



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[™]

New business growth accelerates further in April

- Fastest rise in new work since July 2022
- Overall business conditions improve at stronger rate
- Companies continue to step up hiring activity

Data were collected 12-21 April 2023

Doha, Qatar: 3 May 2023 – The latest Purchasing Managers' Index[™] (PMI[™]) survey data from Qatar Financial Centre (QFC) for April indicated a stronger improvement in business conditions as demand for goods and services accelerated. Indices for total activity and the 12-month outlook also remained firmly positive, while employment rose further.

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 fifth time in six months to 54.4 in April, from 53.8 in March, indicating the strongest improvement in business conditions since July 2022. The latest figure moved further above the long-run trend of 52.2.

The main boost to the headline PMI was from faster growth in new business, while the employment and stocks of purchases components also had positive directional influences. The output component eased slightly since March but remained above its long-run trend, with financial services again a key growth driver.

New business increased at the fastest rate in nine months in April. Companies reported receiving large orders, expanded customer bases and rising demand due to the implementation of new projects. New products were also mentioned as sources of growth.

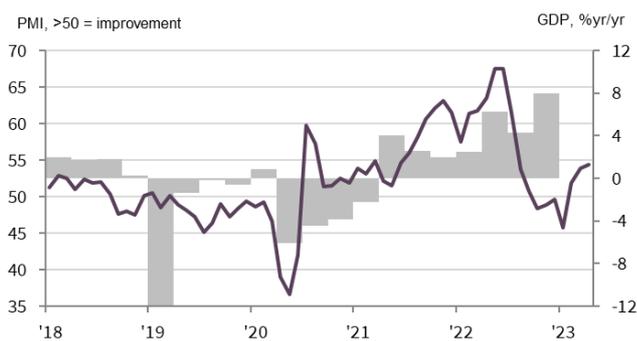
The 12-month outlook for the non-energy private sector remained strongly positive. The Future Output Index eased further from February's 41-month high but the average for 2023 so far, at 71.7, was well above the long-run trend of 64.6. By sector, confidence in April was strongest among manufacturers.

April data indicated a third successive monthly increase in average wages and salaries, with pay pressures greater than the long-run trend. The Employment Index, tracking the overall level of staffing, rose to a nine-month high, signalling another increase in workforce numbers.

Continuing the trend shown during 2023 so far, average input prices rose in April. That said, inflationary pressures remained modest and broadly in line with the long-run survey trend. Meanwhile, firms increased their charges for goods and services, having cut them in March.

Although stronger new business inflows put pressure on capacity, companies were still able to reduce their levels of outstanding business for the ninth month running in April due to productivity improvements and increased workforces.

QFC Qatar PMI™ vs. GDP



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



Financial Services

Fastest rise in new business since August 2022

- Financial Services New Business Index rises to 61.3
- Growth of total financial services activity remains strong
- Input prices fall for the first time in six months

The financial services sector in Qatar continued to expand at a marked rate in April as the volume of new business increased for the thirty-fifth consecutive month and at the fastest rate since last August. Overall financial services activity increased for the twenty-second successive month, and at a strong pace, while expectations remained firmly positive.

New business grew for the thirty-fifth consecutive month in April, and the rate of expansion accelerated to an eight-month high. Employment was broadly stable having fallen slightly in March. April data indicated another increase in charges levied by financial services firms, albeit the slowest in three months. Average input costs fell for the first time since last October.

Comment

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

"The financial services sector continued to grow at a faster rate than the overall private sector economy in April, both in terms of total activity and new work, with the financial services new business index reaching 61.3.

"Overall business conditions across the non-energy private sector gained momentum at the start of the second quarter, mainly thanks to an acceleration in demand growth. The headline PMI was at a nine-month high of 54.4, well above the long-run survey average since 2017 of 52.2.

"Companies' expectations for the next 12 months eased slightly in the latest period but, averaging 71.7 over 2023 so far, the Future Output Index remains well above its long-run trend level of 64.6."

– 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 12-21 April 2023.

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

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