

S&P Global Qatar PMI[®]

War in Middle East severely impacts Qatari non-energy economy in March

March 2026

New business declines at survey-record rate

Companies turn negative in their expectations for activity over next 12 months

Total business activity declines at fastest rate since May 2020

The outbreak of war in the Middle East severely impacted Qatar's non-energy sector in March, according to the latest Purchasing Managers' Index™ (PMI[®]) data from S&P Global.

New business declined at the fastest rate since the survey began in 2017 as clients delayed spending decisions and new projects, leading to the steepest decline in output since 2020 and survey-record pessimism regarding the outlook.

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.

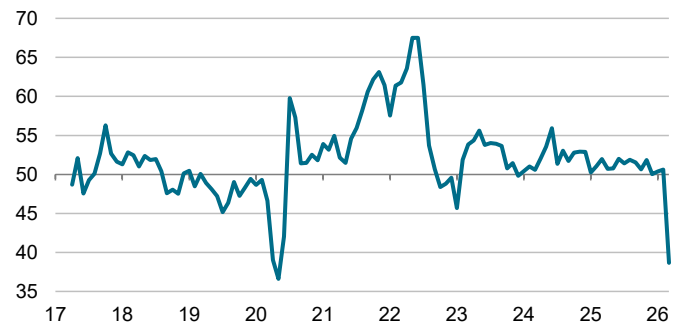
The PMI descended to 38.7 in March, from 50.6 in February, signalling a severe overall deterioration in business conditions in the non-energy private sector. The latest figure was the second-lowest on record, with only the pandemic seeing a lower reading.

Central to the overall downturn in March was a steep reduction in new business inflows. The rate of decline was the strongest registered since the survey began in April 2017. Almost two-thirds (64%) of firms reported lower new orders than in February, with only 1% stating growth. The war in the Middle East was repeatedly cited as a major disruptor leading to delays, suspended operations and a general reluctance among clients and investors to commit to new business. Increased security risks and the temporary closure of operations were also mentioned.

Total output declined for the fourth month running in March, and at a much steeper pace. The rate of decline was the fastest since May 2020, with all four sectors monitored posting contractions.

The ongoing war in the Middle East undermined the year-ahead outlook, with 70% of companies expecting a decline in output over the next 12 months. Respondents overwhelmingly cited regional instability as the main driver of pessimism. Businesses anticipated that a prolonged war will lead to a deterioration in market conditions, reduced

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



Data were collected 5-24 March 2026.
Source: S&P Global PMI. ©2026 S&P Global.

Comment

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

"The PMI data for March flagged an immediate impact of the outbreak of war in the Middle East on the Qatari non-energy economy. The PMI sank to its lowest level since the initial phase of the pandemic in 2020, highlighting the scale of disruption from hostilities in the region.

"The headline figure was heavily weighed down by a survey-record drop in new business, with companies reporting major disruption leading to delays, suspended operations and a general reluctance among clients and investors to commit to new contracts.

"The hiatus in new work led to a steep drop in output and marked pessimism regarding the next 12 months, with 70% of companies expecting output to contract.

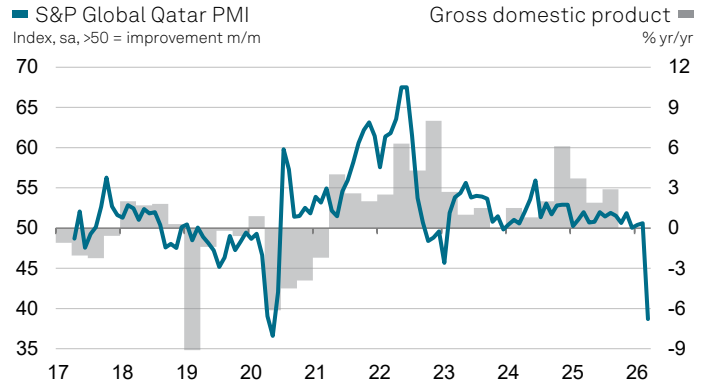
"But firms also noted that it was too early to assess near-term recovery prospects or the longer-term business outlook. April PMI survey data released in early-May will provide one of the earliest macroeconomic signals on the Qatari economy in the second quarter of 2026."

investor confidence and a slowdown in business activity across sectors, particularly construction and real estate. Many expect a recession or downturn if the conflict persists, with additional concerns about the negative impact on development plans and tourism.

In line with sharply lower output and new work, companies reduced their purchasing activity at the fastest rate since June 2020. Lower input volumes were attributed to weaker business activity and cautious inventory management. Stocks of inputs fell at the steepest rate since November 2022.

Overall cost pressures intensified in March, with input price inflation accelerating to a 15-month high. Purchase prices rose at the strongest rate since last October. Wage inflation remained strong in the context of historic survey data, but slowed sharply during March to the weakest in the current 20-month period of inflation. Although input costs rose, weak demand and challenging market conditions led Qatari firms to cut their charges in order to retain or attract customers.

The main positive findings from the latest survey were further increases in employment and outstanding business. That said, the rate of job creation slowed to a 19-month low, while the rate of backlog growth was only marginal.



Sources: S&P Global PMI, Qatar Planning & Statistics Authority via S&P Global Market Intelligence. © 2026 S&P Global

Contact

Trevor Balchin
Economics Director
S&P Global Market Intelligence
T: +44-1491-461-065
trevor.balchin@spglobal.com

Kriti Khurana
Corporate Communications
S&P Global Market Intelligence
T: +91-971-101-7186
kritikhurana@spglobal.com
press.mi@spglobal.com

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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.

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PMI by S&P Global

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