

S&P Global Qatar PMI®

New business expands in May while companies continue to boost recruitment

New work increases for second time in three months, but total activity falls

Employment growth among fastest on record

Business outlook remains stronger than one year ago

The latest Purchasing Managers' Index™ (PMI®) survey data from S&P Global showed a further overall improvement in business conditions in Qatar's non-energy sector in May, spurred by a rise in new work.

Employment increased at one of the strongest rates on record and firms boosted input buying in order to replenish inventories. Output declined slightly but the level of outstanding business continued to rise.

The Qatar PMI indices are compiled from survey responses from a panel of around 450 private sector companies. The headline S&P Global Qatar PMI is a composite single-figure indicator of non-energy private sector performance. It is derived from indicators for new orders, output, employment, suppliers' delivery times and stocks of purchases.

The PMI remained above the no-change mark of 50.0 for the seventeenth consecutive month in May, signalling another improvement in business conditions in the non-energy private sector. The overall expansion reflected growth in new orders and employment. At 50.8, the PMI was little-changed from 50.7 in April, however, signalling a modest overall rate of growth. A fall in output, lower input stocks and faster suppliers' delivery times all weighed on overall business conditions. The latest PMI reading was below the long-run survey average of 52.2.

The level of new business received by non-energy private sector firms rose for the second time in three months in May. This reflected growth in the wholesale & retail and services sectors. In contrast, new orders received in the construction and manufacturing sectors fell.

Although new work rose, total activity declined slightly during May. This resulted in a build-up of outstanding orders for the sixth month running, the longest sequence of backlog growth since the first half of 2022. Higher levels of incomplete work partly reflected shortages of inputs, as pre-production inventories fell during the month. Companies responded by purchasing new inputs at the fastest rate in two years. This was aided by the quickest improvement in suppliers' delivery times since December 2022.

Companies also addressed rising workloads by expanding

S&P Global Qatar PMI
Index, sa, >50 = improvement m/m



Data were collected 12-22 May 2025.

Source: S&P Global PMI. ©2025 S&P Global.

Comment

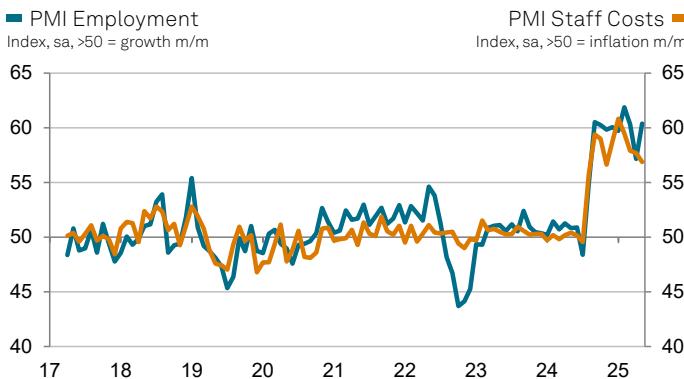
Trevor Balchin, Economics Director at S&P Global Market Intelligence

"The PMI held above 50.0 in May for the seventeenth month running, signalling a sustained upturn in the non-energy economy. Growth remained modest, however, and the first half of the year is on course to be the weakest since 2020. This is largely reflective of subdued trends in output and new orders, although the latter did rise in May.

"Since last September the overall strength of the headline PMI figure has been boosted by rapid employment growth. How long this can continue moving into the second half of 2025 will depend on a sustained upturn in new business. The backlog sub-index remained only just above 50.0 in May, signalling only a slight rise in outstanding business.

"More positively, the 12-month outlook strengthened in May. On balance companies have been more optimistic regarding growth in 2025 than they were a year ago. The Future Output Index has trended at 62.5 since January, close to the long-run figure of 62.9 and well above the January-May average for 2024 (54.5)."

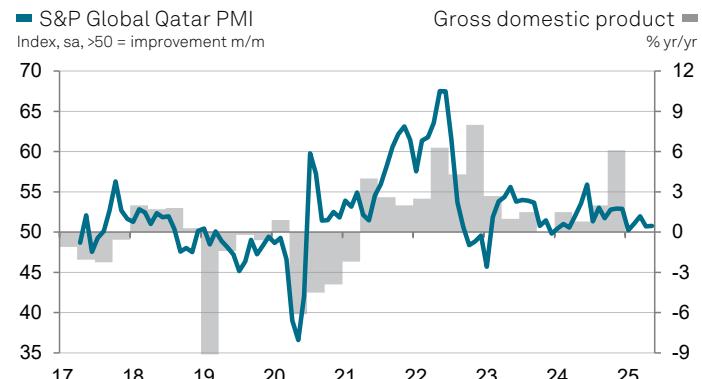
■ PMI Employment
Index, sa, >50 = growth m/m



Source: S&P Global PMI. ©2025 S&P Global.

■ PMI Staff Costs
Index, sa, >50 = inflation m/m

■ S&P Global Qatar PMI
Index, sa, >50 = improvement m/m



Sources: S&P Global PMI, Qatar Planning & Statistics Authority via S&P Global Market Intelligence. ©2025 S&P Global.

recruitment at a faster rate. The rate of job creation was the third-highest on record. Workforces rose rapidly in manufacturing, wholesale & retail and services, but only marginally in construction.

The latest increase in employment was accompanied by a sharp rise in average wages and salaries, albeit the slowest in six months. Meanwhile, strong demand for inputs contributed to a solid rate of purchase price inflation. In contrast, prices charged by non-oil private sector firms fell for the tenth month running.

The 12-month outlook for the non-energy private sector remained positive in May, with confidence linked to strong demand across the real estate sector, generally improving market conditions, new business opportunities, industrial development and growth of the expat population. Sentiment strengthened since April and was broadly in line with the trend for 2025 so far, remaining stronger than a year earlier.

Methodology

The S&P Global Qatar PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 450 non-energy private sector companies. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in April 2017.

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.

PMI by S&P Global

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. www.spglobal.com/marketintelligence/en/mi/products/pmi

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