



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™

Non-energy growth accelerates further in May

- Fastest increases in activity and new business in 2023 so far
- Companies continue to ramp up hiring and purchasing
- Cost pressures highest in nearly a year

Data were collected 12-23 May 2023

Doha, Qatar: 5 June 2023 – The latest batch of Purchasing Managers' Index™ (PMI™) survey data from Qatar Financial Centre (QFC) indicated a further build-up of growth momentum in the non-energy private sector economy. Growth rates for output, new orders, employment and purchasing all accelerated since April, and the 12-month outlook improved.

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 sixth time in seven months to 55.6 in May, from 54.4 in April, indicating the strongest improvement in business conditions since July 2022. The latest figure moved further above the long-run trend of 52.3.

The PMI figure was mainly boosted by the output and new orders components in May, while employment and stocks of purchases also had positive overall contributions.

New business increased at the fastest rate in ten months in May. Companies reported signing new contracts with both existing and new customers, alongside new product offerings and tourism demand. New business in financial services was also a strong point in the latest findings.

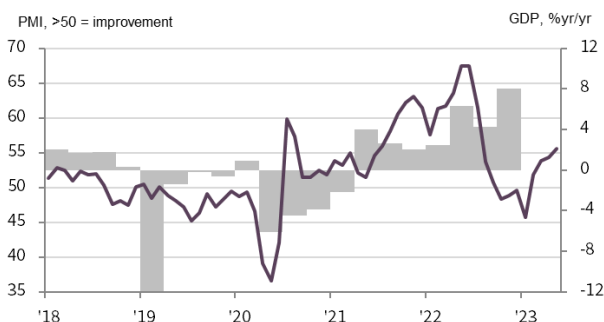
Total business activity rose further in May. Output has risen every month for almost three years straight, except for a brief correction in January following the conclusion of the FIFA World Cup Qatar 2022™. The rate of expansion in May was the strongest of 2023 so far and well above the six-year survey trend.

The 12-month outlook for the non-energy private sector improved in May. The Future Output Index rose for the first time in three months to 59.2, with confidence strengthening in the services, wholesale & retail and construction sectors.

Non-oil private sector employment rose to the greatest degree since July 2022, helping firms to further reduce their levels of outstanding business in May. Demand for inputs strengthened, but supply chains coped admirably as average lead times were cut again.

May data signalled that non-staff cost pressures rose, with average purchase prices increasing at the fastest rate since June 2021. Staff costs increased only marginally and at the slowest rate in the current four-month sequence. Overall input price inflation rose to an 11-month high. In contrast, prices charged for goods and services were broadly unchanged since April.

QFC Qatar PMI™ vs. GDP



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



Financial Services

Sharpest rise in new business in nine months

- Financial Services New Business Index rises to 61.8
- Growth of total financial services activity also accelerates
- Charges rise, boosting margins

May data signalled a strong month for financial services companies in Qatar. Rates of expansion in new business and total activity both accelerated since April, and the 12-month outlook strengthened.

New work increased, extending the current growth sequence to three years. Moreover, the rate of growth in May was the fastest since August 2022 and well above the long-run trend. Total financial services activity rose for the twenty-third month running and at the strongest rate in three months. Meanwhile, expectations for activity strengthened and financial services firms raised employment.

May data signalled improving margins at financial services firms, as charges were raised further but input costs were broadly flat on average.

Comment

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

"Qatar's non-energy private sector remained on an upward growth trajectory in May, as inflows of new business accelerated in part due to tourism and demand for financial services. The sub-indices for output (59.6) and new orders (60.1) boosted the headline PMI to a ten-month high of 55.6, well above the long-run trend level since 2017 of 52.3.

"Financial services continued to outperform the wider economy, with its key indices for activity and new business registering 61.4 and 61.8, respectively. Financial services firms also raised their charges, in contrast to little change across the non-energy sector as a whole."

"The latest data suggests that rising demand for inputs is being reflected in prices, with the rate of purchase price inflation rising to its highest for nearly two years. Supply chains were able to cope with greater demand, as lead times on inputs fell further during the month."

– 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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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 12-23 May 2023.

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

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