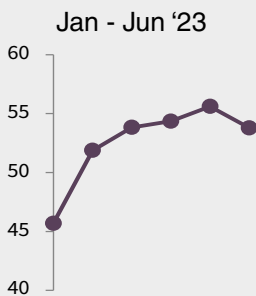




QATAR FINANCIAL CENTRE PMI



Further marked increases in activity and new business

Firms continue to boost hiring and purchasing

Backlogs reduced as supply chains improve

The latest Purchasing Managers' Index™ (PMI™) survey data from Qatar Financial Centre (QFC) indicated sustained growth in the non-energy private sector economy mid-way through 2023. Growth rates for output, new orders, employment and purchasing were all maintained at solid levels, and the 12-month outlook remained firmly positive. The level of outstanding business was reduced, aided by improving supply chains.

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 eased to 53.8 in June, from 55.6 in May, indicating another strong improvement in business conditions. Over the second quarter as a whole the PMI trended at 54.6, the best performance since the third quarter of 2022 (55.3) in the build-up to the FIFA World Cup Qatar 2022™. The latest figure remained well above the long-run trend of 52.3.

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

New business increased strongly in June. Firms linked rising demand to tourism, competitive pricing, additional marketing initiatives and their good reputation

Qatar Financial Centre PMI

sa, >50 = improvement since previous month



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OVERVIEW CONTINUED...

among clients. The rate of expansion moderated since May but was among the fastest seen over the past year. New business growth in financial services accelerated to a ten-month high.

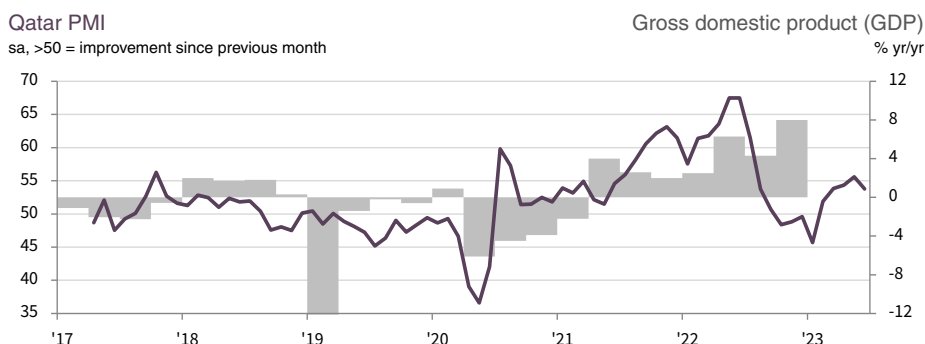
Total business activity rose further in June. Output has risen every month for more than three years, except for a brief correction in January following the conclusion of the FIFA World Cup Qatar 2022™. The rate of expansion eased since May but was the second strongest of 2023 so far and well above the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

The 12-month outlook for the non-energy private sector remained optimistic in June, linked to new projects, company development plans and marketing

campaigns. Positive expectations remained broad-based by sector, led by manufacturing and services.

Non-oil private sector employment rose further in June, helping firms to further reduce their levels of outstanding business. Suppliers' delivery times continued to be cut despite another rise in demand for inputs, with vendor performance improving to the greatest degree in 2023 so far.

Cost burdens rose in June, as they have every month in 2023 to date. The rate of inflation remained slightly above the long-run survey trend. In contrast, prices charged, or goods and services fell for the fourth time in six months, and at the fastest rate since February 2022.



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

COMMENT

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

“Although the PMI eased to 53.8 in June, the second quarter as whole recorded a stronger performance than the first three months of 2023, at 54.6. Growth rates for output and new business remain high and well above the six-year survey trend. Companies continue to point to tourism as spurring growth, as well as competitive pricing and new marketing campaigns.

“Financial services expanded sharply, with its headline indices for activity

and new business registering 60.0 and 63.4, respectively. Demand for financial services has accelerated for three straight months as finance remains among the leading sectors.

“Companies continue to face rising costs but were nonetheless able to reduce their own prices charged further to attract new sales and retain high profile customers.”

OUTPUT AND DEMAND

Output

Business activity in the Qatari non-energy private sector rose further in June. The seasonally adjusted Output Index signalled the second-strongest rate of expansion in 2023 so far, one that remained well above the long-run survey average. Sector data signalled rapid growth in the services, wholesale & retail and manufacturing sectors, but a slowdown in construction.

Output Index

sa, >50 = growth since previous month

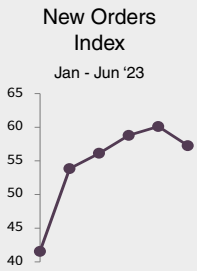
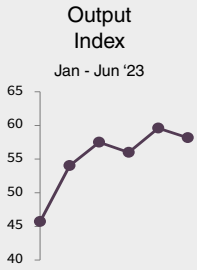


New orders

The seasonally adjusted New Orders Index remained firmly in positive territory in June, signalling a sustained sharp increase in new work. Firms linked rising demand to tourism, competitive pricing, new marketing initiatives and their good reputation among clients. Service providers continued to record the steepest rise in demand.

New Orders Index

sa, >50 = growth since previous month

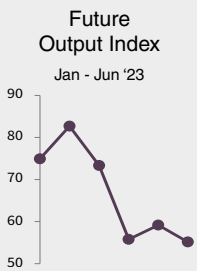
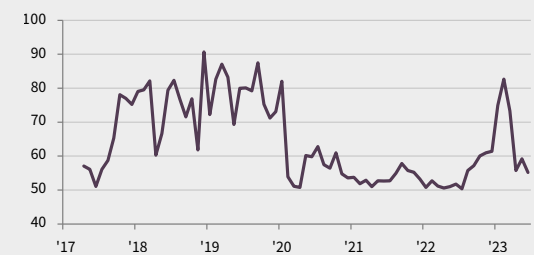


BUSINESS EXPECTATIONS

Business sentiment in the Qatari non-energy private sector economy remained positive in June, linked to new projects, company development plans and marketing campaigns. The 12-month outlook for activity moderated since May but remained solid. Confidence was strongest in the manufacturing and services sectors.

Future Output Index

>50 = growth expected over next 12 months



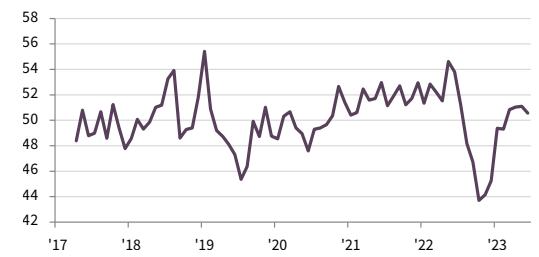
EMPLOYMENT AND CAPACITY

Employment

Companies continued to ramp up their hiring activities in June, as the seasonally adjusted Employment Index signalled growth for the fourth straight month. The rate of job creation eased since the prior month but remained above the long-run survey trend. Recruitment was again driven by service providers, while construction firms shed workers.

Employment Index

sa, >50 = growth since previous month

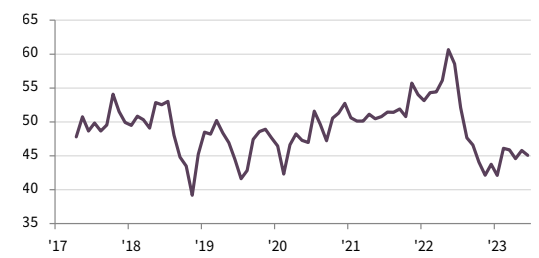


Backlogs of work

Non-energy private sector firms in Qatar reduced their levels of outstanding business for the eleventh month running in June. The rate of contraction accelerated since May and was broadly in line with the trend over the current sequence of depletion. Outstanding work declined in all four sectors, most notably in construction.

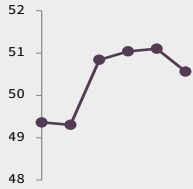
Backlogs of Work Index

sa, >50 = growth since previous month



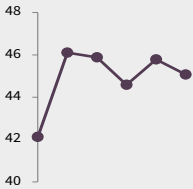
Employment Index

Jan - Jun '23



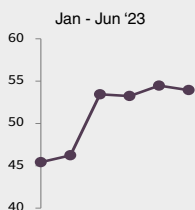
Backlogs of Work Index

Jan - Jun '23



PURCHASING AND INVENTORIES

Quantity of Purchases Index



Quantity of purchases

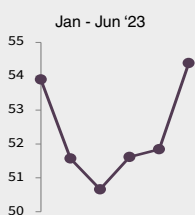
The volume of inputs ordered by non-energy private sector firms rose for the fourth month running in June. The rate of growth remained sharp and was faster than the long-run series average. Wholesalers and retailers registered the strongest increase in buying activity during the latest period.

Quantity of Purchases Index

sa, >50 = growth since previous month



Suppliers' Delivery Times Index

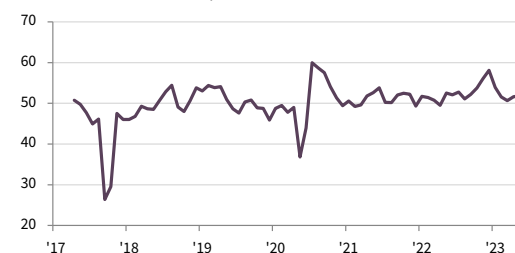


Suppliers' delivery times

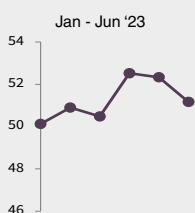
Supplier performance continued to improve in June, as average lead times quickened for the fourteenth consecutive month. Moreover, the seasonally adjusted Suppliers' Delivery Times Index signalled the best overall performance by vendors in 2023 so far. Supplier performance improved to the greatest degree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

Suppliers' Delivery Times Index

sa, >50 = faster times since previous month



Stocks of Purchases Index

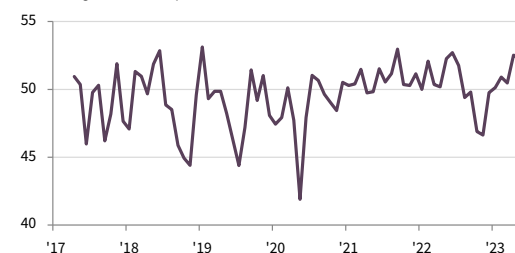


Stocks of purchases

The level of inputs held in stock in the non-energy private sector rose further in June, 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 eased since May but remained strong in the context of historical data.

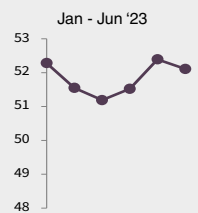
Stocks of Purchases Index

sa, >50 = growth since previous month



PRICES

Overall Input Prices Index



Overall input prices

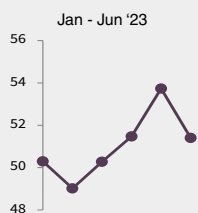
Average input prices paid by Qatari non-energy private sector firms rose for the sixth month running in June. The rate of inflation was little-changed from May. The seasonally adjusted Overall Input Prices Index remained above its long-run trend level of 51.8.

Overall Input Prices Index

sa, >50 = inflation since previous month



Purchase Prices Index



Purchase prices

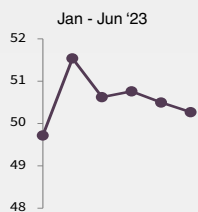
There was a slower rise in average purchase prices in June following a spike in May, as the seasonally adjusted Purchase Prices Index eased from a 23-month high to a level broadly in line with April's figure.

Purchase Prices Index

sa, >50 = inflation since previous month



Staff Costs Index

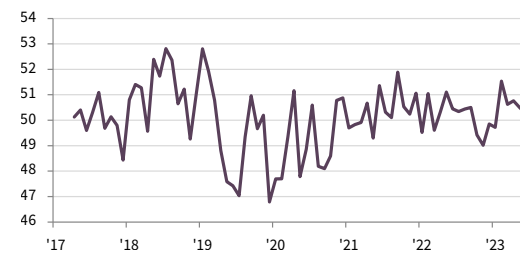


Staff costs

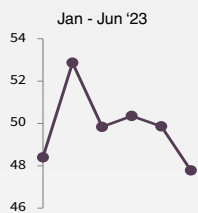
Average wages and salaries paid by private sector non-energy companies in Qatar rose for the fifth month running in June. That said, the rate of wage inflation in the latest period eased further from February's 17-month record. Wages fell at wholesalers, retailers and construction firms.

Staff Costs Index

sa, >50 = inflation since previous month



Output Prices Index

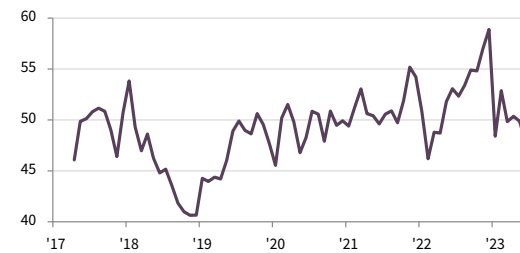


Output prices

Prices charged for goods and services by private sector firms in Qatar fell in June when compared with May. Firms reported offering discounts in order to attract new sales and also to retain major clients.

Output Prices Index

sa, >50 = inflation since previous month



FINANCIAL SERVICES

Sharpest rise in new business in ten months

Financial Services New Business Index rises to 63.4

Growth of total financial services activity remains strong

Fastest increase in staffing in five months

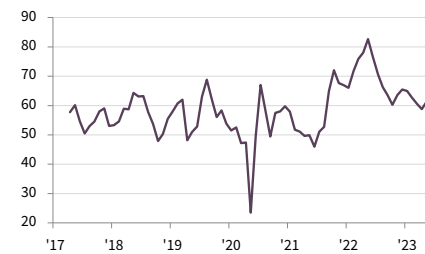
Qatar's financial services sector continued to expand markedly mid-way through 2023. Growth in new business strengthened further in June, leading to another rapid rise in total activity. The outlook remained positive, and firms boosted hiring.

New business increased, extending the current growth sequence to over three years. Moreover, the rate of growth in June was the fastest since August 2022 and well above the long-run trend. Total financial services activity rose for the twenty-fourth month running and at a relatively strong pace. Meanwhile, expectations for activity remained strong and financial services firms raised employment.

June data signalled the first cut in prices charged by financial services providers in seven months, which in turn contributed to the increase of business activities.

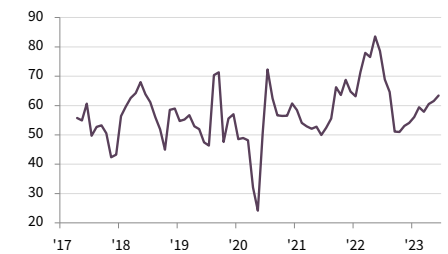
Business Activity Index

sa, >50 = growth since previous month



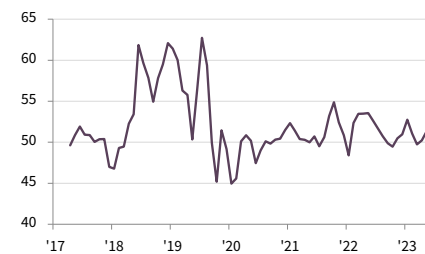
New Business Index

sa, >50 = growth since previous month



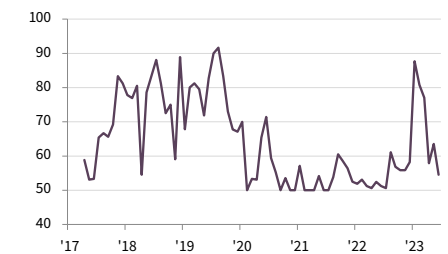
Employment Index

sa, >50 = growth since previous month



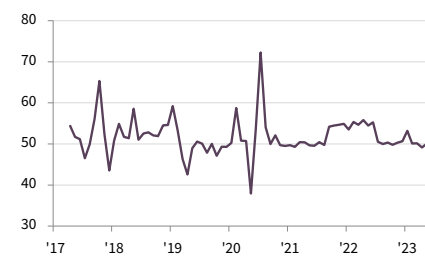
Future Activity Index

>50 = growth expected over next 12 months



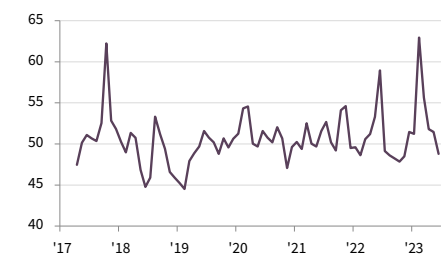
Input Prices Index

sa, >50 = inflation since previous month



Prices Charged Index

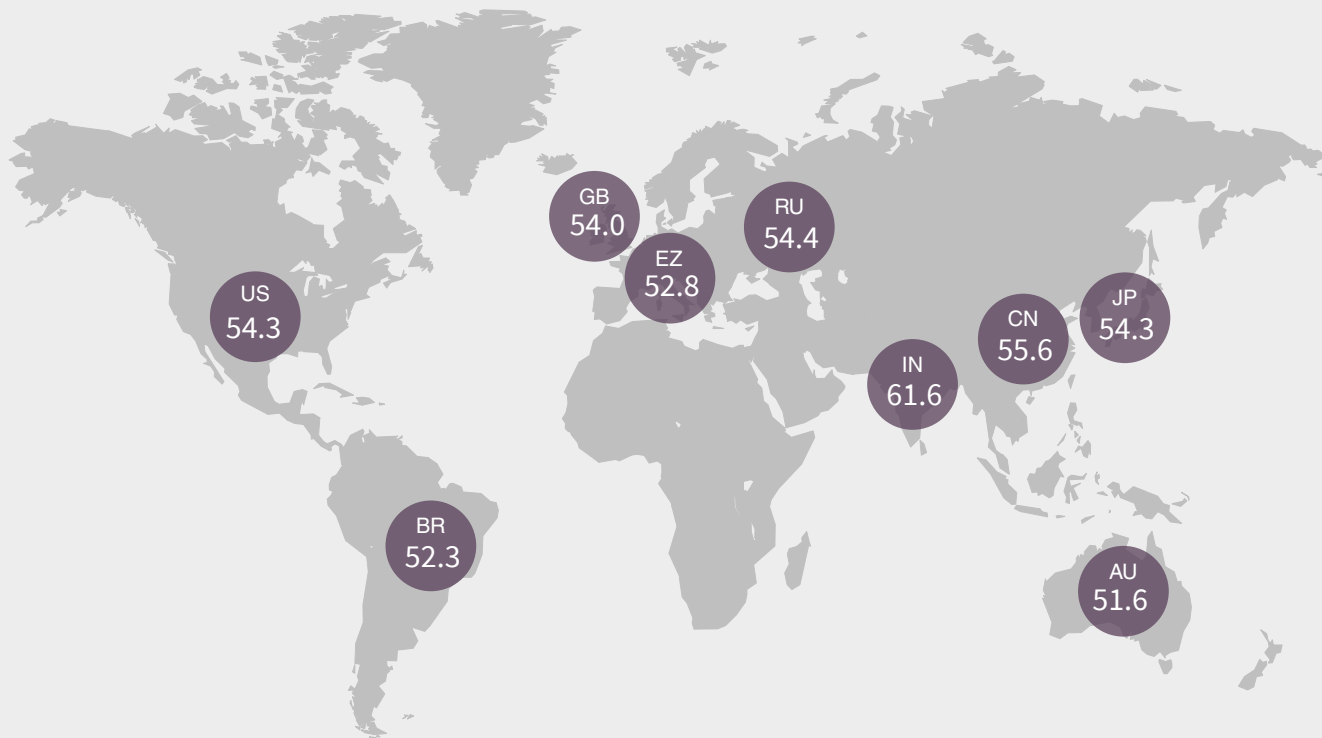
sa, >50 = inflation since previous month



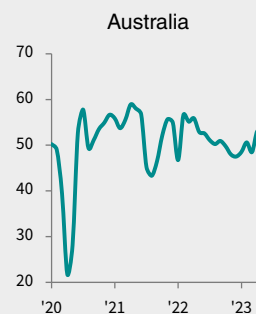
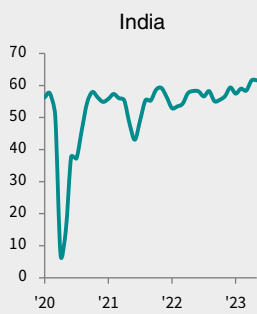
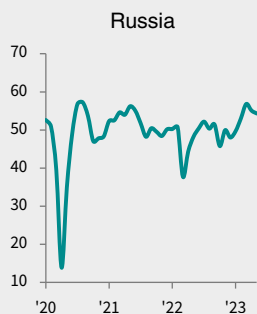
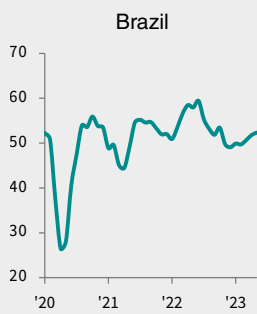
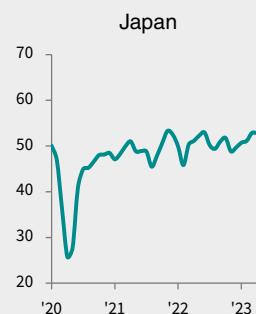
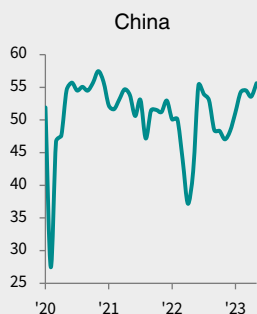
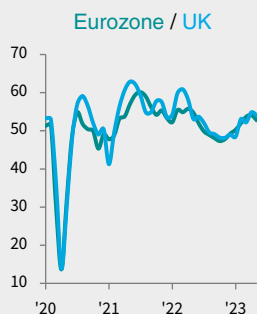
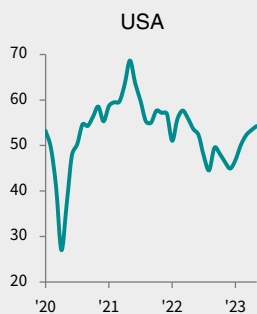
INTERNATIONAL PMI

Composite Output Index, May '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.

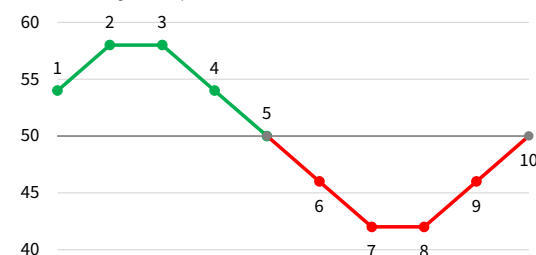
Survey dates and history

Data were collected 11-22 June 2023.

Survey data were first collected in April 2017.

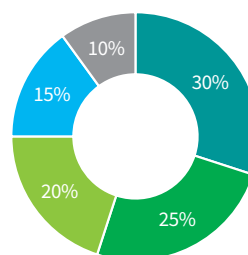
Index interpretation

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