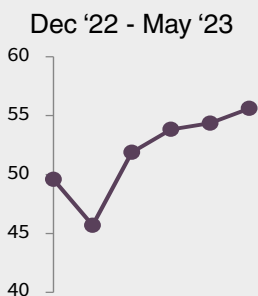




QATAR FINANCIAL CENTRE PMI



Fastest increases in activity and new business in 2023 so far

Companies continue to ramp up hiring and purchasing

Cost pressures highest in nearly a year

The latest batch of Purchasing Managers' Index™ (PMI™) survey data from Qatar Financial Centre (QFC) indicated a further build-up of growth momentum in the non-energy private sector economy. Growth rates for output, new orders, employment and purchasing all accelerated since April, and the 12-month outlook improved.

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 sixth time in seven months to 55.6 in May, from 54.4 in April, indicating the strongest improvement in business conditions since July 2022. The latest figure moved further above the long-run trend of 52.3.

The PMI figure was mainly boosted by the output and new orders components in May, while employment and stocks of purchases also had positive overall contributions.

New business increased at the fastest rate in ten months in May. Companies reported signing new contracts with both existing and new customers, alongside new product offerings and tourism demand. New business in financial services was also a strong

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



CONTENTS

- [Overview and comment](#)
- [Output and demand](#)
- [Business expectations](#)
- [Employment and capacity](#)
- [Purchasing and inventories](#)
- [Prices](#)
- [Financial services](#)
- [International PMI](#)
- [Survey methodology](#)
- [Further information](#)

OVERVIEW CONTINUED...

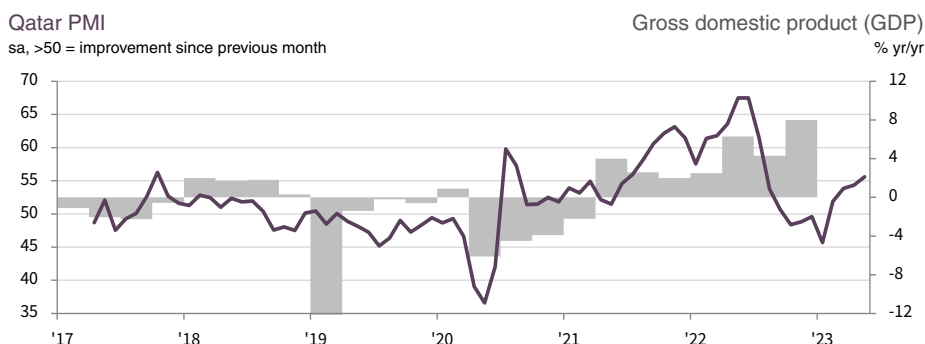
point in the latest findings.

Total business activity rose further in May. Output has risen every month for almost three years straight, except for a brief correction in January following the conclusion of the FIFA World Cup Qatar 2022™. The rate of expansion in May was the strongest of 2023 so far and well above the six-year survey trend.

The 12-month outlook for the non-energy private sector improved in May. The Future Output Index rose for the first time in three months to 59.2, with confidence strengthening in the services, wholesale & retail and construction sectors.

Non-oil private sector employment rose to the greatest degree since July 2022, helping firms to further reduce their levels of outstanding business in May. Demand for inputs strengthened, but supply chains coped admirably as average lead times were cut again.

May data signalled that non-staff cost pressures rose, with average purchase prices increasing at the fastest rate since June 2021. Staff costs increased only marginally and at the slowest rate in the current four-month sequence. Overall input price inflation rose to an 11-month high. In contrast, prices charged for goods and services were broadly unchanged since April.



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

COMMENT

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

"Qatar's non-energy private sector remained on an upward growth trajectory in May, as inflows of new business accelerated in part due to tourism and demand for financial services. The sub-indices for output (59.6) and new orders (60.1) boosted the headline PMI to a ten-month high of 55.6, well above the long-run trend level since 2017 of 52.3.

"Financial services continued to outperform the wider economy, with its key indices for activity and new business registering 61.4 and 61.8,

respectively. Financial services firms also raised their charges, in contrast to little change across the non-energy sector as a whole."

"The latest data suggests that rising demand for inputs is being reflected in prices, with the rate of purchase price inflation rising to its highest for nearly two years. Supply chains were able to cope with greater demand, as lead times on inputs fell further during the month."

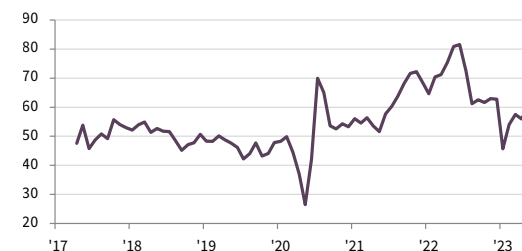
OUTPUT AND DEMAND

Output

Business activity in the Qatari non-energy private sector rose further in May. The seasonally adjusted Output Index signalled the strongest rate of expansion in 2023 so far, one that remained well above the long-run survey average. Firms reported new products, projects and investments coming online. Sector data signalled that growth was strongest in the services and manufacturing sectors.

Output Index

sa, >50 = growth since previous month

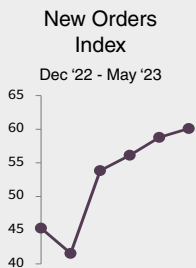
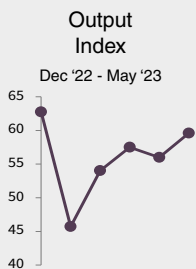


New orders

The seasonally adjusted New Orders Index rose for the fourth straight month in May, signalling a sustained acceleration in inflows of new work. The latest figure signalled the fastest rate of expansion since July 2022. Demand growth was again broad-based across all four main sectors, led by service providers.

New Orders Index

sa, >50 = growth since previous month

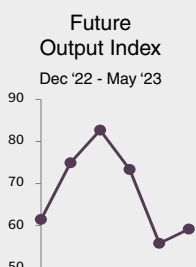
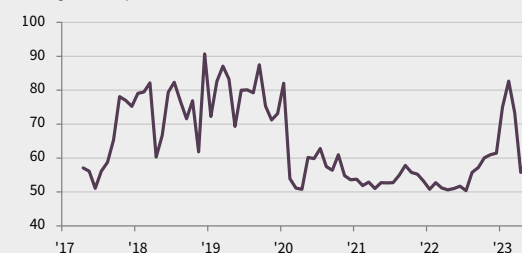


BUSINESS EXPECTATIONS

Business sentiment in the Qatari non-energy private sector economy remained positive in May, partly linked to marketing campaigns and tourism demand. Moreover, the 12-month outlook for activity improved since April, as signalled by a rise in the Future Output Index to 59.2. Confidence strengthened in the construction, wholesale & retail and services sectors, with the latter being the most optimistic overall in May.

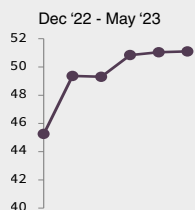
Future Output Index

>50 = growth expected over next 12 months



EMPLOYMENT AND CAPACITY

Employment Index

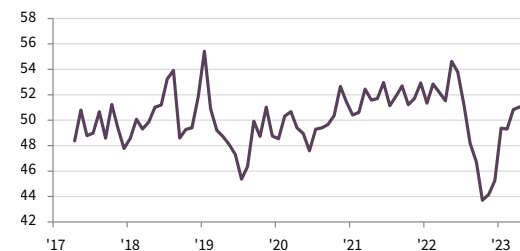


Employment

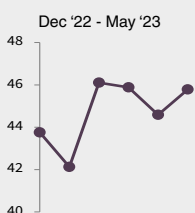
Companies continued to ramp up their hiring activities in May, as the seasonally adjusted Employment Index rose for the sixth time in seven months. The rate of job creation was the strongest in ten months and above the long-run survey trend. Recruitment was mainly driven by service providers and construction firms.

Employment Index

sa, >50 = growth since previous month



Backlogs of Work Index

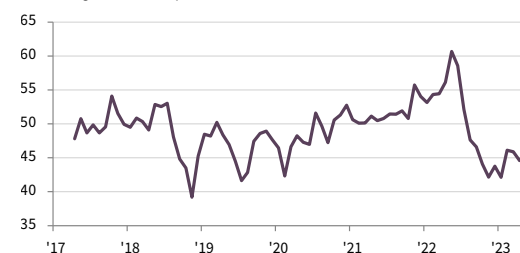


Backlogs of work

Non-energy private sector firms in Qatar reduced their levels of outstanding business for the tenth month running in May. The rate of contraction eased since April and was slower than the trend over the current sequence of depletion. Outstanding work declined most notably in the construction sector.

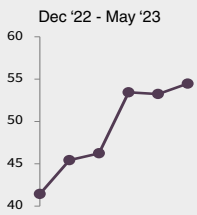
Backlogs of Work Index

sa, >50 = growth since previous month



PURCHASING AND INVENTORIES

Quantity of Purchases Index
Dec '22 - May '23



Quantity of purchases

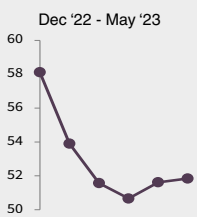
The volume of inputs ordered by non-energy private sector firms rose for the third month running in May, following a five-month period of decline. The rate of growth accelerated to a nine-month high and was faster than the long-run series average. Service providers and manufacturers registered the strongest increases in buying activity during the latest period.

Quantity of Purchases Index

sa, >50 = growth since previous month



Suppliers' Delivery Times Index
Dec '22 - May '23



Suppliers' delivery times

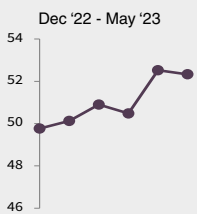
Supplier performance continued to improve in May, as average lead times quickened for the thirteenth consecutive month. Moreover, the seasonally adjusted Suppliers' Delivery Times Index signalled the best overall performance by vendors since January. Supplier performance improved to the greatest degree in the construction sector.

Suppliers' Delivery Times Index

sa, >50 = faster times since previous month



Stocks of Purchases Index
Dec '22 - May '23

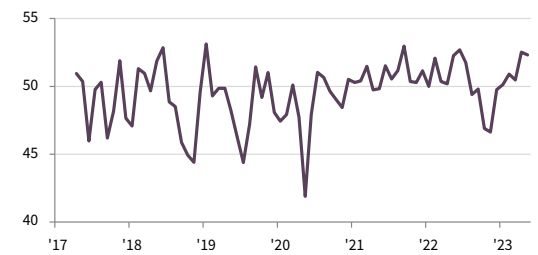


Stocks of purchases

The level of inputs held in stock in the non-energy private sector rose further in May, in line with the trend over 2023 so far. This followed declining inventories during most of the second half of 2022. The rate of growth was little-changed from April and among the fastest in the six-year survey history.

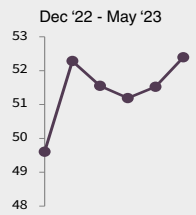
Stocks of Purchases Index

sa, >50 = growth since previous month



PRICES

Overall Input Prices Index



Overall input prices

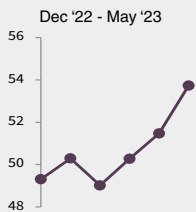
Average input prices paid by Qatari non-energy private sector firms rose for the fifth month running in May, and at the fastest rate since June 2022. Firms widely reported materials as being a key source of inflationary pressure. The seasonally adjusted Overall Input Prices Index was also above its long-run trend level of 51.8.

Overall Input Prices Index

sa, >50 = inflation since previous month



Purchase Prices Index



Purchase prices

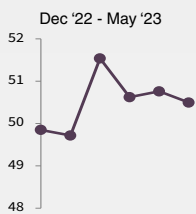
There was a much faster rise in average purchase prices in May, as the seasonally adjusted Purchase Prices Index rose to a 23-month high. Firms mentioned higher prices for materials and supplies. Service providers bore the brunt of increased purchasing costs.

Purchase Prices Index

sa, >50 = inflation since previous month



Staff Costs Index

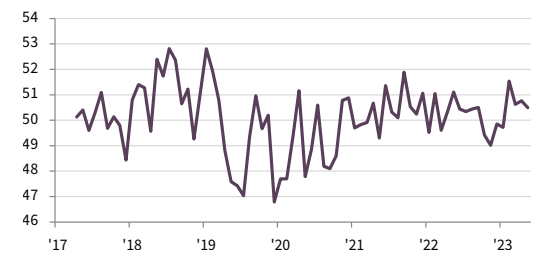


Staff costs

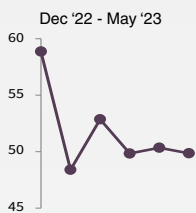
Average wages and salaries paid by private sector non-energy companies in Qatar rose for the fourth month running in May, following a four-month period of reductions. That said, the rate of wage inflation in the latest period remained down on February's 17-month record. Wages fell at wholesalers and retailers.

Staff Costs Index

sa, >50 = inflation since previous month



Output Prices Index

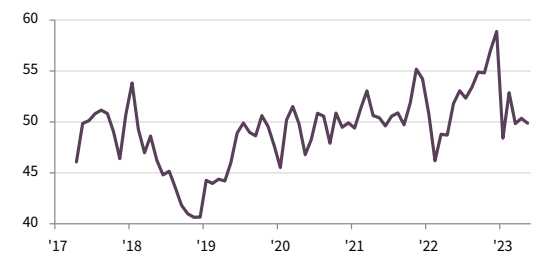


Output prices

Prices charged for goods and services by private sector firms in Qatar were little-changed in May when compared with April. Over 2023 so far, charges have risen only marginally on average, following a period of strong inflation during much of 2022.

Output Prices Index

sa, >50 = inflation since previous month



FINANCIAL SERVICES

Sharpest rise in new business in nine months

Financial Services New Business Index rises to 61.8

Growth of total financial services activity also accelerates

Charges rise, boosting margins

May data signalled a strong month for financial services companies in Qatar. Rates of expansion in new business and total activity both accelerated since April, and the 12-month outlook strengthened.

New work increased, extending the current growth sequence to three years. Moreover, the rate of growth in May was the fastest since August 2022 and well above the long-run trend. Total financial services activity rose for the twenty-third month running and at the strongest rate in three months. Meanwhile, expectations for activity strengthened and financial services firms raised employment.

May data signalled improving margins at financial services firms, as charges were raised further but input costs were broadly flat on average.

Business Activity Index

sa, >50 = growth since previous month



New Business Index

sa, >50 = growth since previous month



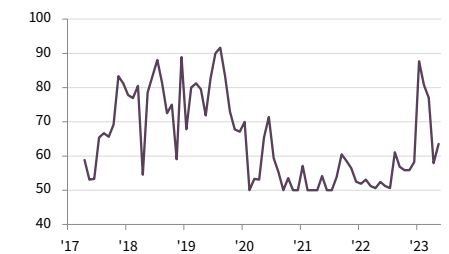
Employment Index

sa, >50 = growth since previous month



Future Activity Index

>50 = growth expected over next 12 months



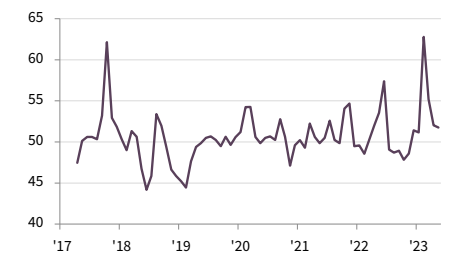
Input Prices Index

sa, >50 = inflation since previous month



Prices Charged Index

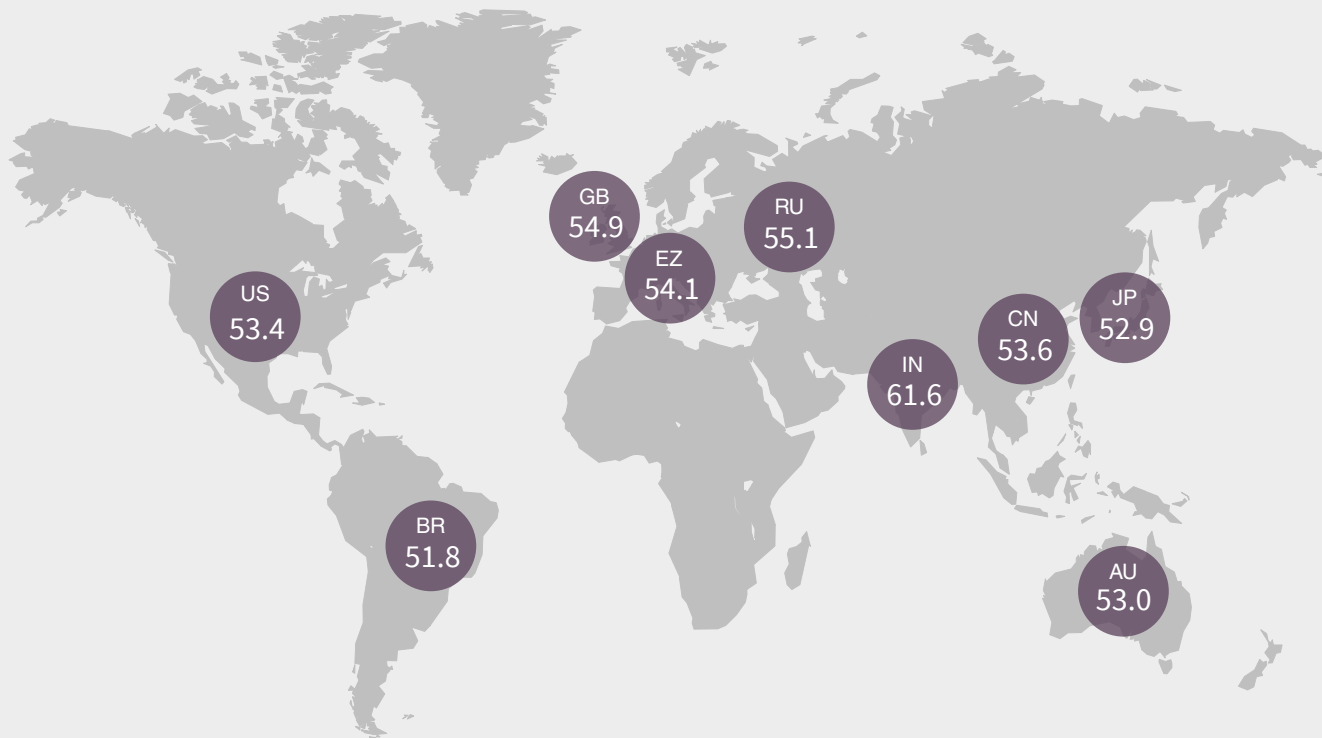
sa, >50 = inflation since previous month



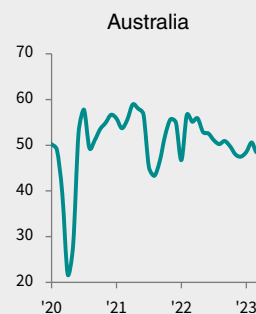
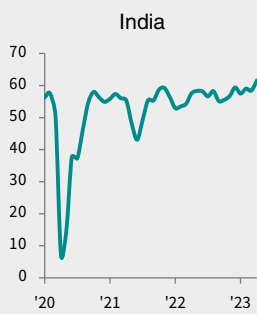
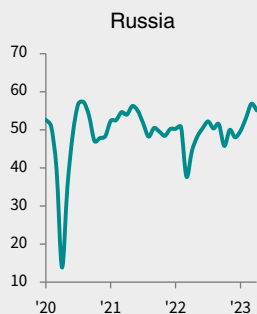
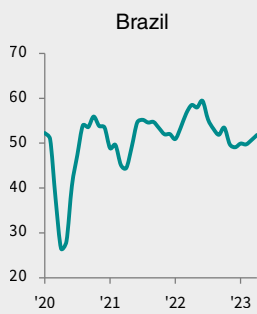
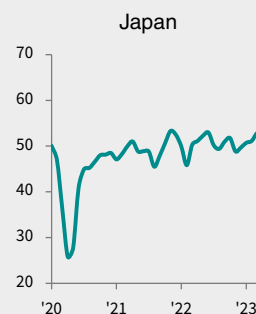
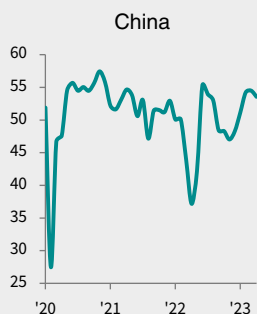
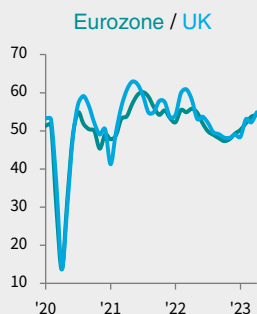
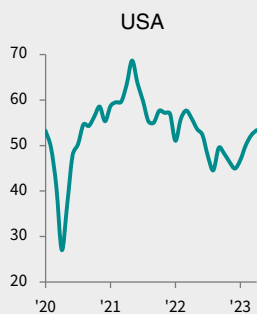
INTERNATIONAL PMI

Composite Output Index, Apr '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.

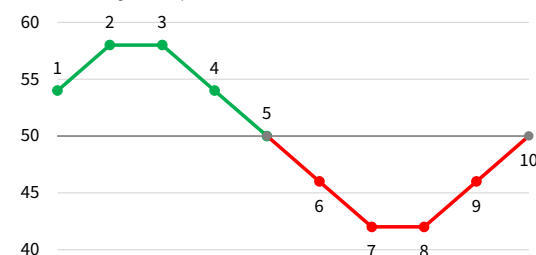
Survey dates and history

Data were collected 12-23 May 2023.

Survey data were first collected in April 2017.

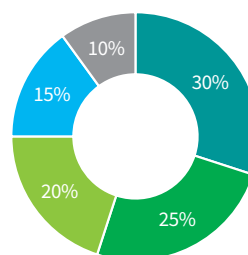
Index interpretation

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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We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today.
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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