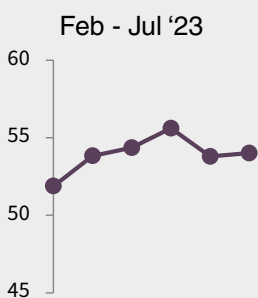




QATAR FINANCIAL CENTRE PMI



Activity and new business continue to rise at relatively fast rates

Firms expand workforces and purchasing

Inflationary pressures ease

The latest Purchasing Managers' Index™ (PMI™) survey data from Qatar Financial Centre (QFC) indicated a positive start to the second half of 2023. Output, new orders, employment and purchasing all expanded, and the 12-month outlook remained positive. Backlogged work continued to fall, albeit less so than in the first half of the year, while inflationary pressures eased.

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 54.0 in July, up slightly from 53.8 in June, indicating another strong improvement in business conditions. The latest figure was a superior outcome relative to the first half of 2023 (52.5) and remained well above the long-run trend of 52.3.

New business increased strongly in July. The rate of expansion moderated further since May but remained among the fastest seen over the past year. New business growth in financial services remained notably sharp.

Total business activity among Qatari non-energy private sector firms rose further in July. Output has risen every month for more than three years,

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



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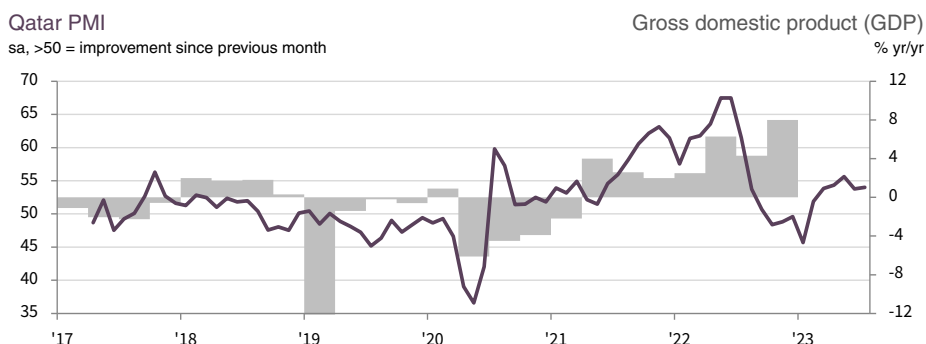
except for a brief correction in January following the conclusion of the FIFA World Cup Qatar 2022™. The rate of expansion accelerated since June and was the second-strongest of 2023 so far.

The 12-month outlook for the non-energy private sector remained optimistic in July. Higher expected business volumes were linked to new sales strategies, new hires, tourism and new products. Positive expectations remained broad-based by sector with service providers being the most optimistic, followed by goods producers.

July data signalled another increase in non-oil private sector employment,

and at the fastest rate since July 2022. Recruitment was aimed both at new workloads and efforts to clear backlogs, which were reduced for the twelfth successive month. Supply chains continued to improve as average lead times fell for the fifteenth successive month, a series-record sequence. Input inventories rose only slightly, suggesting companies managed stock levels well during the month.

Price pressures eased in July, as the overall input prices index fell since June and was at a level indicative of a marginal rate of inflation. Meanwhile, output prices fell for the third month running, albeit only marginally.



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

COMMENT

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

"Qatar PMI data continued to point to an expansion of the non-energy private sector as we enter the second half of 2023. The latest headline figure of 54.0 is well above the long-run survey average as total business activity and demand both rose strongly in July. Companies also stepped up hiring as a slower fall in outstanding work hinted at returning pressure on business capacity.

"Financial services remains a strong point for the economy, with the key indices for activity and new business

both remaining elevated in July, while employment in the sector rose at the strongest rate in over a year.

"There was little upward pressure on input costs in July, enabling firms to cut their prices for the third month running. Another reduction in August would mark the longest spell of discounting in nearly four years."

OUTPUT AND DEMAND

Output

July data recorded a sixth successive monthly expansion in business activity in the Qatari non-energy private sector. The seasonally adjusted Output Index rose since June and signalled the second-strongest rate of expansion in 2023 so far, and one that was well above the long-run survey trend. By sector, the fastest growth was registered in services and wholesale & retail, while construction activity rebounded.

New orders

There was a sustained sharp increase in new work in July, again led by the services sector. Firms linked new business to their good reputations among customers and also discounting to attract new clients. Demand was strongest among service providers.

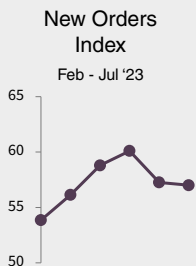
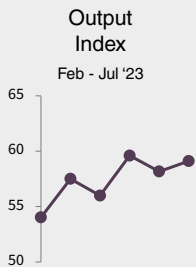
Output Index

sa, >50 = growth since previous month



New Orders Index

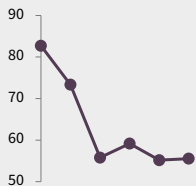
sa, >50 = growth since previous month



BUSINESS EXPECTATIONS

Future Output Index

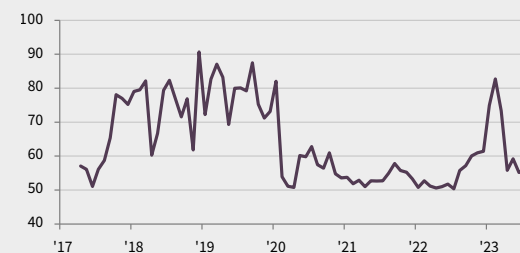
Feb - Jul '23



Business sentiment in the Qatari non-energy private sector economy remained positive in July, albeit little-changed since June. Higher expected business volumes were linked to new sales strategies, new hires, tourism and new products. Confidence was strongest in the services and manufacturing sectors.

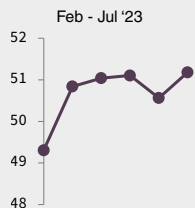
Future Output Index

>50 = growth expected over next 12 months



EMPLOYMENT AND CAPACITY

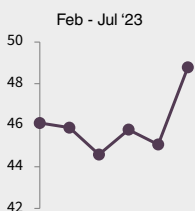
Employment Index



Employment

Companies continued to expand their workforces on average in July, as the seasonally adjusted Employment Index signalled growth for the fifth straight month. The rate of job creation strengthened since the prior month and was the best since July 2022. Recruitment was again driven by service providers, while construction firms shed workers for the second month running.

Backlogs of Work Index



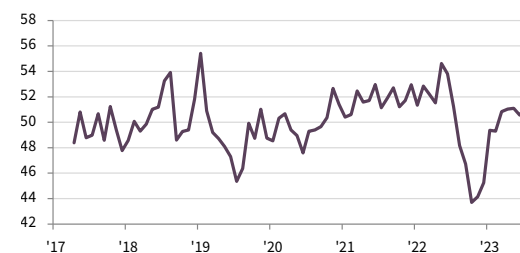
Backlogs of work

Non-energy private sector firms in Qatar reduced their levels of outstanding business for the twelfth month running in July. That said, the rate of decline slowed noticeably since June and was the weakest in the current sequence.

Outstanding work declined in all four sectors, albeit only marginally in manufacturing and wholesale & retail.

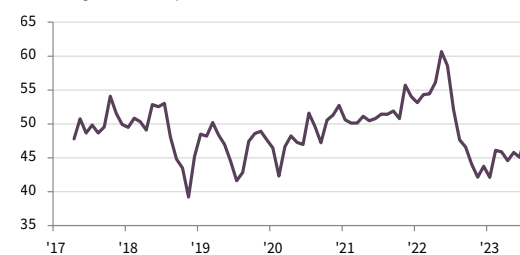
Employment Index

sa, >50 = growth since previous month



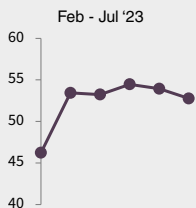
Backlogs of Work Index

sa, >50 = growth since previous month



PURCHASING AND INVENTORIES

Quantity of Purchases Index
Feb - Jul '23



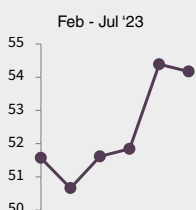
Quantity of purchases

The volume of inputs ordered by non-energy private sector firms rose for the fifth month running in July. The rate of growth remained sharp and stronger than the long-run series average. Wholesalers and retailers registered the fastest increase in buying activity while little change in volumes was indicated at manufacturers and construction firms.

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



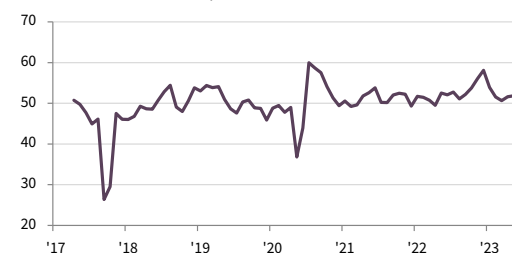
Suppliers' Delivery Times Index
Feb - Jul '23



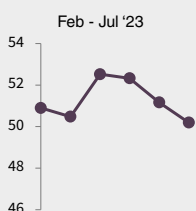
Suppliers' delivery times

Supplier performance continued to improve in July, as average lead times quickened for the fifteenth consecutive month. Moreover, the seasonally adjusted Suppliers' Delivery Times Index signalled the second-best overall performance by vendors in 2023 so far. Supplier performance improved to the greatest degree in the construction and manufacturing sectors.

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



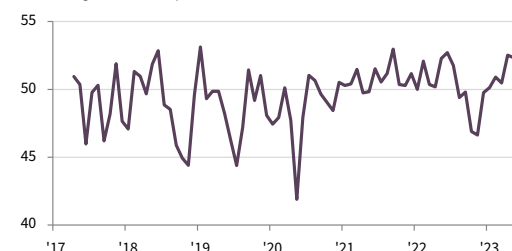
Stocks of Purchases Index
Feb - Jul '23



Stocks of purchases

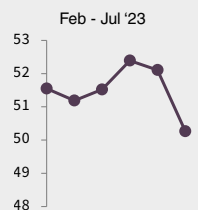
The level of inputs held in stock in the non-energy private sector was little changed in July compared with one month previously. This was despite ongoing stock building at manufacturers, wholesalers and retailers, as constructors and service providers pared back their inventories.

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



PRICES

Overall Input Prices Index



Overall input prices

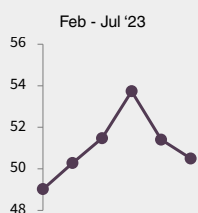
Average input prices paid by Qatari non-energy private sector firms rose for the seventh month running in July. That said, the rate of inflation was only fractional. The seasonally adjusted Overall Input Prices Index fell below its long-run trend level of 51.7. Cost pressures declined in the construction and wholesale & retail sectors.

Overall Input Prices Index

sa, >50 = inflation since previous month



Purchase Prices Index



Purchase prices

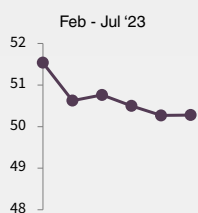
The rate of inflation of average purchase prices continued to ease in July, having previously accelerated in May. The seasonally adjusted Purchase Prices Index signalled only a fractional rate of inflation that was below the long-run survey average. Wholesalers and retailers faced the steepest increases in purchase prices.

Purchase Prices Index

sa, >50 = inflation since previous month



Staff Costs Index

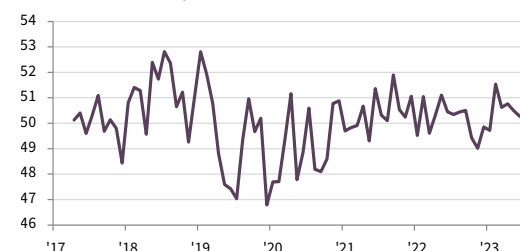


Staff costs

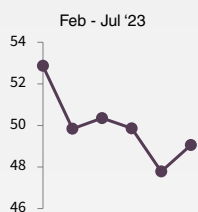
Average wages and salaries paid by private sector non-energy companies in Qatar rose for the sixth month running in July. That said, the rate of wage inflation in the latest period remained marginal and well down on February's recent peak. Wages fell at wholesalers, retailers and manufacturers.

Staff Costs Index

sa, >50 = inflation since previous month



Output Prices Index

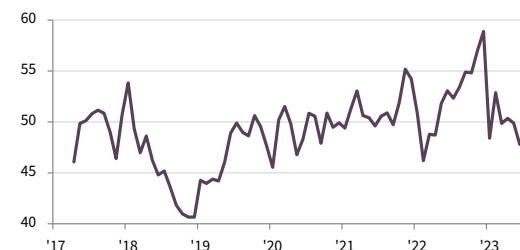


Output prices

Prices charged for goods and services by private sector firms in Qatar fell for the third month running in July. That said, the rate of discounting eased from June's 16-month record. Lower selling prices were most common in the wholesale & retail sector.

Output Prices Index

sa, >50 = inflation since previous month



FINANCIAL SERVICES

Growth of financial services activity remains strong

Financial Services Business Activity Index at 59.5

Demand for financial services remains strong

Fastest increase in staffing in 14 months

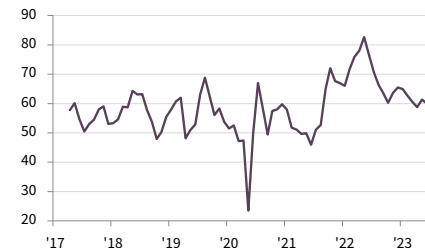
Qatar's financial services sector continued to expand markedly at the start of the second half of 2023. Growth in new business remained sharp, leading to another strong rise in total activity. The outlook brightened since June and employment in the sector rose at the strongest rate in over a year.

New business increased at the second-fastest rate in nearly a year, and one that remained well above the long-run trend. Total financial services activity rose for the twenty-fifth month running and at a relatively strong pace. Expectations for activity improved since June and financial services firms raised employment the most in 14 months.

July data signalled higher charges levied by finance companies in Qatar, following discounting in June. Overall cost pressures rose marginally.

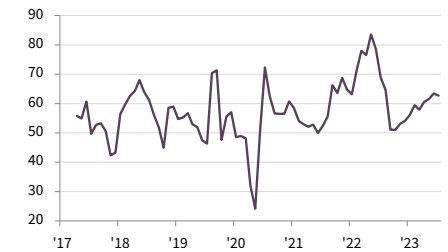
Business Activity Index

sa, >50 = growth since previous month



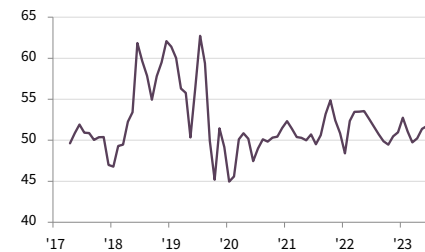
New Business Index

sa, >50 = growth since previous month



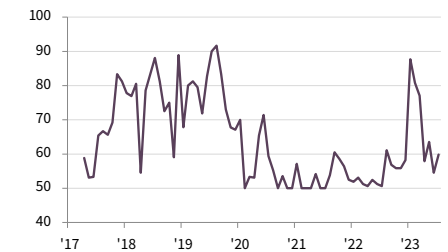
Employment Index

sa, >50 = growth since previous month



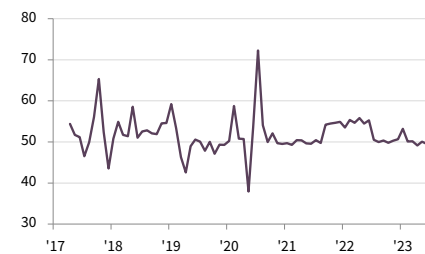
Future Activity Index

>50 = growth expected over next 12 months



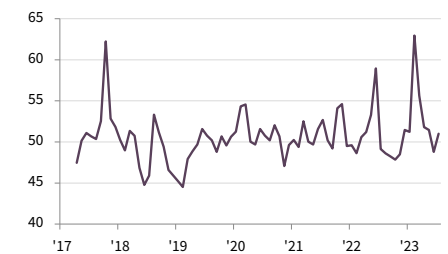
Input Prices Index

sa, >50 = inflation since previous month



Prices Charged Index

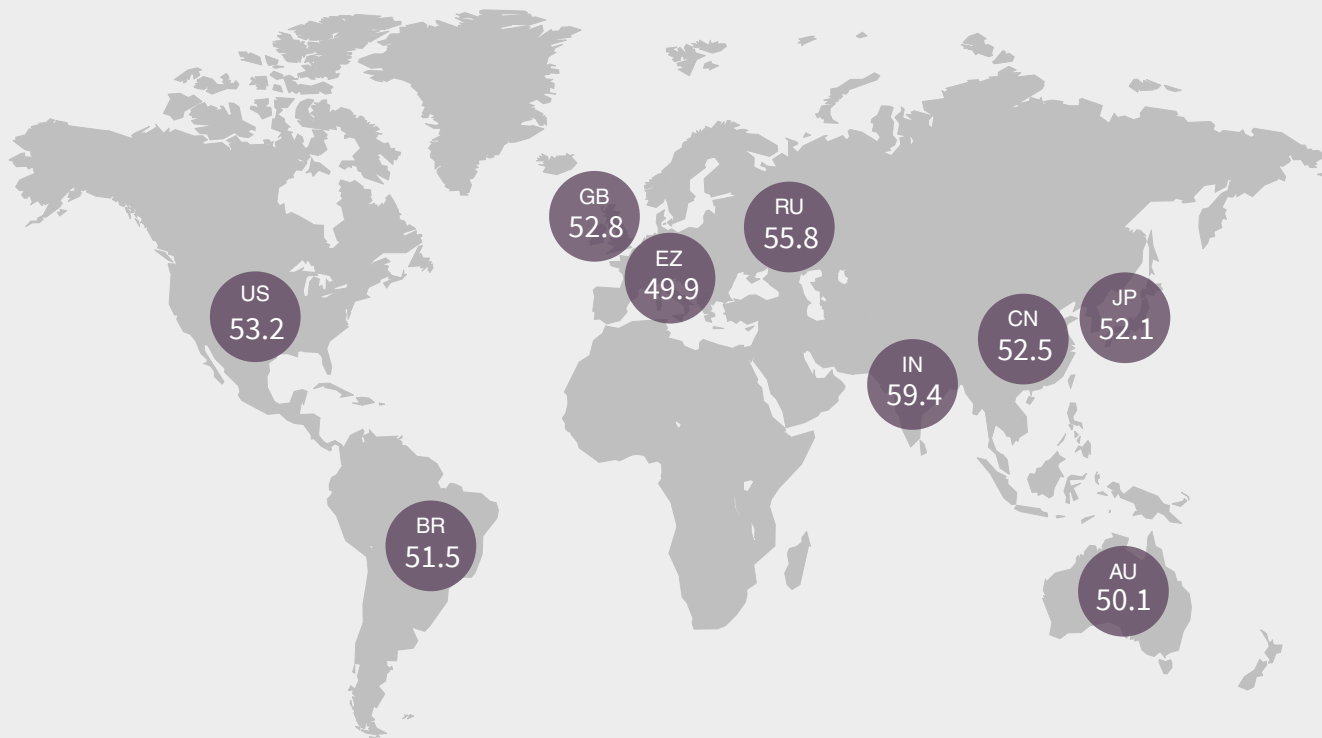
sa, >50 = inflation since previous month



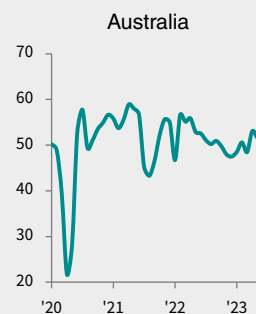
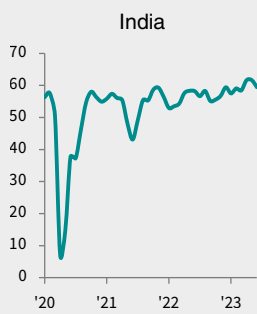
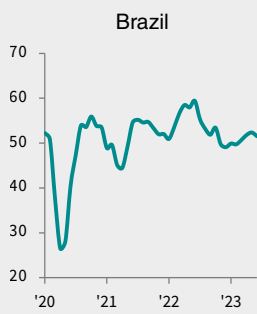
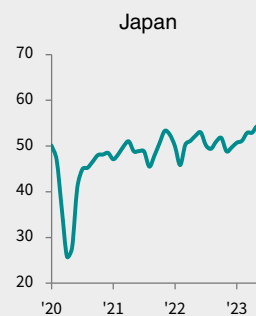
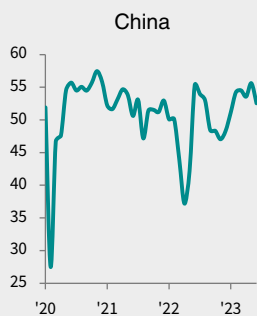
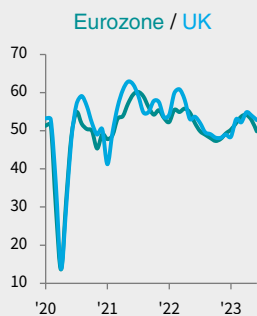
INTERNATIONAL PMI

Composite Output Index, Jun '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 change')/2

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.

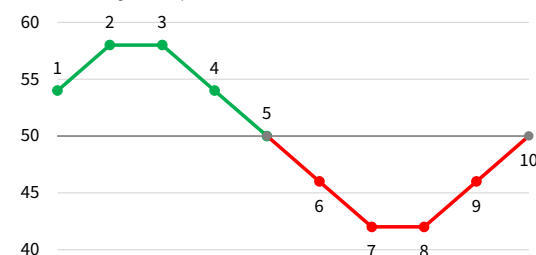
Survey dates and history

Data were collected 12-24 July 2023.

Survey data were first collected in April 2017.

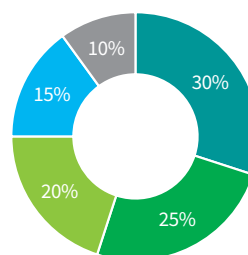
Index interpretation

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