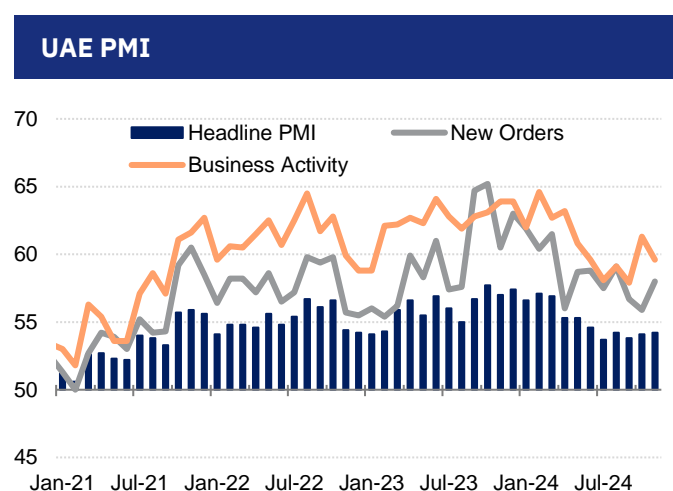
Research | December 6 2024

## Highlights

- The S&P Global PMI survey for the UAE rose to 54.2 in November, up marginally from the 54.1 logged in October.
- The S&P Global PMI survey for Dubai was at 53.9 in November, up from 53.2 the previous month.
- The Riyadh Bank PMI survey for Saudi Arabia rose to 59.0 in November, up from 56.9 in October.
- Egypt's S&P Global PMI survey ticked up to 49.2 in November, from 49.0 the previous month.

### UAE

The S&P Global PMI survey for the UAE rose to 54.2 in November, up marginally from the 54.1 logged in October. The index remains well above the neutral 50.0 line, indicating an ongoing expansion in the non-oil private sector, but the survey data suggests that the pace has slowed in the second half of the year. Firms continue to see greater output, with nearly a quarter of respondents seeing an increase, while new orders growth accelerated compared with October as marketing and promotional strategies helped win new business. The boost to orders was seemingly driven by domestic demand as the growth in new export orders slowed to the softest pace in six months.



Source: S&P Global, Emirates NBD Research

Looking at prices, pressures on UAE businesses were unchanged in November as input prices rose at the same pace as the previous month. Higher raw materials and

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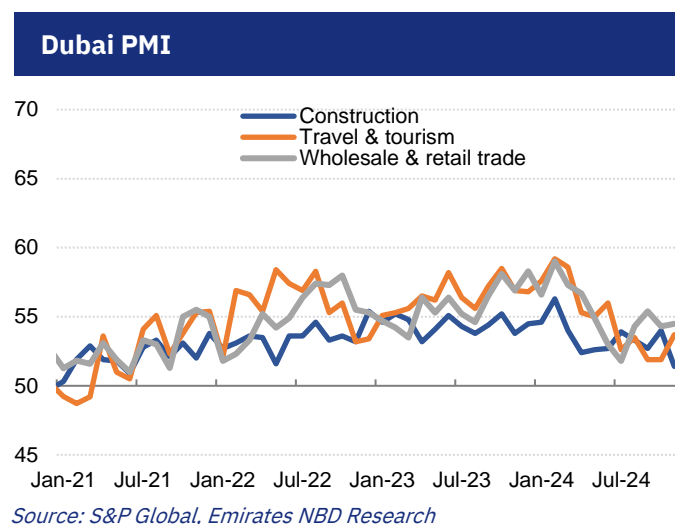
fuel prices drove input costs higher for businesses, but the pace was slower than seen earlier in 2024 when shipping disruptions led to a rise in prices. Staff costs rose at a slightly faster pace in November, up from the 11-month low seen in October. Despite higher input prices, businesses continued to discount in November, albeit at a marginally softer pace than the previous month. High levels of competition for business led to firms offering discounts.

Business optimism softened in November, with the majority expecting no change in 12 months' time and 13% of respondents expecting higher output. The index subcomponent was only just higher than the 18-month low recorded in September. In this environment, only 1% of firms hired additional staff and job creation was at a 31-month low even as backlogs of work rose sharply.

### Dubai

The S&P Global PMI survey for Dubai was at 53.9 in November, up from 53.2 the previous month. The index remains indicative of growth in Dubai's private sector, but this has slowed from earlier in the year. As it has been coming in below the headline UAE figure it suggests that Abu Dhabi's non-oil private sector has continued to outpace Dubai's through H2. Output slowed marginally from the previous month but remained strong, while there was a sharp rise in new orders which expanded at the fastest pace in three months. Despite the strong pipeline of new work, business optimism slipped to the lowest level since December 2023, and there was a marginal decline in headcount. Firms cut their selling

prices for the second month in a row even as input prices rose at a faster pace.



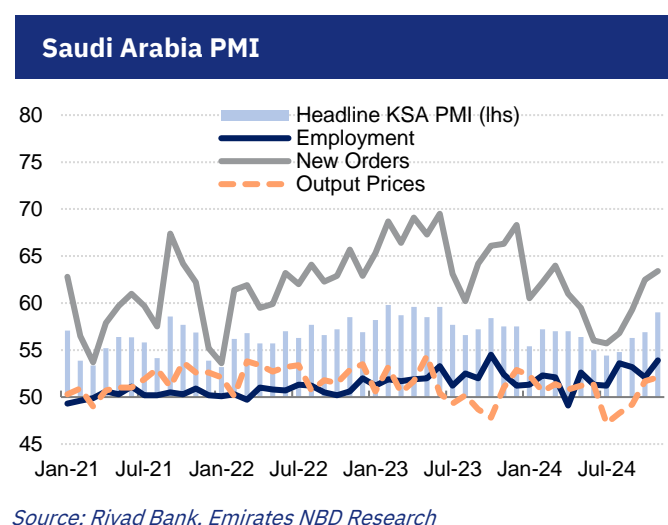
**Construction** was the primary drag on the Dubai PMI this month as it fell to 51.4, down from 54.0 in October. This was the softest reading for the index since January 2021, with a marked fall in both output and new orders. Firms continued to expand headcount, however, and while business expectations did moderate they were only at the third-lowest level seen this year. Firms raised their selling prices after keeping them flat in October, even as the pace of growth in input prices moderated.

The **travel & tourism** sector saw the strongest improvement of the three sectors, rising to 53.7, from 51.9 in October. There were strong gains in both output and new orders, and firms expanded staff levels for the first time in five months. Discounting continued, albeit at a slightly softer pace as input prices accelerated.

**Wholesale & retail trade** rose to 54.5 in November, from 54.3 the previous month. Output was a little softer than in October but a strong rise in new orders boosted the headline reading. Despite the strong order growth, business optimism deteriorated to the lowest level since April 2023, and employment fell for the first time in eight months.

## KSA

The Riyadh Bank PMI survey for Saudi Arabia rose to 59.0 in November, up from 56.9 in October. This marked the strongest reading for the index since June 2023 and was well above the long-run series average, indicating a robust expansion in the non-oil private sector. The gains in the headline index were driven by a broad-based rise across the various subcomponents. Output rose at the fastest pace since July 2023 with a broad-based rise across different sectors. The pipeline for the coming months remains positive, as new orders rose at the fastest pace in eight months. The rise continues to be driven primarily by domestic orders, with new export orders expanding at a far slower pace than the headline measure. Nevertheless, export orders grew once more following an outright contraction in October.



In this environment, firms expanded headcount at the second-fastest pace in the series history, beaten only by October 2023. Construction saw particularly strong gains in staffing levels. Firms also raised their quantity of purchases more rapidly and business optimism is solid with 14% of respondents expecting higher output in 12 months' time compared with just 1% expecting a decline.

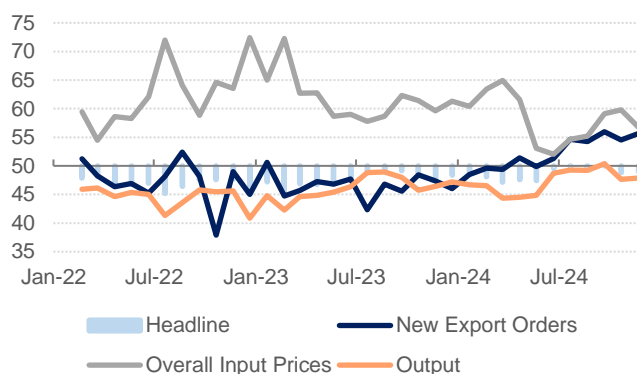
Input prices rose at faster rate in November compared with the previous month, with both purchase costs and staff costs heading higher. Firms were able to pass on some of these pressures to consumers, however, with output prices rising for the second month in a row.

## Egypt

Egypt's S&P Global PMI survey ticked up to 49.2 in November, from 49.0 the previous month. While still in contractionary sub-50.0 territory, there is evidence that conditions for the private sector in Egypt are improving, with the index averaging its strongest run since late 2020 over the past two quarters. New export orders have been a particular bright point since the devaluation of the EGP earlier this year, expanding for seven consecutive months now, albeit at a slightly softer pace in November. Export orders overall continue to contract, suggesting ongoing weakness in the domestic market, but this was at the softest pace since August, and the manufacturing sector recorded an uptick in orders. Manufacturing also buoyed output for the month, which contracted to a lesser degree than seen in October and September.

rose for the fourth month running. Business optimism fell the second-lowest reading in the series, only just above the neutral level.

### Egypt PMI



Source: S&P Global, Emirates NBD Research

The outperformance of manufacturing was reflected in an uptick in staff count in the sector, although employment overall declined for the first time in five months. There was some positivity around input prices for businesses which rose at the softest pace since July, with 13% of respondents noting an increase. Purchase costs rose at a slower pace, although a stronger US dollar kept price rises salient. Staff costs rose at the slowest pace since July 2023.

Weaker sales in November saw firms reduce their quantity of purchases, with the measure falling for the second consecutive month. Even so, stocks of purchases

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