Embargoed until 1200 AST (0900 UTC) 3 October 2023

مركز قطر للمال
Qatar Financial Centre

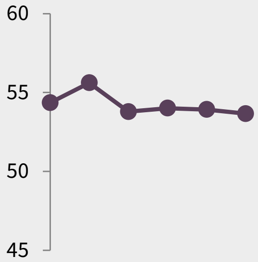
QATAR FINANCIAL CENTRE PMI™

Qatari non-energy firms boost employment in September

QATAR FINANCIAL CENTRE PMI

Sep '23
53.7
Aug: 53.9

Apr - Sep '23



- Fastest rise in non-energy jobs since June 2022
- Strong growth in total activity and new business
- Output expectations improve in September

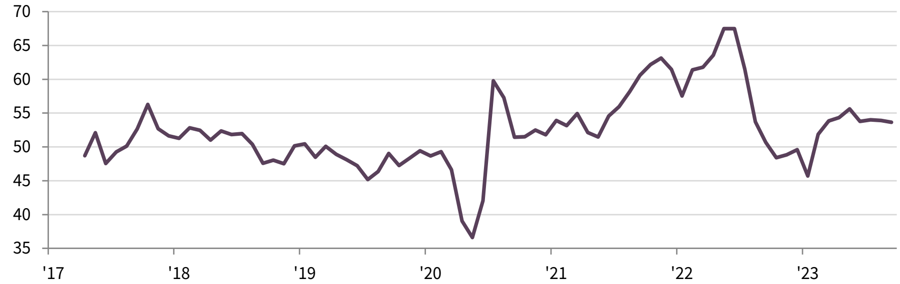
The latest Purchasing Managers' Index™ (PMI™) survey data from Qatar Financial Centre (QFC) signalled strong and stable non-energy private sector expansion in September. Further solid increases were recorded in output and new orders, while employment rose at the fastest rate since June 2022 and the 12-month outlook strengthened. Cost pressures remained modest, while selling prices rose for the first time in five months.

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 53.7 in September, little-changed from 53.9 in August and indicating another strong improvement in business conditions. The latest figure was above the average for 2023 so far (53.0) and the long-run trend since 2017 (52.4). The PMI has remained in a narrow range of 53.7-55.6 since March, indicating stable, solid economic growth.

Non-oil private sector employment expanded for the seventh month running in September, and at the fastest rate since June 2022. Companies reported efforts to gain experienced, highly qualified employees. Three of the four main monitored sectors registered solid increases in staffing, as did financial services.

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



PMI™ by S&P Global

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OVERVIEW CONTINUED...

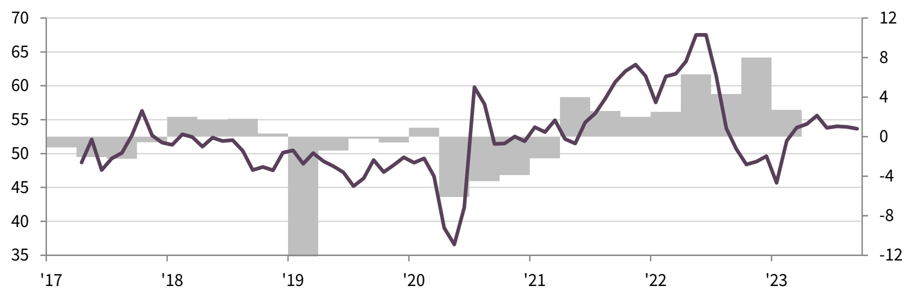
New business increased for the eighth successive month in September, and the rate of growth stabilised at a strong pace. Construction provided a notable boost to demand during the month.

Total business activity among Qatari non-energy private sector firms rose further. 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 softer than in each of the prior four months, but still stronger than the long-run average.

The 12-month outlook for the non-energy private sector improved in September. Expectations were strongest among manufacturers and construction firms.

Purchasing of inputs expanded for the seventh consecutive month in September, but supply chains continued to improve as average lead times fell for the seventeenth successive month, a series-record sequence. Input inventories were broadly stable, as companies continued to manage stock levels efficiently.

Price pressures were modest in September with all four price indices printing only just above the no-change mark of 50.0. Prices charged for goods and services rose for the first time in five months, led by the manufacturing sector.



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

COMMENT

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

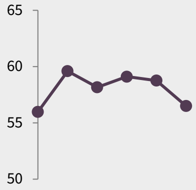
"The Qatar PMI continued its steady run in September, coming in at 53.7 and indicating another strong improvement in business conditions. Growth over the third quarter as a whole softened slightly compared with the second quarter, but remained comfortably above the long-run trend of the survey's six-and-a-half year history.

"While output and new business continued to expand at robust rates, it was employment that was the main highlight in September, with the rate of hiring growth the best since mid-2022. At the sector level, construction is showing signs of resurgence following a relatively quiet 12 months, with new orders rising more steeply than any other sector in September.

"The soft patch in the PMI immediately following the FIFA World Cup in early-2023 was recently corroborated by the latest GDP figures, where annual growth slowed to 2.7% in the first quarter. The PMI is signaling a subsequent uplift to GDP growth in the second and third quarters."

OUTPUT AND DEMAND

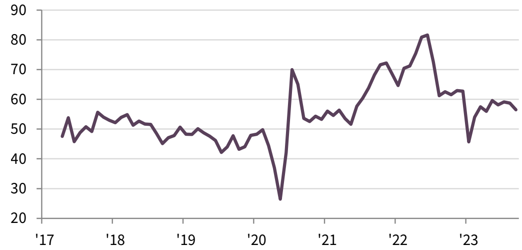
Output
Index
Apr - Sep '23



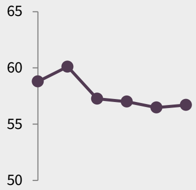
Output

September data recorded an eighth successive monthly expansion in business activity in the Qatari non-energy private sector. The seasonally adjusted Output Index eased since August but still signalled a strong pace of increase, above both the trend for 2023 so far and the long-run series average. Latest data signalled solid rates of growth across all four main sectors.

Output Index
sa, >50 = growth since previous month



New Orders
Index
Apr - Sep '23



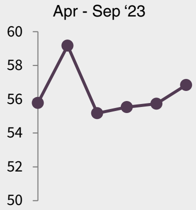
New orders

Growth of new business remained marked in September, with the rate of expansion ticking up slightly since August. New orders have risen every month since February. The fastest increases in demand by sector were seen in construction and wholesale & retail.

New Orders Index
sa, >50 = growth since previous month

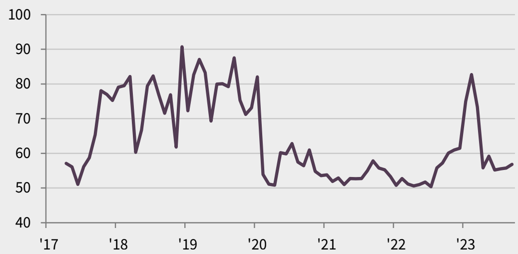
BUSINESS EXPECTATIONS

Future
Output Index
Apr - Sep '23



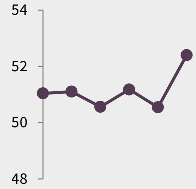
Business sentiment in the Qatari non-energy private sector economy remained positive in September, and the overall degree of confidence was the highest since May. Output expectations were strongest in the manufacturing and construction sectors.

Future Output Index
>50 = growth expected over next 12 months

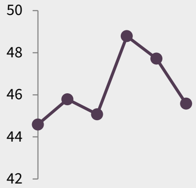


EMPLOYMENT AND CAPACITY

Employment Index
Apr - Sep '23



Backlogs of Work Index
Apr - Sep '23



Employment

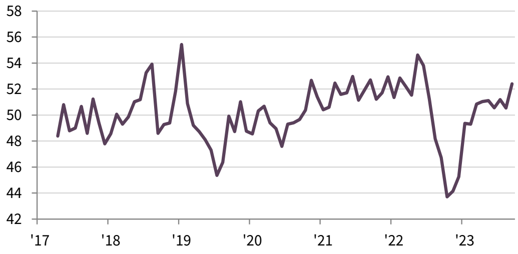
Companies continued to expand their workforces on average in September, as the seasonally adjusted Employment Index signalled growth for the seventh straight month. Moreover, the rate of job creation accelerated sharply since the prior month, to the highest since June 2022. Companies reported efforts to gain experienced, highly qualified employees. Three sectors registered solid gains in workforces, the exception being wholesale & retail where staff levels were stable.

Backlogs of work

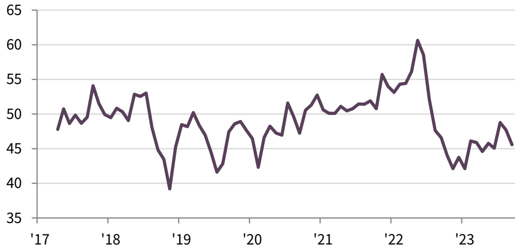
Non-energy private sector firms in Qatar reduced their levels of outstanding business for the fourteenth month running in September. The rate of decline accelerated further since July, and was in line with the strong average over the current sequence.

By sector, outstanding work declined sharpest in construction, but rose in wholesale & retail.

Employment Index
sa, >50 = growth since previous month

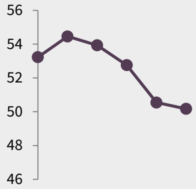


Backlogs of Work Index
sa, >50 = growth since previous month



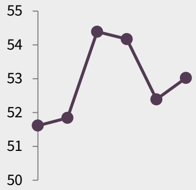
Quantity of Purchases Index

Apr - Sep '23



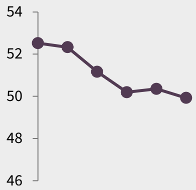
Suppliers' Delivery Times Index

Apr - Sep '23



Stocks of Purchases Index

Apr - Sep '23



PURCHASING AND INVENTORIES

Quantity of purchases

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

Suppliers' delivery times

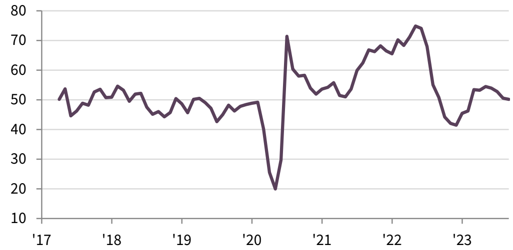
Supplier performance continued to improve in September, as average lead times quickened for the seventeenth consecutive month, the longest sequence on record. The seasonally adjusted Suppliers' Delivery Times Index rose since August but remained short of the recent highs seen in June and July. Supplier performance improved across all four main sectors.

Stocks of purchases

The level of inputs held in stock in the non-energy private sector in September was broadly unchanged compared with one month previously. Stock building at manufacturers, wholesalers and retailers was offset by service providers paring back their inventories.

Quantity of Purchases Index

sa, >50 = growth since previous month

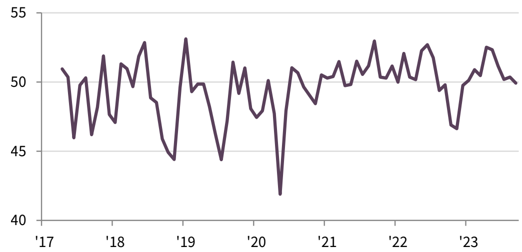


Suppliers' Delivery Times Index

sa, >50 = faster times since previous month

Stocks of Purchases Index

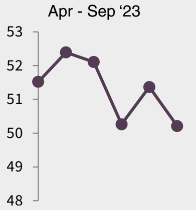
sa, >50 = growth since previous month



PRICES

Overall Input Prices Index

Apr - Sep '23

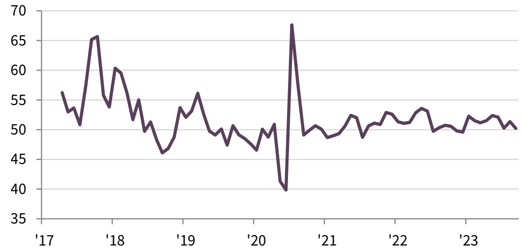


Overall input prices

Average input prices paid by Qatari non-energy private sector firms rose for the ninth month running in September. That said, the rate of inflation eased since August. The seasonally adjusted Overall Input Prices Index was below its long-run trend level of 51.7 and indicative of only a marginal rise in prices. Cost pressures were modest across all four main sectors.

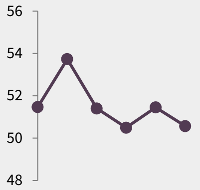
Overall Input Prices Index

sa, >50 = inflation since previous month



Purchase Prices Index

Apr - Sep '23

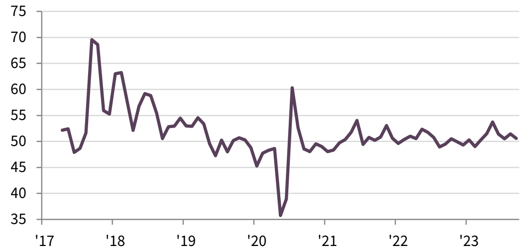


Purchase prices

Inflation of average purchase prices continued in September, albeit at a rate that weakened since August. The seasonally adjusted Purchase Prices Index signalled a fractional overall rate of inflation that was the slowest since March. Construction firms faced the steepest increase in purchase prices.

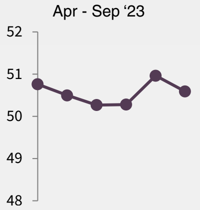
Purchase Prices Index

sa, >50 = inflation since previous month



Staff Costs Index

Apr - Sep '23

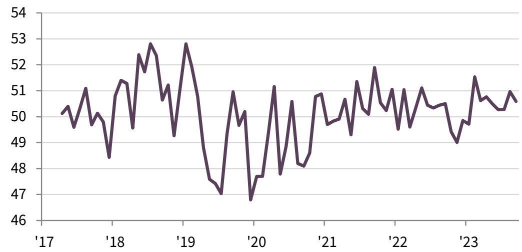


Staff costs

Average wages and salaries paid by private sector non-energy companies in Qatar rose for the eighth month running in September. That said, the rate of wage inflation in the latest period eased from August's six-month high. Wage pressures were modest in all four sectors.

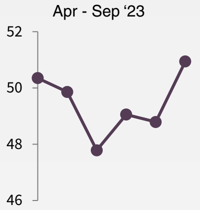
Staff Costs Index

sa, >50 = inflation since previous month



Output Prices Index

Apr - Sep '23

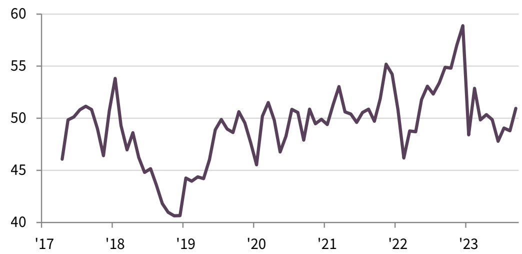


Output prices

Prices charged for goods and services by private sector firms in Qatar rose in September, ending a four-month sequence of discounting that had been the longest seen over the past four years. The main impetus to renewed charge inflation came from the manufacturing sector.

Output Prices Index

sa, >50 = inflation since previous month



FINANCIAL SERVICES

Financial services firms increase hiring

Financial Services Employment Index at 23-month high of 54.2

Further marked increases in activity and new business

Charges cut slightly for third time in four months

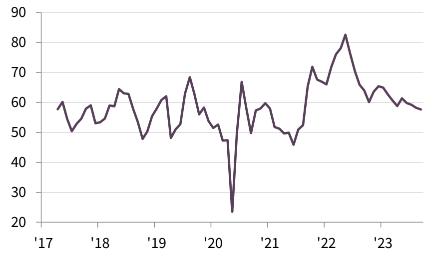
Qatari financial services companies raised employment at a quicker pace in September, with the rate of job creation the strongest in nearly two years. The Employment Index posted a 23-month high of 54.2, well above the long-run average of 52.2.

Total financial services activity and new business both increased at marked rates, albeit ones that eased slightly since August, while the 12-month outlook improved.

September data signalled lower charges levied by finance companies in Qatar, the third instance of discounting in four months. Average input costs fell marginally.

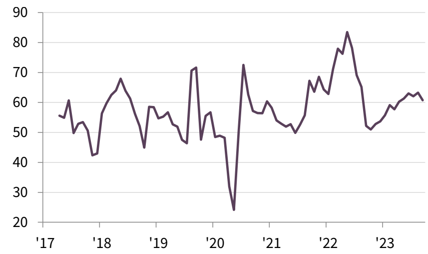
Business Activity Index

sa, >50 = growth since previous month



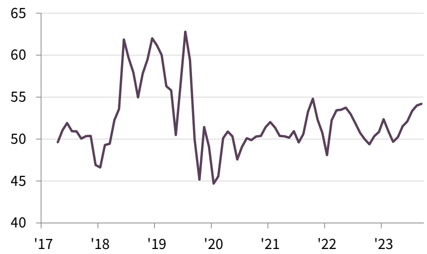
New Business Index

sa, >50 = growth since previous month



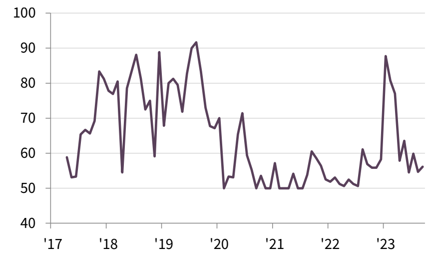
Employment Index

sa, >50 = growth since previous month



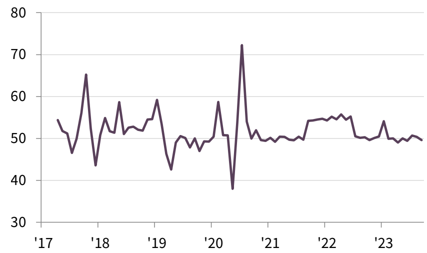
Future Activity Index

>50 = growth expected over next 12 months



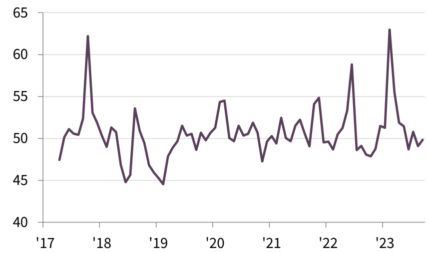
Input Prices Index

sa, >50 = inflation since previous month



Prices Charged Index

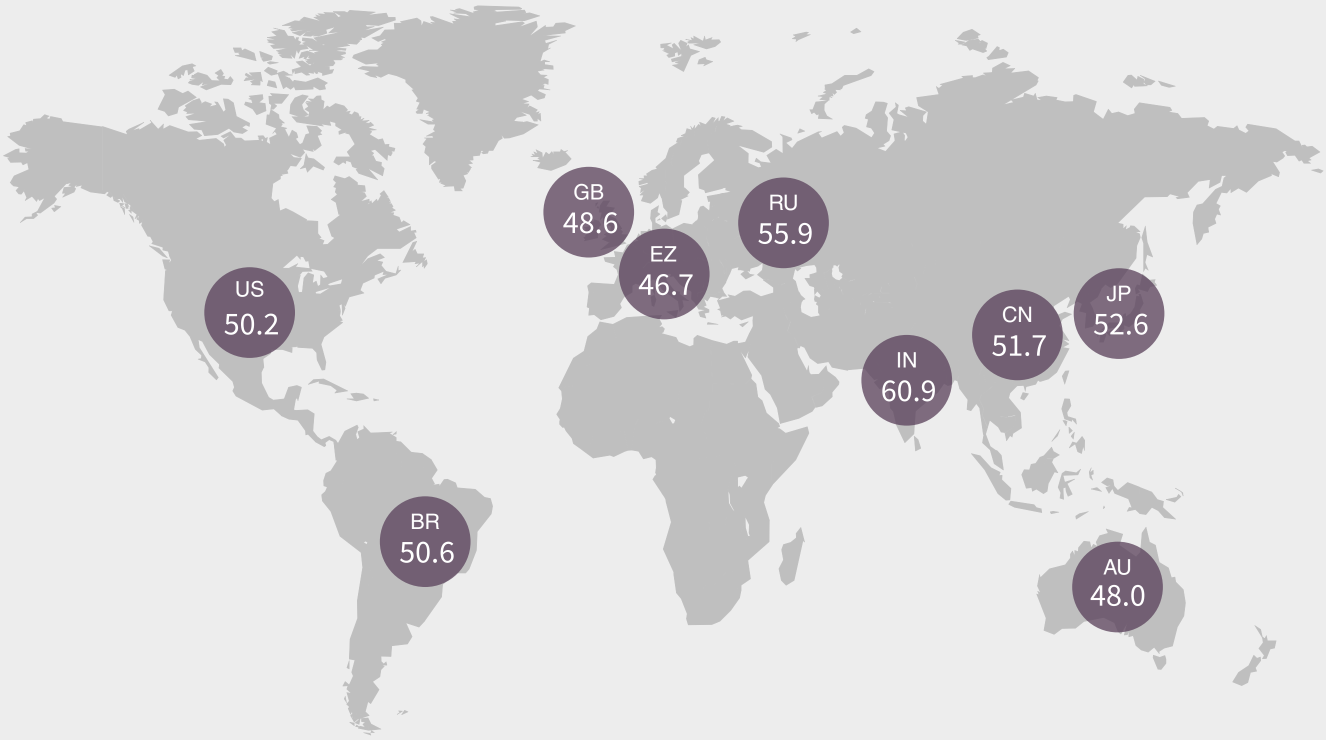
sa, >50 = inflation since previous month



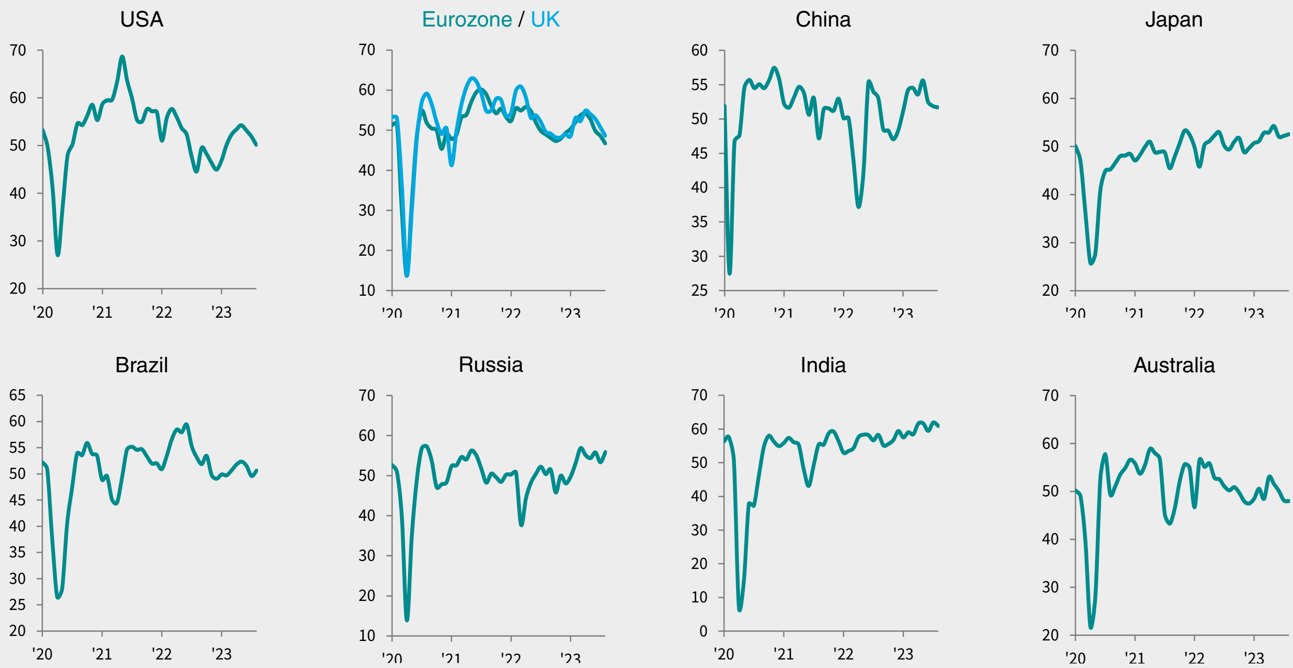
INTERNATIONAL PMI

Composite Output Index, Aug '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 panel size

450

companies

Index calculation

% 'Higher'
+
(% 'No change')/2

SURVEY METHODOLOGY

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.

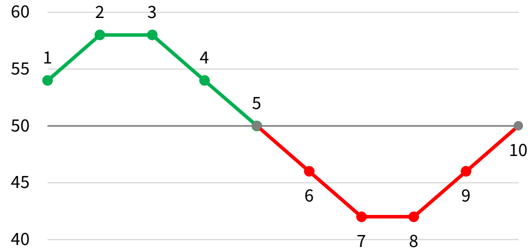
The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted 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.

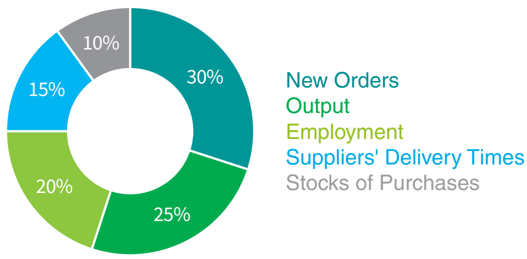
Index interpretation

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



Survey dates and history

Data were collected 12-22 September 2023.

Survey data were first collected in April 2017.

Sector coverage

PMI data include responses from companies operating in sectors classified according to the following ISIC Rev.4 codes:

C	Manufacturing
F	Construction
G	Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles
H	Transportation and Storage
I	Accommodation and Food Service Activities
J	Information and Communication
K	Financial and Insurance Activities
M	Professional, Scientific and Technical Activities
N	Administrative and Support Service Activities
P	Education*
Q	Human Health and Social Work Activities*
R	Arts, Entertainment and Recreation
S	Other Service 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. 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. ihsmarkit.com/products/pmi.html.