



بنك الإمارات دبي الوطني  
Emirates NBD

Economics  
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# UAE PMI: Growth picks up in November

The Emirates NBD Purchasing Managers' Index (PMI) rose for the first time in four months, reaching 54.2 in November (from 53.3 in October). The improvement signals a faster pace of expansion in the non-oil private sector last month, driven by stronger new orders growth and a modest rise in employment.

**New orders** growth accelerated in November with this index rising to 56.4 from 53.2 the previous month. The improvement is notable as export orders continued to decline for the fifth month in a row, suggesting that it has been domestic demand that has strengthened. Firms surveyed attributed the faster order growth to "successful marketing initiatives, including price discounting" according to IHS Markit, which conducts the survey.

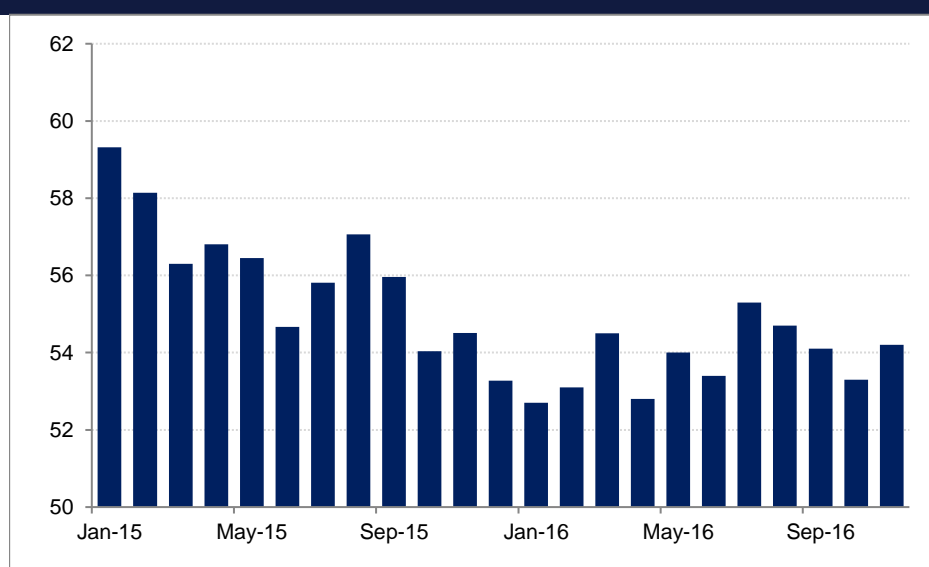
**Output prices** did decline slightly in November according to the purchasing managers' survey, marking the 13<sup>th</sup> straight month of lower average selling prices in the UAE. In contrast, **input prices** rose at a faster pace in November, driven by higher purchase costs.

Encouragingly, **employment** increased in November, although at a relatively modest pace with this index rising to 51.8 from 50.3 in October. Nevertheless, November saw the fastest growth in jobs since July.

Both the **quantity of purchases** (purchasing activity) and **stocks of purchases** (inventory) increased at a faster rate in November, indicating that firms are optimistic about future demand. Suppliers' delivery times shortened in November and backlogs of work increased only modestly.

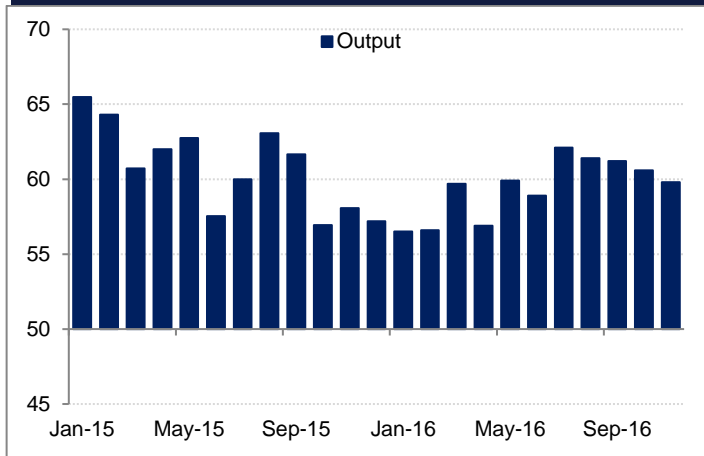
Overall, the November PMI data bodes well as we head into year-end, which is typically a high season for retail, transport and hospitality sectors in the UAE. While the headline PMI points to solid growth in the non-oil private sectors, the average reading for the year-to-date is 53.8, much lower than the 2015 average of 56.0, providing some evidence that growth has indeed slowed this year.

## Emirates NBD UAE Purchasing Managers' Index



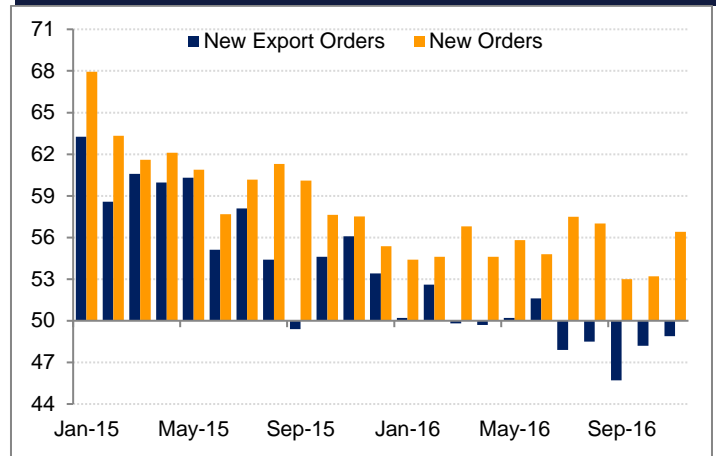
Source: IHSMarkit, Emirates NBD Research

## Output



Source: IHSMarkit, Emirates NBD Research

## New Orders & New Export Orders



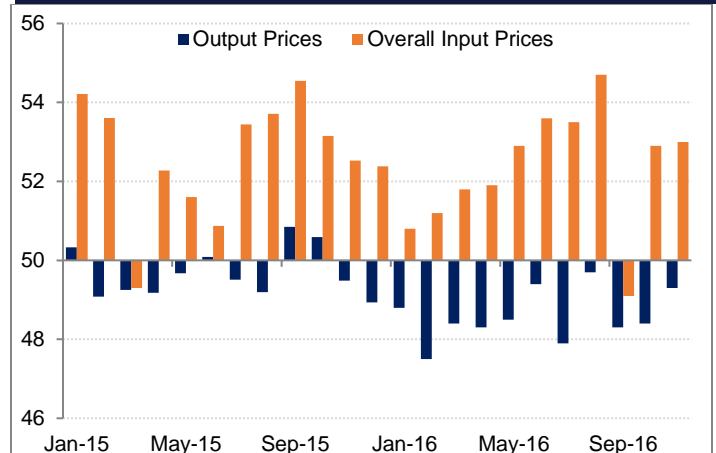
Source: IHSMarkit, Emirates NBD Research

## Employment and Staff Costs



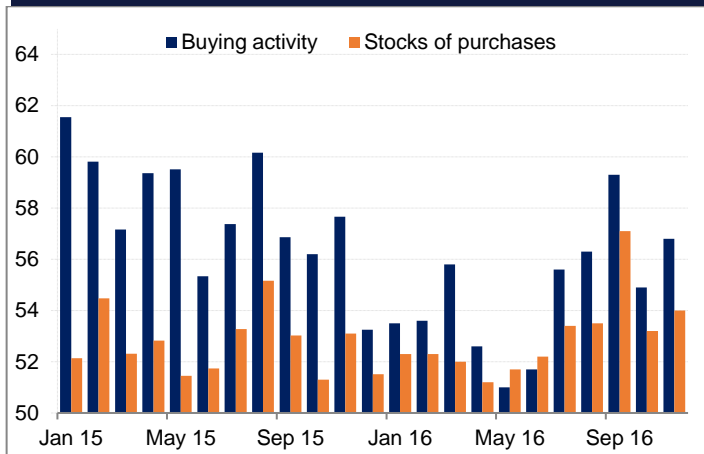
Source: IHSMarkit, Emirates NBD Research

## Input Costs and Output Prices



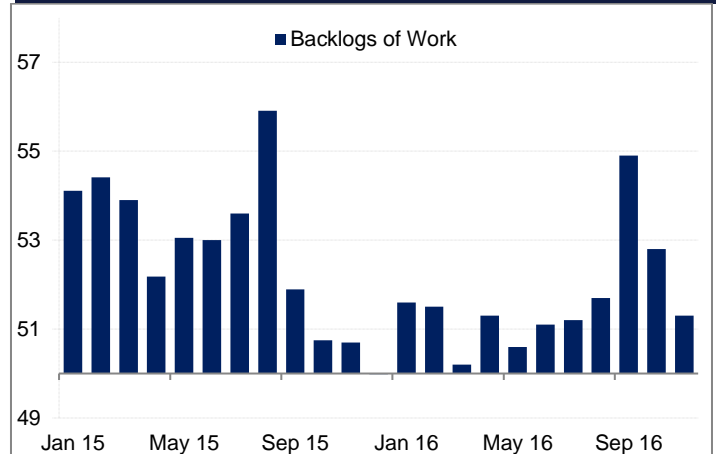
Source: IHSMarkit, Emirates NBD Research

## Inventory and Purchasing Activity



Source: IHSMarkit, Emirates NBD Research

## Backlogs of Work



Source: IHSMarkit, Emirates NBD Research

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