



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 remains strong in July

- Activity and new business continue to rise at relatively fast rates
- Firms expand workforces and purchasing
- Inflationary pressures ease

Data were collected 12-24 July 2023

Doha, Qatar: 6 August 2023 – The latest Purchasing Managers' Index™ (PMI™) survey data from Qatar Financial Centre (QFC) indicated a positive start to the second half of 2023. Output, new orders, employment and purchasing all expanded, and the 12-month outlook remained positive. Backlogged work continued to fall, albeit less so than in the first half of the year, while inflationary pressures eased.

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 posted 54.0 in July, up slightly from 53.8 in June, indicating another strong improvement in business conditions. The latest figure was a superior outcome relative to the first half of 2023 (52.5) and remained well above the long-run trend of 52.3.

New business increased strongly in July. The rate of expansion moderated further since May but remained among the fastest seen over the past year. New business growth in financial services remained notably sharp.

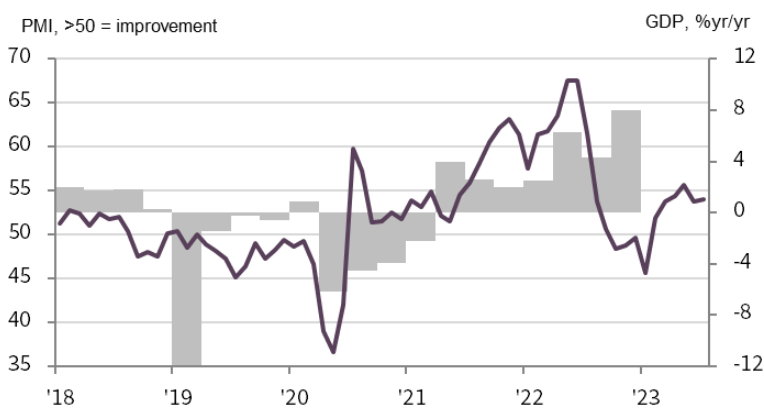
Total business activity among Qatari non-energy private sector firms rose further in July. Output has risen every month for more than three years, except for a brief correction in January following the conclusion of the FIFA World Cup Qatar 2022™. The rate of expansion accelerated since June and was the second-strongest of 2023 so far.

The 12-month outlook for the non-energy private sector remained optimistic in July. Higher expected business volumes were linked to new sales strategies, new hires, tourism and new products. Positive expectations remained broad-based by sector with service providers being the most optimistic, followed by goods producers.

July data signalled another increase in non-oil private sector employment, and at the fastest rate since July 2022. Recruitment was aimed both at new workloads and efforts to clear backlogs, which were reduced for the twelfth successive month. Supply chains continued to improve as average lead times fell for the fifteenth successive month, a series-record sequence. Input inventories rose only slightly, suggesting companies managed stock levels well during the month.

Price pressures eased in July, as the overall input prices index fell since June and was at a level indicative of a marginal rate of inflation. Meanwhile, output prices fell for the third month running, albeit only marginally.

QFC Qatar PMI™ vs. GDP



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



Financial Services

Growth of financial services activity remains strong

- Financial Services Business Activity Index at 59.5
- Demand for financial services remains strong
- Fastest increase in staffing in 14 months

Qatar's financial services sector continued to expand markedly at the start of the second half of 2023. Growth in new business remained sharp, leading to another strong rise in total activity. The outlook brightened since June and employment in the sector rose at the strongest rate in over a year.

New business increased at the second-fastest rate in nearly a year, and one that remained well above the long-run trend. Total financial services activity rose for the twenty-fifth month running and at a relatively strong pace. Expectations for activity improved since June and financial services firms raised employment the most in 14 months.

July data signalled higher charges levied by finance companies in Qatar, following discounting in June. Overall cost pressures rose marginally.

Comment

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

"Qatar PMI data continued to point to an expansion of the non-energy private sector as we enter the second half of 2023. The latest headline figure of 54.0 is well above the long-run survey average as total business activity and demand both rose strongly in July. Companies also stepped up hiring as a slower fall in outstanding work hinted at returning pressure on business capacity."

"Financial services remains a strong point for the economy, with the key indices for activity and new business both remaining elevated in July, while employment in the sector rose at the strongest rate in over a year."

"There was little upward pressure on input costs in July, enabling firms to cut their prices for the third month running. Another reduction in August would mark the longest spell of discounting in nearly four years."

– 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 12-24 July 2023.

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

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