

S&P Global Qatar PMI[®]

Demand weakens in July, leading to softer forecasts for business activity expansion

July 2025

New business falls at fastest rate since February, leading to weaker outlook

Second-strongest rise in employment in survey history

Companies reduce charges at fastest pace for ten

Business conditions in Qatar's non-energy sector continued to improve in July, according to the latest Purchasing Managers' Index™ (PMI[®]) survey data from S&P Global. The overall upturn lost momentum, however, as new orders fell at a faster rate and output rose only marginally. Correspondingly, the year-ahead outlook moderated further.

More positively, non-energy private sector employment increased at the second-strongest rate in the eight-year survey history, driving a further sharp increase in wages.

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 nineteenth consecutive month in July, signalling another improvement in business conditions in the non-energy private sector. The PMI fell from 52.0 in June to 51.4, signalling a weaker rate of growth albeit one that was still above the trend for 2025 so far (51.2). The moderation in the headline figure reflected a faster decline in new orders, slower growth of output and quicker suppliers' delivery times. These factors were partly offset by stronger employment growth and rising input inventories.

Total non-energy private sector activity increased for the third time in four months in July. The rate of expansion was only marginal, however, and there was a build-up in outstanding orders for the eighth month running.

Activity increased despite a faster fall in new business volumes in July. Demand contracted for the fifth time in 2025 so far, and the latest decline was the sharpest since February. New work rose in manufacturing and wholesale & retail, but declined in services and construction.

Backlogs rose in July despite another sharp increase in employment. The rate of job creation was the second-highest on record, bettered only by the increase posted in February. Workforces rose rapidly in three out of four monitored sectors, while construction companies posted a comparatively modest

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



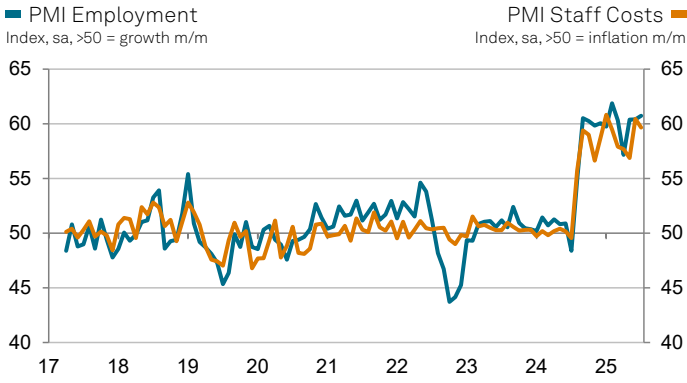
Data were collected 10-24 July 2025.
Source: S&P Global PMI. ©2025 S&P Global.

Comment

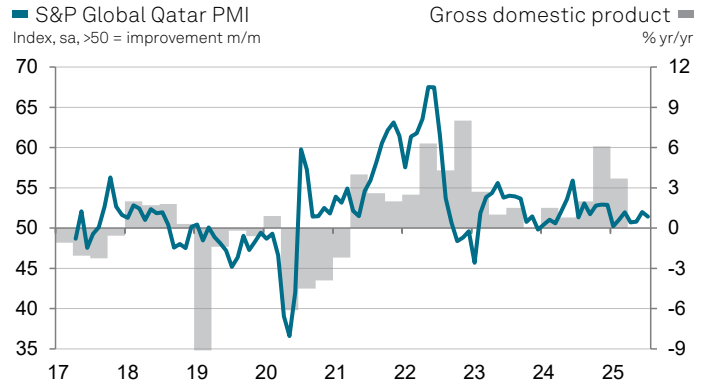
Trevor Balchin, Economics Director at S&P Global Market Intelligence

"The PMI remained above the neutral threshold at 51.4 in July, signalling sustained overall growth in the non-energy private sector. But the headline figure continues to mask underlying weakness in demand and output, being heavily supported by another round of strong employment growth. The two largest sub-indices by weight – new orders and output – remained lacklustre and are both trending below 50.0 in 2025 so far (49.0 and 49.7 respectively). In contrast, the employment index has averaged 60.1 since January.

"Output rose only slightly in July and the level of incoming new orders fell for the fifth time this year. This translated into a further slide in output expectations for the next 12 months, to the softest for a year. More positively, employment increased at the second-strongest rate on record, work-in-hand rose and input stocks grew."



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



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

rate of job creation.

Strong employment growth was again accompanied by a sharp increase in wages. The latest increase was the third-highest on record, despite easing slightly since June. Meanwhile, the rate of purchase price inflation picked up from June's 11-month low. Prices charged by non-oil private sector firms fell for the twelfth month running, and at the fastest rate since September 2024.

Companies in the non-energy private sector remained optimistic regarding the 12-month outlook for activity in July. Anecdotal evidence linked positive sales forecasts to investment, tourism, industrial development, a recovery in construction, population growth and government initiatives. That said, the strength of sentiment was the weakest for a year.

Companies looked to replenish inventory levels in July, as purchasing activity increased for the third time in four months. Correspondingly, the level of inputs held in stock rose for the first time in three months. Suppliers' delivery times quickened further during the latest period.

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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