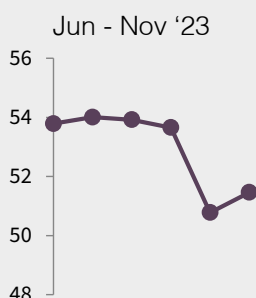




QATAR FINANCIAL CENTRE PMI®

Growth of new business and output accelerate in November

QATAR FINANCIAL CENTRE PMI



PMI rises for first time in four months

Backlogs increase for first time since July 2022

Employment continues to expand

Qatar's non-energy private sector continued to record an improvement in business conditions towards the end of 2023, according to the latest Purchasing Managers' Index™ (PMI®) survey data from Qatar Financial Centre (QFC). Moreover, the rates of expansion in output and new business accelerated since October. The rise in the latter was sufficient to generate an increase in the level of outstanding business for the first time in over a year, despite a further rise in employment. Financial services remained at the forefront of private sector growth in the latest period.

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.

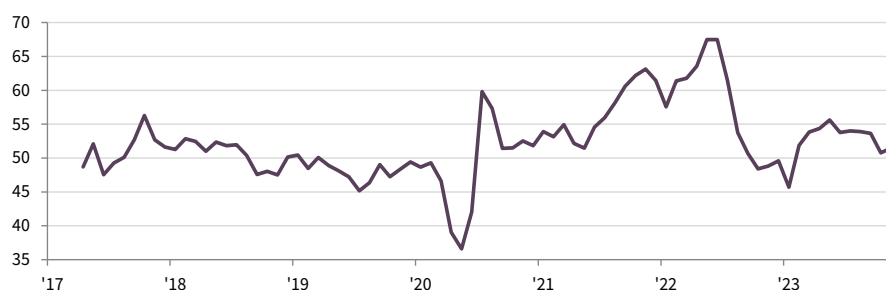
The headline Qatar Financial Centre PMI is a composite single-figure indicator of non-energy private sector performance. It is derived from indicators for new orders, output, employment, suppliers' delivery times and stocks of purchases.

The PMI registered 51.5 in November, up from 50.8 in October. This signalled a tenth successive month-on-month improvement in business conditions, and the first acceleration in growth since July.

Total business activity among Qatari non-energy private sector firms rose further in November. Output has risen every month since July 2020, except for a brief correction in January following the conclusion of the FIFA World Cup Qatar 2022™. The overall

Qatar Financial Centre PMI

sa, >50 = improvement since previous month



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OVERVIEW CONTINUED...

rate of expansion accelerated since October, with manufacturing posting the fastest growth.

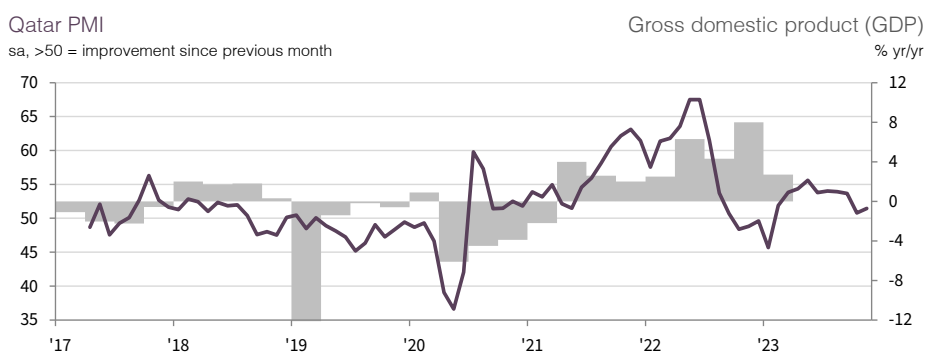
New business increased for the tenth successive month in November, with strong sales at goods producers and construction firms in particular. The overall rate of expansion accelerated for only the second time in six months.

The pick-up in demand in November translated into a rise in outstanding business for the first time in 16 months. This increase in pressure on capacity occurred despite a sustained expansion in employment.

Supply chains continued to improve in November, as lead times for

inputs shortened for the nineteenth consecutive month. Purchasing of inputs expanded for the ninth straight month and at the fastest rate in four months as firms aimed to address rising backlogs. Input stocks rose for the first time in three months as a result.

Overall cost pressures at Qatari firms rose slightly in November, having fallen in October. That said, the rate of input price inflation was relatively weak, with only slight increases in both staff and non-staff costs. Prices charged for goods and services were broadly stable following increases in September and October.



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

COMMENT

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

"The rise in the headline PMI is welcome news towards the end of 2023, reflecting faster rates of expansion in both new business and output. Financial services in particular remains a bright spot. The PMI is currently trending at 52.6 in 2023 so far, representing a softer rate of economic growth compared with last year during the lead-up to the FIFA World Cup Qatar 2022™, but still above its long-run trend of 52.3.

"November's rise in outstanding

business, the first in over a year, suggests that companies are increasingly busy. This will spur further investment as customer numbers rise and companies bring improved products and services to the market. Higher backlogs in November were accompanied by increased staffing, purchasing and input stocks."

"Inflationary pressures remain manageable, with only a slight rise in input prices and broadly stable charges in the latest period."

OUTPUT AND DEMAND

Output

The November survey data signalled a tenth successive monthly expansion in business activity in the Qatari non-energy private sector. Moreover, the rate of growth accelerated for the first time since July. Financial services continued to outpace the wider economy in the latest period.

New orders

Growth of new business was maintained for the tenth month running in November, and at a faster rate than in October. Demand growth picked up in three broad sectors, with the fastest expansions seen in manufacturing and construction.

Output Index

sa, >50 = growth since previous month

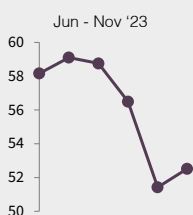


New Orders Index

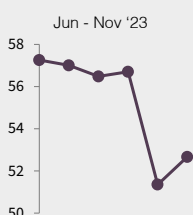
sa, >50 = growth since previous month



Output Index
Jun - Nov '23



New Orders Index
Jun - Nov '23

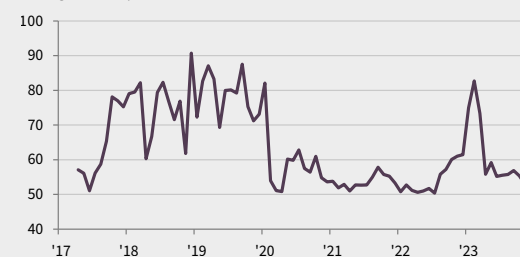


BUSINESS EXPECTATIONS

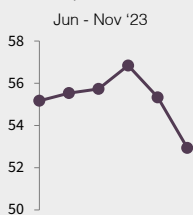
Business sentiment in the Qatari non-energy private sector economy remained positive in November, linked to rising customer numbers, marketing campaigns and new high-quality products and services. Output expectations were strongest in the services and construction sectors.

Future Output Index

>50 = growth expected over next 12 months

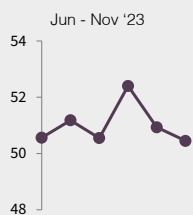


Future Output Index
Jun - Nov '23



EMPLOYMENT AND CAPACITY

Employment Index



Employment

Companies continued to expand their workforces on average in November, as the seasonally adjusted Employment Index signalled growth for the ninth straight month. That said, the rate of job creation in the latest period was only marginal and the weakest over this sequence.

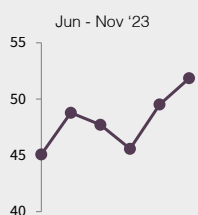
Sub-sector data signalled recruitment growth in construction and manufacturing.

Employment Index

sa, >50 = growth since previous month



Backlogs of Work Index



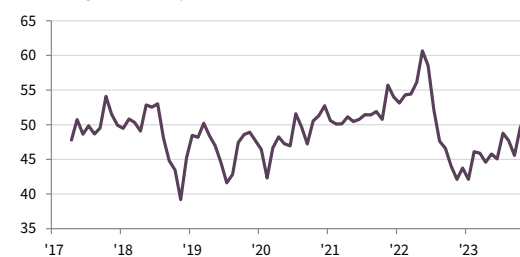
Backlogs of work

Non-energy private sector firms in Qatar registered an increase in their levels of outstanding business for the first time in 16 months in November. That said, the rate of growth was modest and slower than the trend for the previous sequence of rising backlogs from late-2020 to mid-2022.

Levels of incomplete work fell in construction and manufacturing but rose in services and wholesale & retail.

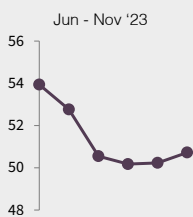
Backlogs of Work Index

sa, >50 = growth since previous month



PURCHASING AND INVENTORIES

Quantity of Purchases Index



Quantity of purchases

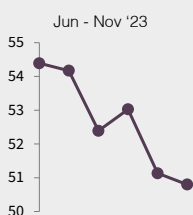
The volume of inputs ordered by non-energy private sector firms rose for the ninth month running in November. The rate of growth in the latest period accelerated but remained only modest.

Quantity of Purchases Index

sa, >50 = growth since previous month



Suppliers' Delivery Times Index



Suppliers' delivery times

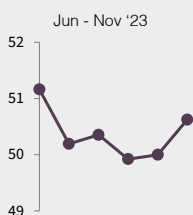
Supplier performance continued to improve in November as average lead times quickened for the nineteenth consecutive month, the longest sequence on record. That said, the seasonally adjusted Suppliers' Delivery Times Index fell to an eight-month low, to signal a slower rate of improvement. Supplier performance improved across three of the four main sectors, the exception being wholesale & retail.

Suppliers' Delivery Times Index

sa, >50 = faster times since previous month



Stocks of Purchases Index

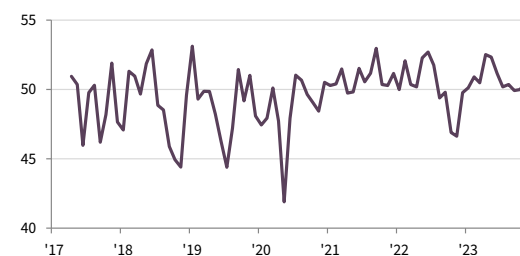


Stocks of purchases

The level of inputs held in stock in the non-energy private sector in November was higher compared with one month previously, with the seasonally adjusted Stocks of Purchases Index rising above the no-change threshold of 50.0. Inventory growth was driven by constructors and service providers.

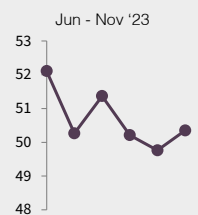
Stocks of Purchases Index

sa, >50 = growth since previous month



PRICES

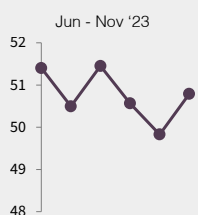
Overall Input Prices Index



Overall input prices

Average input prices paid by Qatari non-energy private sector firms rose in November, the tenth increase in the past 11 months. Firms reported higher labour and purchasing costs. That said, the overall rate of inflation was only marginal. Lower input prices in manufacturing and construction were offset by higher costs for service providers, wholesalers and retailers.

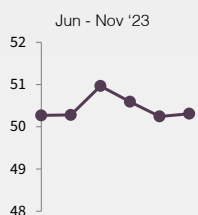
Purchase Prices Index



Purchase prices

Average purchase prices paid by non-energy private sector firms in Qatar were higher in November compared with the previous month. The seasonally adjusted Purchase Prices Index registered above 50.0, although it was below the long-run trend level of 51.6. The overall increase was mainly driven by manufacturers.

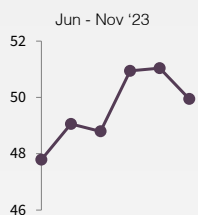
Staff Costs Index



Staff costs

Average wages and salaries paid by private sector non-energy companies in Qatar rose for the tenth month running in November. That said, the rate of wage inflation in the latest period remained only marginal. Service providers and construction companies drove the latest round of pay growth.

Output Prices Index



Output prices

Prices charged for goods and services by private sector firms in Qatar were broadly stable in November, following successive increases in September and October. Previously firms had discounted prices for four months, the longest sequence in four years. Higher output prices in the manufacturing and wholesale & retail sectors were offset by discounting in services and construction.

Overall Input Prices Index

sa, >50 = inflation since previous month



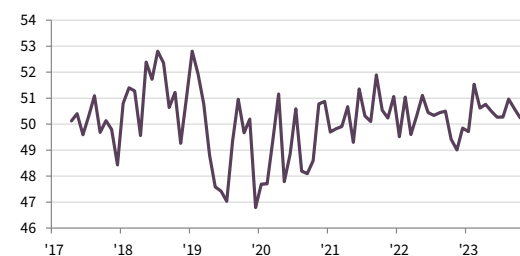
Purchase Prices Index

sa, >50 = inflation since previous month



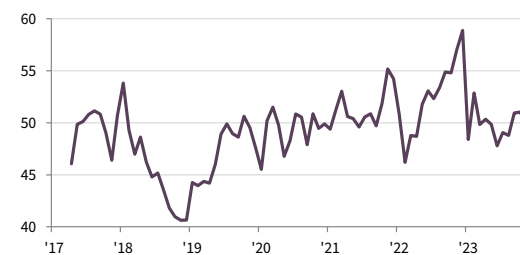
Staff Costs Index

sa, >50 = inflation since previous month



Output Prices Index

sa, >50 = inflation since previous month



FINANCIAL SERVICES

Financial services remains a leading sector in November

Growth of activity remains faster than wider economy

Slowest increase in new business for over a year

Fastest rise in input prices since January

Qatari financial services companies recorded another increase in total business activity in November. The seasonally adjusted Financial Services Business Activity Index posted 54.7, still comfortably above the overall private sector figure of 52.5 albeit the lowest in over two years.

Growth of total activity remained solid despite the slowest increase in new business in over a year. That said, demand was strong overall and more robust than the non-energy sector average, and the 12-month outlook for activity improved. Meanwhile, employment at financial services firms rose for the eighth month running.

In terms of prices, average input costs rose at the fastest rate since January, while charge inflation moderated.

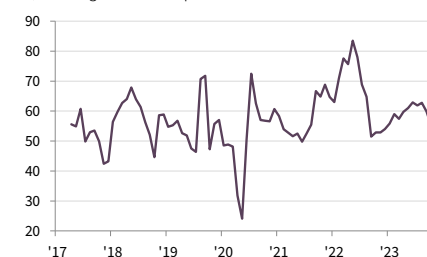
Business Activity Index

sa, >50 = growth since previous month



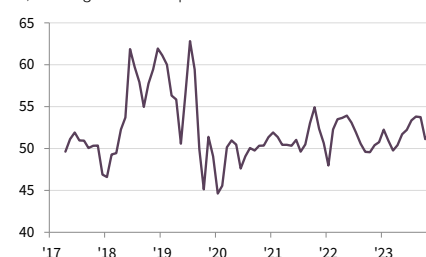
New Business Index

sa, >50 = growth since previous month



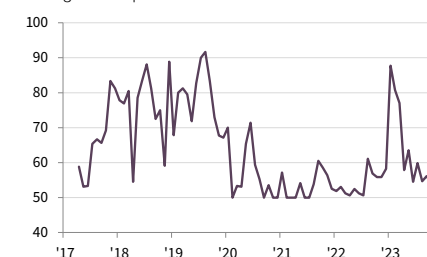
Employment Index

sa, >50 = growth since previous month



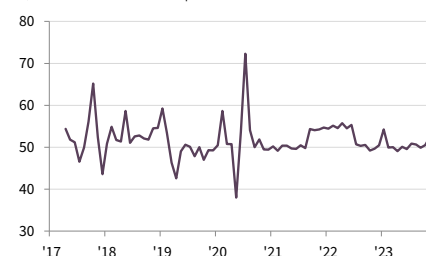
Future Activity Index

>50 = growth expected over next 12 months



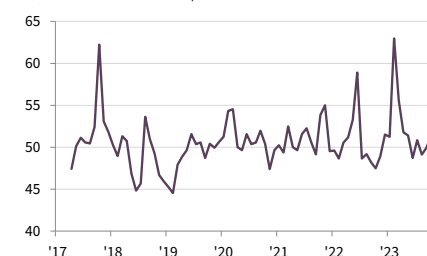
Input Prices Index

sa, >50 = inflation since previous month



Prices Charged Index

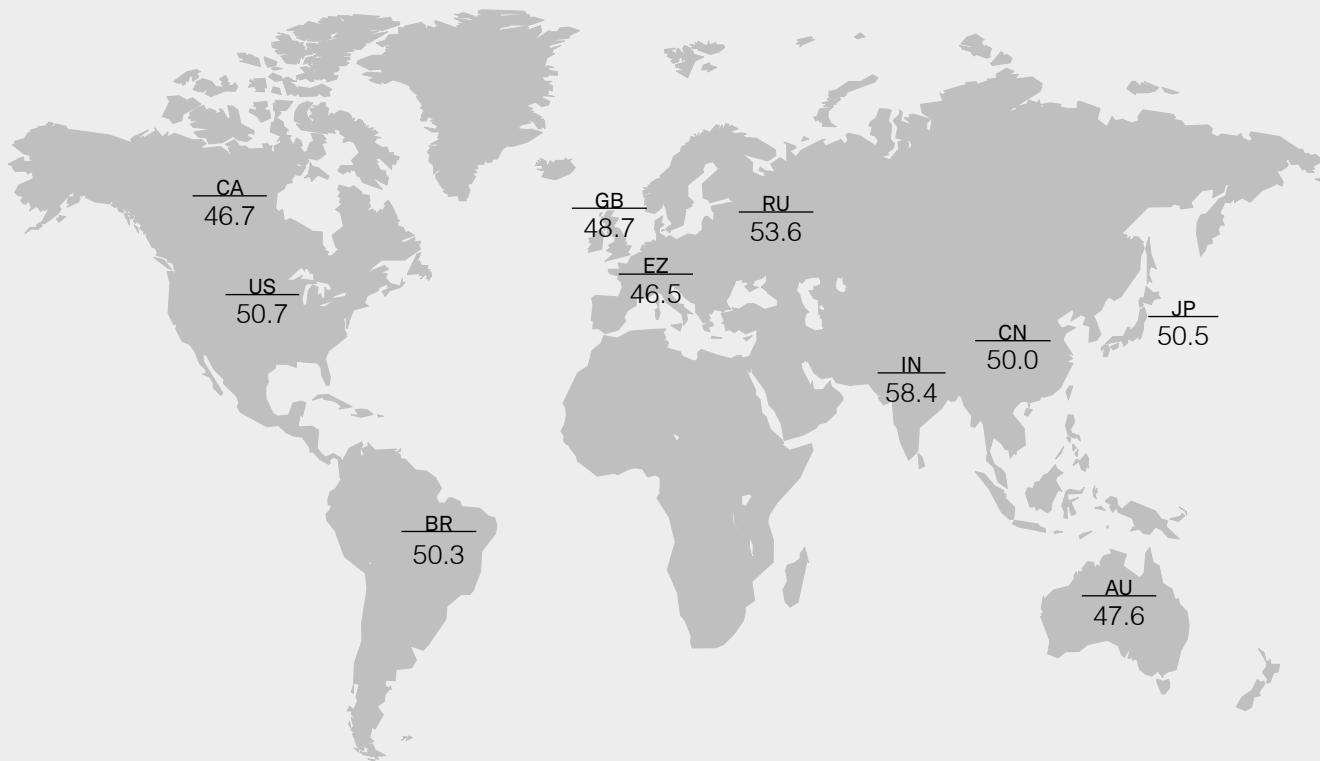
sa, >50 = inflation since previous month



INTERNATIONAL PMI

Composite Output Index, Oct '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.

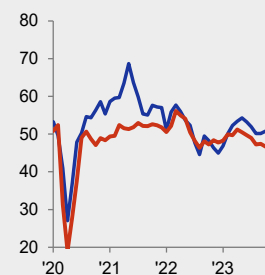


Composite Output Index

■ USA

■ Canada

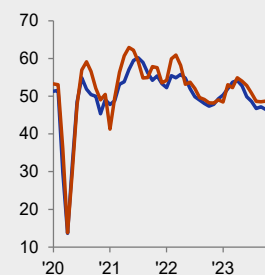
sa, >50 = growth



■ Eurozone

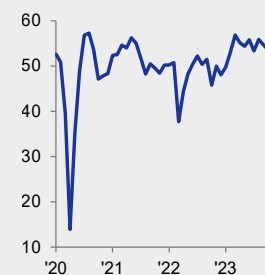
■ UK

sa, >50 = growth



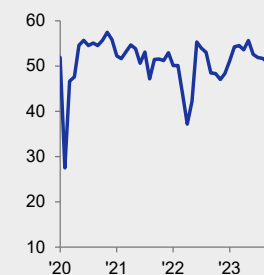
■ Russia

sa, >50 = growth



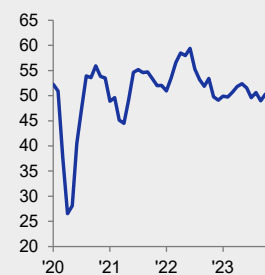
■ China

sa, >50 = growth



■ Brazil

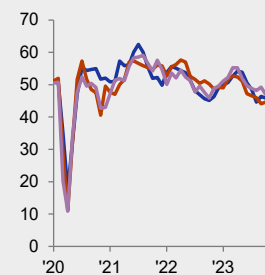
sa, >50 = growth



■ Germany ■ Italy

■ France

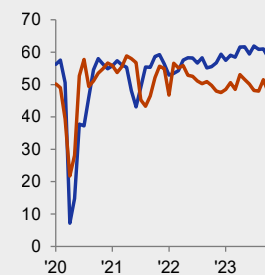
sa, >50 = growth



■ India

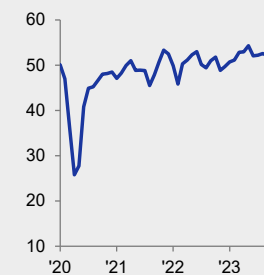
■ Australia

sa, >50 = growth



■ Japan

sa, >50 = growth



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@spglobal.com.

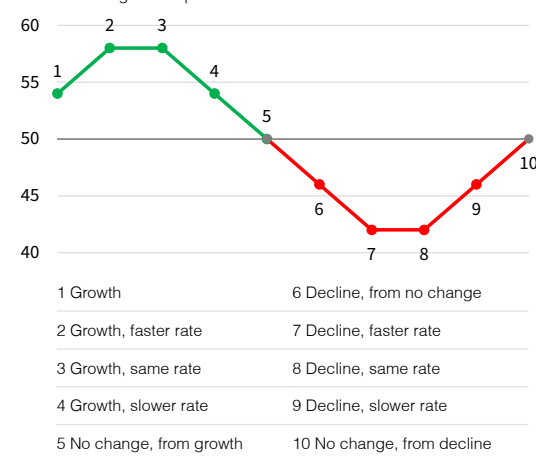
Survey dates and history

Data were collected 9-23 November 2023.

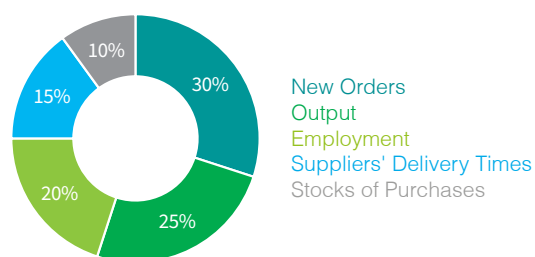
Survey data were first collected in April 2017.

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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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.

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