



Press Release

Under strict embargo until: 08:15 (DUBAI) / 04:15 (UTC), May 5th 2019

Emirates NBD UAE PMI®

Sharpest improvement in business conditions since December 2017

Dubai, May 5th, 2019: Today sees the release of April data from the Emirates NBD Purchasing Managers' Index® (PMI®) for the UAE. The survey, compiled by IHS Markit, contains original data collected from a monthly survey of business conditions in the UAE non-oil private sector.

Commenting on the UAE PMI® survey, **Khatija Haque, Head of MENA Research at Emirates NBD**, said:

“The improvement in the volume of activity and new order growth last month is encouraging. However, with firms still competing on price, there is still a reluctance to boost hiring and we haven't seen a meaningful improvement in job growth. Household consumption is likely to remain constrained in the absence of job and/ or wage growth.”

The main findings of the April survey were as follows:

- Sharp and accelerated rises in activity and new orders
- Output prices cut for seventh month running
- Optimism hits new record high

The headline seasonally adjusted **Emirates NBD UAE Purchasing Managers' Index™ (PMI®)** – a composite indicator designed to give an accurate overview of operating conditions in the non-oil private sector economy – rose for the second month running in April, hitting 57.6 from 55.7 in March. The reading signalled a sharp monthly improvement in business conditions, and one that was the greatest since December 2017.

Latest data pointed to a sharp acceleration in the rate of new order growth at UAE non-oil companies, with the pace of expansion at a 16-month high. Panellists pointed to improvements in market conditions. External demand also picked up markedly as new work from Saudi Arabia and Oman in particular pushed the rate of growth in new export orders to a near four-year high.



Higher new orders combined with a number of ongoing projects led to a substantial rise in business activity in April. Moreover, the rate of expansion was the fastest since January 2015. Some panellists reported that promotional efforts had helped to boost activity.

The offer of discounts to customers led to a seventh successive monthly fall in output prices, and one that was more marked than seen in March. Companies were able to reduce charges thanks to a relative lack of cost inflationary pressures. Both purchase prices and staff costs rose only marginally in April.

As part of efforts to limit cost inflation, staffing levels were raised only slightly again at the start of the second quarter, despite strong increases in workloads. A combination of sharp new order growth and relatively weak hiring led backlogs of work to rise at a faster pace.

Business confidence was the highest since the series began seven years ago during April, as expectations of higher new orders supported optimism in the 12-month outlook for activity. Around 82% of panellists predicted a rise in output over the coming year.

Purchasing activity continued to rise sharply, while stocks of purchases were accumulated to the greatest extent since March 2018. Despite stronger demand for inputs, suppliers' delivery times shortened as vendors responded well to requirements for faster deliveries.

-Ends-

The next *UAE PMI Report* will be published on June 10th 2019 at 08:15 (DUBAI) / 04:15 (UTC)



For further information, please contact:

Ibrahim Sowaidan
Senior Vice-President, Head - Group Corporate Affairs
Emirates NBD
Telephone: +971 4 609 4113 / +971 50 6538937
Email: ibrahims@emiratesnbd.com

Tricia Kaul
ASDA'A Burson-Marsteller; Dubai, UAE
Tel: +971 56 6032673
Email: tricia.kaul@bm.com

Khatija Haque
Head of MENA Research, Emirates NBD
Email: KhatijaH@emiratesnbd.com

Joanna Vickers
Corporate Communications
IHS Markit
Tel: +44-207-260-2234
Email: joanna.vickers@ihsmarkit.com

Andrew Harker
Associate Director
IHS Markit
Tel: +44 1491 461016
Email: andrew.harker@ihsmarkit.com

Notes to Editors

The Emirates NBD UAE Purchasing Managers' Index is based on data compiled from monthly replies to questionnaires sent to purchasing executives in approximately 400 private sector companies, which have been carefully selected to accurately represent the true structure of the United Arab Emirates non-oil economy, including manufacturing, services, construction and retail. The panel is stratified by Standard Industrial Classification (SIC) group, based on industry contribution to GDP. Survey responses reflect the change, if any, in the current month compared to the previous month based on data collected mid-month. For each of the indicators the 'Report' shows the percentage reporting each response, the net difference between the number of higher/better responses and lower/worse responses, and the 'diffusion' index. This index is the sum of the positive responses plus a half of those responding 'the same'.

The Purchasing Managers' Index™ (PMI®) is a composite index based on five of the individual indexes with the following weights: New Orders - 0.3, Output - 0.25, Employment - 0.2, Suppliers' Delivery Times - 0.15, Stock of Items Purchased - 0.1, with the Delivery Times index inverted so that it moves in a comparable direction.

Diffusion indexes have the properties of leading indicators and are convenient summary measures showing the prevailing direction of change. An index reading above 50 indicates an overall increase in that variable, below 50 an overall decrease. IHS Markit do not revise underlying survey data after first publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

About Emirates NBD

Emirates NBD is a leading banking Group in the region. As at 31st March 2019, total assets were AED 525.8 Billion, (equivalent to approx. USD 143 Billion). The Group has a significant retail banking franchise



in the UAE and is a key participant in the global digital banking industry, with over 90 per cent of all financial transactions and requests conducted outside of its branches. The bank was declared the Most Innovative Financial Services Organization of the Year at the 2017 BAI Global Innovation Awards.

The bank currently has 234 branches and 1076 ATMs and SDMs in the UAE and overseas and a large social media following, being the only bank in the Middle East ranked among the top 20 in the 'Power 100 Social Media Rankings', compiled by The Financial Brand. It is a major player in the UAE corporate and retail banking arena and has strong Islamic Banking, Global Markets & Treasury, Investment Banking, Private Banking, Asset Management and Brokerage operations.

The Group has operations in the UAE, the Kingdom of Saudi Arabia, Egypt, India, Singapore, the United Kingdom and representative offices in China, Indonesia and Turkey.

The Group is an active participant and supporter of the UAE's main development and community initiatives, in close alignment with the UAE government's strategies, including financial literacy and advocacy for inclusion of People with Disabilities under its #TogetherLimitless platform. Emirates NBD Group is a Premier Partner and the Official Banking Partner for Expo 2020 Dubai. For more information, please visit: www.emiratesnbd.com

About IHS Markit (www.ihsmarkit.com)

IHS Markit (Nasdaq: INFO) is a world leader in critical information, analytics and solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions.

IHS Markit is a registered trademark of IHS Markit Ltd. and/or its affiliates. All other company and product names may be trademarks of their respective owners © 2019 IHS Markit Ltd. All rights reserved.

The intellectual property rights to the Emirates NBD UAE PMI[®] provided herein are owned by or licensed to IHS Markit. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without IHS Markit's prior consent. IHS Markit 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 IHS Markit 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. Emirates NBD use the above marks under licence. IHS Markit is a registered trade mark of IHS Markit Limited. and/or its affiliates.

If you prefer not to receive news releases from IHS Markit, please email joanna.vickers@ihsmarkit.com. To read our privacy policy, [click here](#).