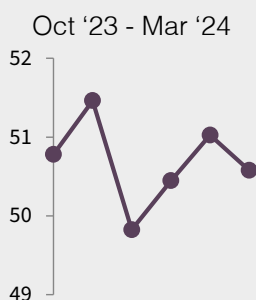




QATAR FINANCIAL CENTRE PMI



Further increases in output and new business

Companies increase employment and purchasing activity

Strong rise in output prices as firms seek to raise profits

Qatar's non-energy private sector recorded a further improvement in business conditions in March, according to the latest Purchasing Managers' Index™ (PMI®) survey data from Qatar Financial Centre (QFC) compiled by S&P Global. Output, new orders, employment and purchasing activity all increased since February. Companies completed volumes of outstanding work at the fastest rate in six months, and the 12-month outlook remained positive. Cost pressures remained stable, with average input costs broadly unchanged since February. Meanwhile, charges rose at the strongest rate since February 2023.

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 50.6 in March, down slightly from 51.0 in February. The latest figure remained above the no-change mark of 50.0 and thereby signalled a sustained improvement in business conditions in the non-energy private sector economy.

The three largest components of the PMI – output, new orders and employment – all registered above 50.0 index readings in March, indicative of

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



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OVERVIEW CONTINUED...

month-on-month expansions. As has been the case for the past four months, shorter suppliers' delivery times and a reduction in input stocks both weighed slightly on the headline figure.

Demand for goods and services in Qatar's non-energy economy continued to expand in March. Firms linked growth to new customers, competitiveness and high quality products. The rate of growth eased slightly, enabling a faster reduction in the volume of outstanding business.

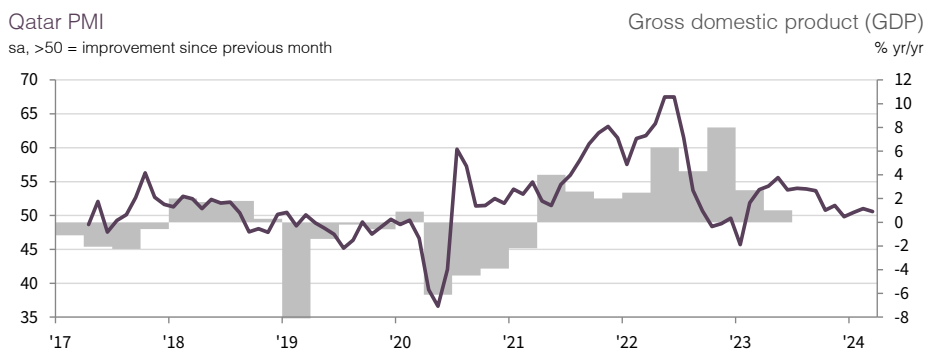
Total activity increased further in March. Growth over the first quarter as a whole was broadly comparable to that registered in the fourth quarter of 2023.

Looking ahead towards the next 12 months, companies were optimistic on growth in March. Overall sentiment was linked to new clients, development

strategies and efforts to raise profitability.

Qatari firms continued to expand their workforces, extending the current sequence of growth to over a year. Purchases of inputs rose for the first time in three months, albeit only slightly, as firms continued to deplete inventories. Pressure on supply chains remained limited as lead times were shortened for the twenty-third successive month.

Average input prices were broadly stable in March, with similar trends for both wages and purchase costs. Output prices rose for the first time in five months, however, and at the fastest rate since February 2023. This suggested improving profitability at Qatari non-energy private sector firms at the end of the first quarter.



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 remained firmly in stable territory in March, reflecting further growth in output, new orders and employment in the Qatari non-energy economy. In the first quarter of 2024 the headline index has trended in line with the average for the fourth

quarter of 2023, indicating sustained economic growth.

"The latest data also signalled improving profitability. Input costs were broadly flat over the month, but charges for Qatari goods and services rose the most in over a year, pointing to higher margins."

OUTPUT AND DEMAND

Output

Latest survey data signalled a further increase in the volume of business activity in the Qatari non-energy private sector in March, as signalled by the seasonally adjusted Output Index remaining above the neutral mark of 50.0. Activity has risen in every month since July 2020 except for brief corrections in January and December 2023. Growth was strongest in construction.

Output Index

sa, >50 = growth since previous month



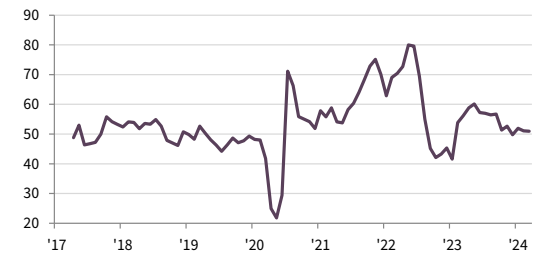
New orders

Inflows of new business expanded for the thirteenth time in the past 14 months in March, at a rate broadly similar to the previous month. Firms linked growth to new customers, competitiveness and high quality products.

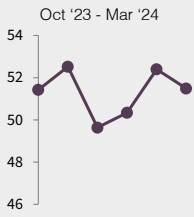
Sector data signalled that the services sector was the main driver of new business growth in March.

New Orders Index

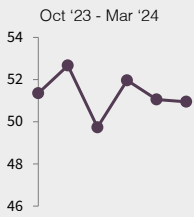
sa, >50 = growth since previous month



Output Index
Oct '23 - Mar '24



New Orders Index
Oct '23 - Mar '24

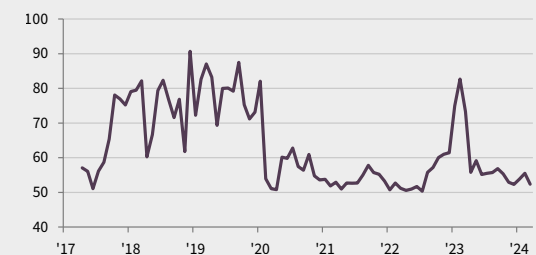


BUSINESS EXPECTATIONS

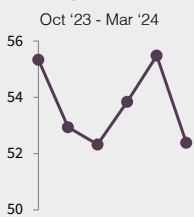
Business sentiment in the Qatari non-energy private sector economy remained positive in March, but moderated since February. Overall sentiment was linked to new clients, development strategies and efforts to raise profitability. Output expectations were strongest in the manufacturing sector.

Future Output Index

>50 = growth expected over next 12 months

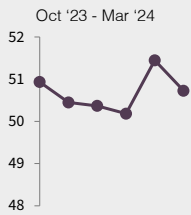


Future Output Index
Oct '23 - Mar '24



EMPLOYMENT AND CAPACITY

Employment Index



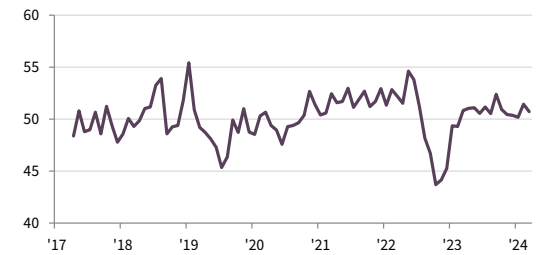
Employment

Companies continued to expand their workforces on average in March, as the seasonally adjusted Employment Index signalled growth for the thirteenth straight month. The rate of job creation eased from February's five-month high, but remained above the long-run trend.

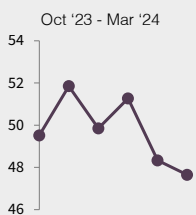
Sub-sector data signalled that recruitment was driven by the manufacturing and wholesale & retail sectors.

Employment Index

sa, >50 = growth since previous month



Backlogs of Work Index



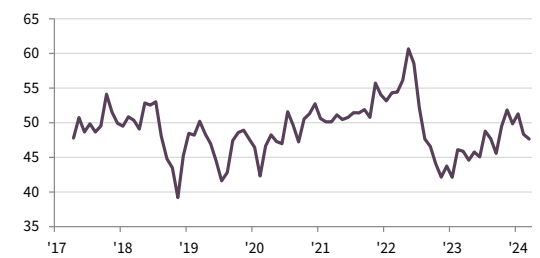
Backlogs of work

Non-energy private sector firms in Qatar registered the fastest completion of outstanding business in six months in March. Backlogs have fallen 18 times in the past 20 months.

Levels of incomplete work fell across all four sub-sectors monitored, most notably in construction.

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 rose for the first time in three months in March. The rate of growth was modest overall, but the second-fastest in seven months.

Suppliers' delivery times

Supplier performance continued to improve in March. Average lead times have shortened in every month since May 2022, the longest sequence on record. The seasonally adjusted Suppliers' Delivery Times Index rose since February, signalling a greater improvement in performance. Input delivery times improved most in the construction sector.

Stocks of purchases

The level of inputs held in stock in the non-energy private sector fell further in March, with the seasonally adjusted Stocks of Purchases Index registering below the no-change threshold of 50.0 for the fourth successive month. The rate of decline was marginal overall, however, and eased further since the start of the year.

Quantity of Purchases Index

sa, >50 = growth since previous month



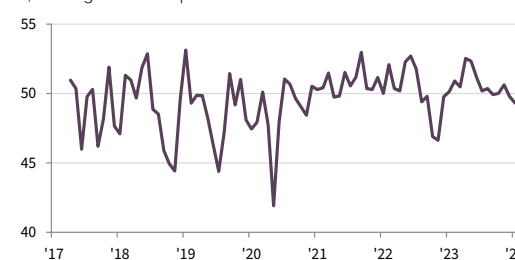
Suppliers' Delivery Times Index

sa, >50 = faster times since previous month



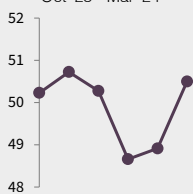
Stocks of Purchases Index

sa, >50 = growth since previous month



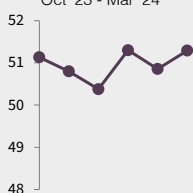
Quantity of Purchases Index

Oct '23 - Mar '24



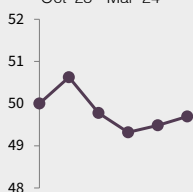
Suppliers' Delivery Times Index

Oct '23 - Mar '24



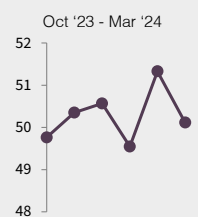
Stocks of Purchases Index

Oct '23 - Mar '24



PRICES

Overall Input Prices Index



Overall input prices

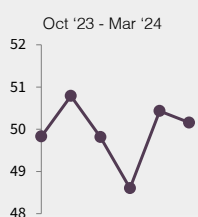
Average input prices paid by Qatari non-energy private sector firms were broadly unchanged in March, following a rise in February. The seasonally adjusted Overall Input Prices Index remained below its long-run survey average of 51.6. Input costs fell in manufacturing, rose in construction and were broadly stable elsewhere.

Overall Input Prices Index

sa, >50 = inflation since previous month



Purchase Prices Index

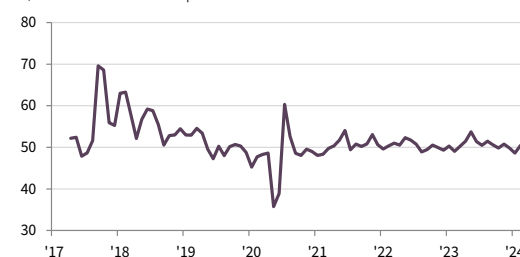


Purchase prices

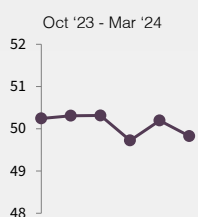
Average purchase prices paid by non-energy private sector firms in Qatar were little-changed in March compared with the previous month. The seasonally adjusted Purchase Prices Index registered fractionally above the 50.0 threshold, but remained below the long-run trend level of 51.6.

Purchase Prices Index

sa, >50 = inflation since previous month



Staff Costs Index

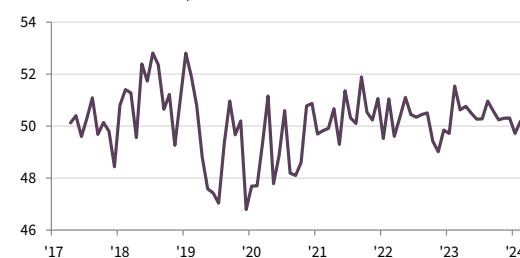


Staff costs

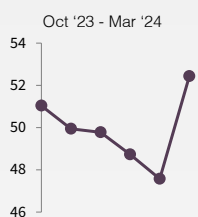
Average wages and salaries paid by private sector non-energy companies in Qatar were little-changed in March, and on average over the first quarter of 2024 as a whole. Manufacturing bucked the overall trend with a rise in labour costs in the latest period.

Staff Costs Index

sa, >50 = inflation since previous month



Output Prices Index

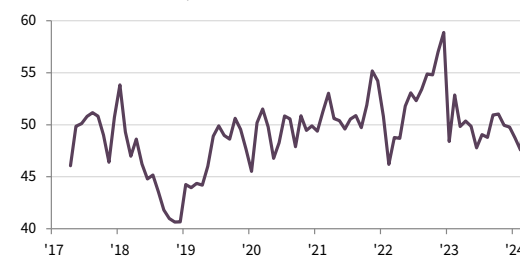


Output prices

Prices charged by private sector firms in Qatar rose in March, following four successive months of discounting. A number of firms linked higher charges to efforts to boost profits. Moreover, the rate of inflation was the strongest since February 2023. The construction sector was the main source of rising charges in March.

Output Prices Index

sa, >50 = inflation since previous month



FINANCIAL SERVICES

Financial services maintains expansion

Further growth in activity and new business in March

12-month outlook strengthens

Prices charged and costs both fall

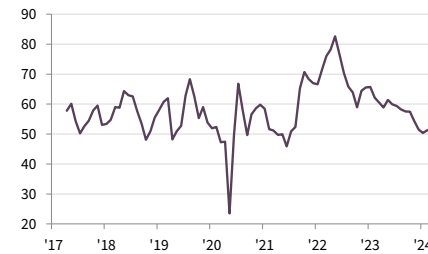
Qatari financial services companies recorded further growth in volumes of total business activity and new contracts in March. The seasonally adjusted Financial Services Business Activity and New Business Indexes posted 51.2 and 50.7 respectively. Companies were also the most optimistic regarding the 12-month outlook for activity for four months.

Meanwhile, employment at financial services firms rose for the twelfth month running, albeit at a slightly softer rate.

In terms of prices, average charges set by financial services companies fell for the third month running. Meanwhile average input prices fell for the first time in six months.

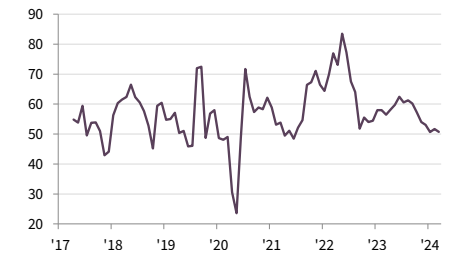
Business Activity Index

sa, >50 = growth since previous month



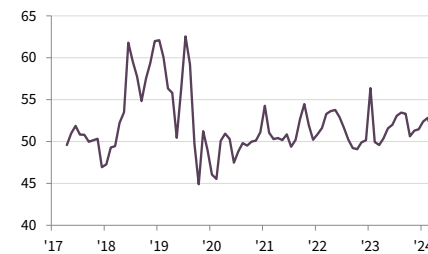
New Business Index

sa, >50 = growth since previous month



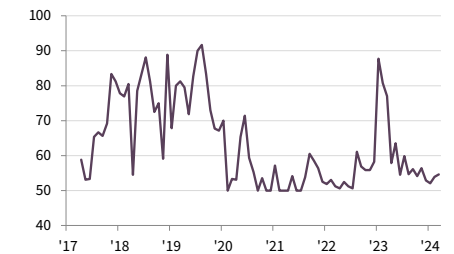
Employment Index

sa, >50 = growth since previous month



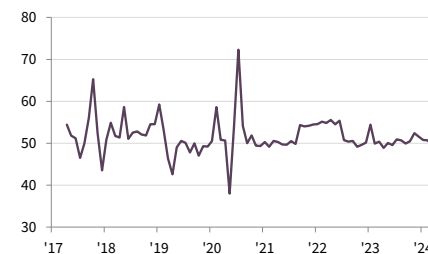
Future Activity Index

>50 = growth expected over next 12 months



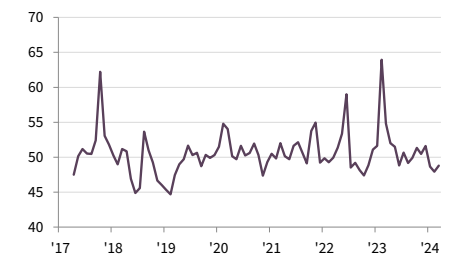
Input Prices Index

sa, >50 = inflation since previous month



Prices Charged Index

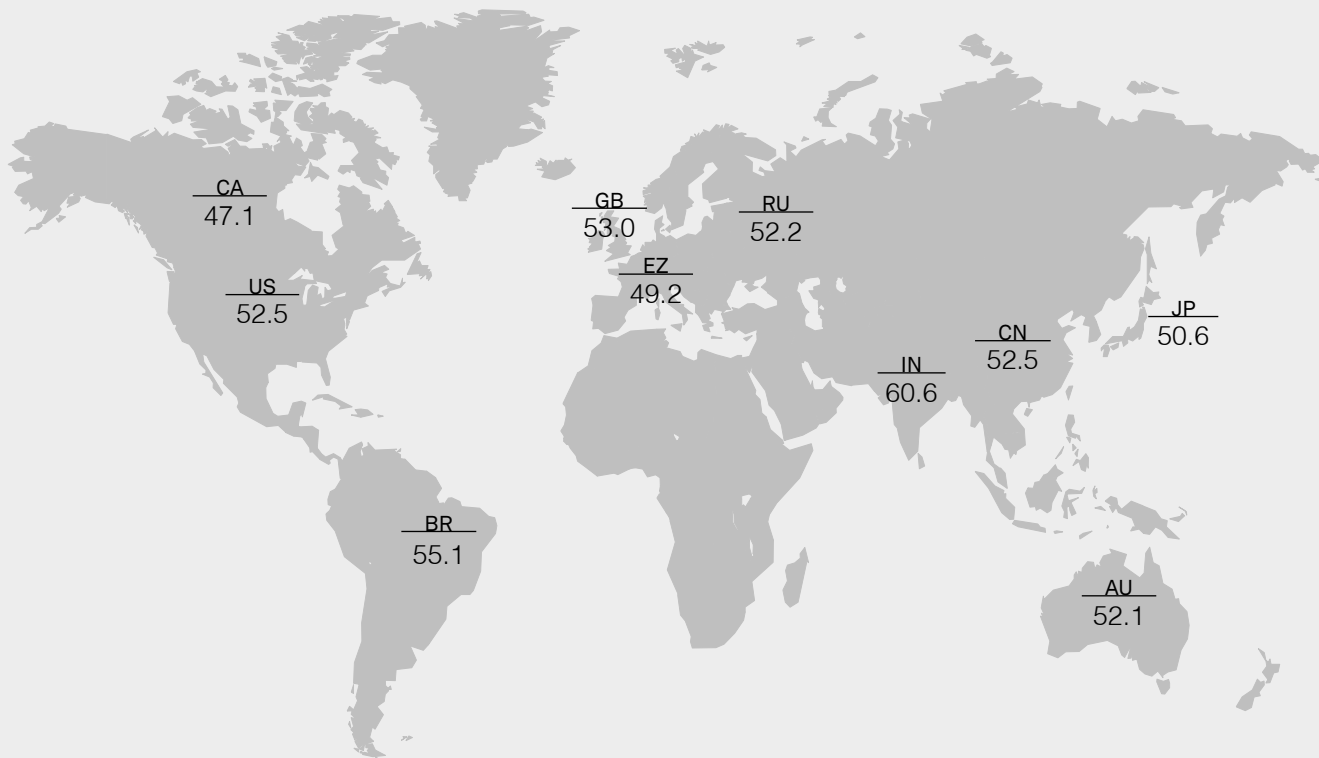
sa, >50 = inflation since previous month



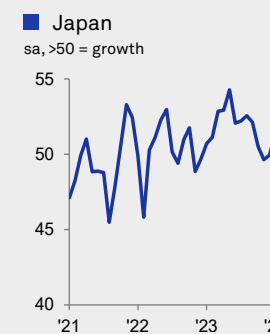
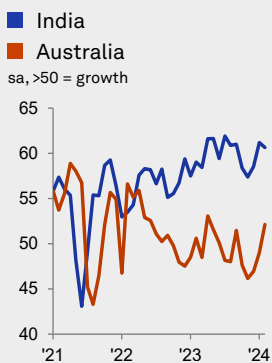
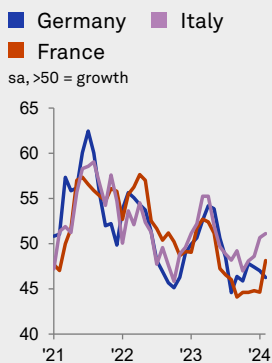
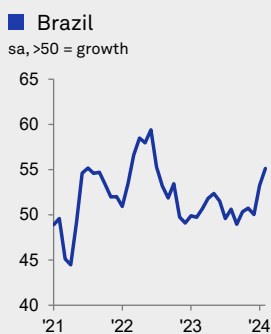
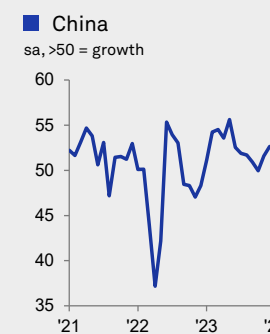
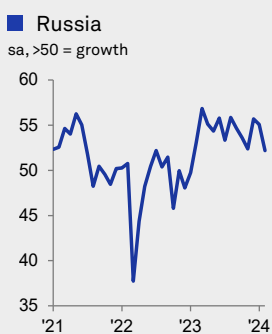
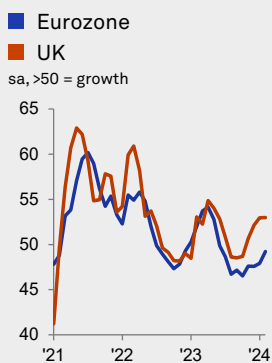
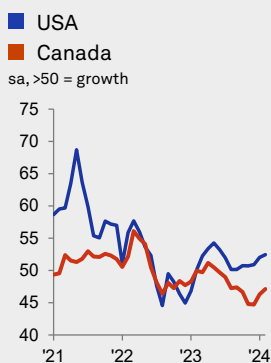
INTERNATIONAL PMI

Composite Output Index, Feb '24
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



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.

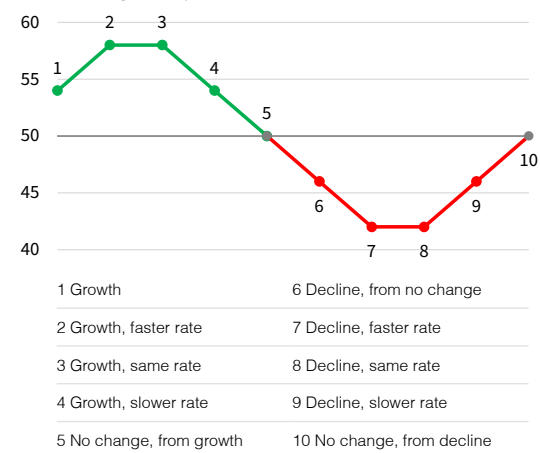
Survey dates and history

Data were collected 12-22 March 2024.

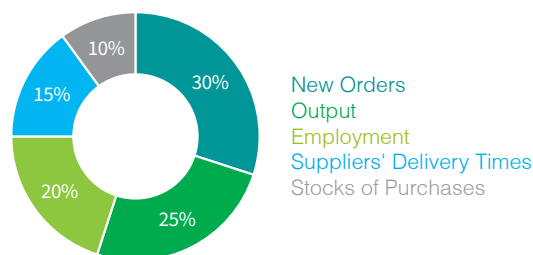
Survey data were first collected in April 2017.

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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www.spglobal.com

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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