

S&P Global Qatar PMI[®]

Non-energy labour market remains buoyant at start of 2025

Employment growth remains among highest in survey history as wage inflation hits new peak

New business declines due to weak construction demand

Activity falls slightly but outlook strengthens

The latest Purchasing Managers' Index™ (PMI[®]) survey data from S&P Global showed that Qatar's non-energy labour market continued to improve markedly at the start of 2025. The rate of job creation remained among the highest on record, and wage inflation reached a new series peak.

New business fell for the first time in over a year, although this mainly reflected the construction sector. Output also fell, albeit only marginally, and the 12-month outlook for activity strengthened.

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 52.9 in December to 50.2 in January, signalling a slower overall improvement in business conditions in the non-energy private sector economy. The headline figure has trended at 52.3 since the survey began in April 2017. The downward movement in the PMI at the start of 2025 reflected all five components, but mainly new orders and output.

The rate of employment growth eased in January, but over the past five months jobs have increased at a faster rate than in any previous period in the survey history. Manufacturers posted a fresh record increase in jobs at the start of 2025.

Ongoing recruitment by Qatari firms reflected stronger confidence regarding the 12-month outlook at the start of 2025. Sentiment rebounded to a four-month high and was above the long-run trend. Manufacturers had the strongest forecasts, followed by wholesalers and retailers. Companies widely expected market conditions in Qatar to improve, including tourism, industrial development and the real estate sector.

Total outstanding business in the non-energy private sector economy continued to rise in January, albeit at a slower rate. This reflected a drop in new business during January for the first time since December 2023. Sector data revealed, however, that this mainly reflected the construction sector,

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



Data compiled 9-24 January 2025.

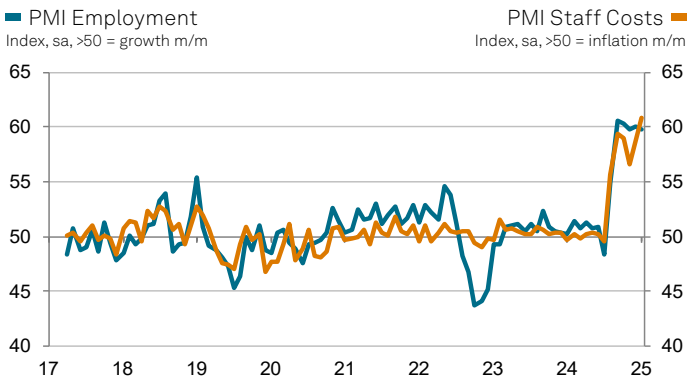
Source: S&P Global PMI. ©2025 S&P Global.

Comment

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

"The headline PMI fell for the first time in four months at the start of 2025, but managed to remain just above 50.0 thanks to a further marked increase in employment. In each of the past five months, the non-energy economy has added more jobs than in any previous period since the survey began in 2017. This has been accompanied by strong wage increases, with labour costs increasing at a fresh record pace in January.

"The drop in the PMI mainly reflected a decline in new business, only the second of the past two years. But this was heavily driven by the construction sector, with manufacturing and wholesale & retail recording further robust increases in new orders. Overall, the level of work-in-hand but not completed continued to rise, and the 12-month outlook remains strongly positive."



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

with demand continuing to rise strongly in manufacturing and wholesale & retail. Output also declined overall in January, but at a marginal rate and for only the fourth time since the second half of 2020.

Average wages and salaries increased at a new record pace in January, surpassing the previous peak set last September. Charges levied for goods and services fell for the sixth month running as firms sought to support sales by discounting prices, but at only a marginal rate.

Other survey data indicated the quickest improvement in suppliers' delivery times in five months. This partly reflected a decline in purchasing activity, as firms optimised inventories with a reduction in stock levels recorded for the first time in four months.

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.

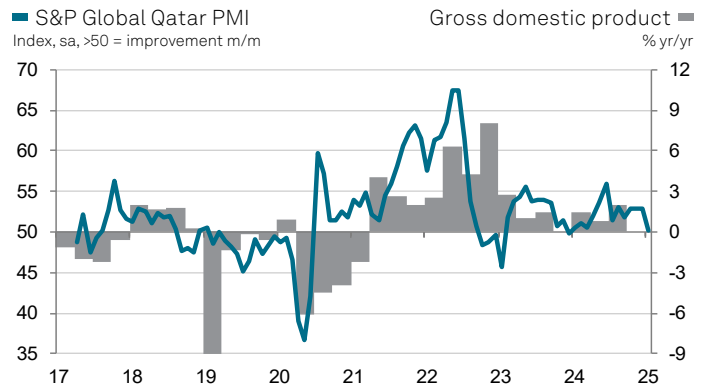
The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted 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



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