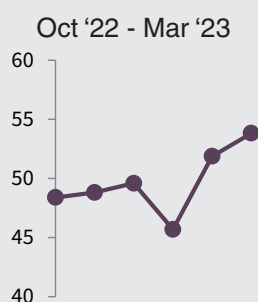


QATAR FINANCIAL CENTRE PMI™

Fastest rise in new business since July 2022

QATAR FINANCIAL CENTRE PMI

Mar '23
53.8
Feb: 51.9



Demand in Qatari non-energy private sector strengthens in March

Total business activity growth also accelerates

Boost to employment as outlook remains strong

The latest Purchasing Managers' Index™ (PMI™) survey data from Qatar Financial Centre (QFC) for March indicated a further strengthening in business conditions as demand gained momentum. This led to faster growth of overall activity, a boost to employment and a fortification of firms' expectations for the next 12 months.

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

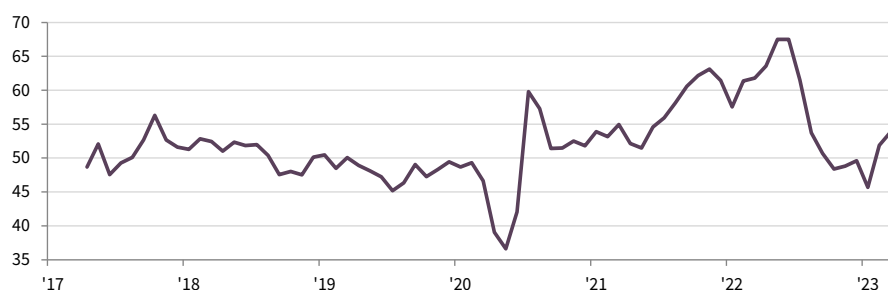
orders, output, employment, suppliers' delivery times and stocks of purchases.

The PMI rose for the fourth time in five months to 53.8 in March, from 51.9 in February, indicating the strongest improvement in business conditions since July 2022. The month-on-month rise in the headline figure was less pronounced than in January which, at 6.2 points, was the second largest observed since the series began in April 2017. The latest figure was still above the long-run trend of 52.2.

The main boosts to the headline PMI were faster growth in output and new business, which both increased at rates stronger than their long-run averages following renewed uplifts in January. Firms reported new customers, tourism, investments and successful marketing. The wholesale & retail and services sectors registered the strongest growth

Qatar Financial Centre PMI

sa, >50 = improvement since previous month



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OVERVIEW CONTINUED...

rates for activity and new orders. The PMI was also lifted by the employment index, which rose to an eight-month high.

The 12-month outlook for the non-energy private sector remained strongly positive. The Future Output Index eased from February's 41-month high but the average for the first quarter of 2023 was 77.0, well above the long-run trend of 64.7 and the best quarterly performance since the third quarter of 2019. By sector, confidence in March was strongest among service providers, followed by manufacturers.

March data indicated a further increase in average wages and salaries, although the Staff Costs Index eased

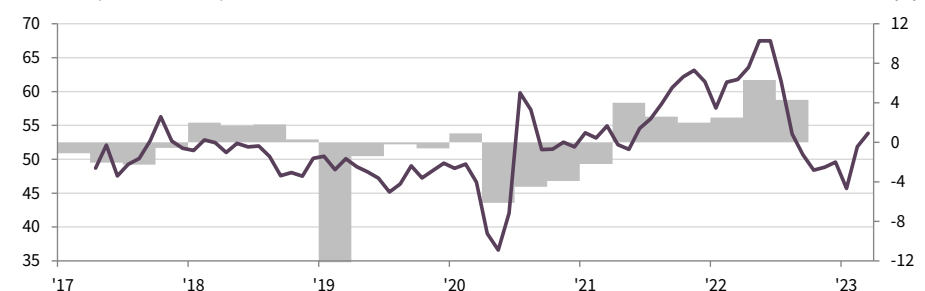
from February's 17-month high. The Employment Index, tracking the overall level of staffing, rose to an eight-month high, signalling a boost to workforce numbers.

Overall cost pressures eased further since the start of the year and were modest, reflecting only a fractional rise in purchase prices. Meanwhile, firms cut charges for goods and services for the second time in three months, albeit marginally.

Companies reduced their levels of outstanding business for the eighth month running in March, despite the faster rise in new work. This reflected the rise in staffing but also suggested firms had made productivity improvements.

Qatar PMI

sa, >50 = improvement since previous month



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

COMMENT

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

"The financial services sector continued to be a key spur to overall growth in March, with the rates of expansion in activity and new business remaining stronger than the all-sector trends, and the financial services business activity index reaching 60.5.

"Qatar's non-energy private sector accelerated at the end of the first quarter, with sharper increases in output and new business. Both sub-indices were tracking above their

long-run trend levels over six years of data collection. The headline PMI was at an eight-month high, also boosted by the employment component.

"Looking forward, the Future Output Index eased from February's 41-month high of 82.7 but has averaged 77.0 over the first quarter as a whole, the strongest quarterly outlook since the third quarter of 2019."

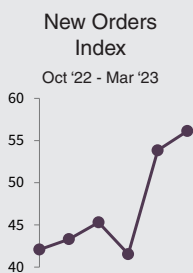
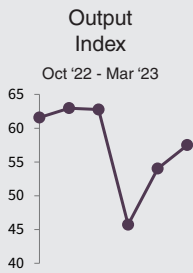
OUTPUT AND DEMAND

Output

Business activity in the Qatari non-energy private sector rose further in March. The seasonally adjusted Output Index signalled a sharp rate of expansion that was comfortably above the long-run survey average. Sector data signalled that growth was strongest in the wholesale & retail and services sectors.

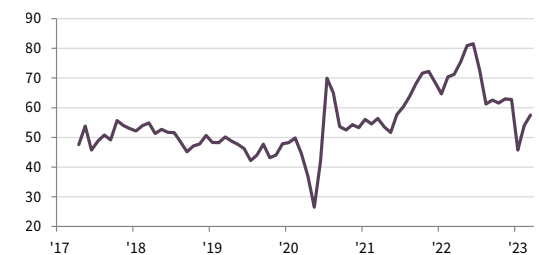
New orders

The seasonally adjusted New Orders Index moved even higher in March, signalling sustained upward momentum in demand. The Index signalled the fastest rate of expansion since July 2022, and one above the historical series trend. Firms reported new customers, tourism, investments and successful marketing. Demand improved across all four main sectors monitored, led by wholesale & retail and services.



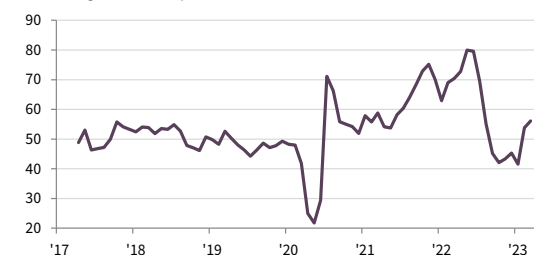
Output Index

sa, >50 = growth since previous month

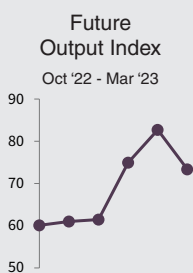


New Orders Index

sa, >50 = growth since previous month



BUSINESS EXPECTATIONS



The 12-month outlook for activity remained elevated in March, partly linked to expectations of expanded tourism. The Future Output Index eased from February's 41-month high, but was still the third-highest in over three years and above its long-run trend level of 64.7. Sentiment was strongly positive across all four sub-sectors, with service providers and manufacturers the most confident.

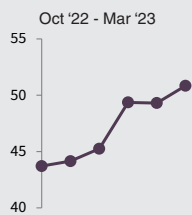
Future Output Index

>50 = growth expected over next 12 months



EMPLOYMENT AND CAPACITY

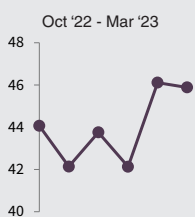
Employment Index



Employment

March data signalled upwards momentum in the Qatari non-energy private sector labour market. The seasonally adjusted Employment Index rose for the fourth time in five months and breached the neutral threshold of 50.0, signalling a boost to workforces. Sector data signalled another notable rise in recruitment among service providers.

Backlogs of Work Index

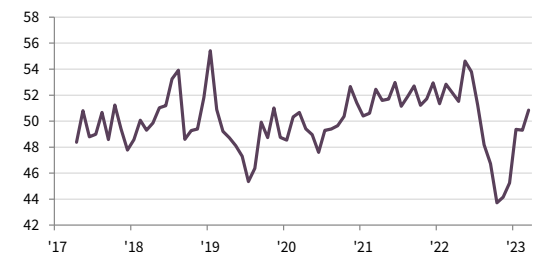


Backlogs of work

Non-energy private sector firms in Qatar reduced their levels of outstanding business for the eighth month running in March. The latest decline was solid but slower than those seen around the turn of the year, however, reflecting the recent improvement in demand placing new pressure on capacity. Outstanding work declined most notably in the construction and manufacturing sectors.

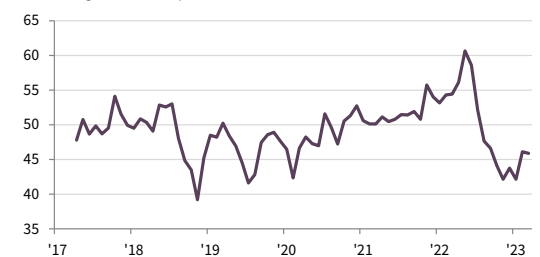
Employment Index

sa, >50 = growth since previous month



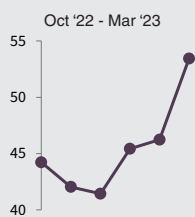
Backlogs of Work Index

sa, >50 = growth since previous month



PURCHASING AND INVENTORIES

Quantity of Purchases Index
Oct '22 - Mar '23



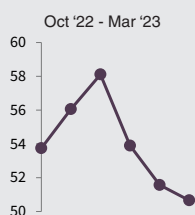
Quantity of purchases

The volume of inputs ordered by non-energy private sector firms rose in March, following a five-month period of decline. Moreover, the rate of growth was solid and faster than the long-run series average. Wholesalers and retailers registered the strongest rise in buying activity during the latest period.

Suppliers' delivery times

Supplier performance continued to improve in March, as average lead times quickened for the eleventh consecutive month. That said, the seasonally adjusted Suppliers' Delivery Times Index fell for the third month running, signalling that the month-on-month shortening in times was the least impressive in the current sequence. Supplier performance improved to the greatest degree in the construction sector.

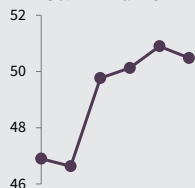
Suppliers' Delivery Times Index
Oct '22 - Mar '23



Stocks of purchases

The level of inputs held in stock in the non-energy private sector rose further in March, in line with the trend over 2023 so far. This followed declining inventories during most of the second half of 2022. The overall increase again wholly reflected stock building at wholesalers and retailers.

Stocks of Purchases Index
Oct '22 - Mar '23



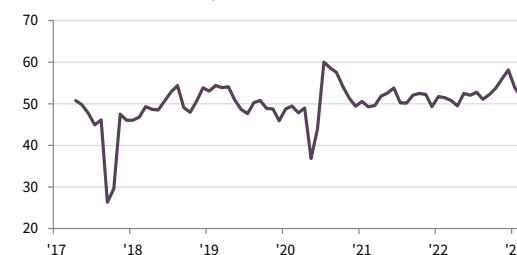
Quantity of Purchases Index

sa, >50 = growth since previous month



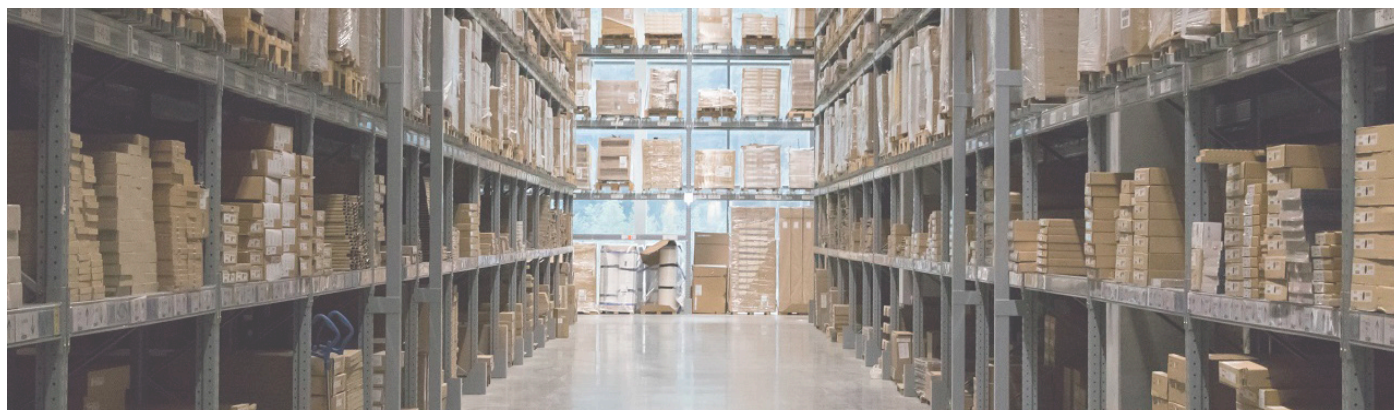
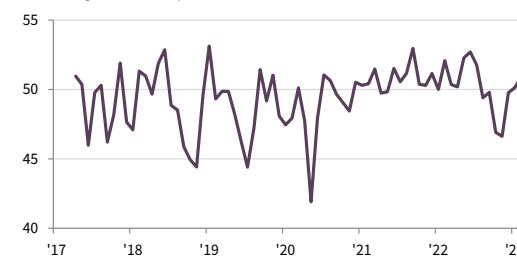
Suppliers' Delivery Times Index

sa, >50 = faster times since previous month



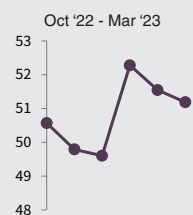
Stocks of Purchases Index

sa, >50 = growth since previous month



PRICES

Overall Input Prices Index



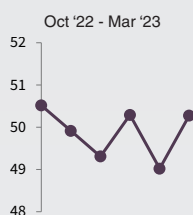
Overall input prices

Average input prices paid by Qatari non-energy private sector firms rose for the third month running in March, albeit at a slower rate than at the start of 2023. The seasonally adjusted Overall Input Prices Index was below its long-run trend level of 51.8.

Purchase prices

There was a renewed rise in average purchase prices in March, following a mild fall in February. On balance, prices have been broadly flat since the second half of 2022, signalled by the seasonally adjusted Purchase Prices Index trending at 49.8 over this period.

Purchase Prices Index

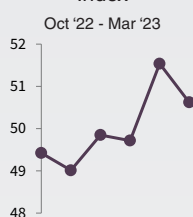


Staff costs

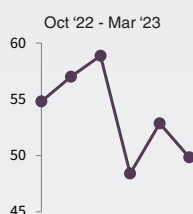
Average wages and salaries paid by private sector non-energy companies in Qatar rose for the second month running in March, following a four-month period of decline. That said, the rate of wage inflation in the latest period was slower than February's 17-month record.

By sector, wages rose at construction and services firms, but fell at manufacturers and wholesalers & retailers.

Staff Costs Index



Output Prices Index



Output prices

Prices charged for goods and services by private sector firms in Qatar fell in March, only the second instance of discounting in the past 11 months. That said, the rate of reduction was only marginal.

Overall Input Prices Index

sa, >50 = inflation since previous month



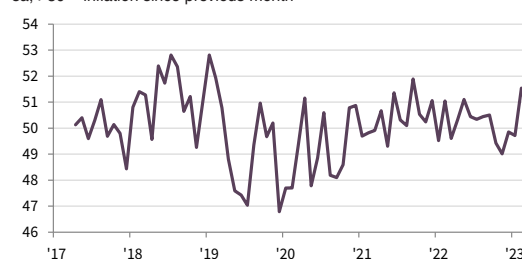
Purchase Prices Index

sa, >50 = inflation since previous month



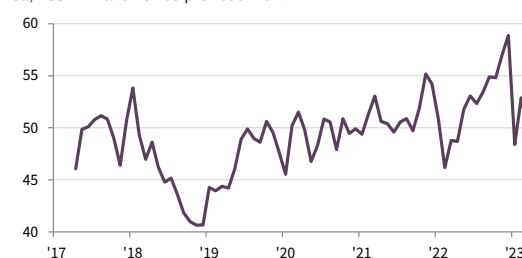
Staff Costs Index

sa, >50 = inflation since previous month



Output Prices Index

sa, >50 = inflation since previous month



FINANCIAL SERVICES

Financial services activity continues to rise sharply

Financial Services Business Activity Index at 60.5

New business growth and confidence levels remain high

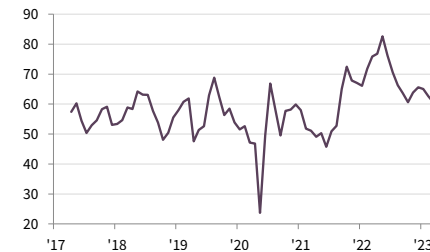
Slower increase in charges following February's record inflation

The financial services sector in Qatar continued to expand at a marked rate in March as the volume of new business increased sharply and for the thirty-fourth consecutive month. Overall financial services activity increased for the twenty-first successive month, and at a rapid pace, while expectations eased further from January's recent peak but remained elevated.

New business grew for the thirty-fourth consecutive month in March, and the rate of expansion remained strong despite easing to a two-month low. Employment was fractionally lower than in February. March data indicated another strong increase in charges levied by financial services firms, albeit one down on February's record rate of inflation. Input costs were again little changed over the month.

Business Activity Index

sa, >50 = growth since previous month



New Business Index

sa, >50 = growth since previous month



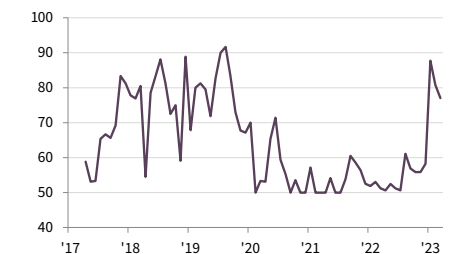
Employment Index

sa, >50 = growth since previous month



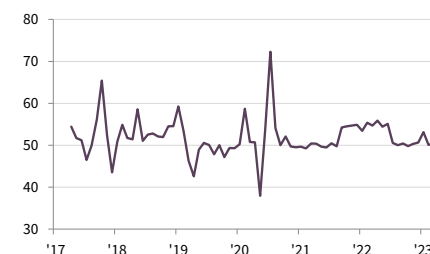
Future Activity Index

>50 = growth expected over next 12 months



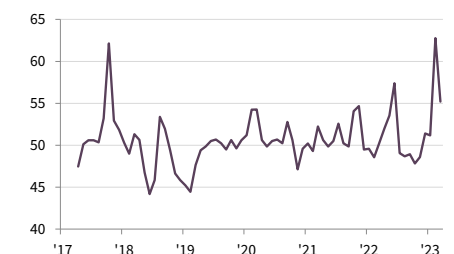
Input Prices Index

sa, >50 = inflation since previous month



Prices Charged Index

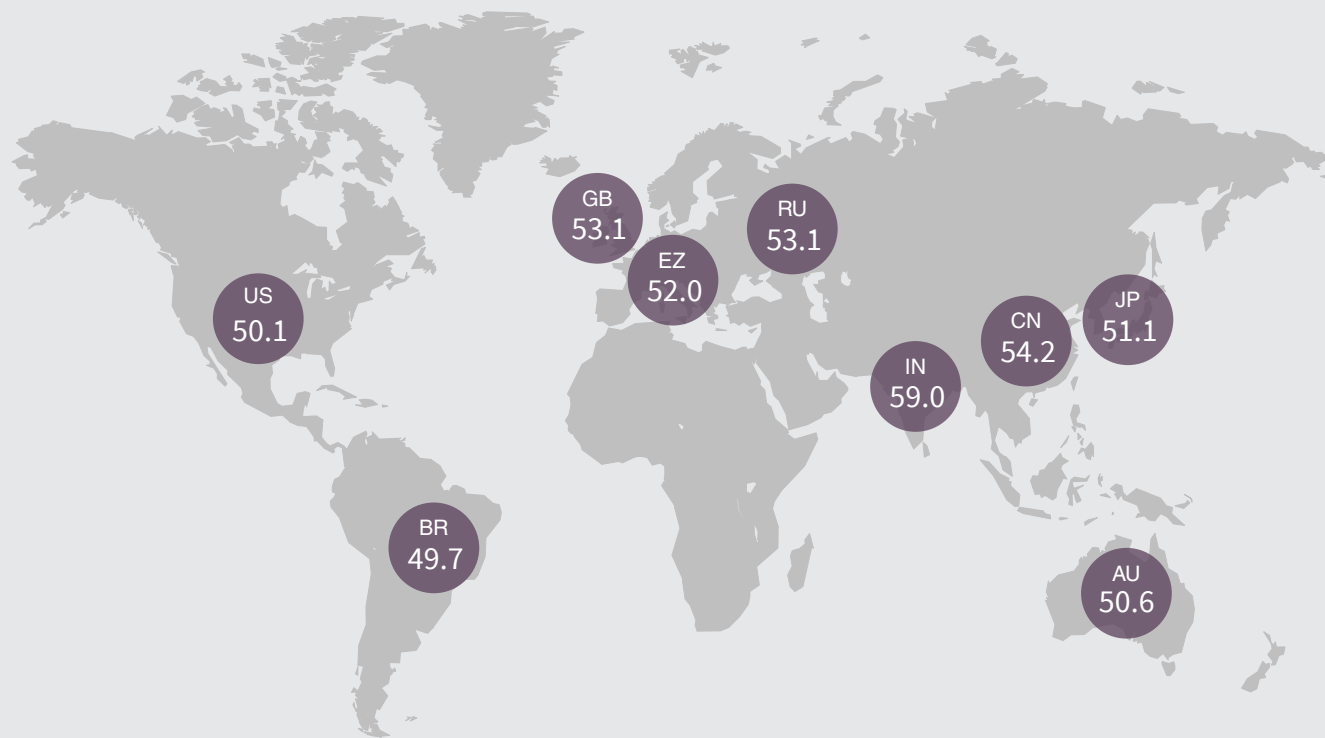
sa, >50 = inflation since previous month



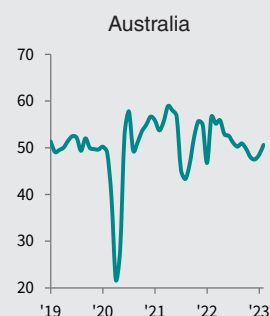
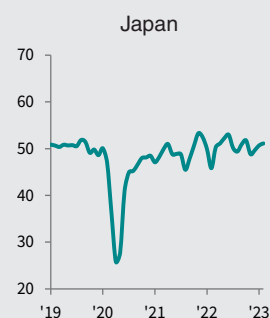
INTERNATIONAL PMI

Composite Output Index, Feb '23
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.

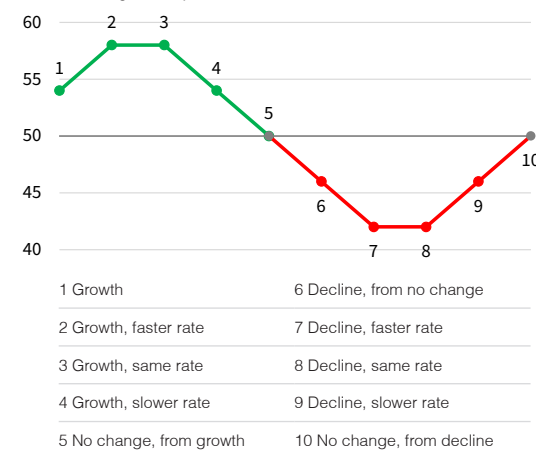
Survey dates and history

Data were collected 12-24 March 2023.

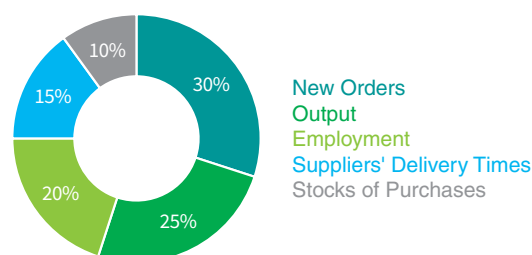
Survey data were first collected in April 2017.

Index interpretation

50.0 = no change since previous month



PMI component weights



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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#QFCMeansBusiness

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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