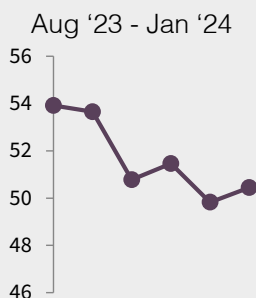




QATAR FINANCIAL CENTRE PMI



Higher volumes of output and new work at start of 2024

Outstanding business increases for second time in three months

Expectations for activity strengthen

Qatar's non-energy private sector registered improving business conditions in the opening month of 2024, according to the latest Purchasing Managers' Index™ (PMI®) survey data from Qatar Financial Centre (QFC). Volumes of output, new business and backlogs of work were all higher compared with December levels, while employment growth was maintained, and the 12-month business outlook strengthened. Meanwhile all four price indicators registered declines and supply chains continued to improve. Financial services showed signs of cooling with stable levels of both activity and new work.

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 50.4 in January, up from 49.8 in December. The latest figure was above the no-change mark of 50.0 and thereby signalled improving business conditions in the non-energy private sector economy.

Of the five components of the headline figure, output, new orders and employment all registered above 50.0 index readings in January, indicative of month-on-month expansions. These were partly offset by shorter suppliers' delivery times and a reduction in input stocks at non-energy private sector

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



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firms.

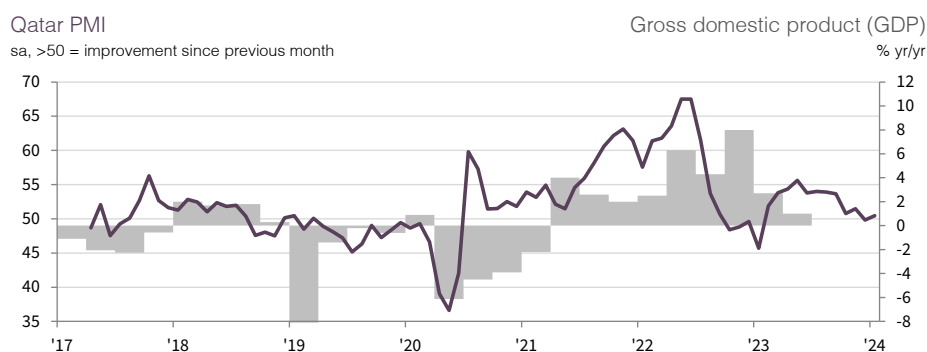
Demand conditions in Qatar's non-energy economy grew in the first month of 2024, building on solid growth on average across 2023. Firms that reported greater sales cited new customers, promotional campaigns, competitive pricing and tourism related to the AFC Asian Cup. The renewed rise in demand contributed to a brighter 12-month outlook than at the end of 2023.

Improving inflows of new work translated into a renewed rise in total activity in January. The rate of growth was not as strong as that seen on average throughout 2023, however, which partly explained a rise in outstanding business during the month. Backlogs of work have

risen twice in the past three months, highlighting some pressure on operating capacity.

Qatari firms continued to raise employment, extending the current sequence of growth to 11 months. Purchases of inputs fell for the first time over the same period, however, as firms reported sufficient inventory levels. Input stocks fell the most since November 2022. This further alleviated pressure on supply chains, as lead times shortened for the twenty-first successive month.

Average input prices fell in January, driven by both wages and purchase costs. Output prices fell for the third straight month, and the most since last June.



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

COMMENT

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

"The first batch of PMI data for 2024 signalled improving business conditions for Qatari non-energy firms, following a solid economic expansion in 2023.

"There were renewed expansions in output and new orders in January, following brief pauses at the end of 2023. Moreover, demand was strong enough to generate an increase in outstanding business, only the

second occurrence of rising backlogs over the past year-and-a-half.

"The latest data also signalled waning price pressures, with all four price indicators – overall input prices, staff costs, purchase prices and output prices – posting below the neutral 50.0 level.

"Another positive fact from the latest survey was a strengthening in companies' expectations for the next 12 months."

OUTPUT AND DEMAND

Output

January survey data signalled a renewed increase in the volume of business activity in the Qatari non-energy private sector. The seasonally adjusted Output Index registered above the neutral mark of 50.0, indicating growth. Activity has risen in every month since July 2020 except for brief corrections in January and December 2023.

Output Index

sa, >50 = growth since previous month



New orders

Inflows of new business expanded for the eleventh time in the past 12 months in January. Firms reported an improvement in demand, which they linked to new customers, promotional campaigns, competitive pricing and tourism related to the AFC Asian Cup.

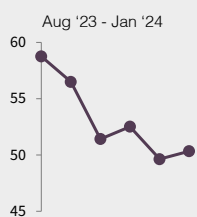
New Orders Index

sa, >50 = growth since previous month

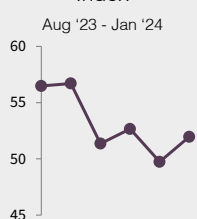


Sector data signalled notably strong demand in construction and wholesale & retail.

Output Index



New Orders Index

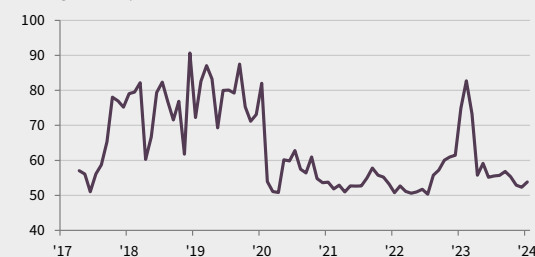


BUSINESS EXPECTATIONS

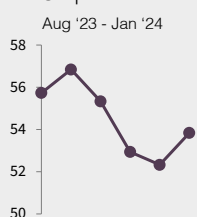
Business sentiment in the Qatari non-energy private sector economy remained positive in January, and strengthened over the month. Firms reported working on new marketing and recruitment campaigns. Output expectations were strongest in the wholesale & retail sector.

Future Output Index

>50 = growth expected over next 12 months

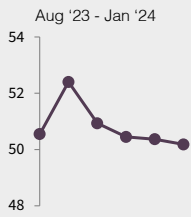


Future Output Index



EMPLOYMENT AND CAPACITY

Employment Index



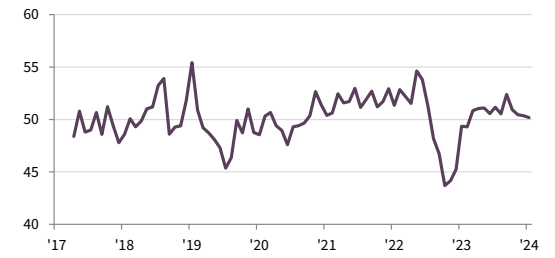
Employment

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

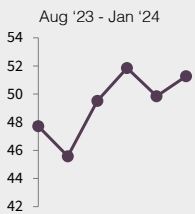
Sub-sector data signalled recruitment growth in manufacturing and wholesale & retail.

Employment Index

sa, >50 = growth since previous month



Backlogs of Work Index



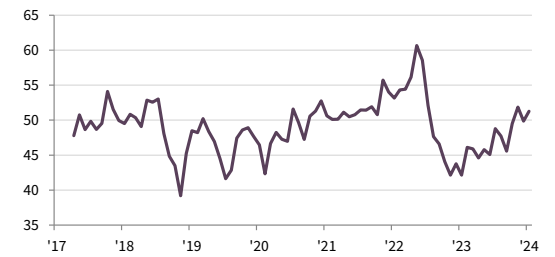
Backlogs of work

Non-energy private sector firms in Qatar registered a higher level of outstanding business in January compared with one month ago. This marked only the second increase in the past 18 months.

Levels of incomplete work rose across all four sub-sectors monitored, with the strongest increase in manufacturing.

Backlogs of Work Index

sa, >50 = growth since previous month



PURCHASING AND INVENTORIES

Quantity of purchases

The volume of inputs ordered by non-energy private sector firms fell for the first time in 11 months in January. The rate of decline was only modest, however, as fewer than 4% of panellists trimmed buying levels.

Quantity of Purchases Index

sa, >50 = growth since previous month

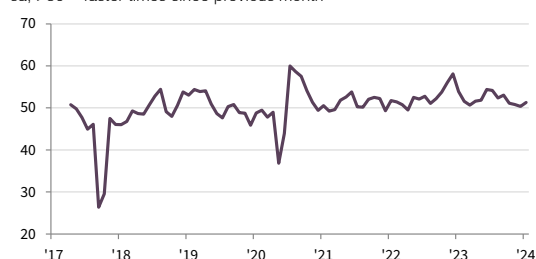


Suppliers' delivery times

Supplier performance continued to improve in January. Average lead times have shortened in every month since May 2022, the longest sequence on record. Moreover, the seasonally adjusted Suppliers' Delivery Times Index rose since December, signalling a better performance than at the end of 2023. Supplier performance improved across all four main sectors, and to the greatest degree in manufacturing.

Suppliers' Delivery Times Index

sa, >50 = faster times since previous month

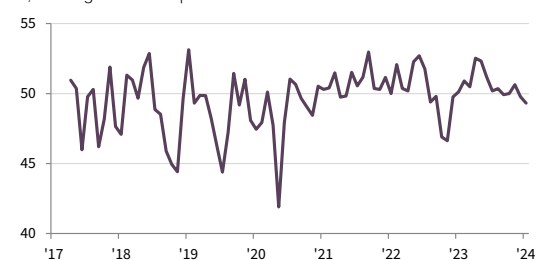


Stocks of purchases

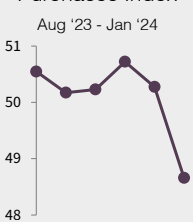
The level of inputs held in stocks in the non-energy private sector fell further in January, with the seasonally adjusted Stocks of Purchases Index registering below the no-change threshold of 50.0 for the second successive month. The rate of decline was modest overall, but the fastest since November 2022.

Stocks of Purchases Index

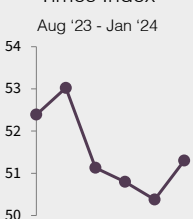
sa, >50 = growth since previous month



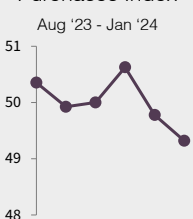
Quantity of Purchases Index



Suppliers' Delivery Times Index

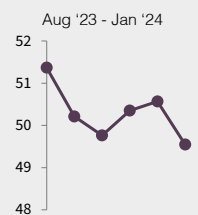


Stocks of Purchases Index



PRICES

Overall Input Prices Index



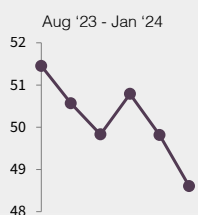
Overall input prices

Average input prices paid by Qatari non-energy private sector firms fell in January. Costs have decreased twice in the past four months. That said, the overall rate of reduction was only marginal in January. Cost pressures were weakest in services and strongest in manufacturing.

Overall Input Prices Index



Purchase Prices Index



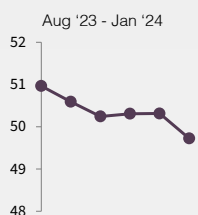
Purchase prices

Average purchase prices paid by non-energy private sector firms in Qatar were lower in January compared with the previous month. The seasonally adjusted Purchase Prices Index registered further below the 50.0 threshold and remained below the long-run trend level of 51.6.

Purchase Prices Index



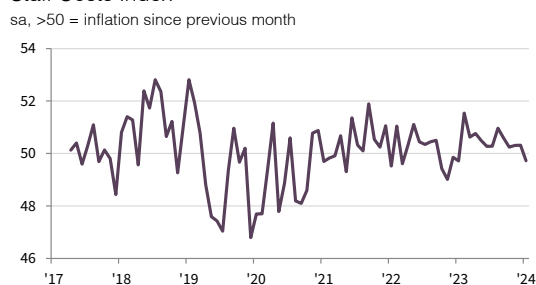
Staff Costs Index



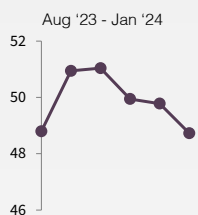
Staff costs

Average wages and salaries paid by private sector non-energy companies in Qatar fell for the first time in 12 months in January. That said, the rate of wage cuts in the latest period was only marginal.

Staff Costs Index



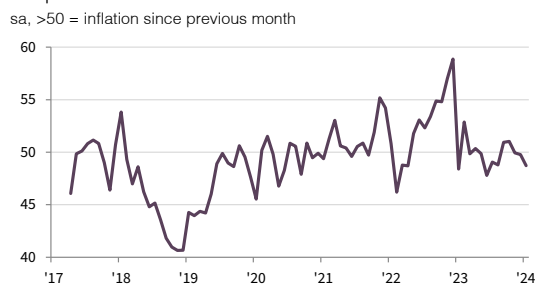
Output Prices Index



Output prices

Prices charged by private sector firms in Qatar fell further in January. Moreover, the rate of discounting was the strongest since last June. Higher output prices in construction and wholesale & retail compared with discounting in services and no change in manufacturing.

Output Prices Index



FINANCIAL SERVICES

Financial services sector broadly stable in January

Stable volumes of activity and new business at start of 2024

Financial services employment continues to increase

Charges for financial services fall for first time in four months

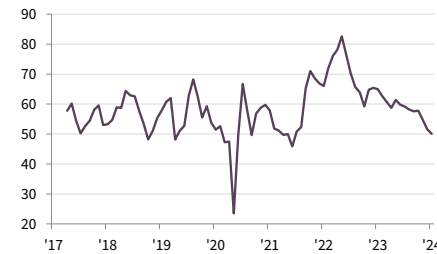
Qatari financial services companies recorded broadly stable volumes of total business activity and new contracts in January. The seasonally adjusted Financial Services Business Activity and New Business Indexes posted 50.1 and 50.2 respectively, signalling broadly no change since December. Companies remained optimistic on the 12-month outlook for activity.

Meanwhile, employment at financial services firms rose for the tenth month running, albeit at a slower rate.

In terms of prices, average charges set by financial services companies fell for the first time in four months, while cost inflation in the sector eased further.

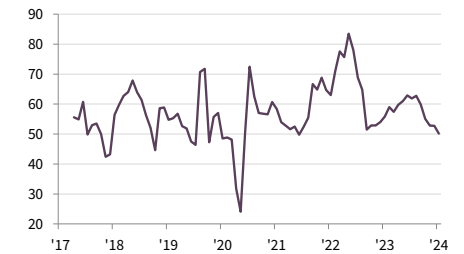
Business Activity Index

sa, >50 = growth since previous month



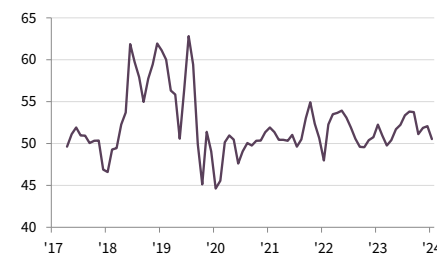
New Business Index

sa, >50 = growth since previous month



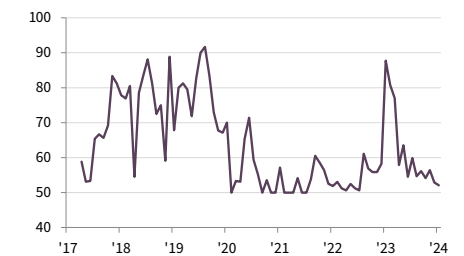
Employment Index

sa, >50 = growth since previous month



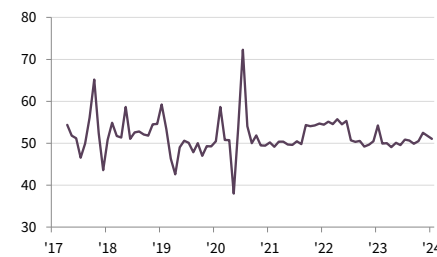
Future Activity Index

>50 = growth expected over next 12 months



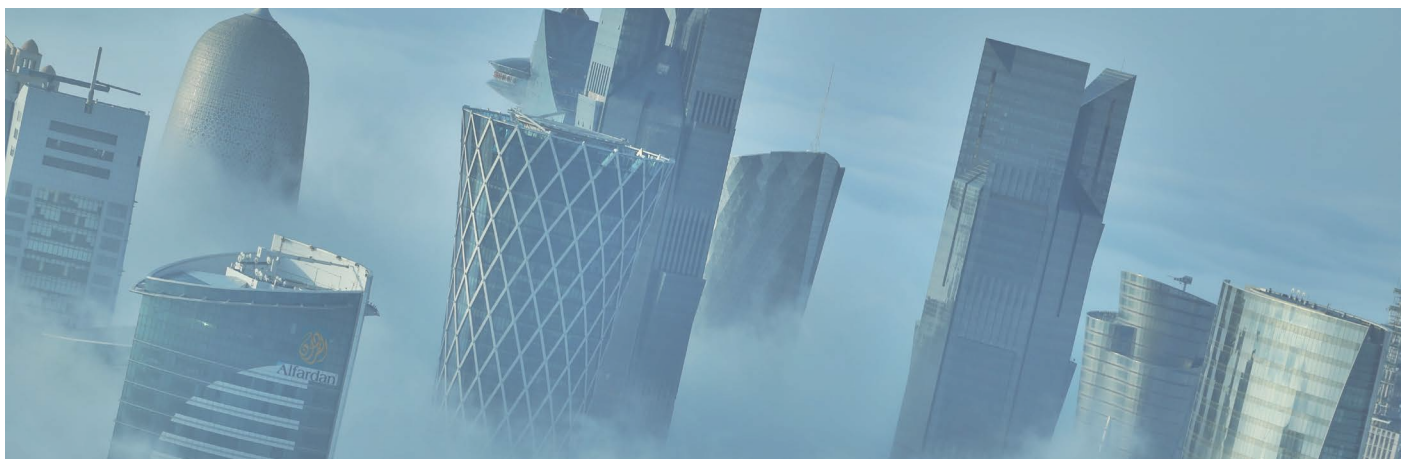
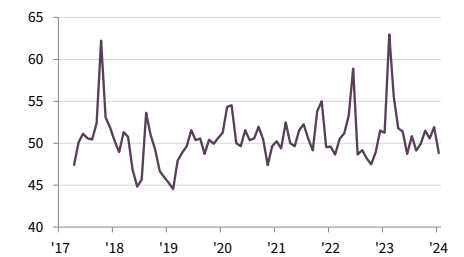
Input Prices Index

sa, >50 = inflation since previous month



Prices Charged Index

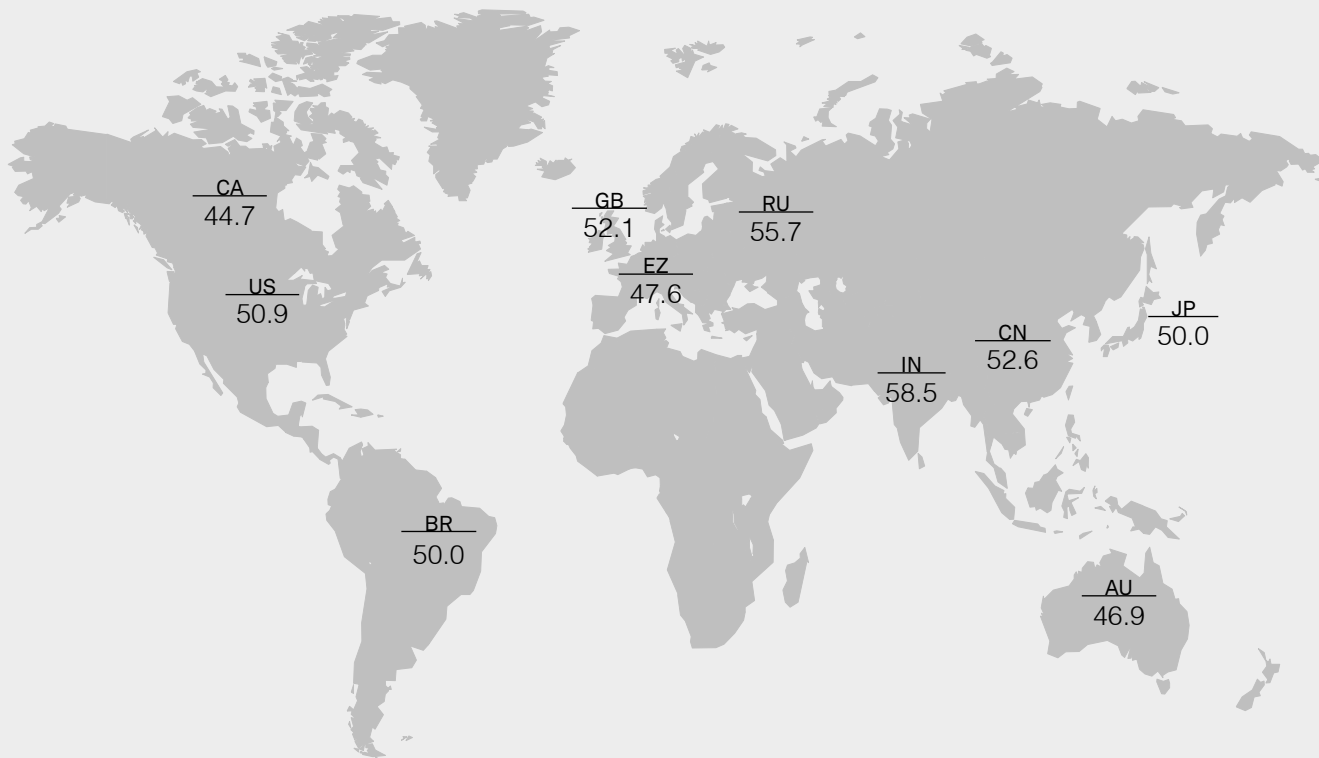
sa, >50 = inflation since previous month



INTERNATIONAL PMI

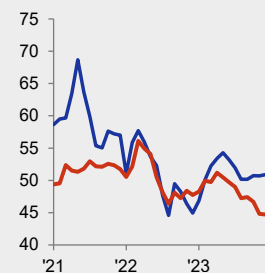
Composite Output Index, Dec '23
sa, >50 = growth since previous month

The Composite Output Index is a GDP-weighted average of the Manufacturing Output Index and the Services Business Activity Index.

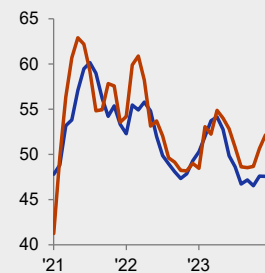


Composite Output Index

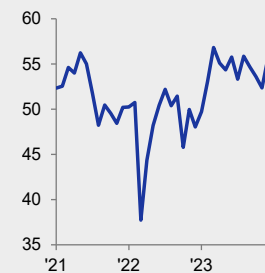
■ USA
■ Canada
sa, >50 = growth



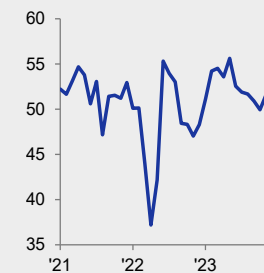
■ Eurozone
■ UK
sa, >50 = growth



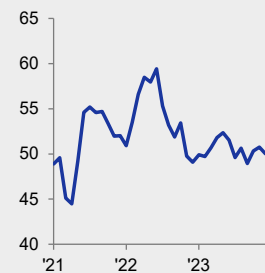
■ Russia
sa, >50 = growth



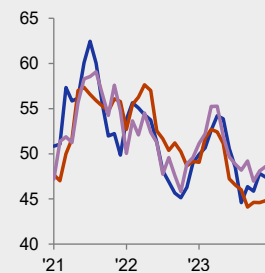
■ China
sa, >50 = growth



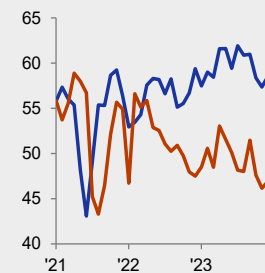
■ Brazil
sa, >50 = growth



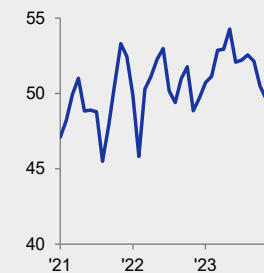
■ Germany ■ Italy
■ France
sa, >50 = growth



■ 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.

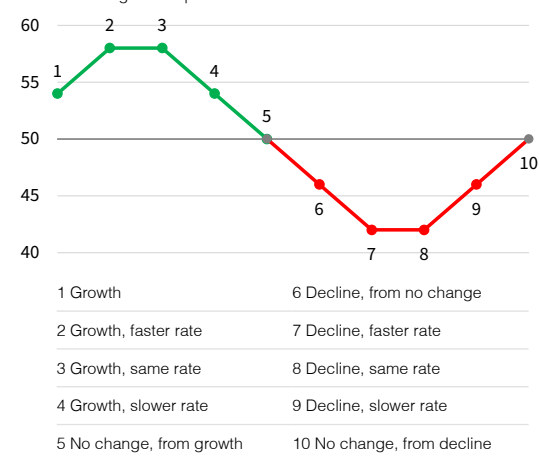
Survey dates and history

Data were collected 11-24 January 2024.

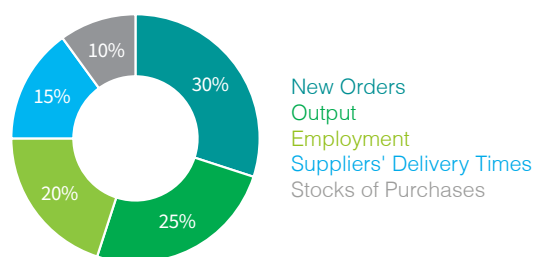
Survey data were first collected in April 2017.

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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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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