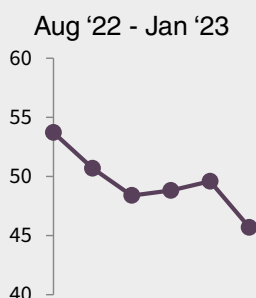
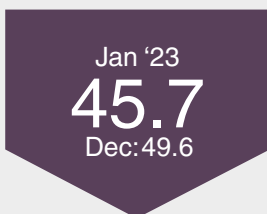




QATAR FINANCIAL CENTRE PMI



Expectations for activity over next 12 months strongest in three years

Record month-on-month rise in employment index

PMI corrects at start of 2023 following conclusion of FIFA World Cup Qatar 2022™

The first batch of Purchasing Managers' Index™ (PMI™) survey data from Qatar Financial Centre (QFC) for 2023 indicated a cooling of business activity in January following the conclusion of the **FIFA World Cup Qatar 2022™** tournament, but the 12-month business outlook soared to the highest in three years. Data by sector signalled ongoing growth in services, particularly financial services. There was also a relative improvement in the jobs market as the respective employment index posted its largest ever one-month gain to reach a six-month high.

The Qatar PMI indices are compiled from survey responses from a panel of around 450 private sector companies. The panel covers the manufacturing, construction, wholesale, retail, and services sectors, and reflects the structure of the non-energy economy according to official national accounts data.

The headline Qatar Financial Centre 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 posted a correction to 45.7 in January, from 49.6 in December, indicating a moderation in overall business conditions as activity and new work cooled following the **FIFA World Cup Qatar 2022™** tournament. The latest reading was the lowest in 31 months but should be viewed in the context of a stellar 2022 calendar year when the PMI trended at 57.7, the highest annual average since the survey began in April 2017.

Forward-looking data continued to highlight improving prospects for the non-energy private sector in January. The Future Output Index rose for the

Qatar Financial Centre PMI
sa, >50 = improvement since previous month



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OVERVIEW CONTINUED...

sixth month running to a three-year high of 74.9, indicating a strong degree of optimism as companies reported new business opportunities arising from the **FIFA World Cup Qatar 2022™**. Moreover, the month-on-month rise in the Index was the second largest on record. Sentiment improved across all four sub-sectors and was especially strong in manufacturing.

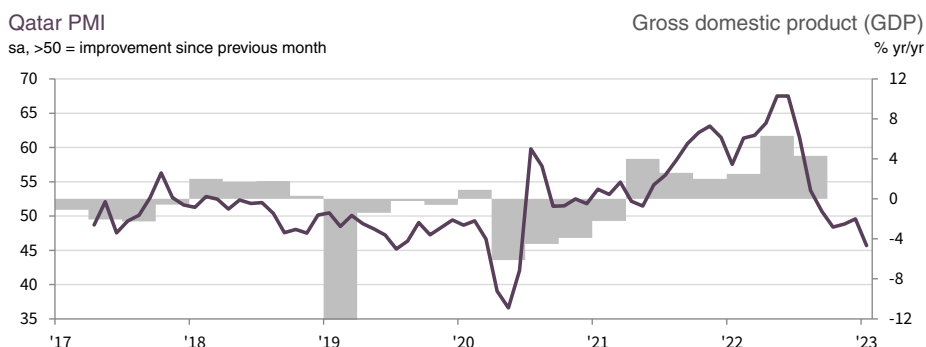
Although overall levels of activity were lower over the month in January, this was the first correction since a run of strong gains in every month during the previous two-and-a-half years. Sector data also signalled resilience at service providers at the start of 2023.

The drop in the headline PMI figure

was cushioned by a record one-month rise of 4.1 points in the employment index, the third-largest component with a 20% weight. Overall labour market conditions were the best in six months, and headcounts rose in the services and wholesale & retail sectors.

The start of 2023 saw the rate of completion in outstanding work match the fastest registered over the past three-and-a-half years, following a two-year period of strong backlog growth in the lead-up to the **FIFA World Cup Qatar 2022™**.

Regarding prices, input costs rose at the fastest rate in seven months in January, whereas output prices were discounted for the first time since last April.



Sources: Qatar Financial Centre, S&P Global, Qatar's Planning & Statistics Authority.

COMMENT

Yousuf Mohamed Al-Jaida, Chief Executive Officer, QFC Authority:

"Although January saw moderations in current levels of activity and new business, these should be viewed in the context of a very strong 2022, the best calendar year so far during the survey's six-year history.

"The financial services industry in Qatar is experiencing a significant boost in growth and expansion. Our latest data indicates that activity in the sector has been consistently increasing for the past

nineteen months, and the outlook for the next 12 months has been the strongest in over three years. This is reflected in the Financial Services Future Activity Index, which surged to a 41-month high in January, signaling a high demand for financial services in Qatar.

"Confidence is also strong outside financial services. The Future Output Index, which tracks non-energy private sector companies' expectations for business activity over the next 12 months, soared to 74.9, the highest level since January 2020 and above

the long-run average of 64.3. Moreover, the monthly gain in the index was the second largest on record.

"These positive indicators along with the rise in employment index, reflects a strong degree of optimism as companies reported new business opportunities arising from the FIFA World Cup Qatar 2022™."

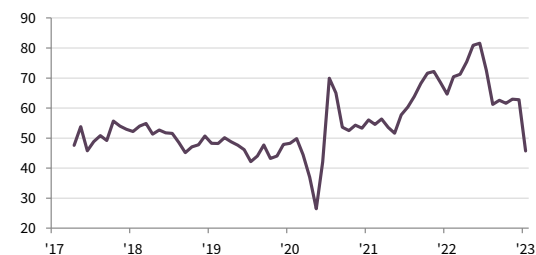
OUTPUT AND DEMAND

Output

Business activity in the Qatari non-energy private sector cooled in the opening month of 2023, on the back of a two-and-a-half year period of uninterrupted growth. The seasonally adjusted Output Index fell to a 31-month low, though January's correction followed a stellar 2022 when the Index trended at 69.0, by far the highest for any calendar year in the survey history. Sector data signalled continued growth among service providers.

Output Index

sa, >50 = growth since previous month

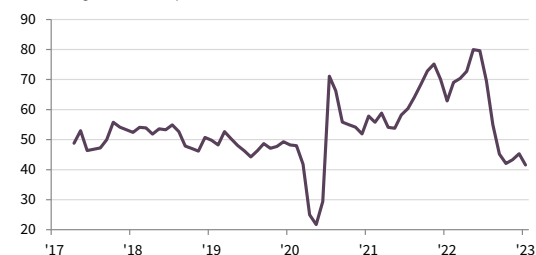


New orders

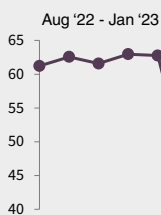
New business intakes at Qatari non-oil private sector firms remained down on the levels seen in the two years building up to the FIFA World Cup Qatar 2022™, with the seasonally adjusted New Orders Index easing to a 31-month low in January. New business in construction was especially quiet at the start of 2023.

New Orders Index

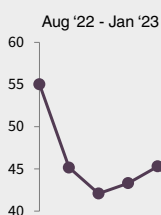
sa, >50 = growth since previous month



Output Index

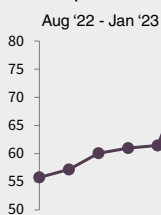


New Orders Index



BUSINESS EXPECTATIONS

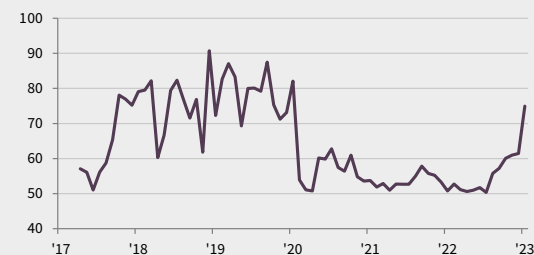
Future Output Index



The 12-month outlook for activity strengthened noticeably in January. The Future Output Index rose for the sixth consecutive month to the highest level since January 2020, and was also above its long-run trend level of 64.3. Sentiment improved across all four sub-sectors, and was especially strong in manufacturing. The month-on-month rise in the Future Output Index was the second-largest on record.

Future Output Index

>50 = growth expected over next 12 months



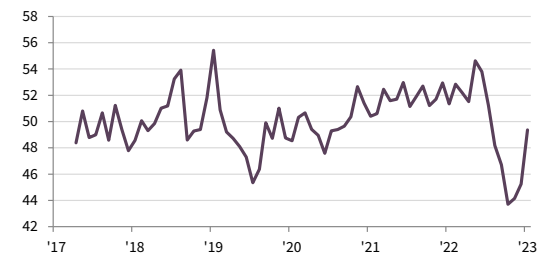
EMPLOYMENT AND CAPACITY

Employment

January data signalled renewed momentum in the Qatari non-energy private sector labour market, as the seasonally adjusted Employment Index rose for the third month running to a six-month high. Moreover, the month-on-month rise in the Index, at 4.1 points, was the largest since the survey began in April 2017. Sector data signalled expansions in headcounts in the services and wholesale & retail sub-sectors.

Employment Index

sa, >50 = growth since previous month

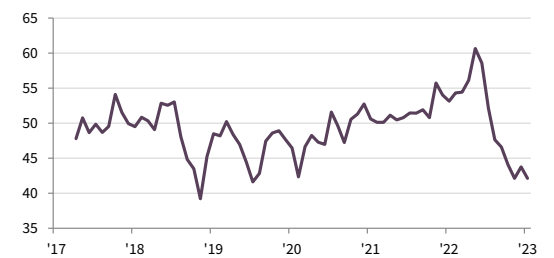


Backlogs of work

Non-energy private sector firms in Qatar reduced their levels of outstanding business for the sixth month running in January, following a two-year period of strong backlog growth in the lead-up to the FIFA World Cup Qatar 2022. The opening month of 2023 saw the rate of depletion in incomplete work match the fastest registered over the past three-and-a-half years. Outstanding work fell most in the construction sector.

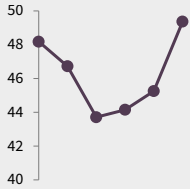
Backlogs of Work Index

sa, >50 = growth since previous month



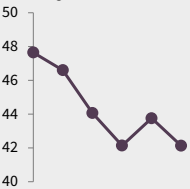
Employment Index

Aug '22 - Jan '23



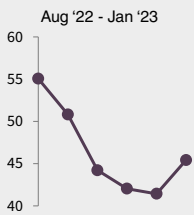
Backlogs of Work Index

Aug '22 - Jan '23



PURCHASING AND INVENTORIES

Quantity of Purchases Index
Aug '22 - Jan '23



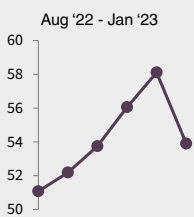
Quantity of purchases

The volume of inputs ordered by non-energy private sector firms fell for the fourth month running in January, following a 27-month period of uninterrupted growth. That said, the rate of decline was slower than in each of the last three months of 2022.

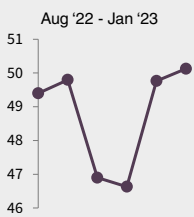
Suppliers' delivery times

Supplier performance continued to improve in January. Average lead times quickened for the ninth consecutive month. That said, the seasonally adjusted Suppliers' Delivery Times Index fell since December, signalling that the month-on-month shortening in times was not as notable as in November and December. Supplier performance improved to the greatest degree in the wholesale & retail sub-sector, while delays were indicated in manufacturing and construction.

Suppliers' Delivery Times Index
Aug '22 - Jan '23



Stocks of Purchases Index
Aug '22 - Jan '23



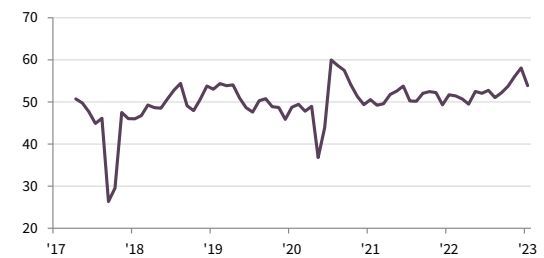
Stocks of purchases

The level of inputs held in stock in the non-energy private sector was broadly unchanged in January, representing a stabilisation following a five-month period of declining inventories. Stocking up at wholesalers and retailers was offset by declines in each of the other three monitored sectors.

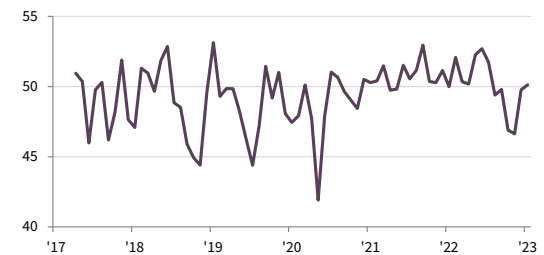
Quantity of Purchases Index
sa, >50 = growth since previous month



Suppliers' Delivery Times Index
sa, >50 = faster times since previous month

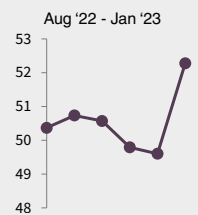


Stocks of Purchases Index
sa, >50 = growth since previous month



PRICES

Overall Input Prices Index



Overall input prices

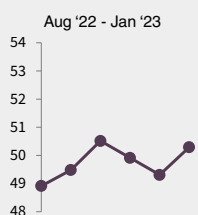
Average input prices paid by Qatari non-energy private sector firms rose for the first time in three months in January, and at the fastest rate since last June. The seasonally adjusted Overall Input Prices Index posted the biggest one-month gain in two-and-a-half years, taking it above its long-run trend level of 51.8.

Overall Input Prices Index

sa, >50 = inflation since previous month



Purchase Prices Index



Purchase prices

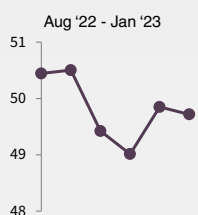
There was a slight rise in average purchase prices in January, following mild falls in November and December. On balance, prices have been flat since the second half of 2022, signalled by the seasonally adjusted Purchase Prices Index trending at 49.9 over this period.

Purchase Prices Index

sa, >50 = inflation since previous month



Staff Costs Index



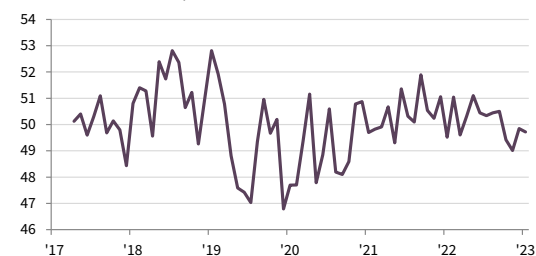
Staff costs

Average wages and salaries paid by private sector non-energy companies in Qatar fell for the fourth month running in January. A further fall in February would equal the longest sequence of declines that was previously registered in mid-2019. That said, the rate of reduction in the opening month of 2023 remained marginal.

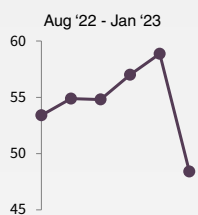
By sector, wages fell in manufacturing and construction, were unchanged at service providers and rose in wholesale & retail.

Staff Costs Index

sa, >50 = inflation since previous month



Output Prices Index

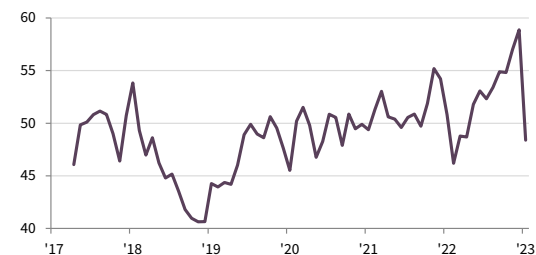


Output prices

Prices charged for goods and services by private sector firms in Qatar fell in January. This followed a record rate of charge inflation in December which marked the culmination of a nine-month period of rising output prices, the longest run in the survey history. The rate of discounting in the latest period was modest overall, however.

Output Prices Index

sa, >50 = inflation since previous month



FINANCIAL SERVICES

Strongest outlook for financial services in over three years

Financial Services Future Activity Index surges to 41-month high

Current activity continues to rise sharply

Strongest rise in employment since October 2021

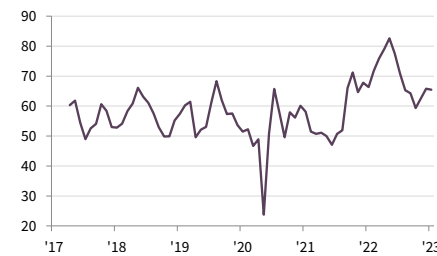
The financial services sector in Qatar continued to expand at a marked rate in January and the 12-month outlook strengthened noticeably. Activity increased for the nineteenth successive month, and at a rapid pace, while expectations for activity surged to the highest since August 2019.

New business grew for the thirty-second consecutive month in January, and at the fastest rate since last August. Meanwhile, financial services firms expanded their headcounts at the sharpest rate in 15 months.

January data indicated a jump in costs at financial services providers, with the Input Prices Index rising to a seven-month high and above its long-run average. Charges levied rose for the second month running following a five-month sequence of discounting.

Business Activity Index

sa, >50 = growth since previous month



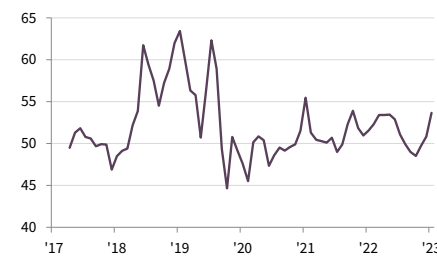
New Business Index

sa, >50 = growth since previous month



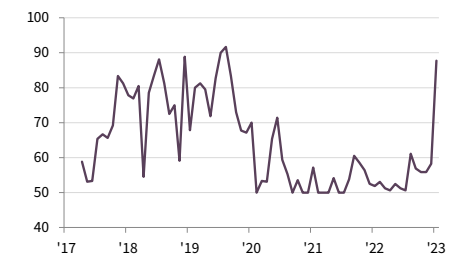
Employment Index

sa, >50 = growth since previous month



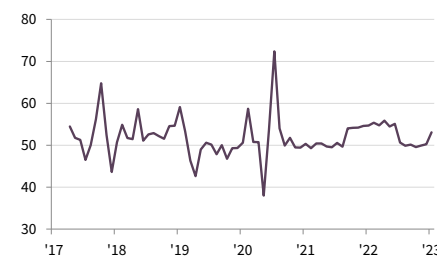
Future Activity Index

>50 = growth expected over next 12 months



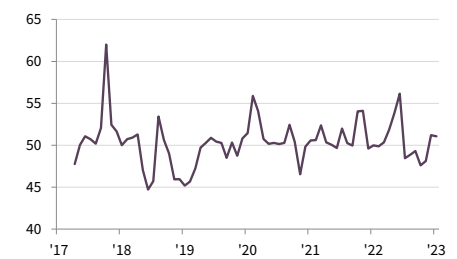
Input Prices Index

sa, >50 = inflation since previous month



Prices Charged Index

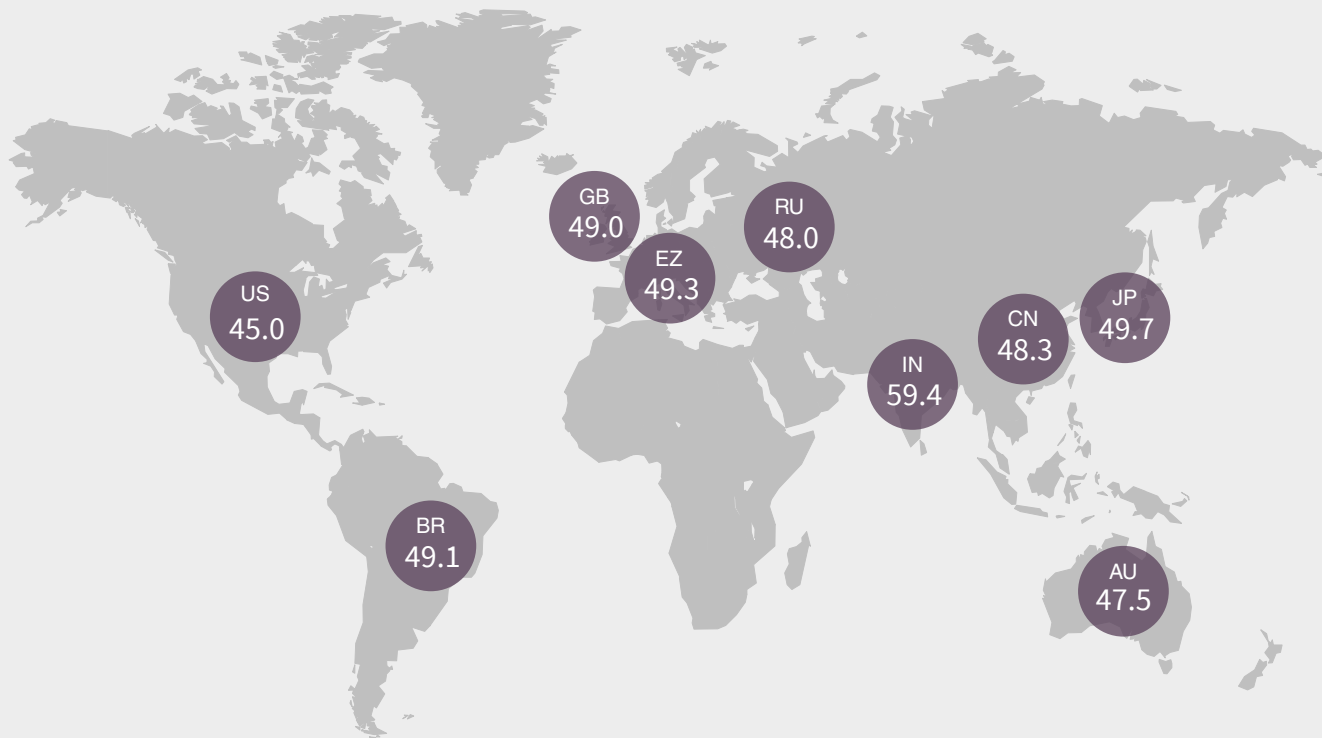
sa, >50 = inflation since previous month



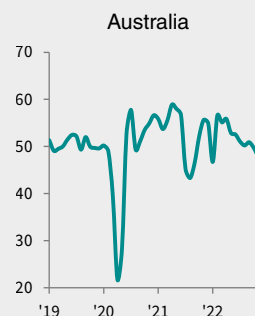
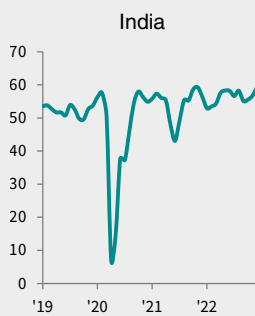
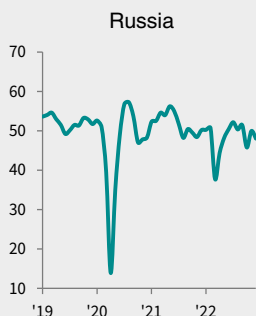
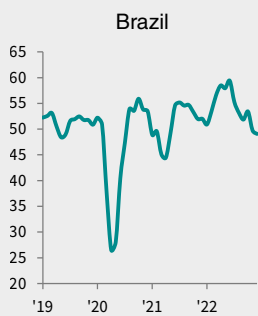
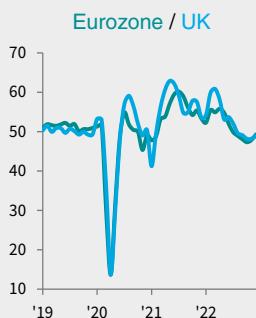
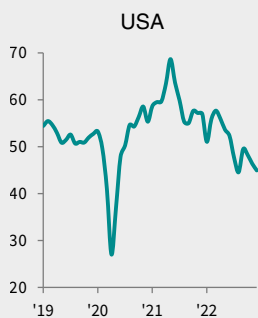
INTERNATIONAL PMI

Composite Output Index, Dec '22
sa, >50 = growth since previous month

The Composite Output Index is a GDP-weighted average of the Manufacturing Output Index and the Services Business Activity Index.



Composite Output Index
sa, >50 = growth since previous month



SURVEY METHODOLOGY

Survey panel size

450
companies

Index calculation

% 'Higher'
+
(% 'No

The Qatar Financial Centre 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. The sectors covered by the survey include manufacturing, construction, wholesale, retail and services.

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@ihsmarkit.com.

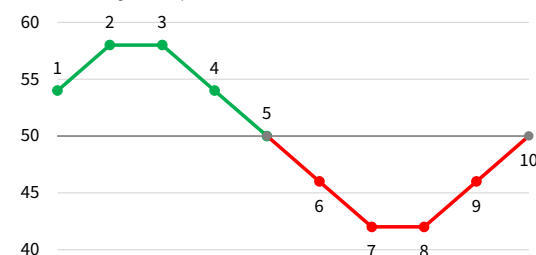
Survey dates and history

Data were collected 12-24 January 2023.

Survey data were first collected in April 2017.

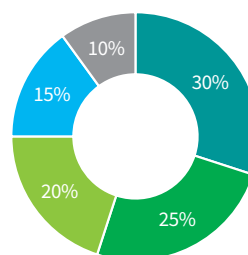
Index interpretation

50.0 = no change since previous month



1 Growth	6 Decline, from no change
2 Growth, faster rate	7 Decline, faster rate
3 Growth, same rate	8 Decline, same rate
4 Growth, slower rate	9 Decline, slower rate
5 No change, from growth	10 No change, from decline

PMI component weights



New Orders
Output
Employment
Suppliers' Delivery Times
Stocks of Purchases

Sector coverage

PMI data include responses from companies operating in sectors classified according to the following ISIC Rev.4 codes:

C Manufacturing	M Professional, Scientific and Technical Activities
F Construction	N Administrative and Support Service Activities
G Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	P Education*
H Transportation and Storage	Q Human Health and Social Work Activities*
I Accommodation and Food Service Activities	R Arts, Entertainment and Recreation
J Information and Communication	S Other Service Activities
K Financial and Insurance Activities	*Private sector

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About Qatar Financial Centre

The Qatar Financial Centre (QFC) is an onshore business and financial centre located in Doha, providing an excellent platform for firms to do business in Qatar and the region. The QFC offers its own legal, regulatory, tax and business environment, which allows up to 100% foreign ownership, 100% repatriation of profits, and charges a competitive rate of 10% corporate tax on locally sourced profits.

The QFC welcomes a broad range of financial and non-financial services firms.

For more information about the permitted activities and the benefits of setting up in the QFC, please visit qfc.qa

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About PMI

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.
ihsmarkit.com/products/pmi.html