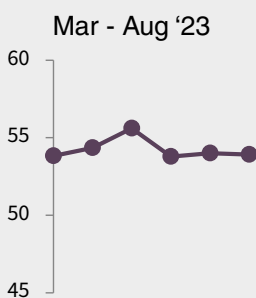
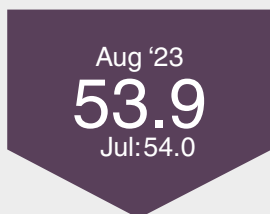




QATAR FINANCIAL CENTRE PMI



Output growth in August remains stronger than in first half of 2023

Prices charged for goods and services fall for fourth month running

Growth of employment sustained for sixth consecutive month

The latest Purchasing Managers' Index™ (PMI™) survey data from Qatar Financial Centre (QFC) indicated a further strong expansion in the non-energy private sector in August. Output, new orders, employment and purchasing all rose since July, and the 12-month outlook remained positive. Companies continued to complete outstanding business, and cut their prices charged for goods and services for the fourth successive month.

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.

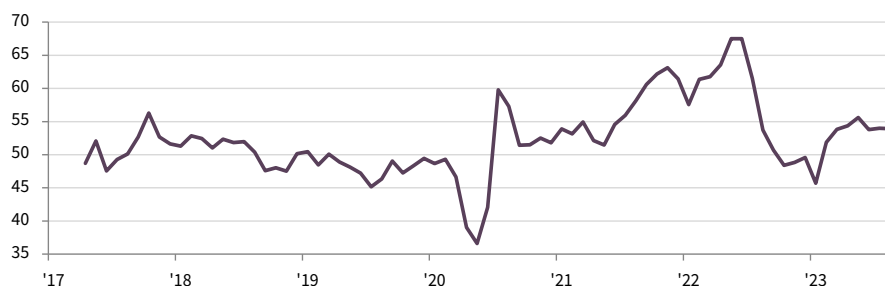
The PMI posted 53.9 in August, little-changed from 54.0 in July, indicating another strong improvement in business conditions. The latest figure remained above the average for the first half of 2023 (52.5) and the long-run trend since 2017 (52.3).

New business increased strongly in August. The rate of expansion eased further from May's recent peak but remained well above the long-run survey average. There was a notable boost to new orders at manufacturing and financial services businesses during the month.

Total business activity among Qatari non-energy private sector firms rose

Qatar Financial Centre PMI

sa, >50 = improvement since previous month



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OVERVIEW CONTINUED...

further in August. 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 latest rate of expansion was the third strongest of 2023 so far.

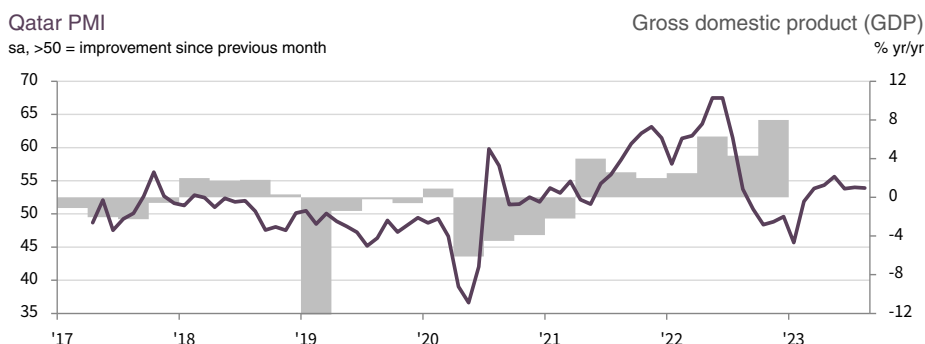
The 12-month outlook for the non-energy private sector remained optimistic in August. Positive expectations were broad-based by sector with manufacturers being the most optimistic, followed by wholesalers and retailers.

Non-oil private sector employment expanded for the sixth month running in August, the second-longest sequence of continuous job creation in the survey

history. Recruitment was again notably strong at service providers.

Purchases also rose for the sixth consecutive month in August. Despite higher demand for inputs, supply chains continued to improve as average lead times fell for the sixteenth successive month, a series-record sequence. Input inventories rose only slightly again, suggesting companies continued to manage stock levels efficiently.

Cost pressures were broadly in line with the long-run average in August, although staff costs rose the most since February. Meanwhile, output prices fell for the fourth month running, albeit only modestly.



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

COMMENT

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

"The PMI for Qatar has held steady over the past six months at a level consistent with solid economic growth. Since March the headline figure has sat in a narrow range of 53.8-55.6, comfortably above the long-run average of 52.3.

"Activity, new business, employment and purchasing all rose further in August, while the level of outstanding work continued to fall as capacity expanded.

"Recently the services and retail sectors have driven growth, but August data suggested a boost from manufacturing. Meanwhile, financial services continued to outperform the wider economy with new business increasing at the fastest pace in the year. This prompted the sharpest rise in hiring by financial services firms since October 2021."

OUTPUT AND DEMAND

Output

August data recorded a seventh successive monthly expansion in business activity in the Qatari non-energy private sector. The seasonally adjusted Output Index was little-changed since July and signalled a pace of increase that remained strong, above both the trend for the first half of 2023 and the long-run series average. Latest data signalled a notable acceleration in manufacturing production growth.

New orders

Growth of new business remained marked in August, with faster expansions in demand registered in the manufacturing, finance and wholesale & retail sectors. New orders have risen every month since February.

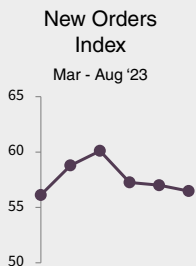
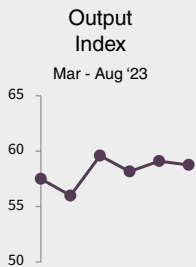
Output Index

sa, >50 = growth since previous month



New Orders Index

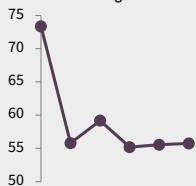
sa, >50 = growth since previous month



BUSINESS EXPECTATIONS

Future Output Index

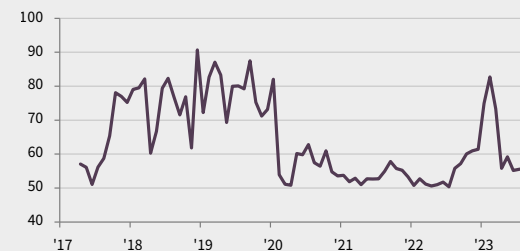
Mar - Aug '23



Business sentiment in the Qatari non-energy private sector economy remained positive in August, albeit little-changed since the prior two months. Firms reported ambitious marketing and business development plans, and efforts to further improve the quality of services. Confidence was strongest in the manufacturing and wholesale & retail sectors.

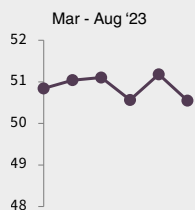
Future Output Index

>50 = growth expected over next 12 months

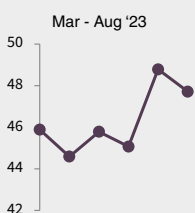


EMPLOYMENT AND CAPACITY

Employment Index



Backlogs of Work Index



Employment

Companies continued to expand their workforces on average in August, as the seasonally adjusted Employment Index signalled growth for the sixth straight month. The rate of job creation eased since the prior month, which had been the best since July 2022. Recruitment was again driven by service providers (especially financial services) while construction firms, wholesalers and retailers all shed workers slightly.

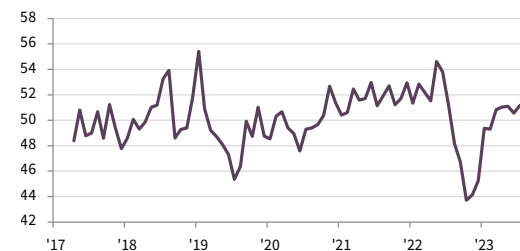
Backlogs of work

Non-energy private sector firms in Qatar reduced their levels of outstanding business for the thirteenth month running in August. The rate of decline accelerated since July, but was still the second-weakest in the current sequence.

By sector, outstanding work declined in construction and manufacturing, but rose in services and wholesale & retail.

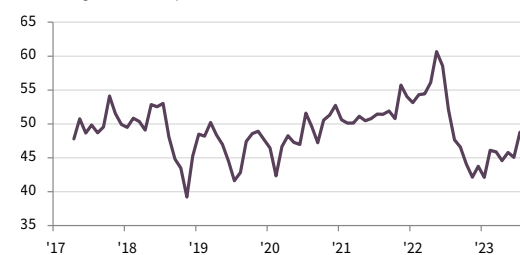
Employment Index

sa, >50 = growth since previous month



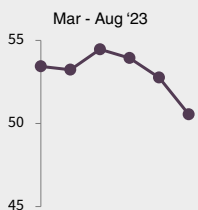
Backlogs of Work Index

sa, >50 = growth since previous month



PURCHASING AND INVENTORIES

Quantity of Purchases Index
Mar - Aug '23



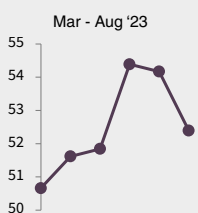
Quantity of purchases

The volume of inputs ordered by non-energy private sector firms rose for the sixth month running in August. The rate of growth in the latest period was the slowest over this sequence, however, reflecting lower purchasing at construction firms and service providers.

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



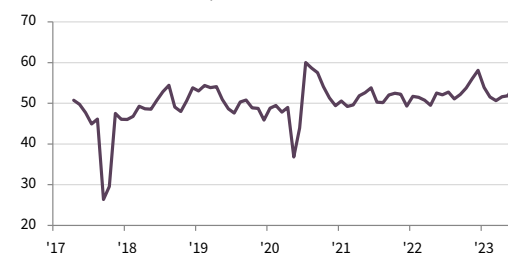
Suppliers' Delivery Times Index
Mar - Aug '23



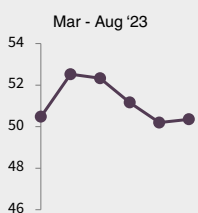
Suppliers' delivery times

Supplier performance continued to improve in August, as average lead times quickened for the sixteenth consecutive month, the longest sequence on record. The seasonally adjusted Suppliers' Delivery Times Index eased since the recent highs seen in June and July, however, indicating that times had not shortened by as much in August. There was some evidence of emerging delays in the manufacturing sector as lead times there lengthened slightly.

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



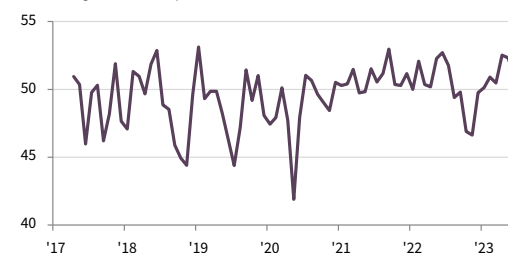
Stocks of Purchases Index
Mar - Aug '23



Stocks of purchases

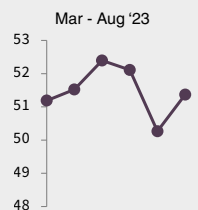
The level of inputs held in stock in the non-energy private sector was slightly higher in August compared with one month previously. This reflected stock building at manufacturers, wholesalers and retailers, partly offset by construction firms paring back their inventories.

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



PRICES

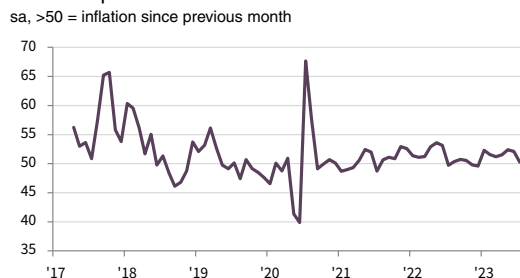
Overall Input Prices Index



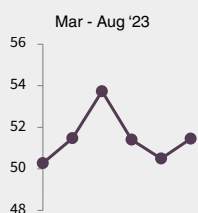
Overall input prices

Average input prices paid by Qatari non-energy private sector firms rose for the eighth month running in August. Moreover, the rate of inflation accelerated since July. The seasonally adjusted Overall Input Prices Index was only slightly below its long-run trend level of 51.7. Cost pressures were highest in the manufacturing and wholesale & retail sectors.

Overall Input Prices Index



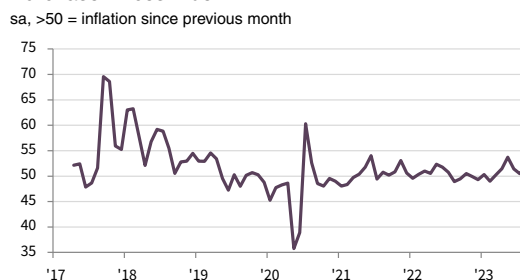
Purchase Prices Index



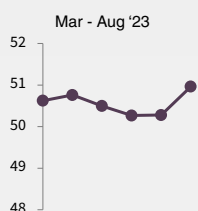
Purchase prices

Inflation of average purchase prices was sustained in August, and accelerated since July. The seasonally adjusted Purchase Prices Index signalled a modest overall rate of inflation that was broadly in line with the long-run survey average. Wholesalers and retailers faced the steepest increases in purchase prices.

Purchase Prices Index



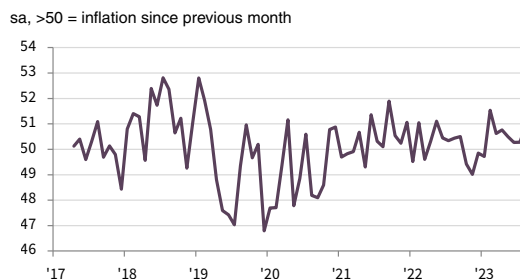
Staff Costs Index



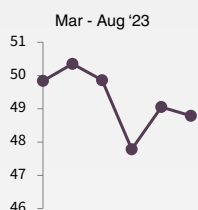
Staff costs

Average wages and salaries paid by private sector non-energy companies in Qatar rose for the seventh month running in August. Moreover, the rate of wage inflation in the latest period quickened to the fastest since February. The strongest wage growth was at manufacturers.

Staff Costs Index



Output Prices Index



Output prices

Prices charged for goods and services by private sector firms in Qatar fell for the fourth month running in August, the longest sequence over the past four years. Selling prices fell in the services and wholesale & retail sectors, while manufacturing output prices rose.

Output Prices Index



FINANCIAL SERVICES

Fastest rise in new business for a year

Financial Services New Business Index at 12-month high of 64.1

Employment increases at fastest pace since October 2021

Total activity growth remains strong

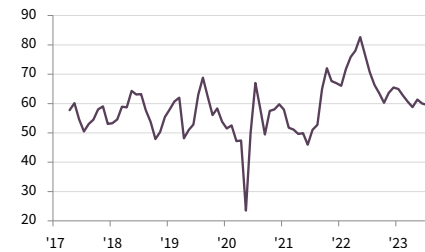
Demand for Qatari financial services accelerated in August, with new business volumes at financial services providers increasing at the fastest pace since August 2022.

Rising demand in the sector prompted firms to boost their workforces at the fastest rate in nearly two years, with the Employment Index posting a 22-month high of 54.0. Total financial services activity increased at a marked rate in line with the six and a half year series average, and the 12-month outlook remained positive.

August data signalled lower charges levied by finance companies in Qatar, the second instance of discounting in three months. Average input costs rose only marginally.

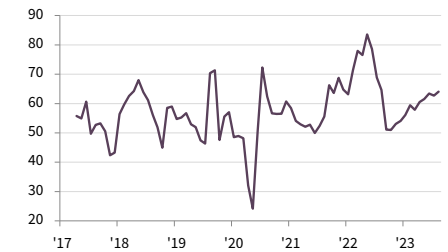
Business Activity Index

sa, >50 = growth since previous month



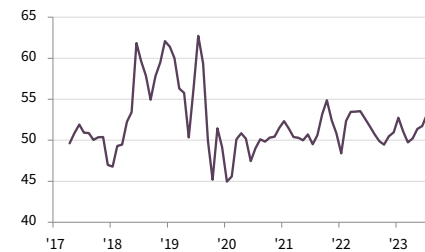
New Business Index

sa, >50 = growth since previous month



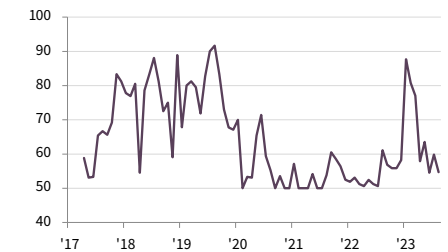
Employment Index

sa, >50 = growth since previous month



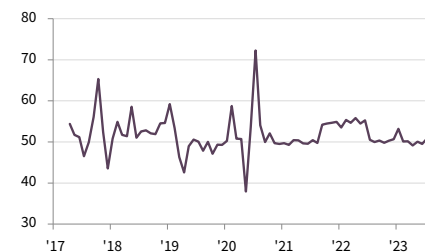
Future Activity Index

>50 = growth expected over next 12 months



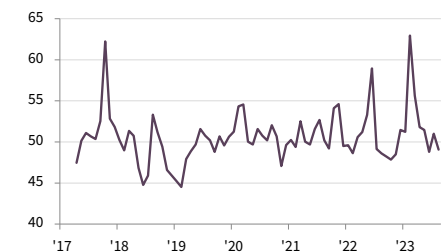
Input Prices Index

sa, >50 = inflation since previous month



Prices Charged Index

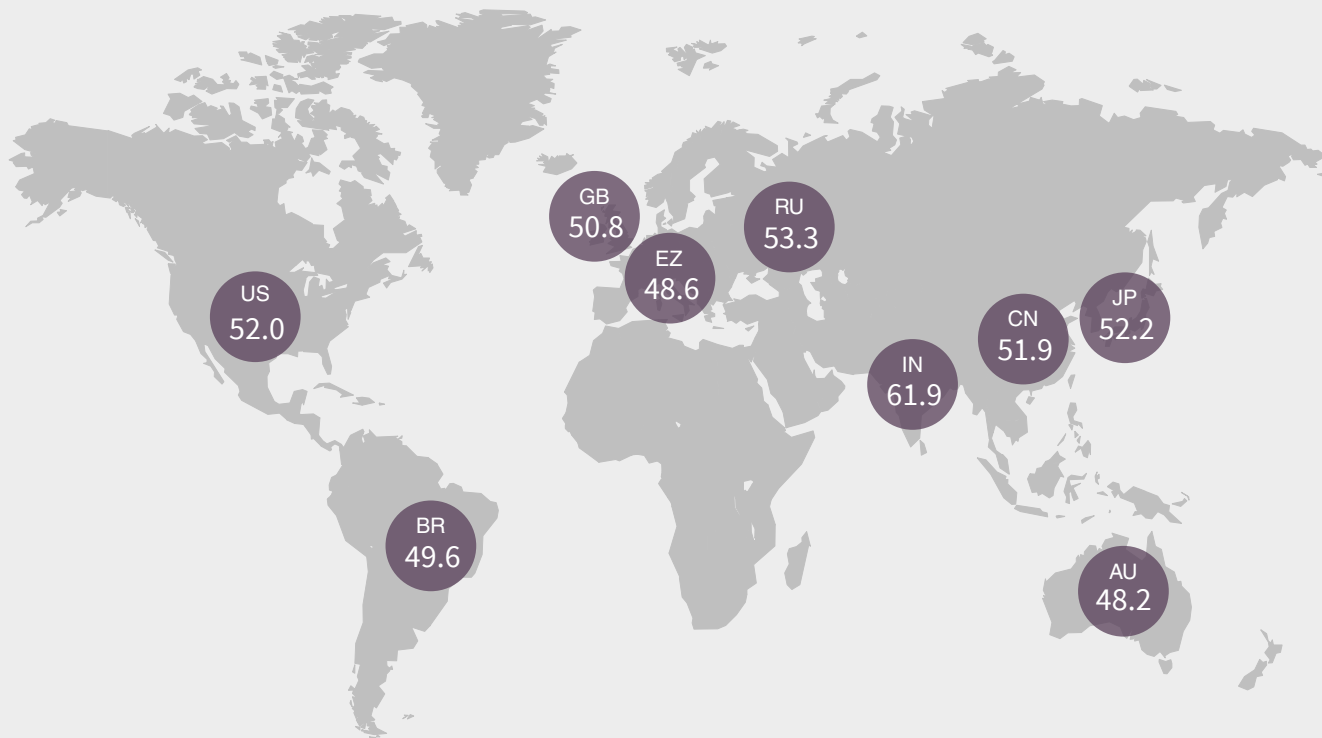
sa, >50 = inflation since previous month



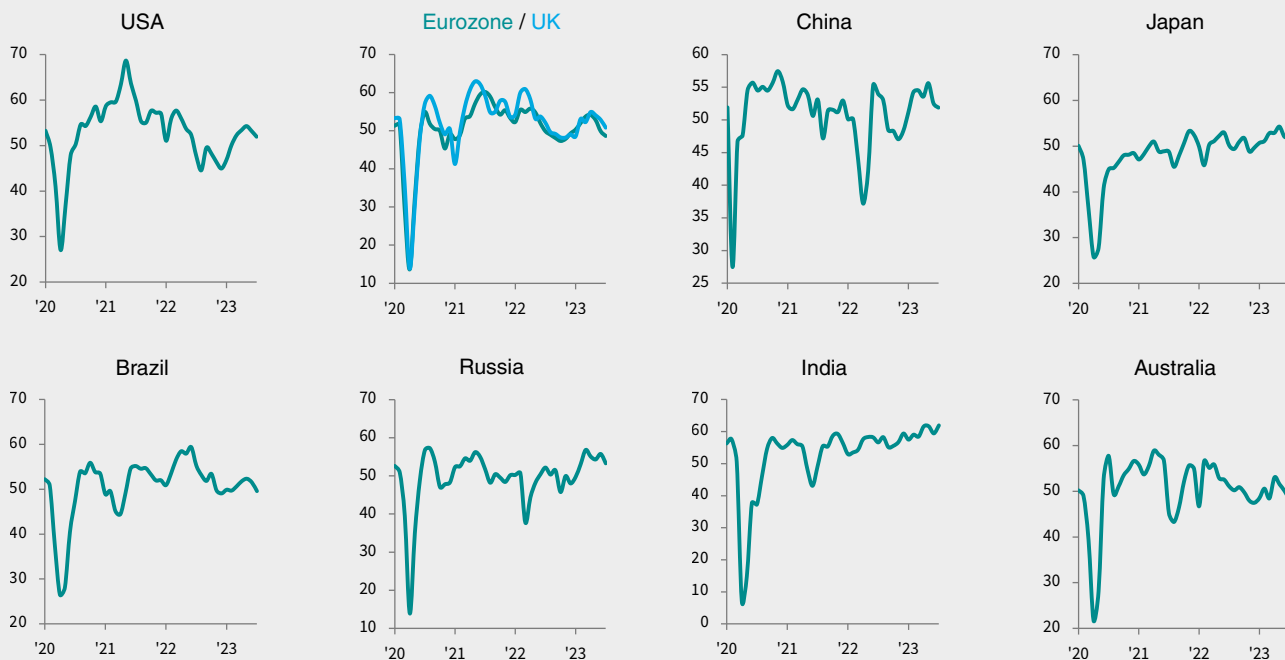
INTERNATIONAL PMI

Composite Output Index, Jul '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.

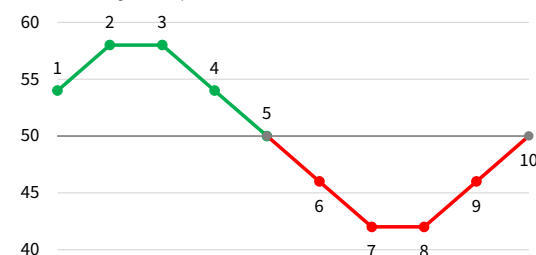
Survey dates and history

Data were collected 10-23 August 2023.

Survey data were first collected in April 2017.

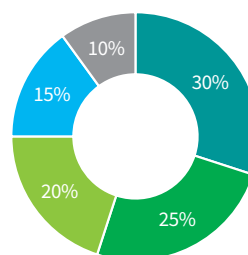
Index interpretation

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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ENQUIRIES ABOUT THE REPORT

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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