

Bloomberg Daybreak: Middle East & Africa Interview, 5 May 2026

Aathira Prasad joined Joumanna Bercetche on the Horizons Middle East & Africa show on 5th May 2026 to discuss the April PMI data releases in the Middle East.

The April PMI data point to a region still adjusting to conflict-related disruption rather than returning to normalcy. The headline picture was mixed: the UAE, Kuwait and Egypt weakened while Saudi Arabia moved back into expansion, supported in part by the ceasefire reached a month ago.

But the headline numbers do not tell the full story. Three policy-relevant points stand out:

1. First, external demand remains impaired. Export orders continue to reflect the trade shock from disruption to regional shipping routes.
2. Second, cost pressures are building. Higher freight, insurance and input costs are feeding through the supply chain. The key question is when and to what extent these cost pressures will be fully passed on to consumers.
3. Activity has softened in sectors such as tourism and hospitality, pointing to broader spillover effects across the region.

At the firm level, PMI evidence already points to defensive cost adjustments, including salary freezes & wage restraint. There are also broader regional spillovers to watch. Labour-exporting economies will likely face weaker remittance inflows if activity and hiring slow across the GCC.

Does this mean recession? Not necessarily, but it is too early to say.

The conflict is not yet fully resolved, and until there is a

permanent end to the blockade and the war, risks will remain elevated (as we experienced with the alerts in the UAE yesterday).

Much depends on two unresolved issues: whether the conflict moves toward a durable settlement, and how quickly damaged energy and transport infrastructure can be restored. Without both, downside risks to growth remain significant.

The more encouraging point is that policymakers and firms are not standing still. Across the region, governments have historically responded to shocks with monetary, fiscal, financial and regulatory support. That helps explain why the 12-month outlook in the PMI reports remains relatively resilient.

At the same time, it is evident that governments and corporates are using this period to plan for the next phase of growth instead of a “wait-and-watch” approach: Dubai’s Metro Gold Line extension & two-year Agentic AI push, ADNOC’s AED 55bn expansion plan for 2026–28, hotel refurbishments and sovereign wealth funds’ shift toward domestic investment all point to this.

Watch the interview:
<https://www.bloomberg.com/news/videos/2026-05-05/regional-pmi-in-april-affected-by-ceasefire-video>