



مركز قطر للمال
Qatar Financial Centre

PMI[®]
by **S&P Global**

News Release

Purchasing Managers' Index[™]
MARKET SENSITIVE INFORMATION
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Qatar Financial Centre PMI[™]

Fastest rise in new business since July 2022

- Demand in Qatari non-energy private sector strengthens in March
- Total business activity growth also accelerates
- Boost to employment as outlook remains strong

Data were collected 10-24 March 2023

Doha, Qatar: 4 April 2023 – The latest Purchasing Managers' Index[™] (PMI[™]) survey data from Qatar Financial Centre (QFC) for March indicated a further strengthening in business conditions as demand gained momentum. This led to faster growth of overall activity, a boost to employment and a fortification of firms' expectations for the next 12 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 rose for the fourth time in five months to 53.8 in March, from 51.9 in February, indicating the strongest improvement in business conditions since July 2022. The month-on-month rise in the headline figure was less pronounced than in January which, at 6.2 points, was the second largest observed since the series began in April 2017. The latest figure was still above the long-run trend of 52.2.

The main boosts to the headline PMI were faster growth in output and new business, which both increased at rates stronger than their long-run averages following renewed uplifts in January. Firms reported new

customers, tourism, investments and successful marketing. The wholesale & retail and services sectors registered the strongest growth rates for activity and new orders. The PMI was also lifted by the employment index, which rose to an eight-month high.

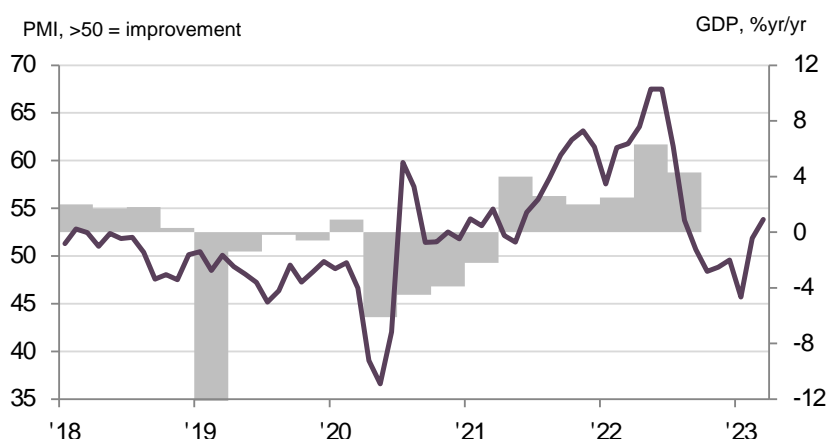
The 12-month outlook for the non-energy private sector remained strongly positive. The Future Output Index eased from February's 41-month high but the average for the first quarter of 2023 was 77.0, well above the long-run trend of 64.7 and the best quarterly performance since the third quarter of 2019. By sector, confidence in March was strongest among service providers, followed by manufacturers.

March data indicated a further increase in average wages and salaries, although the Staff Costs Index eased from February's 17-month high. The Employment Index, tracking the overall level of staffing, rose to an eight-month high, signalling a boost to workforce numbers.

Overall cost pressures eased further since the start of the year and were modest, reflecting only a fractional rise in purchase prices. Meanwhile, firms cut charges for goods and services for the second time in three months, albeit marginally.

Companies reduced their levels of outstanding business for the eighth month running in March, despite the faster rise in new work. This reflected the rise in staffing but also suggested firms had made productivity improvements.

QFC Qatar PMI™ vs. GDP



Sources: QFC, S&P Global, Qatar's Planning & Statistics Authority.



Financial Services

Financial services activity continues to rise sharply

- Financial Services Business Activity Index at 60.5
- New business growth and confidence levels remain high
- Slower increase in charges following February's record inflation

The financial services sector in Qatar continued to expand at a marked rate in March as the volume of new business increased sharply and for the thirty-fourth consecutive month. Overall financial services activity increased for the twenty-first successive month, and at a rapid pace, while expectations eased further from January's recent peak but remained elevated.

New business grew for the thirty-fourth consecutive month in March, and the rate of expansion remained strong despite easing to a two-month low. Employment was fractionally lower than in February. March data indicated another strong increase in charges levied by financial services firms, albeit one down on February's record rate of inflation. Input costs were again little changed over the month.

Comment

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

"The financial services sector continued to be a key spur to overall growth in March, with the rates of expansion in activity and new business remaining stronger than the all-sector trends, and the financial services business activity index reaching 60.5."

"Qatar's non-energy private sector accelerated at the end of the first quarter, with sharper increases in output and new business. Both sub-indices were tracking above their long-run trend levels over six years of data collection. The headline PMI was at an eight-month high, also boosted by the employment component."

"Looking forward, the Future Output Index eased from February's 41-month high of 82.7 but has averaged 77.0 over the first quarter as a whole, the strongest quarterly outlook since the third quarter of 2019."

– ENDS –



ABOUT THE 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

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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 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.

<https://ihsmarkit.com/products/pmi.html>.



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 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.

Data were collected 10-24 March 2023.

For further information on the PMI survey methodology, please contact economics@ihsmarkit.com.

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