

S&P Global Qatar PMI®

Qatar PMI at two-year low as new orders and output decline

December 2025

Output and new orders slip back into contraction

Growth of jobs and wages remain strong

Expectations for activity improve at year end

Qatar's non-energy sector posted renewed decreases in both activity and new business in December, according to the latest Purchasing Managers' Index™ (PMI®) survey data from S&P Global. More positively, employment and wages continued to rise strongly, and the outlook for 2026 improved.

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 fell from 51.8 in November to 50.0 in December, signalling no change in business conditions in the non-energy private sector at the end of 2025. The latest reading was the lowest for two years, and below the long-run average of 52.2 since 2017.

The overall stagnation in business conditions in the final month of 2025 mainly reflected lower new orders and output, while a reduction in stocks of purchases and shorter suppliers' delivery times also had negative impacts. These influences were partly offset by further strong growth of employment.

Business conditions were held back by a renewed fall in new orders, the sixth decrease in seven months. Lower incoming new work led to an overall drop in output in the non-energy private sector in December, in a continuation of stop-start activity seen throughout 2025. Output has fallen seven times during the year, although only during the first quarter was the downturn sustained for longer than a single month. The rate of decline in the latest period was the steepest since March, with construction again the main source of weakness.

Although output and new orders both fell in December, the 12-month business outlook remained firmly positive and strengthened since November. Firms linked positive sentiment to improving market conditions, population growth, industrial development and government investment

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



Data were collected 4-16 December 2025.
Source: S&P Global PMI. ©2026 S&P Global.

Comment

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

"Qatar's non-energy private sector companies reported a stagnation in business conditions at the end of 2025, as the PMI fell to a two-year low and equalled the no-change mark of 50.0. The headline figure trended at 51.2 in 2025, the lowest in a calendar year since 2020.

"Falling new orders were registered for the ninth time in 2025, leading to a contraction in output for the seventh time during the year.

"Looking beyond these two key metrics, however, the overall picture was more positive. Employment continued to expand strongly, while backlogs and purchasing both increased albeit at modest rates. Overall inflationary pressures remained muted despite another strong rise in wages. Finally, the outlook for 2026 improved, with the Future Activity Index rising to a four-month high and approaching its long-run average."

projects. The overall degree of optimism improved to a four-month high.

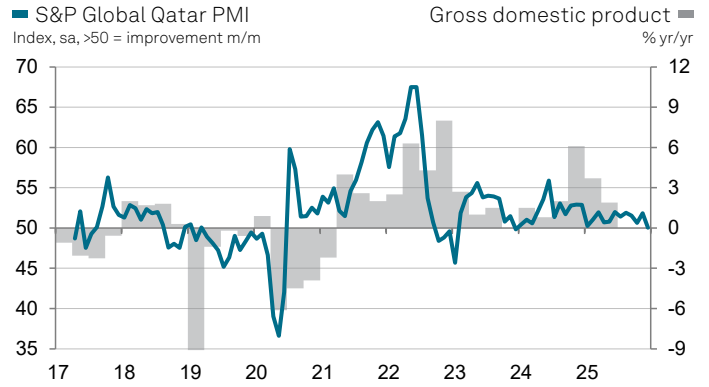
The rate of job creation at Qatari non-energy firms remained strong at the end of 2025, even though it eased to an eight-month low. Higher employment was linked to sales and marketing efforts, and new projects. Staffing increased in all four monitored sectors, led by service providers, although manufacturing recorded the strongest hiring over 2025 as a whole.

Outstanding work across the non-energy private sector rose for the thirteenth month running in December. That said, the latest expansion was only marginal and the weakest in this sequence.

Supply chains continued to improve in December, with the reduction in times remaining greater than the long-run survey average, which was in line with the trend throughout the second half of 2025. Lead times improved despite purchasing activity rising for the fifth time in six months.

Qatari companies raised wages at a marked pace in December, with the rate of inflation picking up from November's 12-month low. Higher wages reflected salary increases, performance-based packages and retention of experienced staff.

In contrast to labour costs, average purchase prices were broadly unchanged in December, as were overall input costs. Prices charged were reduced for the third month running, and at the sharpest rate since August.



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

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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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