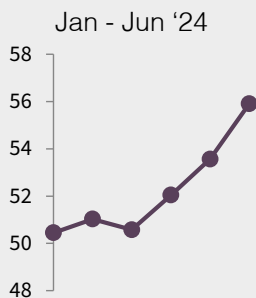




QATAR FINANCIAL CENTRE PMI



Qatar PMI rises for the fifth time in 2024 to a 23-month high

Faster increases in both activity and new business

Employment growth maintained for sixteenth straight month

Qatar's non-energy private sector growth moved up a gear in June, according to the latest Purchasing Managers' Index™ (PMI®) survey data from Qatar Financial Centre (QFC) compiled by S&P Global. Output increased at the fastest rate for a year-and-a-half as new business growth accelerated, while companies continued to expand employment and the 12-month outlook remained strong. Inflationary pressures remained muted, with input prices up only slightly since May and prices charged for goods and services falling.

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 registered 55.9 in June, up from 53.6 in May and signalled the strongest improvement in business conditions in the non-energy private sector economy since July 2022. It was also above the long-run trend level of 52.3 (since April 2017). The headline figure has risen five times in 2024 so far, and the 2.3-point increase in the PMI was among the largest registered over the past three years.

June data signalled a strengthening in demand in the Qatari non-energy economy. The level of incoming new work expanded at the sharpest rate in 13 months, and one that was faster than the long-run survey trend. Firms reported

Qatar Financial Centre PMI

sa, >50 = improvement since previous month



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OVERVIEW CONTINUED...

higher customer numbers, promotional activity and client trust in their products and services.

The faster increase in new business in June resulted in the strongest growth in total business activity since December 2022. Growth accelerated notably in manufacturing and construction, and remained sharp in the other sectors. Despite rising demand for goods and services, companies were able to further reduce the volume of outstanding work.

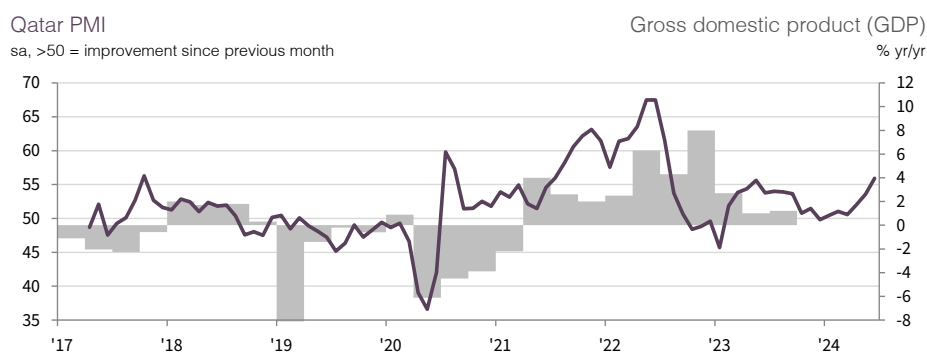
Confidence regarding the next 12 months remained strong in June. Companies linked positive forecasts to new branch openings, new customers and marketing campaigns.

Faster growth of output and new orders was reflected in another increase in employment, the sixteenth in a row. Companies reported new job opportunities due to business growth and the need to

recruit highly skilled staff. Wholesalers & retailers and service providers drove recruitment.

Demand for inputs rose in June, as purchasing activity increased for the fourth successive month. Lead times continued to improve, however, as supplier relationships continued to be developed. Input stocks rose for only the second time in seven months, and at the fastest rate in a year as companies prepared for anticipated greater new workloads.

Cost pressures rose slightly in June as average purchase prices and staff costs both increased, albeit at marginal rates. Prices charged for goods and services fell for the sixth time in the past eight months, however, and at the second-fastest rate for a year, as firms reported making discounts to boost competitiveness and win new customers.



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

COMMENT

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

"The PMI ascended to its highest level in almost two years in June, boosted by faster growth of output and new business and a renewed rise in inventories as firms remained optimistic in the 12-month outlook. Additionally, the June figure of 55.9 was higher than in all pre-pandemic

months in the survey history, except for October 2017 (56.3). Growth has now accelerated five times in the first half of 2024 as the non-energy economy has rebounded from a moderation in the second half of 2023.

"Moreover, the latest results point to a more broad-based upturn as manufacturing and construction have caught up with the services, wholesale

and retail sectors."

"The acceleration in business expansion has not been accompanied by rising price pressures. On the contrary, companies engaged in discounting in June to further boost sales."

OUTPUT AND DEMAND

Output

Growth of total business activity in the non-energy private sector increased at the fastest rate for a year-and-a-half in June, linked to new business and new customers. The seasonally adjusted Output Index rose for the third successive month, the longest run of increases since the first time since the first half of 2022. All four sectors posted marked growth in June, led by construction and services.

New orders

Inflows of new business expanded at the fastest rate in 13 months in June. Firms reported expanded customer numbers, promotional activity and high levels of client trust in their products and services.

Wholesalers and retailers registered the strongest rise in demand in the latest period, followed by manufacturing and services.

Output Index

sa, >50 = growth since previous month

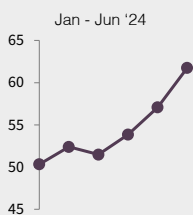


New Orders Index

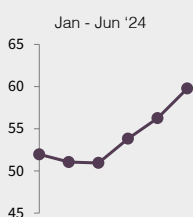
sa, >50 = growth since previous month



Output Index
Jan - Jun '24

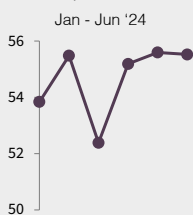


New Orders Index
Jan - Jun '24



BUSINESS EXPECTATIONS

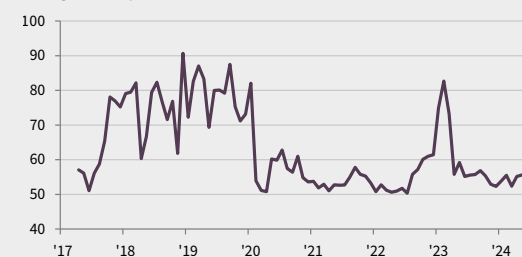
Future Output Index
Jan - Jun '24



Business sentiment in the Qatari non-energy private sector economy remained positive in June, with optimism broadly in line with the average for the other two months in the second quarter. The Future Output Index was little-changed from May's eight-month high. Companies linked positive forecasts to new branch openings, new customers and marketing campaigns. Output expectations were strongest in the wholesale and retail sector.

Future Output Index

>50 = growth expected over next 12 months



EMPLOYMENT AND CAPACITY

Employment

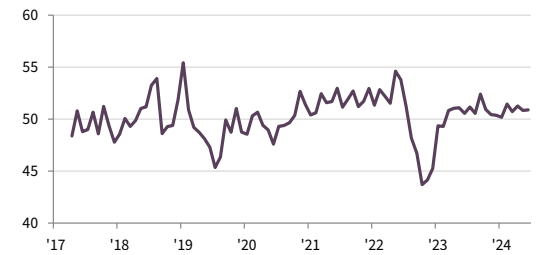
Companies continued to expand their workforces on average in June, as the seasonally adjusted Employment Index signalled growth for the sixteenth straight month. Companies reported new job opportunities due to business growth and the need to recruit highly skilled staff. The rate of job creation was little-changed since May, but remained above the long-run trend. Sub-sector data signalled that recruitment was driven by the services and wholesale & retail sectors.

Backlogs of work

Non-energy private sector firms in Qatar achieved another reduction in outstanding business in June. The latest depletion was the weakest in the current five-month sequence of decline, however, as new business growth strengthened. The construction sector again registered the steepest drop in outstanding work.

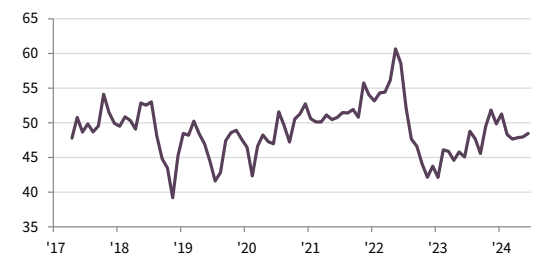
Employment Index

sa, >50 = growth since previous month



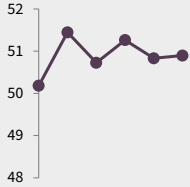
Backlogs of Work Index

sa, >50 = growth since previous month



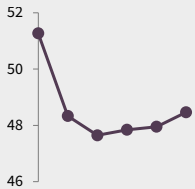
Employment Index

Jan - Jun '24



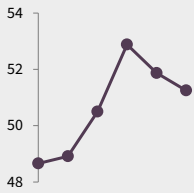
Backlogs of Work Index

Jan - Jun '24



PURCHASING AND INVENTORIES

Quantity of Purchases Index
Jan - Jun '24



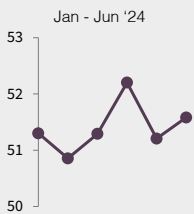
Quantity of purchases

The volume of inputs ordered by non-energy private sector firms rose for the fourth month running in June as firms addressed rising order books. The rate of growth eased further from April's ten-month high, and was below the long-run survey average. Purchasing growth was registered in three sectors, the exception being manufacturing, with the fastest increase in wholesale & retail.

Quantity of Purchases Index
sa, >50 = growth since previous month



Suppliers' Delivery Times Index
Jan - Jun '24



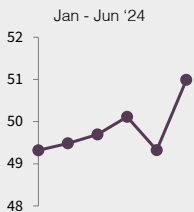
Suppliers' delivery times

Supplier performance continued to improve in June. Average lead times have shortened in every month since May 2022, the longest sequence on record. The seasonally adjusted Suppliers' Delivery Times Index rose in the latest period, signalling the second-greatest improvement in nine months. Input delivery times improved most in the manufacturing sector.

Suppliers' Delivery Times Index
sa, >50 = faster times since previous month



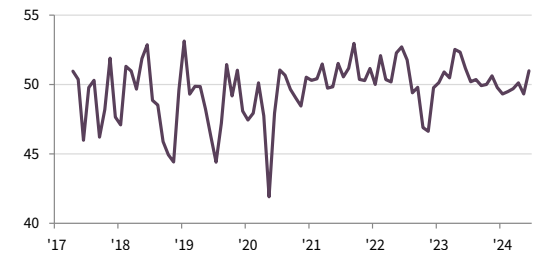
Stocks of Purchases Index
Jan - Jun '24



Stocks of purchases

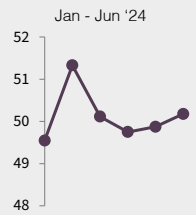
The level of inputs held in stock in the Qatari non-energy private sector rose for only the second time in seven months in June. The seasonally adjusted Stocks of Purchases Index indicated the fastest rate of stockbuilding for a year. Higher stock levels were mostly driven by the manufacturing sector.

Stocks of Purchases Index
sa, >50 = growth since previous month



PRICES

Overall Input Prices Index

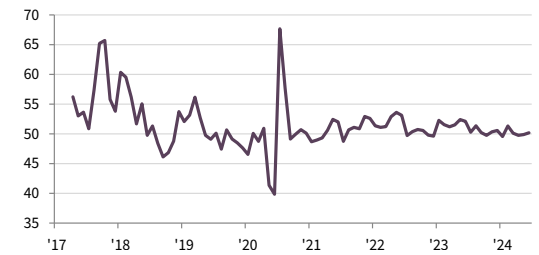


Overall input prices

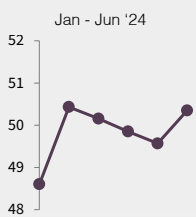
Average input prices paid by Qatari non-energy private sector firms rose for the first time in three months in June. The seasonally adjusted Overall Input Prices Index remained below its long-run survey average of 51.6, however, and indicated only a marginal rate of inflation. Average input prices rose slightly in three sectors, the exception being construction.

Overall Input Prices Index

sa, >50 = inflation since previous month



Purchase Prices Index

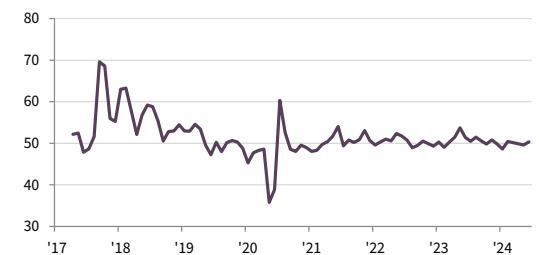


Purchase prices

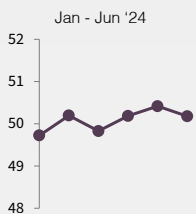
Average purchase prices paid by non-energy private sector firms in Qatar were slightly higher in June compared with the previous month. The seasonally adjusted Purchase Prices Index posted just above the 50.0 threshold, but still below the long-run trend level of 51.5. Purchasing costs fell in the construction sector but rose elsewhere.

Purchase Prices Index

sa, >50 = inflation since previous month



Staff Costs Index

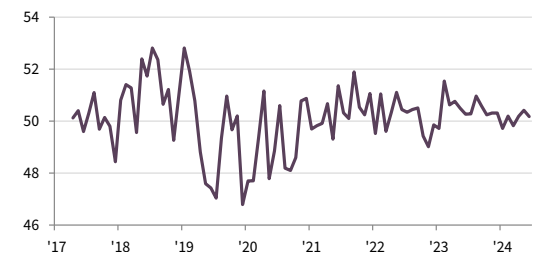


Staff costs

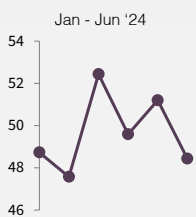
Average wages and salaries paid by private sector non-energy companies in Qatar rose further in June. The rate of inflation was only marginal, however, and slowed from May's eight-month high. Wages rose in the wholesale & retail and services sectors and were broadly stable elsewhere.

Staff Costs Index

sa, >50 = inflation since previous month



Output Prices Index

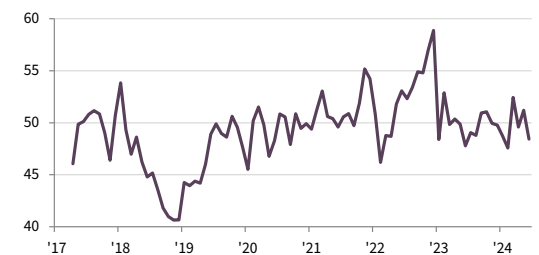


Output prices

Prices charged by private sector firms in Qatar fell in June, the sixth decline in the last eight months. Firms reported offering discounts to improve competitiveness and win new customers. The rate of reduction was modest overall, but the second-strongest in a year. The wholesale & retail sector recorded the strongest fall in selling prices in June.

Output Prices Index

sa, >50 = inflation since previous month



FINANCIAL SERVICES

Growth in financial services activity accelerates in June

Steepest increase in total activity for over a year

Fastest rise in new business in nine months

Charge inflation at 14-month high

Qatari financial services companies recorded a further strengthening in growth of total business activity and new contracts in June. The seasonally adjusted Financial Services Business Activity and New Business Indexes rose to 13- and nine-month highs of 61.1 and 59.2, respectively, well above their long-run trend levels since 2017.

Companies were also increasingly optimistic regarding the 12-month outlook, with sentiment the highest since July 2023. Meanwhile, employment growth was maintained for the fifteenth successive month.

In terms of prices, average charges set by financial services companies rose at the strongest rate since April 2023, following a marginal rise in May and discounting during the first four months of 2024. Meanwhile, average input prices fell slightly for the third time in four months.

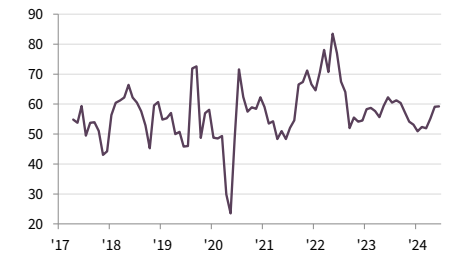
Business Activity Index

sa, >50 = growth since previous month



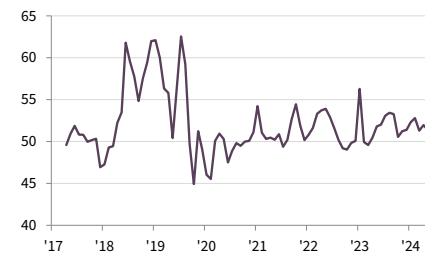
New Business Index

sa, >50 = growth since previous month



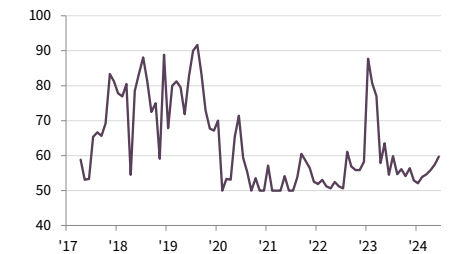
Employment Index

sa, >50 = growth since previous month



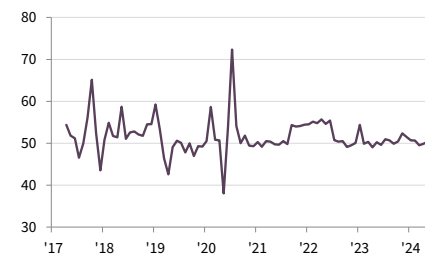
Future Activity Index

>50 = growth expected over next 12 months



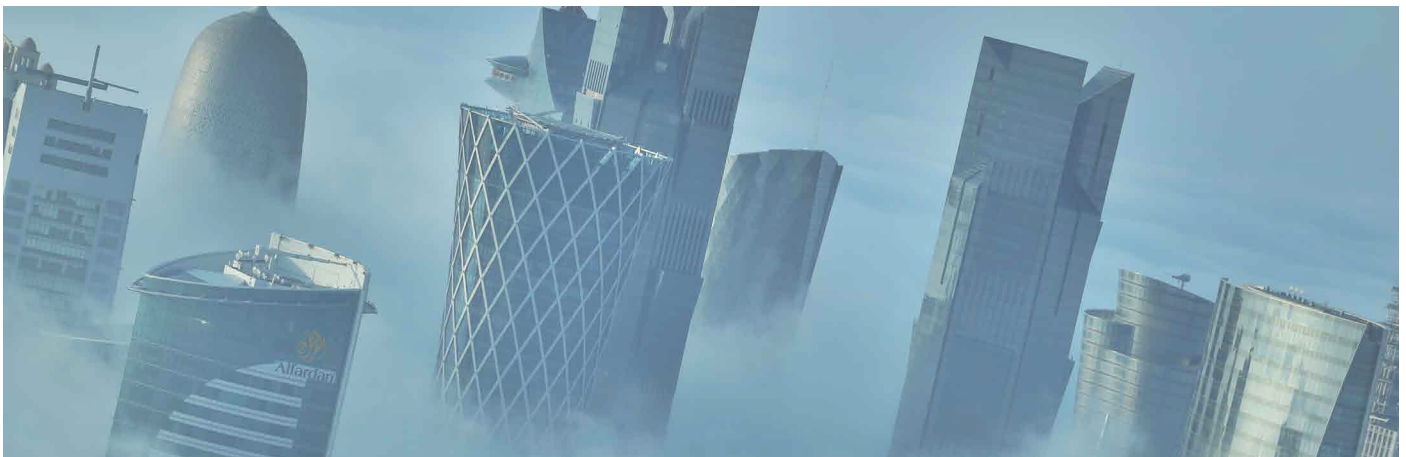
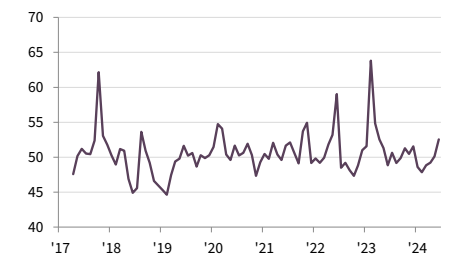
Input Prices Index

sa, >50 = inflation since previous month



Prices Charged Index

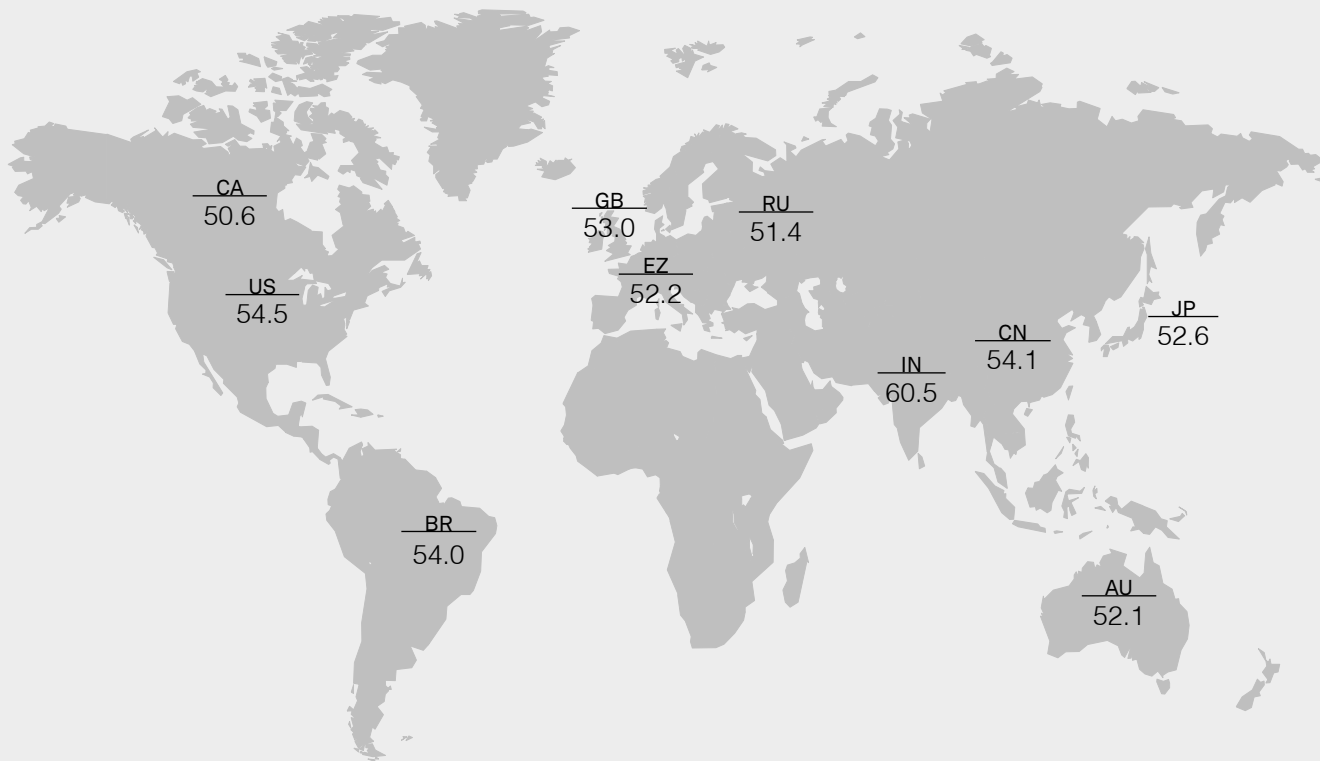
sa, >50 = inflation since previous month



INTERNATIONAL PMI

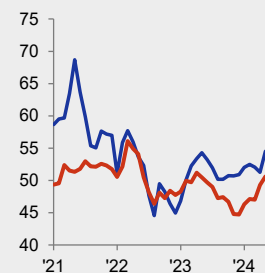
Composite Output Index, May '24
sa, >50 = growth since previous month

The Composite Output Index is a GDP-weighted average of the Manufacturing Output Index and the Services Business Activity Index.

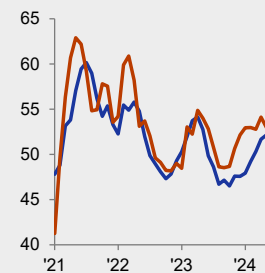


Composite Output Index

■ USA
■ Canada
sa, >50 = growth



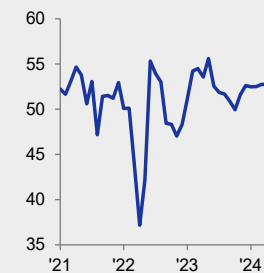
■ Eurozone
■ UK
sa, >50 = growth



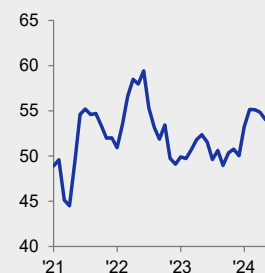
■ Russia
sa, >50 = growth



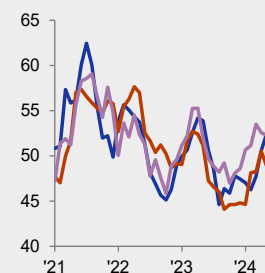
■ China
sa, >50 = growth



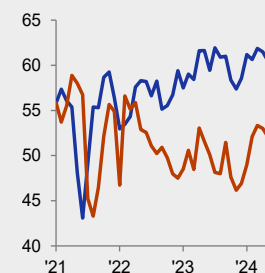
■ Brazil
sa, >50 = growth



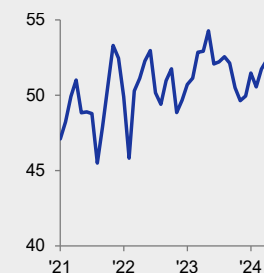
■ Germany ■ Italy
■ France
sa, >50 = growth



■ India
■ Australia
sa, >50 = growth



■ Japan
sa, >50 = growth



SURVEY METHODOLOGY

Survey panel size

450
companies

Index calculation

% 'Higher'
+
(% 'No change')/2

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 non-energy 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.

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

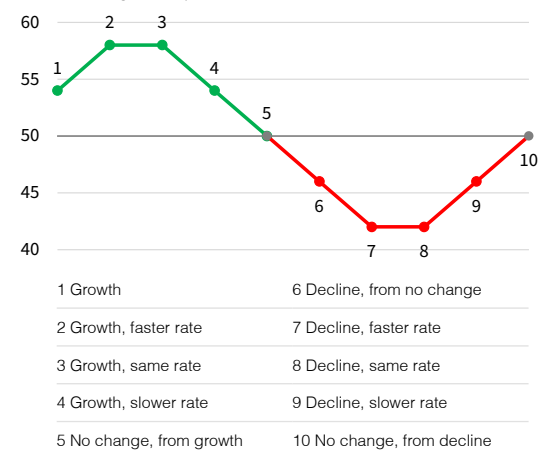
Survey dates and history

Data were collected 12-25 June 2024.

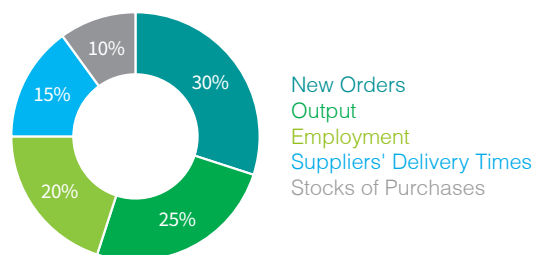
Survey data were first collected in April 2017.

Index interpretation

50.0 = no change since previous month



PMI component weights



Sector coverage

PMI data include responses from companies operating in sectors classified according to the following ISIC Rev.4 codes:

C Manufacturing	M Professional, Scientific and Technical Activities
F Construction	N Administrative and Support Service Activities
G Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	P Education*
H Transportation and Storage	Q Human Health and Social Work Activities*
I Accommodation and Food Service Activities	R Arts, Entertainment and Recreation
J Information and Communication	S Other Service Activities
K Financial and Insurance Activities	*Private sector

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About 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 also 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.

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