



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 private sector growth strengthens in October

- Faster increase in new business drives output higher
- Employment and wage growth remain close to record levels
- Outstanding business increases at sharpest rate in over two years

Data were collected 10-24 October 2024

Doha, Qatar: 5 November 2024 – The latest Purchasing Managers' Index[™] (PMI[®]) survey data from Qatar Financial Centre (QFC) compiled by S&P Global signalled stronger growth in business conditions in Qatar's non-energy private sector in October. Demand for goods and services increased at a faster rate, leading to growth in total activity and the greatest build-up of outstanding business in over two years. The 12-month outlook for activity remained stronger than the long-run survey trend. Companies continued to invest in staff by increasing both employment and wages at rates close to September's respective series records. Overall cost inflation was the highest in over four years, but competitive pressures led to another fall in prices charged.

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 to 52.8 in October, from 51.7 in September, signalling stronger overall growth in business conditions in the non-energy private sector economy. The rise in the headline figure in October took it back above the long-run survey average of 52.3 (since April 2017).



The rise in the PMI since September mainly reflected a faster increase in new business, which in turn generated a renewed expansion in overall business activity. Inflows of new business expanded for the tenth month running, linked to successful marketing, service enhancements, population growth and client satisfaction. Outstanding business increased for the second month running, and at the fastest rate since June 2022.

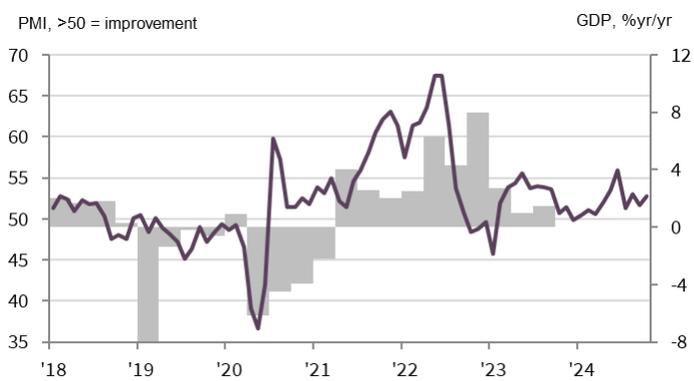
October data signalled continued investment in staff in order to boost capacity. Over the past two months non-energy employment has risen more quickly than at any other time in the survey history. Service providers in particular raised staffing levels at a rapid rate.

Wage inflation in the non-energy sector remained close to September's record level in October. The seasonally adjusted Staff Costs Index was the second highest on record. Companies reported boosting salaries to retain experienced and skilled staff in a highly competitive market. Overall cost pressures were the highest since July 2020. In contrast, prices charged for goods and services fell for the third month running as firms competed for business.

Confidence regarding the next 12 months remained strong in October, with sentiment the second highest since early-2023. Positive forecasts were linked to improving market conditions, population growth, real estate investment, new products, marketing and tourism.

Competition among suppliers and good relationships led to another reduction in average lead times in October. Inventory levels rose, leading to a downward adjustment in purchasing activity.

QFC Qatar PMI vs. GDP



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

Financial Services

Strong demand for financial services prompts record jobs growth

- Employment increases at fastest rate since series began in 2017
- Further marked rise in new business
- Total activity growth accelerates

There was a further marked increase demand for Qatari financial services in October, driving a record increase in employment in the sector. The seasonally adjusted Financial Services Employment Index rose to 63.3, from 60.9 in September, the highest since the series began in April 2017. New business (index 60.8) expanded at a relatively strong rate.

Companies were strongly optimistic regarding the 12-month outlook, with sentiment at the second-highest level since early-2023 (69.0). Total financial services activity increase at a faster rate (57.0).

In terms of prices, average charges set by financial services companies fell for the third month running. Meanwhile, average input prices rose the most since July 2020.



Comment

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

"The headline PMI rose to 52.8 in October, taking it above the average for the third quarter (52.0) and signalling renewed momentum in the non-energy sector. New business growth accelerated, driving total activity higher and leading to a faster build-up in outstanding work.

"A key theme of recent months has been the booming labour market, and this continued at the start of the fourth quarter. The employment and staff costs sub-indices remained close to September's record highs as firms reported hiking salaries to boost capacity and retain skilled and experienced staff. However, higher staff costs have not been passed on to customers as prices charged fell further in October.

"The seasonally adjusted Financial Services Employment Index rose to 63.3, from 60.9 in September, the highest since the series began in April 2017. New business (index 60.8) expanded at a relatively strong rate."

– 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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MEDIA CONTACTS

QFC: Rasha Kamaleddine, Marketing & Corporate Communications Department, r.kamaleddine@qfc.qa

ENQUIRIES ABOUT THE REPORT

QFC: qatarpmi@qfc.qa

ABOUT S&P GLOBAL

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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.

www.spglobal.com/marketintelligence/en/mi/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 October 2024.

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

CONTACT

S&P Global: Sabrina Mayeen | T. +44 (0) 7967 447030 | E. [Sabrina.mayeen@spglobal.com](mailto: Sabrina.mayeen@spglobal.com)