

Regional PMIs: March 2026

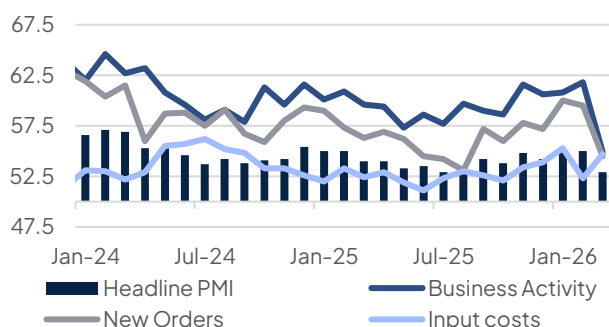
6 April 2026 – Economics

- The S&P Global PMI survey for the UAE fell to 52.9 in March, from 55.0 the previous month.
- The S&P Global PMI survey for Dubai was at 53.2, down from 54.6 in February.
- The Riyadh Bank PMI survey for Saudi Arabia was at 48.8 in March, down from 56.1 the previous month.
- The S&P Global PMI survey for Egypt slipped to 48.0 in March, down from 48.8 in February.

UAE

The S&P Global PMI survey for the UAE remained in positive territory in March despite the outbreak of the Iran war. The headline measure stood at 52.9, underscoring the resilience in the UAE economy, aided by increasing sectoral diversification. However, this was down from 55.0 the previous month and there were indications of the conflict's impact throughout the survey's subcomponents and respondent's anecdotal answers. Despite the slowdown in March, the first quarter of the year averaged only marginally lower than in Q1 2025.

UAE PMI survey



Source: S&P Global, Emirates NBD Research

There was a sharp slowdown in some of the key underlying indicators in the PMI index, not least business activity which slowed to its lowest expansion rate since mid-2021. Respondents noted how the war impacted consumer spending, tourism numbers, and supply chains, though resilient domestic demand helped offset some of this. New orders expanded at the slowest pace since August last year but overall continued to grow at a positive pace, with project pipelines noted as being supportive. New export orders also continued to grow, and at a faster pace than the 12-month average despite a slowdown from the previous month.

There was a notable acceleration in costs for businesses in March, and overall input costs rose at the fastest pace since September 2024. This

acceleration was driven by purchase costs which rose at the fastest pace in 20 months, with higher shipping and energy costs among the reasons cited. Supply chains have been challenged, with delivery times lengthening for the first time in four and a half years. In contrast, staff costs rose at the slowest pace since October 2024. Firms passed these higher cost burdens on to consumers, with output prices rising at the fastest pace in over a decade.

Business optimism slipped in March amid concerns around the impact of the war on demand, falling to a five-year low. Despite this, headcount was raised on aggregate, though the pace of hiring moderated from February.

Dubai

The S&P Global PMI survey for Dubai slipped to 53.2 in March, down from 54.6 in February. There was only a modest slowdown in business activity, which continued to expand at a robust pace. New orders also dipped, slowing to a seven-month low, but also maintained a solid momentum comfortably above the neutral 50.0-level. The impact of the war was more apparent in a sharp dip in business expectations, which fell to the lowest level since April 2023, and in supplier's delivery times, which swung sharply to the greatest lengthening since mid-2022.

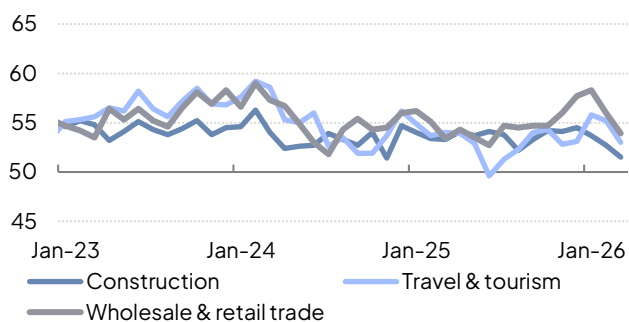
Travel & tourism slowed to 53.0, down from 55.2 previously. This was the slowest pace of expansion for the sector since August 2025. Output growth remained robust, albeit slower than in February, but there was a marked swing in employment which went from a solid expansion rate to the first contraction in 12 months in March. After discounting in February, businesses raised their output prices again last month. Business optimism turned negative.

Wholesale & retail trade slowed to 53.9, down from 56.0 in February. Output continued to grow at a strong rate, but markedly slower than the previous month, and new order growth moderated. Business

optimism sank but remained marginally positive, and firms continued to hire.

Construction fell to 51.5 in March, down from 52.7 in February. This was the slowest pace of growth for the sector since November 2024. New work turned contractionary for the first time since May 2022, and firms slowed their hiring.

Dubai PMI components



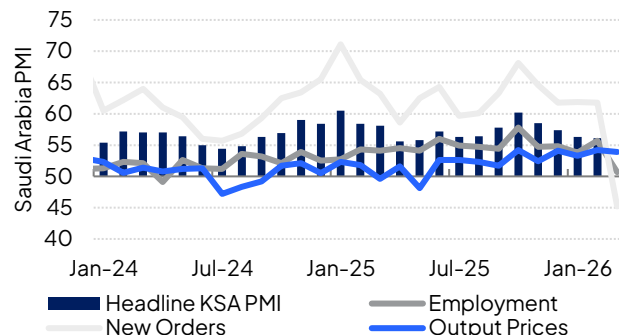
Source: S&P Global, Emirates NBD Research

Saudi Arabia

The Riyadh Bank PMI survey for Saudi Arabia turned contractionary in March, slipping to 48.8, down from 56.1 in February. This was the first sub-50.0 reading for the index since August 2020 when the country was dealing with the Covid-19 pandemic. Respondents to the survey highlighted the impact that the Iran war was already having on their business, and the impact was apparent throughout the survey's subcomponents. Business activity declined as some contracts and projects were put on hold, and there was a marked contraction in new orders, a reversal from the robust pace of expansion logged in January and February. New export orders also declined in March, with some firms noting logistical issues as contributing to this.

Suppliers' delivery times lengthened in March, breaking a four-year run of improvements, with firms noting higher freight prices and disruption to supply chains because of the regional instability. Amid the uncertainty, firms also cut back on their purchases for the first time in over five years, and while employment continued to expand, it did so at the slowest pace in 23 months. Business optimism was only just above the neutral 50.0 line as the conflict weighed on sentiment.

Saudi Arabia PMI survey



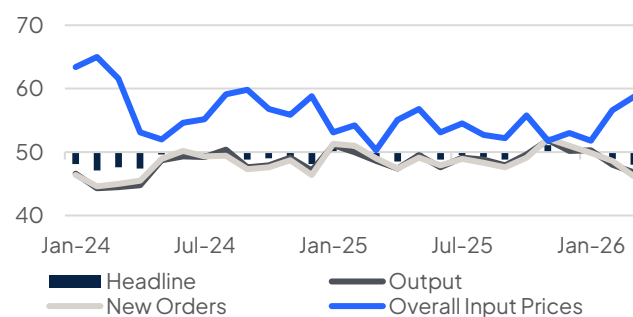
Source: Riyadh Bank, Emirates NBD Research

Despite the reported impact of the conflict on supply chains, there was little evidence that it was starting to feed through into cost pressures in Saudi Arabia in March. Overall input prices rose at a slightly slower pace than in February, with the purchase costs subcomponent almost unchanged from the previous month. Staff costs slowed in March from the record pace seen in February. Firms continued to pass price rises on to consumers, but at broadly the same pace as seen the previous month.

Egypt

The S&P Global PMI survey for Egypt fell to 48.0 in March, down from 48.8, signalling a sharper contraction in the private sector. This marked the third month in a row where the headline index has been in sub-50.0 contractionary territory. There was a marked acceleration in the decline in output which contracted at the sharpest pace since April 2024, with the Iran conflict cited as a primary driver of this. New orders fell to the lowest reading since April 2024, with manufacturing a notably affected sector. New export orders meanwhile turned contractionary in March, snapping four consecutive months of positive readings, though the slowdown was less pronounced than that seen in overall orders.

Egypt PMI survey



Source: S&P Global, Emirates NBD Research

A rise in price pressures was evident in the survey data for March, with higher purchase costs driving



بنك الإمارات دبي الوطني
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the headline measure. Purchase costs rose at the fastest pace since December 2024, with the weaker EGP and a mid-month fuel price hike contributing to this. Staff costs continued to rise, but at a slower pace than seen in February. Firms passed on these higher costs to their customers, and output prices accelerated to the fastest pace in 10 months.

Business optimism turned negative in March. While only marginally, this was the first occasion in the series' history that lower output was anticipated in a year's time, with concerns around the impact of the regional war on business coming to the fore. Firms continued to cut headcount in this environment, though not at any more rapid pace than seen over the preceding several months.

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