مركز قطر للمال
Qatar Financial Centre

QATAR FINANCIAL CENTRE PMI®

Business activity accelerates and purchase stocks hit record high in November

Increases in jobs and wages remain among fastest on record

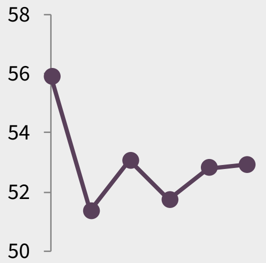
Sustained growth in new business and total activity

Input price inflation retreats from October's four-year high

QATAR FINANCIAL CENTRE PMI

Nov '24
52.9
Sep: 52.8

Jun - Nov '24



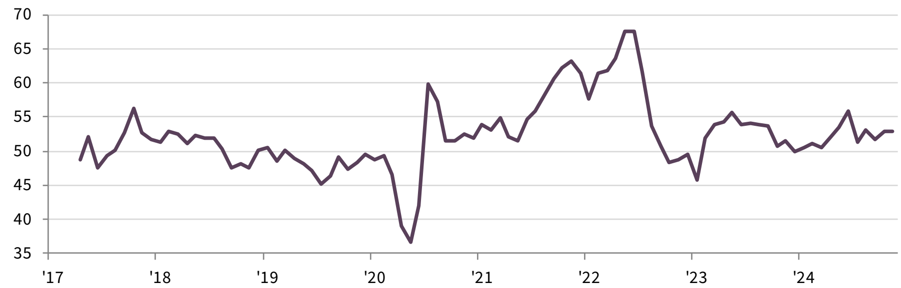
The latest Purchasing Managers' Index™ (PMI®) survey data from Qatar Financial Centre (QFC) compiled by S&P Global signalled another solid improvement in business conditions in Qatar's non-energy private sector in November. Demand for goods and services increased further, supporting growth in total activity. The 12-month outlook for activity remained stronger than the long-run survey trend as firms mentioned Qatar's attractiveness to international investment. The labour market remained very strong, with another near-record increase in employment and sharp wage inflation as firms sought to attract and retain experienced staff. Overall cost inflation retreated from October's four-year high while firms continued to cut their own prices to boost competitiveness.

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 edged up to 52.9 in November, from 52.8 in October, signalling stronger overall growth in business conditions in the non-energy private sector economy. The rise in the headline figure in the latest survey took it further above the long-run survey average of 52.3 (since April 2017).

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



PMI® by S&P Global

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OVERVIEW CONTINUED...

The rise in the PMI since October mainly reflected a faster increase in business activity, a survey-record increase in stocks of purchases and a softer improvement in suppliers' delivery times. Inflows of new business expanded for the eleventh month running, linked to improving market conditions, marketing efforts, and developing client relationships. Outstanding business decreased for the first time in three months as capacity was expanded.

Qatar's non-energy private sector labour market remained very strong in November. Over the past three months employment has risen more quickly than at any other time in the survey history. This was accompanied by further strong wage inflation, with November's increase the third-fastest on record following on from September and October. Companies reported boosting salaries to retain experienced and skilled staff in a highly competitive market. Overall cost pressures remained strong but eased from October's four-year high. In contrast, prices charged for goods and services fell for the fourth month running as firms sought to raise competitiveness.

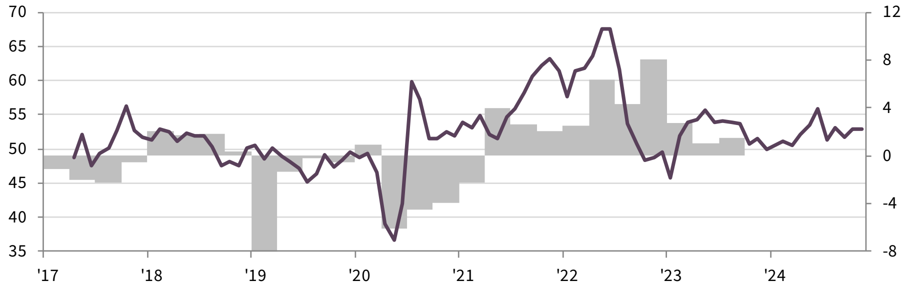
Qatari firms maintained an optimistic outlook for the next 12 months in November. The strength of sentiment was broadly in line with the strong long-run survey trend since 2017. Positive forecasts were linked to domestic economic development, investment, population growth and demand in the real estate and construction sectors.

Qatar PMI

sa, >50 = improvement since previous month

Gross domestic product (GDP)

% yr/yr



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

COMMENT

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

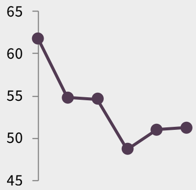
"The headline PMI edged up to 52.9 in November, surpassing the third quarter average of 52.0 and the long-run trend level of 52.3, indicating stronger business conditions in the non-energy sector.

"New business and output expanded further, while the labour market remained robust. Over the past three months, the Employment Index has registered the highest levels in the survey history. Demand for workers and efforts to retain experienced staff have been reflected in the survey data for wages, with the Staff Costs Index remaining higher than at any time prior to August.

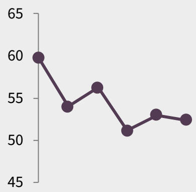
"Overall cost pressures remained high, although the Input Prices Index retreated notably from October's four-year high. Despite this, the prices charged for goods and services fell, as firms continue to discount their prices to boost competitiveness."

OUTPUT AND DEMAND

Output
Index
Jun - Nov '24



New Orders
Index
Jun - Nov '24



Output

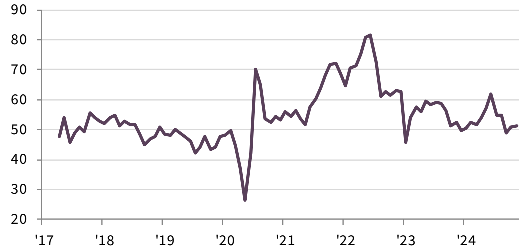
November data indicated a sustained expansion in total business activity. Output has risen in all but three months since the second half of 2020. By sector, the fastest rise in output was in manufacturing.

New orders

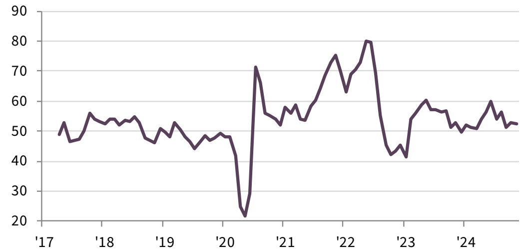
Inflows of new business expanded for the eleventh month running in November, and the rate of growth remained solid despite easing slightly since October. Anecdotal evidence linked rising demand to improving market conditions, marketing efforts and developing client relationships.

The wholesale & retail and manufacturing sectors recorded the strongest improvements in demand in November.

Output Index
sa, >50 = growth since previous month

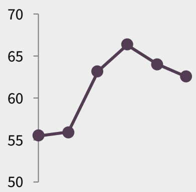


New Orders Index
sa, >50 = growth since previous month



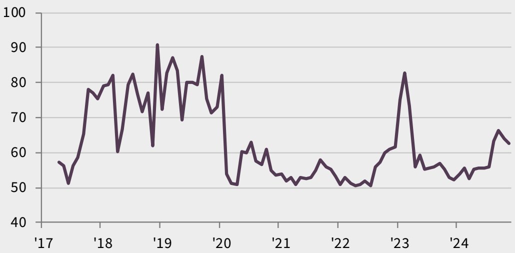
BUSINESS EXPECTATIONS

Future
Output Index
Jun - Nov '24



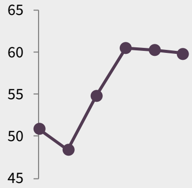
The 12-month outlook for activity in Qatar's non-energy economy remained strongly positive in November, linked to domestic economic development, investment, population growth and elevated demand in the real estate and construction sectors. The Future Output Index eased further from September's 18-month high, and was broadly in line with its long-run average of 63.0. Sentiment strengthened in the manufacturing and wholesale & retail sectors.

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



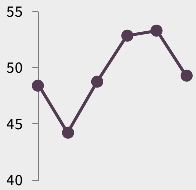
Employment Index

Jun - Nov '24



Backlogs of Work Index

Jun - Nov '24



EMPLOYMENT AND CAPACITY

Employment

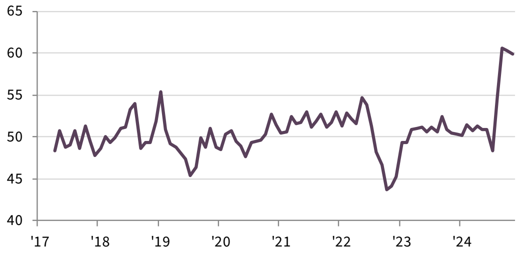
The seasonally adjusted Employment Index remained only slightly down on September's record high in November, indicating the third-fastest increase in non-energy employment in Qatar in the survey history. Recruitment reflected efforts to boost capacity and a wide range of roles were mentioned. Employment rose sharply in all four sectors, led by a record increase in manufacturing.

Backlogs of work

Non-energy private sector firms in Qatar registered a decrease in outstanding business for the first time in three months in November. That said, the rate of decline in backlogged work was only marginal as new business continued to expand. Outstanding business fell in construction and wholesale & retail.

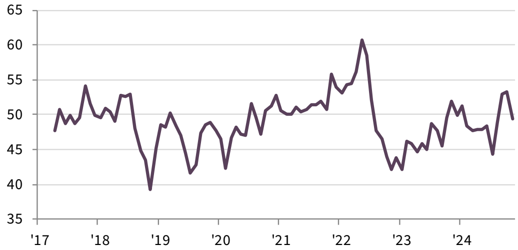
Employment Index

sa, >50 = growth since previous month



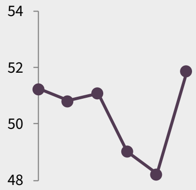
Backlogs of Work Index

sa, >50 = growth since previous month



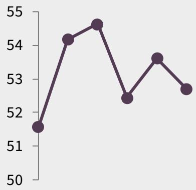
Quantity of Purchases Index

Jun - Nov '24



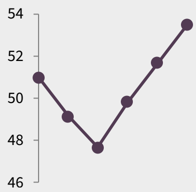
Suppliers' Delivery Times Index

Jun - Nov '24



Stocks of Purchases Index

Jun - Nov '24



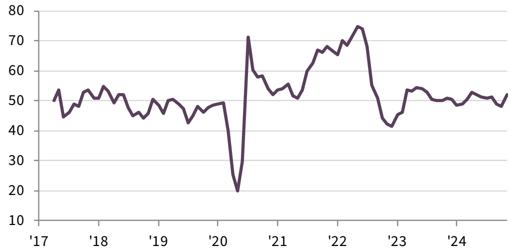
PURCHASING AND INVENTORIES

Quantity of purchases

The volume of inputs ordered by non-energy private sector firms rose for the first time in three months in November, as companies sought to rebuild inventory levels. The rate of expansion was the fastest since May, and in line with the long-run survey average.

Quantity of Purchases Index

sa, >50 = growth since previous month

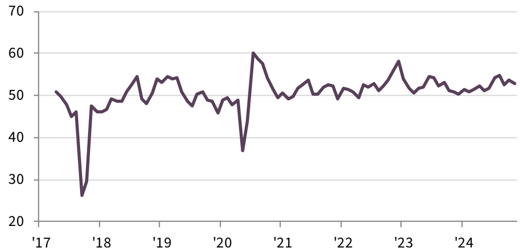


Suppliers' delivery times

Supplier performance continued to improve in November, linked to competition and good terms with suppliers. Average lead times have shortened in every month since May 2022, the longest sequence on record. The seasonally adjusted Suppliers' Delivery Times Index fell for the second time in three months, signalling that shorter times were less common than in October. Sector data showed that service providers reported delays from their suppliers.

Suppliers' Delivery Times Index

sa, >50 = faster times since previous month

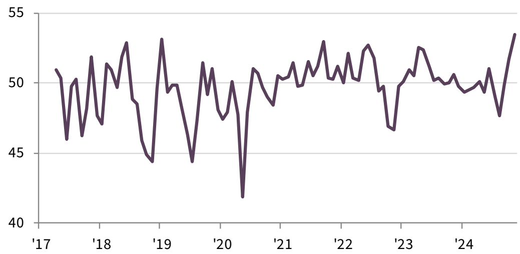


Stocks of purchases

The level of inputs held in stock in the Qatari non-energy private sector expanded for the second month running in November, following a three-month period of decline. Moreover, the seasonally adjusted Stocks of Purchases Index signalled the fastest rate of growth since the survey began in April 2017.

Stocks of Purchases Index

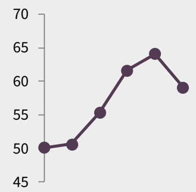
sa, >50 = growth since previous month



PRICES

Overall Input Prices Index

Jun - Nov '24

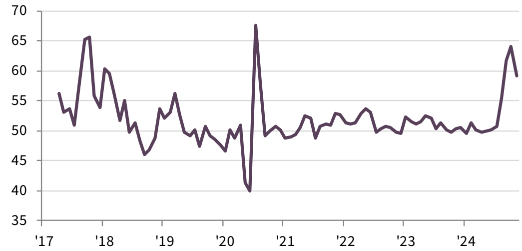


Overall input prices

Average input prices paid by Qatari non-energy private sector firms rose for the sixth month running in November. The seasonally adjusted Overall Input Prices Index fell for the first time in seven months, signalling the weakest inflation for three months. It remained well above the long-run survey average of 51.9, however. Average input prices rose most in manufacturing and wholesale & retail.

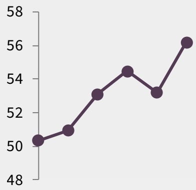
Overall Input Prices Index

sa, >50 = inflation since previous month



Purchase Prices Index

Jun - Nov '24

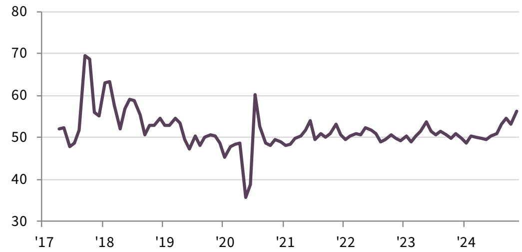


Purchase prices

Average purchase prices paid by non-energy private sector firms in Qatar increased sharply in November compared with the previous month. The seasonally adjusted Purchase Prices Index rose for the fifth time in six months, and signalled the fastest rate of inflation since July 2020. The Index remained well above the long-run trend level of 51.6. Purchasing costs rose across all sectors, led by wholesale & retail and manufacturing.

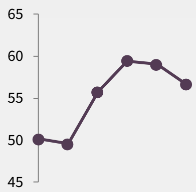
Purchase Prices Index

sa, >50 = inflation since previous month



Staff Costs Index

Jun - Nov '24

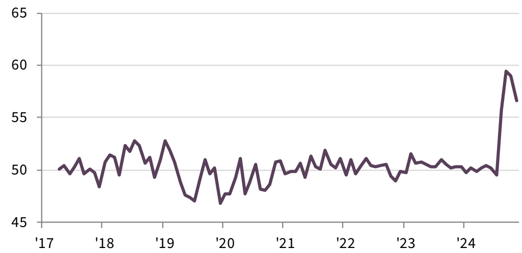


Staff costs

Average wages and salaries paid by private sector non-energy companies in Qatar rose for the fourth month running in November. The rate of inflation eased further from September's record, but was still the third-highest in the survey history. Firms reported raising salaries for experienced staff to strengthen retention, and performance-related pay. Wage growth was strongest in the manufacturing sector.

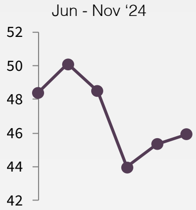
Staff Costs Index

sa, >50 = inflation since previous month



Output Prices Index

Jun - Nov '24

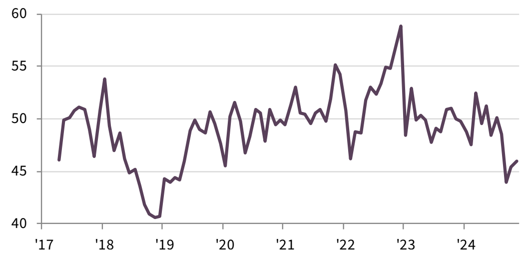


Output prices

Prices charged by private sector firms in Qatar fell again in November, linked to competition for business. The rate of discounting eased further from September's five-and-a-half year record, but remained strong. Three sectors posted lower output prices in November, led by services, while construction rates were unchanged since October.

Output Prices Index

sa, >50 = inflation since previous month



FINANCIAL SERVICES

Financial services continues to expand in November

Further increases in new business and total activity

Finance firms cut prices at fastest rate on record

Employment continues to rise sharply

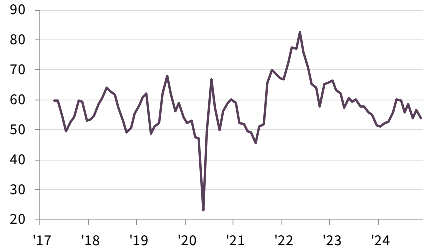
Demand for Qatari financial services increased further in November, driving a marked increase in employment in the sector. Total activity rose again, with the seasonally adjusted Financial Services Business Activity Index remaining well above the no-change mark of 50.0 at 53.7, albeit down from 56.7 in October.

Companies were strongly optimistic regarding the 12-month outlook, although sentiment was slightly softer than the long-run series trend (since 2017).

Financial services companies cut their prices charged for the fourth month running, and at the fastest rate on record. Meanwhile, average input prices rose at the slowest rate in three months.

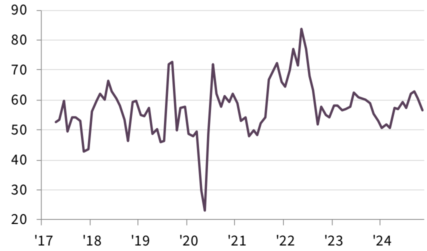
Business Activity Index

sa, >50 = growth since previous month



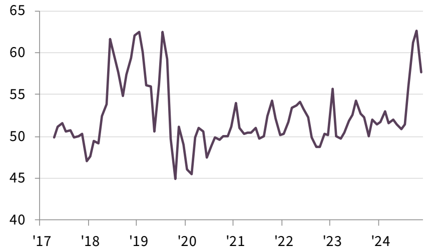
New Business Index

sa, >50 = growth since previous month



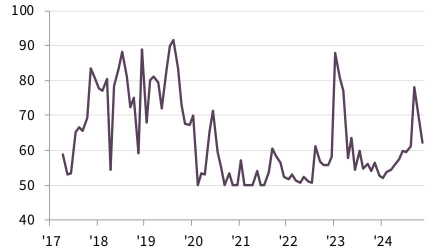
Employment Index

sa, >50 = growth since previous month



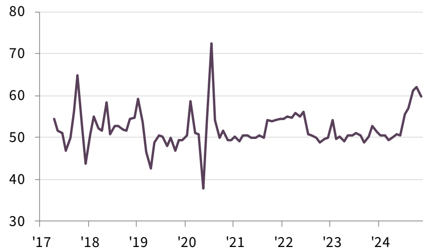
Future Activity Index

>50 = growth expected over next 12 months



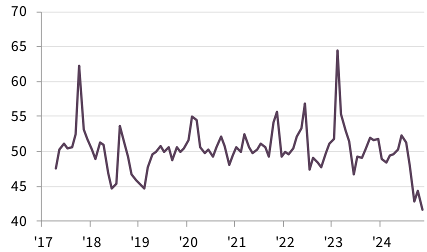
Input Prices Index

sa, >50 = inflation since previous month



Prices Charged Index

sa, >50 = inflation since previous month

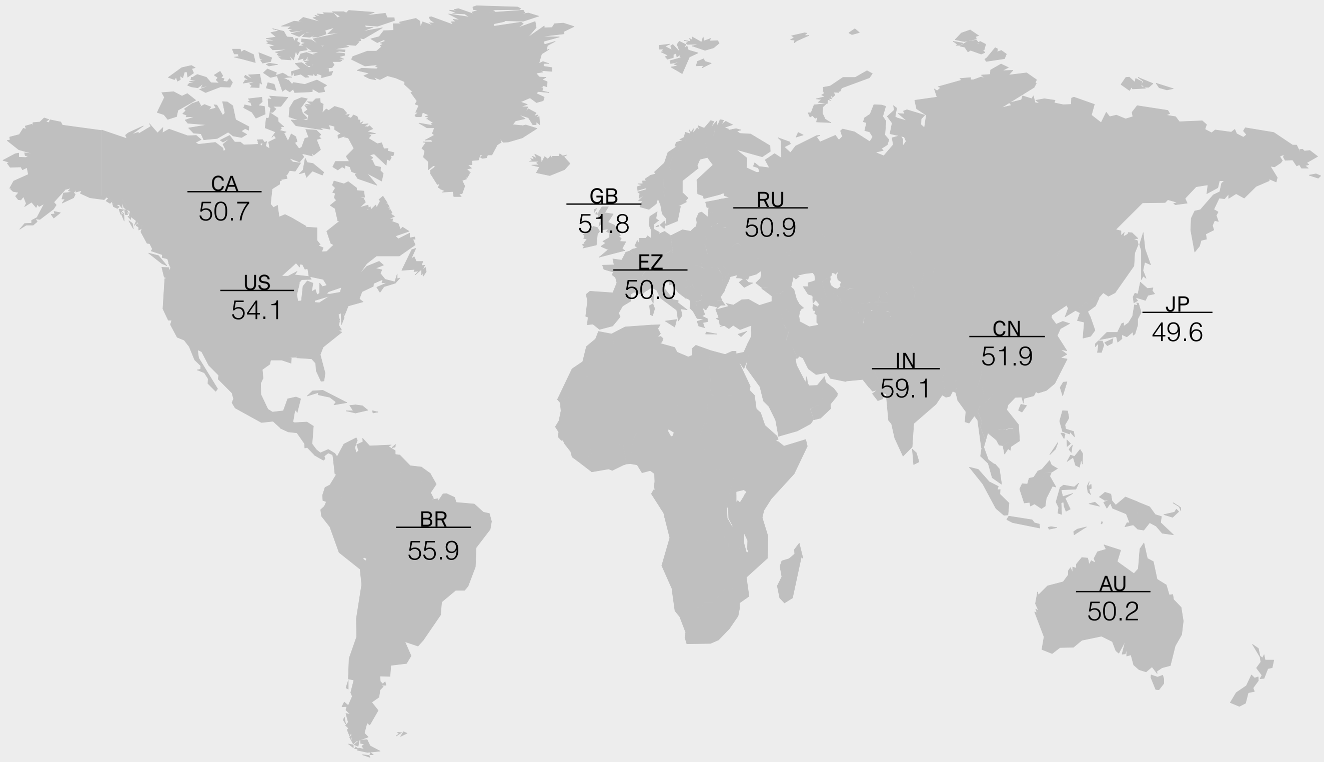


INTERNATIONAL PMI

Composite Output Index, Oct '24

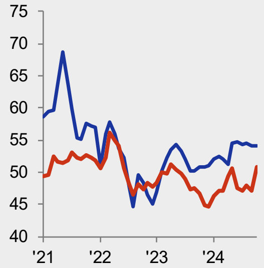
sa, >50 = growth since previous month

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

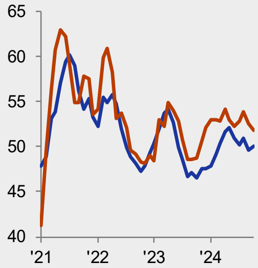


Composite Output Index

USA
Canada
sa, >50 = growth



Eurozone
UK
sa, >50 = growth

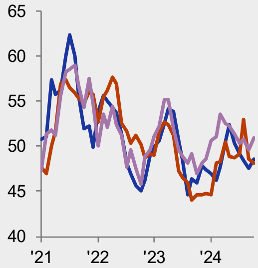


Russia
sa, >50 = growth

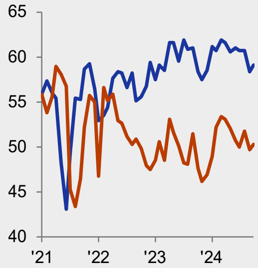
China
sa, >50 = growth

Brazil
sa, >50 = growth

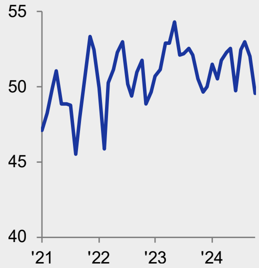
Germany
Italy
France
sa, >50 = growth



India
Australia
sa, >50 = growth



Japan
sa, >50 = growth



Survey 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.

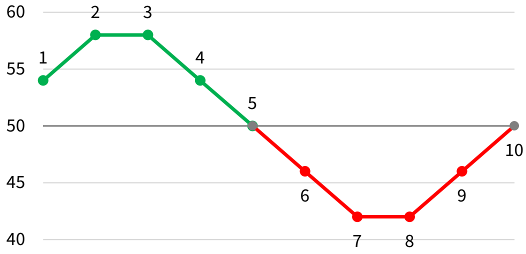
The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted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

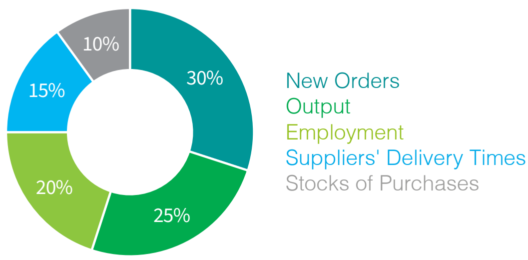
Index interpretation

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 11-22 November 2024.

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

PMI® by S&P Global

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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 S&P Global

S&P Global (NYSE: SPGI) S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

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.
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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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