



Regional PMIs, July 2025

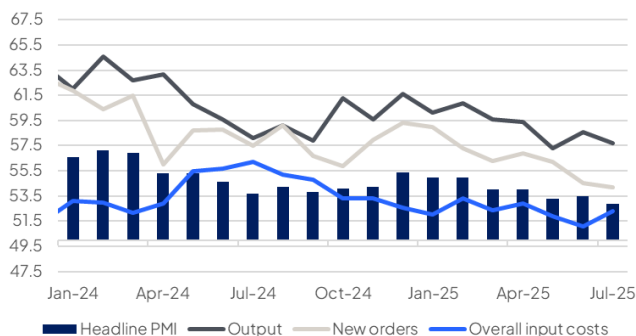
5 August 2025 – Economics

- The S&P Global PMI survey for the UAE fell to 52.9 in July, down from 53.5 the previous month.
- Dubai's S&P Global PMI survey saw a sharp improvement in July, ticking up from 51.8 in June to 53.5.
- The Riyadh Bank PMI survey for Saudi Arabia dipped to 56.3 in July, down from 57.2 the previous month.
- The S&P Global PMI survey for Egypt rose to 49.5 in July, up from 48.8 the previous month.

UAE

The S&P Global PMI survey for the UAE fell to 52.9 in July, down from 53.5 the previous month. This marked the lowest reading for the index since mid-2021 with fallout from June's regional geopolitical tensions seemingly still weighing on sentiment. However, we would expect the index to stage a rebound in the coming months given that tensions have eased and considering the strong underlying growth drivers in the UAE. Several indicators released over the past week, including tourism and non-oil trade, have broken new records for H1 performance on the back of strong growth, and we expect another robust performance through the second half. We forecast non-oil GDP growth of 4.7% this year.

UAE PMI survey



Source: S&P Global, Emirates NBD Research

While activity growth did slow in July, it remained strong overall with over a quarter of respondents noting an increase compared to only 10% seeing a fall in output. Factors noted by firms included ongoing projects and rising incomes as supporting business. New order growth slowed to the weakest in almost four years, however, and given that new export orders accelerated to the fastest pace of growth in three months, the slowdown was driven by weaker domestic demand. A number of companies cited regional tensions as having

impacted sales growth, with others noting the impact of global trade disruptions.

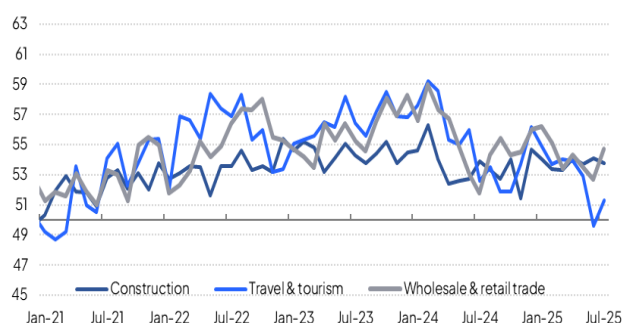
Global economic developments, along with greater competition, were noted as impediments to growth and business optimism dipped slightly in July, though overall businesses remained positive. Headcount expanded at the slowest pace since March, likely contributing to a rise in backlogs with over 15% of firms noting an increase while just 5% recorded a decline. Input costs rose at a faster pace in July, with both staff costs and purchase costs rising. After output prices fell in June, firms raised their selling prices again in July as they looked to pass some of these costs on to consumers, though at a marginal rate.

Dubai

Dubai's S&P Global PMI survey saw a sharp improvement in July, ticking up from 51.8 in June to 53.5. This marked the highest reading for the index since February as the economy bounced back from the multi-year low recorded in June, when the tourism sector weighed on the index amidst disruptions to regional aviation. Output rose at the fastest pace in five months, and firms expanded their headcount for the fourth month running, albeit at a marginal pace. New work saw a major rebound from almost flat growth in June to a robust pace once more, in contrast to the slowdown in sales growth seen in the wider UAE.

Input prices accelerated to the fastest pace since April, but firms only raised their output prices modestly. Competition between firms has kept hikes to selling prices modest in Dubai over the past several years, helping to keep headline CPI inflation at a modest 2.7% y/y over the first half of the year, with the bulk of that upwards pressure coming from housing.

Dubai PMI survey, sectors



Source: S&P Global, Emirates NBD Research

Travel & tourism rose to 51.3 in July, recovering from the 49.6 – the first sub-50 reading since 2021 – recorded in June. We would note here that despite the dip in the PMI survey last month, there were 1.2mn overnight visitors to Dubai in June, y/y growth of 0.8% despite the geopolitical tensions which led to some travel disruptions and a dip in sentiment. The dip in the PMI survey last month was largely driven by a fall in new orders, and they returned to growth in July, albeit still at a softer pace than has been averaged over the past several years. Business activity growth slowed in July but there was a marked improvement in business optimism from the previous month. Input prices rose at only a modest pace, and firms kept their selling prices broadly unchanged.

Wholesale & retail trade was the strongest-performing sector in July with the index rising to a five-month high of 54.7, up from 52.7 the previous month. There was a sharp rise in business activity which was at the highest level since December, and new orders rose at the fastest pace since May. Business expectations picked back up in this more positive backdrop, but firms still kept their staffing levels almost unchanged with the sub index just above the neutral line. Businesses continued to discount aggressively as they looked to maintain market share amid strong competition, with prices charged falling at the sharpest pace since July last year – despite input prices rising at the fastest pace in five months.

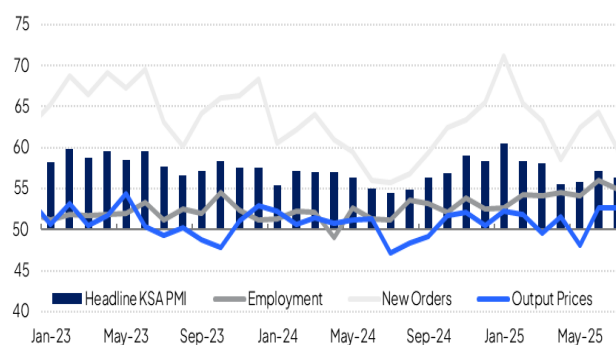
The **construction** PMI continued to show a sector in robust health even as the headline index dipped modestly to 53.8 in July, from 54.1 previously. Output levels continued to expand at a rapid pace, accelerating from the previous month, while new orders growth was almost unchanged. Firms increased their hiring compared to in June, and

there was a marked improvement in business sentiment which rose to a 10-month high. Input costs rose at a modestly faster pace, but firms are seemingly able to pass these prices on amidst high demand as output prices rose even more quickly.

Saudi Arabia

The Riyadh Bank PMI survey for Saudi Arabia dipped to 56.3 in July, down from 57.2 the previous month. Nevertheless, this remains well above the neutral 50 level and is indicative of ongoing strong growth in the non-oil private sector in Saudi Arabia even if it is modestly slower than averaged over the year to date. Non-oil GDP grew 4.7% y/y in Q2 according to recently released preliminary results, and we hold a full-year forecast of 4.5% with the expectation of a modest slowdown in the second half.

Saudi Arabia PMI survey



Source: Riyadh Bank, Emirates NBD Research

Activity growth dipped to the lowest level since early 2022 in July, though still far more firms – 21% – noted a pick-up in activity than the 5% that registered a decline. New orders growth was the slowest in three months but remained high and this will be supportive of growth through the remainder of the year. Domestic orders continue to drive order growth and export orders declined for the first time in nine months in July with firms noting greater competition. Business optimism fell to a 12-month low but firms generally remained positive, expecting that project work related to diversification strategies would continue to drive new order growth. Firms continued to hire as they looked to cope with demand, and while the sub-component fell modestly from June it remained higher than the average level.

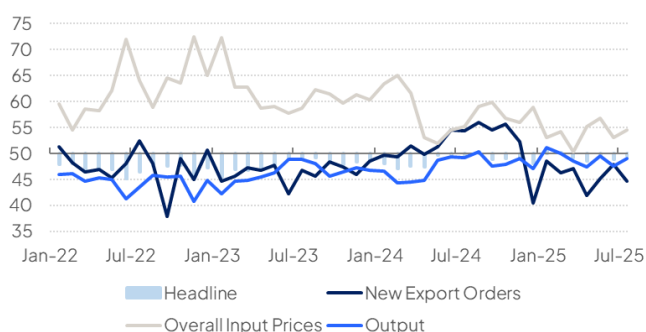
Firms saw a modest slowdown in their input inflation in July, with both staff costs and purchase costs rising at a slightly slower pace than the previous month. Firms noted higher raw materials prices and

bonus payments to employees as contributing to the higher prices. Some of these costs were passed on to customers, with output prices rising at the same pace as seen in June.

Egypt

The S&P Global PMI survey for Egypt rose to 49.5 in July, up from 48.8 the previous month. While this was short of the neutral 50-level that delineates contraction and expansion in the private sector economy, it was marginally higher than the 12-month average and most sub-components of the index logged an improvement on recent months. While the economic restructuring under the IMF has brought its own temporary challenges, the economy remains in a much stronger position than it was at the start of 2024 and we forecast real GDP growth of 4.8% in the fiscal year that started in July, up from an estimated 4.2% in 2024/25.

Egypt PMI survey



Source: S&P Global, Emirates NBD Research

Output declined for the fifth month running in July for the first month of the new fiscal year, but this was at a softer pace than seen in June and was only modest overall, with some firms noting an uptick in activity. New orders also declined at a slower pace, although there was a sharper decline in new export orders last month which were in negative territory for the eighth month straight.

Despite the fall in orders, employment picked up in July, with a positive reading for the first time since October last year, albeit only marginally. There was also a modest rise in business optimism, though this remained fairly subdued compared to the long-run average with business citing ongoing economic uncertainty.

Input prices rose at a faster pace in July, driven by purchase costs. Businesses noted higher prices for materials including cement, diesel, and packaging.

Staff costs increased at broadly the same modest pace as seen in June. Firms did pass these costs on to consumers at a slightly higher rate in July than in June but the sub-component remained comparatively lower than the series trend, which should be supportive of slowing CPI inflation.

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