

# News Release

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## Riyad Bank Saudi Arabia PMI®

### Business activity increases at fastest rate since January

#### Key findings

Output growth accelerates in November

Sales intakes rise sharply

Staff and inventory growth moderate from October peaks

Saudi Arabian non-oil private sector businesses experienced another strong improvement in operating conditions in November. Overall activity increased at the sharpest pace in ten months, driven by higher sales, rapid hiring and increased purchases. While new business growth remained marked, it slowed compared to October, as did the rates of growth in employment and input inventories. Meanwhile, operating expenses increased at the softest rate since March, with firms noting reduced pressure on their purchasing costs.

The headline figure is the seasonally adjusted Riyad Bank Saudi Arabia Purchasing Managers' Index™ (PMI®). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

The headline PMI dropped to 58.5 in November, after rising to its second-highest level in over 11 years in October (60.2). Despite this, the index continued to signal a robust improvement in the health of the non-oil private sector economy.

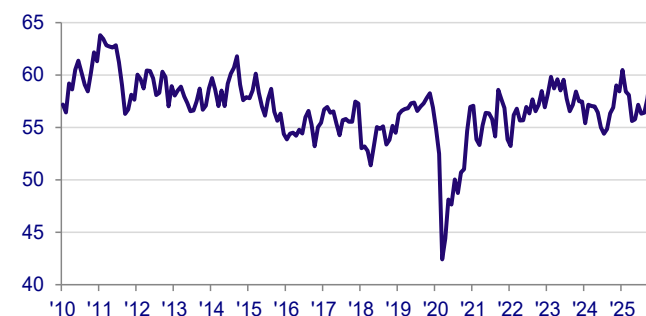
Businesses commonly highlighted that strong demand conditions and the receipt of new orders contributed to a strengthening of output levels and greater expansion efforts. November data subsequently indicated a substantial rise in non-oil private sector activity, the sharpest since January. Overall, 30% of surveyed firms increased their output compared to the previous month, while only 1% reported a contraction.

The latest survey also pointed to a robust increase in new order inflows in November. Although the rate of expansion slowed across all monitored sub-sectors and was less pronounced than October's recent peak, it remained among the fastest seen in 2025 to date. Firms frequently cited improved demand conditions, particularly in domestic markets. New orders from international markets rose, but only slightly.

Amid improving order books and strong growth indicators, non-oil companies reported increases in purchasing activity,

Riyad Bank Saudi Arabia PMI

sa, >50 = improvement since previous month



Sources: Riyad Bank, S&P Global PMI.

Data were collected 12-20 November 2025.

#### Comment

Naif Al-Ghaith PhD, Chief Economist at Riyad Bank, said:

"The non-oil private sector remained firmly in expansion territory in November, although momentum eased slightly after October's sharp uptick. The headline Riyad Bank Saudi Arabia PMI registered 58.5, indicating another strong improvement in business conditions, supported by broad gains across output, staffing and purchasing activity.

"Activity levels continued to rise, driven by steady demand and ongoing projects. New orders extended a growth streak of over five years, though the pace moderated slightly from October's surge. Export orders also increased for the fourth consecutive month, but more moderately as global markets faced softer conditions and increased competition.

"Employment growth eased from last month's rise but still signalled solid hiring across most sub-sectors. Firms continued to expand capacity to accommodate higher workloads, while purchasing activity remained positive. Inventory growth was more controlled as businesses balanced input needs with efficient stock usage. As firms managed their workflows more efficiently, input cost inflation softened, reflecting slower increases in purchase prices.

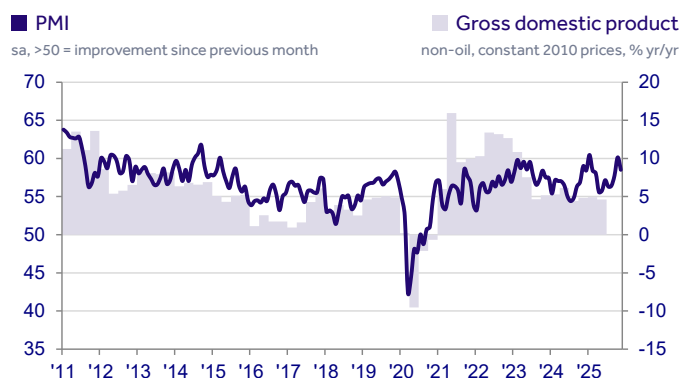
"Looking ahead, confidence is being supported by anticipated improvements in demand, active pipelines of new projects and ongoing investment activity. While growth has eased from October's highs, November's readings show that growth remains steady, driven by stable demand patterns and continued progress on active projects."

staffing levels and inventories. However, all three growth rates decelerated from October. In terms of employment, after a near-record rise one month ago, the latest data still reflected a substantial increase in workforce numbers. Qualitative reports indicated that firms expanded their staffing capacity to meet higher output demands and rising unfinished business. Backlogs of work increased for the fifth consecutive month in November, the longest sequence of accumulation since 2019.

Higher purchasing requirements led to an increase in buying activity and stock accumulation. However, as firms sought more inputs to fulfil orders, overall inventories grew only modestly, marking the smallest increase in nearly three years. Services firms even reported a decrease in their stock holdings during November.

Input price pressures eased in the middle of the final quarter of 2025. While input costs continued to rise on average, the inflation rate was the slowest recorded in eight months. The main drivers of costs varied, with purchase prices experiencing a modest increase, whereas wage pressures were historically sharp. Output prices rose for the sixth consecutive month, but the rate of inflation slowed.

Finally, non-oil firms gave their strongest predictions for future activity levels in five months during November. Confidence was typically related to healthy demand pipelines and optimism surrounding business investment.



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## Survey methodology

The Riyadh Bank Saudi Arabia PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 400 private sector companies. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. The sectors covered by the survey include manufacturing, construction, wholesale, retail and services. Data were first collected August 2009.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact [economics@spglobal.com](mailto:economics@spglobal.com).

## About PMI

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends.

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