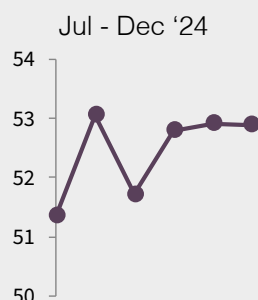


QATAR FINANCIAL CENTRE PMI®

Employment and wages continue to rise strongly at end of 2024

QATAR FINANCIAL CENTRE PMI



PMI continues to signal strong overall growth at 52.9

Financial services outlook strengthens in December

Overall cost pressures ease further from October's four-year high

The latest Purchasing Managers' Index™ (PMI®) survey data from Qatar Financial Centre (QFC) compiled by S&P Global showed that Qatar's non-energy private sector had a strong end to 2024. The labour market remained a key driver of the overall improvement in business conditions, with the latest increases in employment and wages remaining among the highest on record. Demand for goods and services increased further, supporting growth in total activity and generating a rise in outstanding business. The 12-month outlook for activity remained positive. Despite elevated wage pressures, overall cost inflation retreated further from October's four-year high while firms discounted their own prices only marginally.

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 was unchanged in December at 52.9, signalling solid overall growth in business conditions in the non-energy private sector economy. The headline figure trended at 52.9 during the final quarter of 2024, up from 52.0 in the third quarter and above the long-run survey average of 52.3 since April 2017.

Qatar Financial Centre PMI

sa, >50 = improvement since previous month



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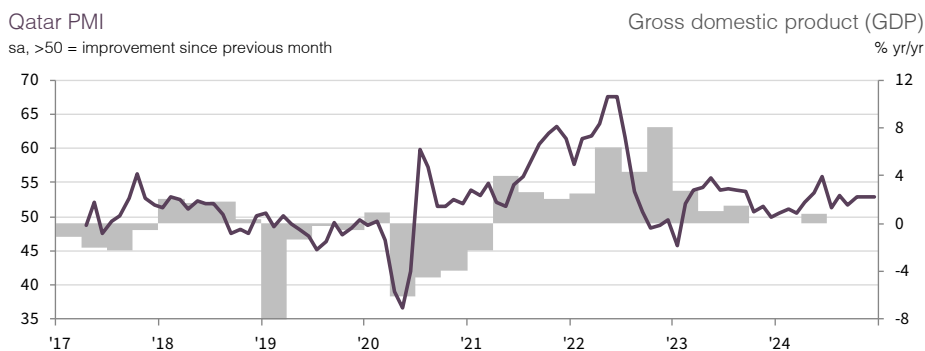
Qatar's non-energy private sector labour market remained very strong at the end of 2024. Throughout the last four months of the year, employment and wages have risen more quickly than at any other time in the survey history. Recruitment reflected efforts to raise output, improve services, win new business and address outstanding workloads.

Although wage pressures remained strong in December, overall input price inflation eased further from October's four-year high. Charges for goods and services fell for the fifth month running as firms sought to support sales by discounting prices, but at only a marginal rate.

While employment provided the strongest boost to the headline figure in December, the PMI also had positive

contributions from output, new orders and stocks of purchases. The increase in new business was sufficient to generate a rise in backlogged work for the third time in the past four months. Meanwhile, the expansion in inventories of inputs was the third-fastest on record, as firms expect activity and new contracts to grow in 2025.

Qatari firms continued to hold an optimistic outlook for the next 12 months in December. Sentiment remained strong despite easing slightly since November. Anecdotal evidence provided by survey respondents linked positive forecasts to stable market conditions, construction and tourism demand, population growth, industrial development and investment in infrastructure.



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 was unchanged at 52.9 in December, remaining above the long-run trend level of 52.3 and indicating a solid improvement in business conditions in the non-energy sector."

"The outlook for 2025 is strongly positive, continuing to support a booming labour market. The two PMI sub-indices covering employment and wages have remained elevated

throughout the last four months of the year, reflecting strong demand for workers, as companies strive to raise output, improve services, win new business, and address outstanding workloads."

"New business growth generated a renewed rise in outstanding work during December, and companies continued to build inventories in expectation of sales growth in the coming months."

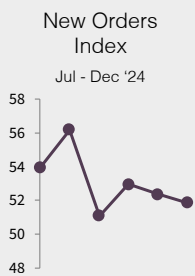
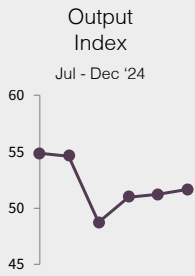
OUTPUT AND DEMAND

Output

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

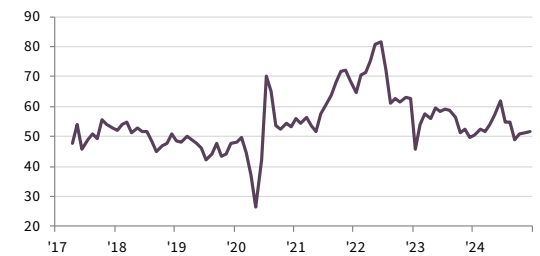
New orders

Inflows of new business expanded for the twelfth month running in December, and the rate of growth remained solid despite easing to a three-month low. Rising demand was linked to good client relationships, successful marketing campaigns, population growth and stable markets. The wholesale & retail and manufacturing sectors again recorded the strongest improvements in demand in December.



Output Index

sa, >50 = growth since previous month

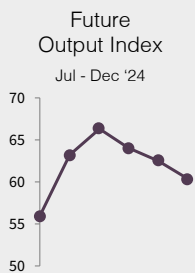


New Orders Index

sa, >50 = growth since previous month



BUSINESS EXPECTATIONS



The 12-month outlook for activity in Qatar's non-energy economy remained strongly positive in December, with companies mentioning stable market conditions, construction and tourism demand, population growth, industrial development and investment in infrastructure. The Future Output Index eased further from September's 18-month high, but still signalled high overall confidence. Sentiment strengthened in the manufacturing and services sectors.

Future Output Index

>50 = growth expected over next 12 months



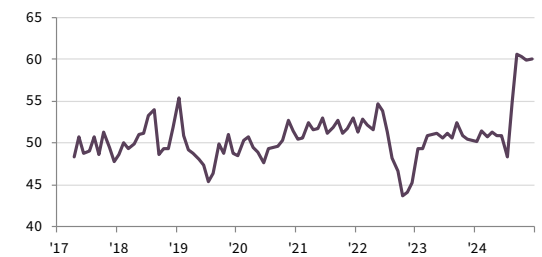
EMPLOYMENT AND CAPACITY

Employment

The seasonally adjusted Employment Index remained close to September's record high in December, indicating the third-fastest increase in non-energy employment in Qatar in the survey history. Recruitment reflected efforts to raise output, improve services, win new business and address outstanding workloads. Employment rose sharply in all four sectors, led by a record increase in manufacturing.

Employment Index

sa, >50 = growth since previous month

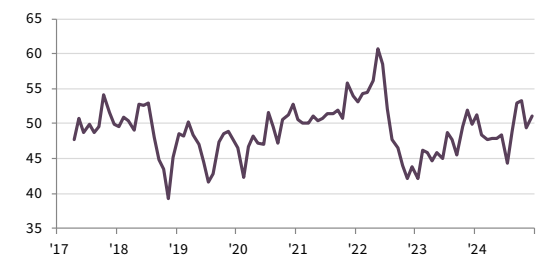


Backlogs of work

Non-energy private sector firms in Qatar registered an increase in outstanding business for the third time in four months in December, reflecting rising new business volumes. That said, the rate of decline in backlogged work was only modest as firms boosted employment and inventories. Outstanding business rose in all four sectors, led by wholesale & retail.

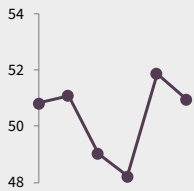
Backlogs of Work Index

sa, >50 = growth since previous month



PURCHASING AND INVENTORIES

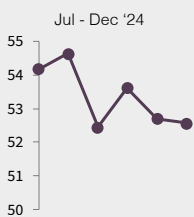
Quantity of Purchases Index
Jul - Dec '24



Quantity of purchases

The volume of inputs ordered by non-energy private sector firms rose for the second month running in December, as companies continued to rebuild inventory levels. The overall rate of expansion eased since November, despite another sharp increase among manufacturers.

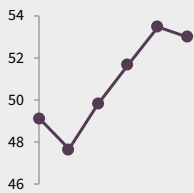
Suppliers' Delivery Times Index
Jul - Dec '24



Suppliers' delivery times

Supplier performance continued to improve in December, linked by firms to competition between suppliers and good relationships with vendors. Average lead times have shortened in every month since May 2022, the longest sequence on record. The seasonally adjusted Suppliers' Delivery Times Index fell slightly, signalling that shorter lead times were less common than in October and November.

Stocks of Purchases Index
Jul - Dec '24



Stocks of purchases

The level of inputs held in stock in the Qatari non-energy private sector expanded for the third month running in December. The seasonally adjusted Stocks of Purchases Index eased from November's record high, but still signalled the third-fastest rate of growth since the survey began in April 2017. Firms linked higher stock levels to expectations of sales growth in the coming months.

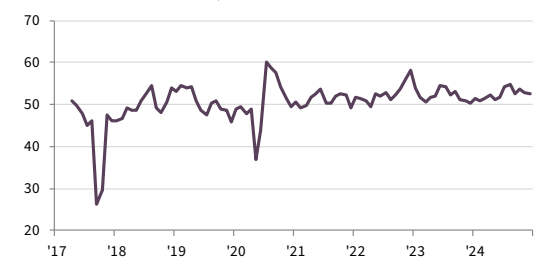
Quantity of Purchases Index

sa, >50 = growth since previous month



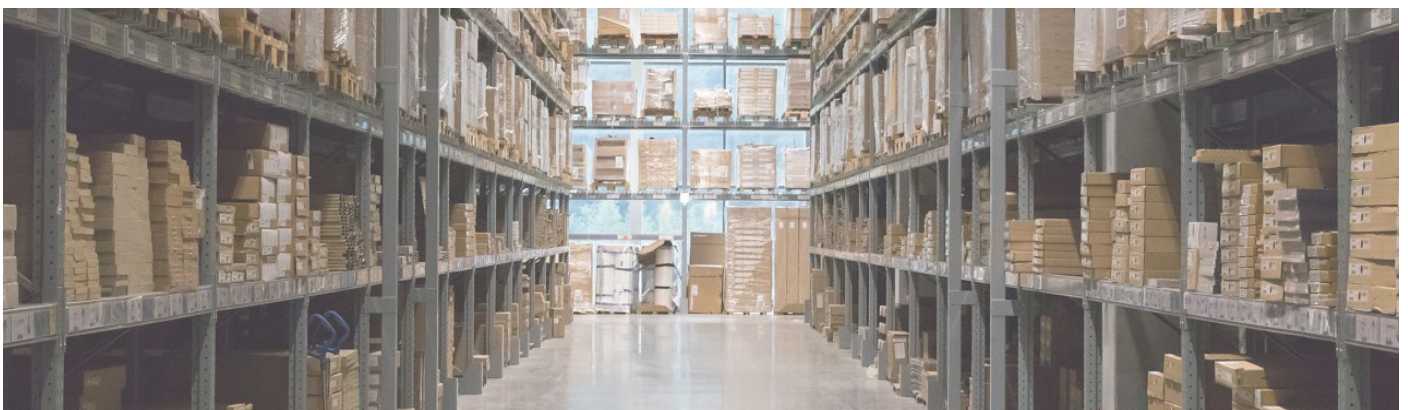
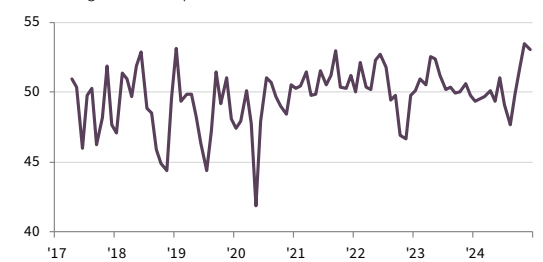
Suppliers' Delivery Times Index

sa, >50 = faster times since previous month



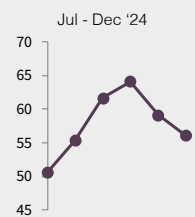
Stocks of Purchases Index

sa, >50 = growth since previous month



PRICES

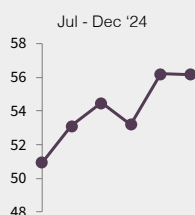
Overall Input Prices Index



Overall input prices

Average input prices paid by non-energy private sector firms rose for the seventh month running in December. The seasonally adjusted Overall Input Prices Index fell for the second month running, however, signalling the weakest inflation for four months. It nonetheless remained well above the long-run survey average of 52.0. Average input prices rose most in wholesale & retail and services.

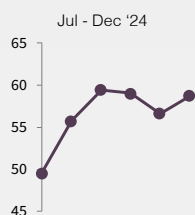
Purchase Prices Index



Purchase prices

Average purchase prices paid by non-energy private sector firms increased sharply in December compared with the previous month. The seasonally adjusted Purchase Prices Index was unchanged since November, signalling the joint-fastest rate of inflation since July 2020. The index remained well above the long-run trend level of 51.7. Purchasing costs rose across all sectors, led by wholesale & retail and services.

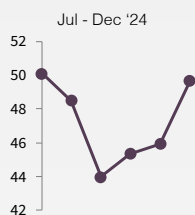
Staff Costs Index



Staff costs

Average wages and salaries paid by private sector non-energy companies in Qatar rose for the fifth month running in December. The rate of inflation accelerated since November and was the third-highest in the survey history, behind September and October. Companies reported raising salaries due to good performance and to reward experienced employees. Wage growth was strongest in the services sector.

Output Prices Index



Output prices

Prices charged by private sector firms in Qatar fell for the fifth month running in December, the longest sequence of discounting since 2019. Firms lowered prices to boost competitiveness. That said, the rate of discounting eased further from September's five-and-a-half year record and was only marginal. Charges fell sharply in construction and services, but rose in manufacturing and wholesale & retail.

Overall Input Prices Index

sa, >50 = inflation since previous month



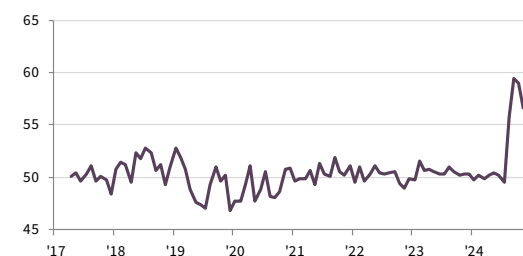
Purchase Prices Index

sa, >50 = inflation since previous month



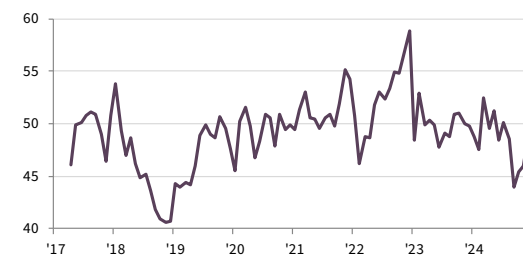
Staff Costs Index

sa, >50 = inflation since previous month



Output Prices Index

sa, >50 = inflation since previous month



FINANCIAL SERVICES

Financial services outlook strengthens in December

Finance firms increasingly bullish on 2025 prospects

Employment continues to rise at a strong rate

New business and total activity increase further

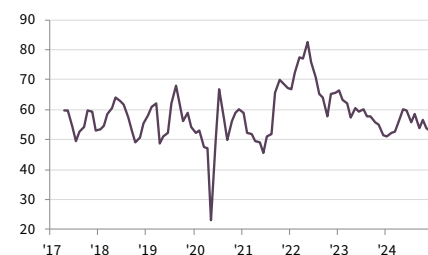
The year-ahead outlook for Qatari financial services strengthened at the end of 2024, driving a further sharp increase in employment in the sector. The Financial Services Future Activity Index rose from 62.1 in November to 68.3 in December, well above the long-run series trend of 63.6.

Employment in the sector continued to rise at one of the sharpest rates on record, albeit the slowest in four months. Meanwhile, total activity and new business both expanded for the forty-second successive month.

Financial services companies cut their prices charged for the fifth month running, albeit at a rate that eased from November's record. Average input prices rose at a stronger rate than in November.

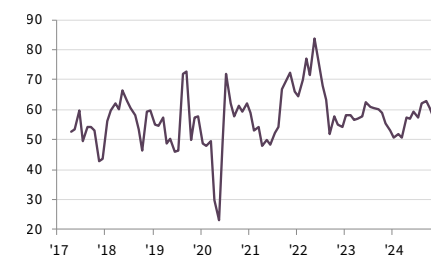
Business Activity Index

sa, >50 = growth since previous month



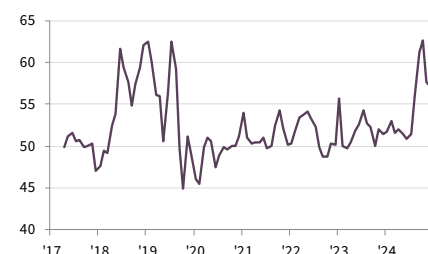
New Business Index

sa, >50 = growth since previous month



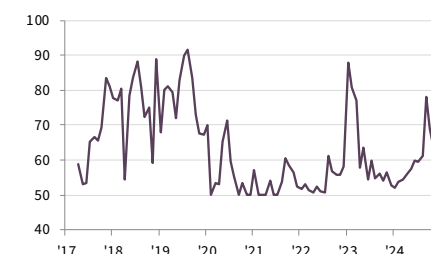
Employment Index

sa, >50 = growth since previous month



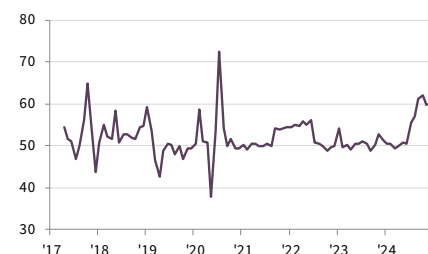
Future Activity Index

>50 = growth expected over next 12 months



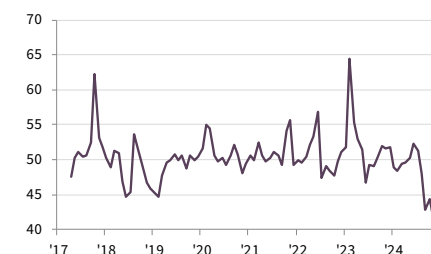
Input Prices Index

sa, >50 = inflation since previous month



Prices Charged Index

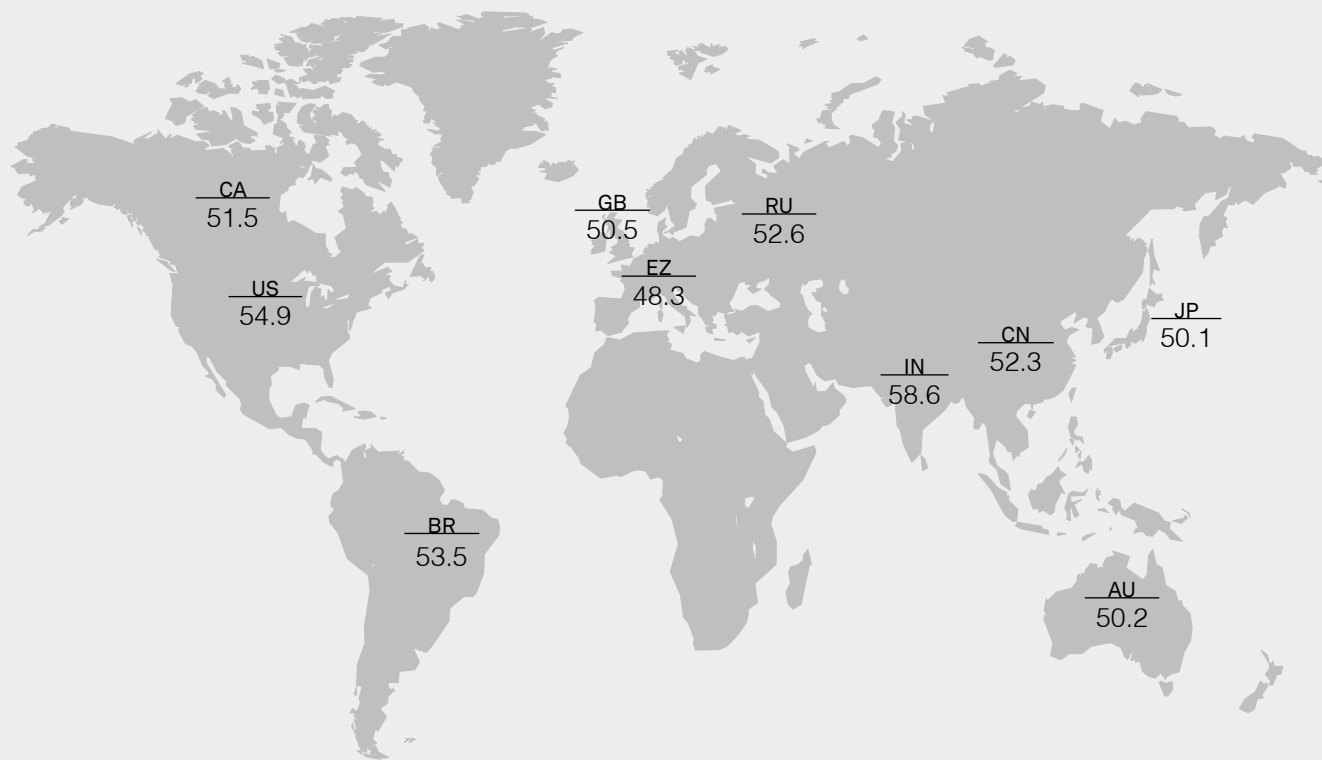
sa, >50 = inflation since previous month



INTERNATIONAL PMI

Composite Output Index, Nov '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.

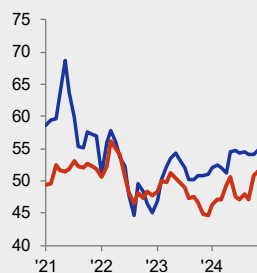


Composite Output Index

■ USA

■ Canada

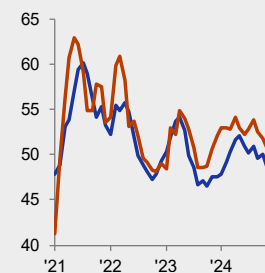
sa, >50 = growth



■ Eurozone

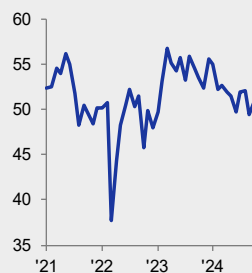
■ UK

sa, >50 = growth



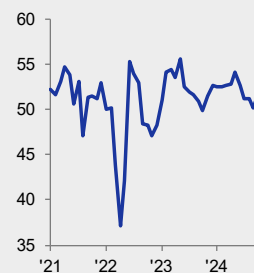
■ Russia

sa, >50 = growth



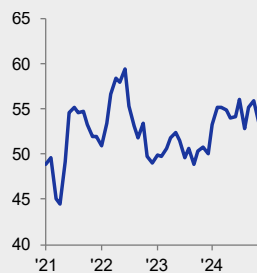
■ China

sa, >50 = growth



■ Brazil

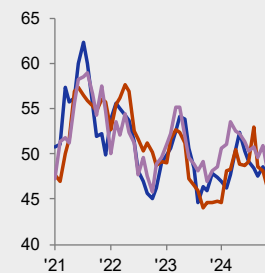
sa, >50 = growth



■ Germany ■ Italy

■ France

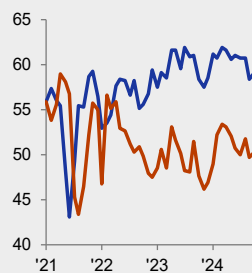
sa, >50 = growth



■ India

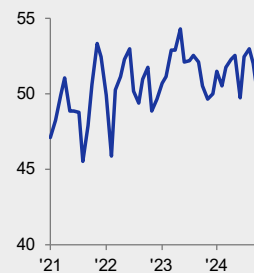
■ Australia

sa, >50 = growth



■ Japan

sa, >50 = growth



SURVEY 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.

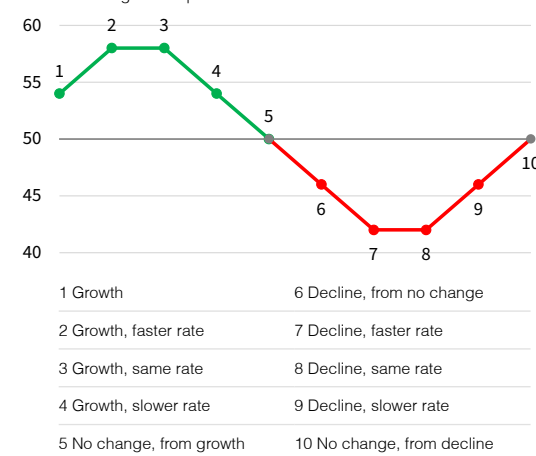
Survey dates and history

Data were collected 5-16 December 2024.

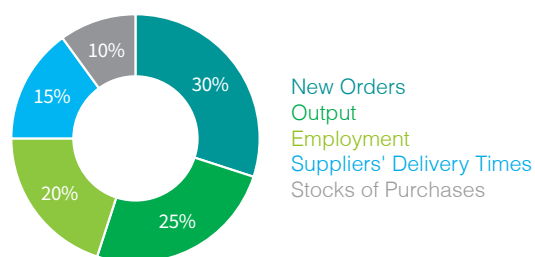
Survey data were first collected in April 2017.

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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#QFCMeansBusiness

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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.

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