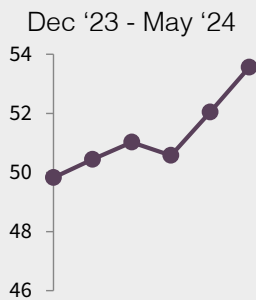




QATAR FINANCIAL CENTRE PMI



PMI rises to eight-month high amid sharper growth of new orders and output

12-month outlook improves

Employment increases for fifteenth successive month

The upturn in Qatar's non-energy private sector gained notable momentum in May, according to the latest Purchasing Managers' Index™ (PMI®) survey data from Qatar Financial Centre (QFC) compiled by S&P Global. Output and new orders increased at the fastest rates since the third quarter of 2023, companies continued to expand employment and the 12-month outlook improved. Inflationary pressures remained muted, with input prices broadly unchanged and output charges up only modestly since April.

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.

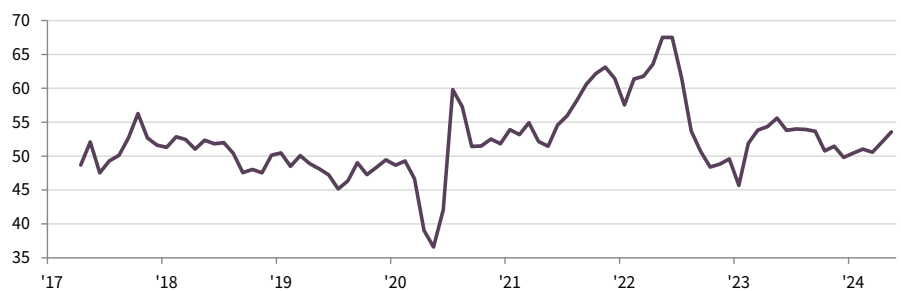
The headline Qatar Financial Centre PMI is a composite single-figure indicator of non-energy private sector performance. It is derived from indicators for new orders, output, employment, suppliers' delivery times and stocks of purchases.

The PMI registered 53.6 in May, up from 52.0 in April, rising further above the no-change mark of 50.0 and signalling the strongest improvement in business conditions in the non-energy private sector economy since last September. It was also above the long-run trend level of 52.3 (since April 2017). The 1.6-point increase in the PMI was among the largest registered over the past two years.

May data signalled growing demand momentum in the non-energy economy. The level of incoming new work expanded at the sharpest rate in eight months, and faster than the

Qatar Financial Centre PMI

sa, >50 = improvement since previous month



## CONTENTS

- [Overview and comment](#)
- [Output and demand](#)
- [Business expectations](#)
- [Employment and capacity](#)
- [Purchasing and inventories](#)
- [Prices](#)
- [Financial services](#)
- [International PMI](#)
- [Survey methodology](#)
- [Further information](#)

## OVERVIEW CONTINUED...

long-run survey trend. Companies often mentioned that their reputations for high-quality products and services had attracted new clients.

The accelerated increase in new business wins in May generated the fastest growth in total business activity since last August. All four broad sectors posted quicker expansions, led again by wholesale & retail and services. Although new business growth strengthened, companies were still able to reduce the volume of outstanding work during the month.

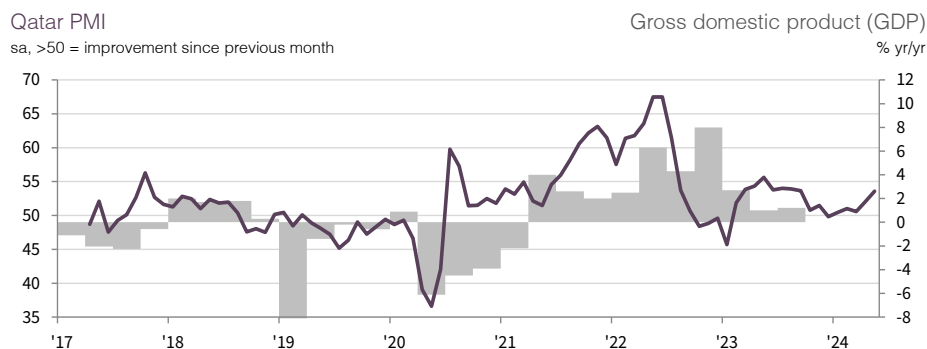
Confidence regarding the next 12 months strengthened in May. Increasing optimism among non-energy private sector companies was linked to development plans and marketing campaigns, plus the introduction of new high-quality products and services.

Faster growth of output and new orders

was reflected in another increase in employment. Hiring activity was linked to company development goals, including efforts to speed up the delivery of high-quality services and to gain staff experienced in new technologies.

Demand for inputs rose in May, as purchasing activity increased at the second-fastest rate in ten months. Lead times continued to improve, however, as firms reported building supplier relationships. Input stocks fell for the fifth time in six months as output growth accelerated.

Cost pressures were broadly stable as average purchase prices declined, offsetting higher wages. Prices charged for goods and services increased for the second time in the past seven months, but at a slower rate than the previous hike in March.



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

## COMMENT

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

*"The May results clearly indicate that the non-energy private sector has moved up a gear as we approach the halfway point of 2024. Growth rates for output and new orders accelerated notably, and companies became more optimistic regarding the next 12 months."*

*"Both the wholesale and retail and the services sectors continued to drive expansion in May, and financial services remained a bright spot."*

*"Although there was a rise in output prices in May, inflationary pressures broadly remained in check and suppliers' delivery times continued to improve."*

## OUTPUT AND DEMAND

### Output

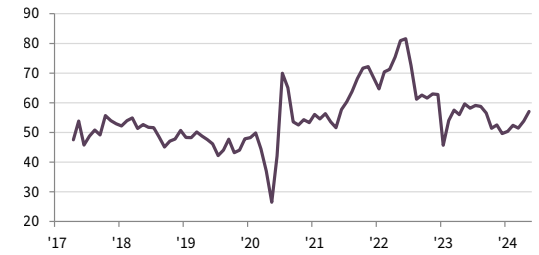
Growth of total business activity in the non-energy private sector accelerated further in May, widely attributed by companies to faster inflows of new work and greater customer numbers. The seasonally adjusted Output Index rose sharply to a nine-month high, and well the long-run trend level of 54.7. All four sectors posted faster growth in May, led again by wholesale & retail and services.

### New orders

Inflows of new business expanded at the fastest rate in eight months in May. Firms reported new customers, partly linked to reputations for providing high quality products and services. Sector data showed that wholesalers and retailers enjoyed the strongest rise in demand in the latest period.

### Output Index

sa, >50 = growth since previous month



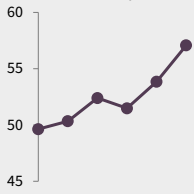
### New Orders Index

sa, >50 = growth since previous month



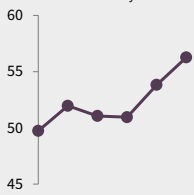
### Output Index

Dec '23 - May '24



### New Orders Index

Dec '23 - May '24

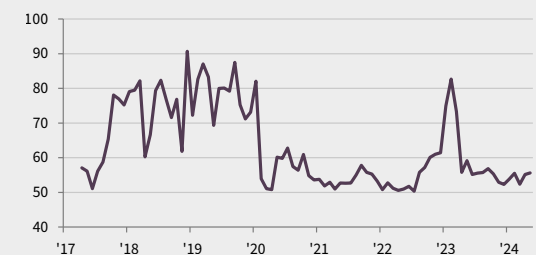


## BUSINESS EXPECTATIONS

Business sentiment in the Qatari non-energy private sector economy remained positive in May, and strengthened further. The Future Output Index rose to an eight-month high, though it remained below the pre-pandemic average. Companies linked confidence to development plans and marketing campaigns, plus new high quality products and services. Output expectations remained strongest in the construction sector.

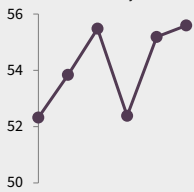
### Future Output Index

>50 = growth expected over next 12 months



### Future Output Index

Dec '23 - May '24



## EMPLOYMENT AND CAPACITY

### Employment

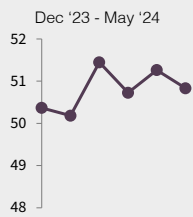
Companies continued to expand their workforces on average in May, as the seasonally adjusted Employment Index signalled growth for the fifteenth straight month. Recruitment was linked to company development needs, such as efforts to speed up the delivery of high quality services and to gain staff experienced in new technologies. The rate of job creation eased since April but remained above the long-run trend.

Sub-sector data signalled that recruitment was driven by the services and wholesale & retail sectors.

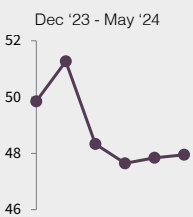
### Backlogs of work

Non-energy private sector firms in Qatar achieved another reduction in outstanding business in May. Backlogs have fallen 20 times in the past 22 months. The latest depletion was similar to those registered in March and April. Levels of incomplete work fell particularly sharply in construction.

Employment Index

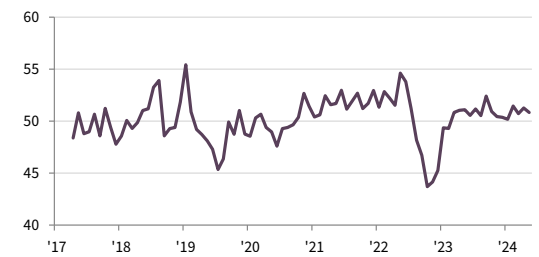


Backlogs of Work Index



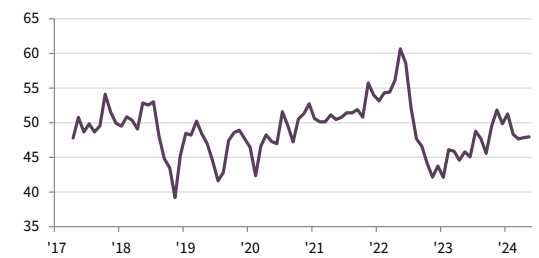
Employment Index

sa, >50 = growth since previous month



Backlogs of Work Index

sa, >50 = growth since previous month



## PURCHASING AND INVENTORIES

### Quantity of purchases

The volume of inputs ordered by non-energy private sector firms rose for the third month running in May, linked to higher demand and improving supplier relationships. The rate of growth eased from April's ten-month high, and was broadly in line with the long-run survey average. Purchasing growth was registered in three sectors, the exception being construction, with the fastest increase in wholesale & retail.

### Suppliers' delivery times

Supplier performance continued to improve in May. Average lead times have shortened in every month since May 2022, the longest sequence on record. The seasonally adjusted Suppliers' Delivery Times Index fell in the latest period, signalling the smallest improvement in three months. Input delivery times improved most in the construction sector.

### Stocks of purchases

The level of inputs held in stock in the non-energy private sector fell for the fifth time in six months in May, with the seasonally adjusted Stocks of Purchases Index indicative of a marginal rate of destocking. Lower stock levels were most common in the construction sector.

### Quantity of Purchases Index

sa, >50 = growth since previous month



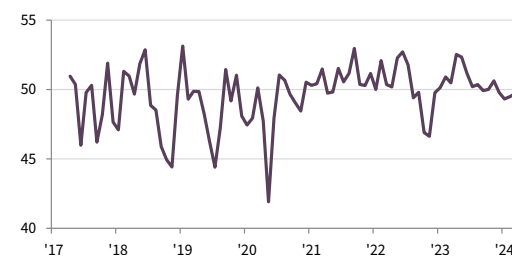
### Suppliers' Delivery Times Index

sa, >50 = faster times since previous month

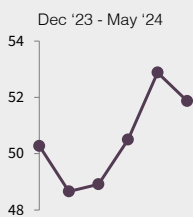


### Stocks of Purchases Index

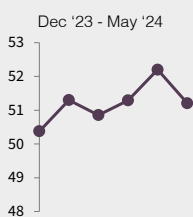
sa, >50 = growth since previous month



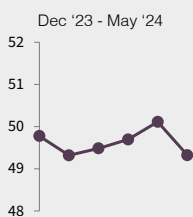
Quantity of Purchases Index  
Dec '23 - May '24



Suppliers' Delivery Times Index  
Dec '23 - May '24

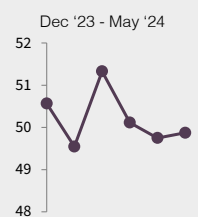


Stocks of Purchases Index  
Dec '23 - May '24



## PRICES

Overall Input Prices Index



### Overall input prices

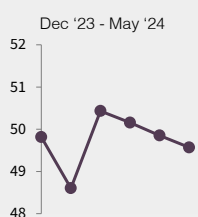
Average input prices paid by Qatari non-energy private sector firms were broadly stable in May, following a slight decrease in April. The seasonally adjusted Overall Input Prices Index remained below its long-run survey average of 51.6, however. Average input prices rose in services and wholesale & retail, and fell in manufacturing and construction.

Overall Input Prices Index

sa, >50 = inflation since previous month



Purchase Prices Index

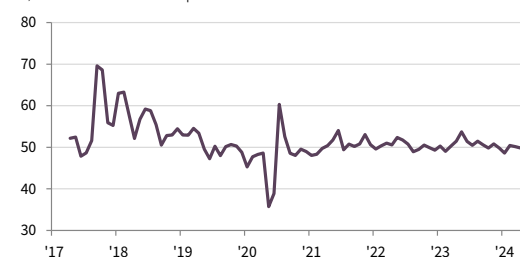


### Purchase prices

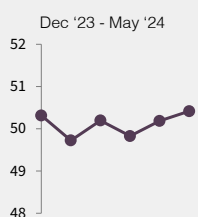
Average purchase prices paid by non-energy private sector firms in Qatar were slightly lower in May compared with the previous month. The seasonally adjusted Purchase Prices Index posted just below the 50.0 threshold, remaining beneath the long-run trend level of 51.5. Lower purchasing costs were most evident in the construction sector.

Purchase Prices Index

sa, >50 = inflation since previous month



Staff Costs Index

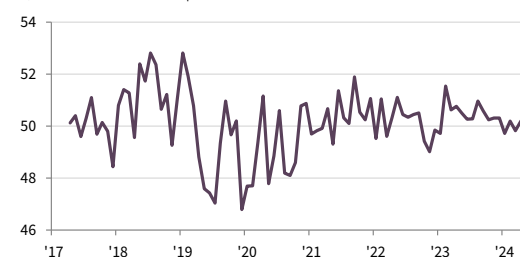


### Staff costs

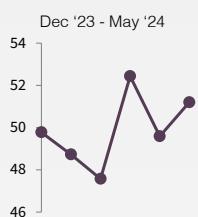
Average wages and salaries paid by private sector non-energy companies in Qatar rose further in May. The rate of inflation was modest overall, but the highest in eight months. Wage rises were most prevalent in the wholesale & retail sector.

Staff Costs Index

sa, >50 = inflation since previous month



Output Prices Index



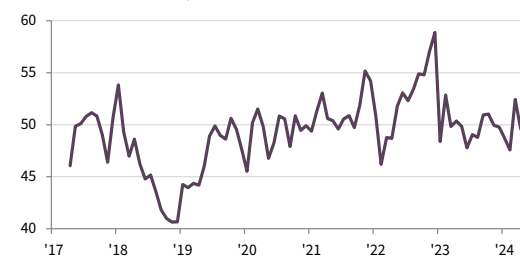
### Output prices

Prices charged by private sector firms in Qatar rose in May, only the second round of inflation in the last seven months. The rate of increase was the second-strongest in 15 months, but only modest overall.

The wholesale & retail sector recorded the strongest increase in sales prices in May.

Output Prices Index

sa, >50 = inflation since previous month



## FINANCIAL SERVICES

# Growth in financial services activity surges in May

Steepest increases in total activity since May 2023

New business inflows and 12-month outlook both strengthen

Charges for financial services broadly stable

Qatari financial services companies recorded much faster growth in volumes of total business activity and new contracts in May. The seasonally adjusted Financial Services Business Activity and New Business Indexes rose to 12- and eight-month highs of 60.9 and 59.1, respectively, well above the equivalent indices for the non-energy private sector as a whole.

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

In terms of prices, average charges set by financial services companies were broadly unchanged since April, following a four-month sequence of discounting. Meanwhile, average input prices rose slightly and for the first time in three months.

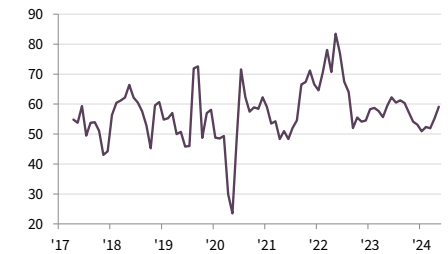
Business Activity Index

sa, >50 = growth since previous month



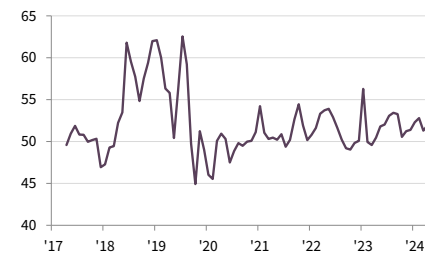
New Business Index

sa, >50 = growth since previous month



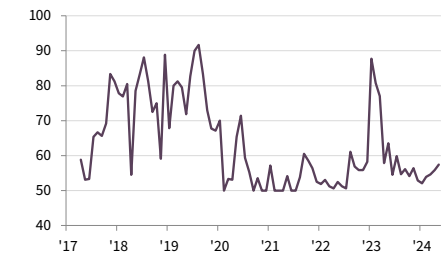
Employment Index

sa, >50 = growth since previous month



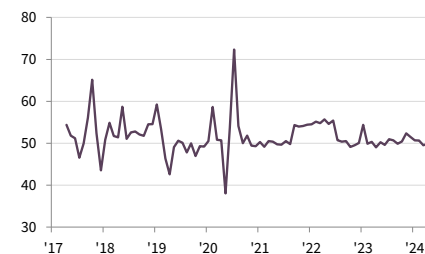
Future Activity Index

>50 = growth expected over next 12 months



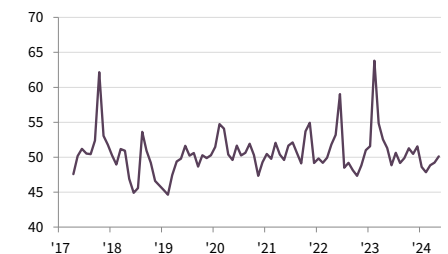
Input Prices Index

sa, >50 = inflation since previous month



Prices Charged Index

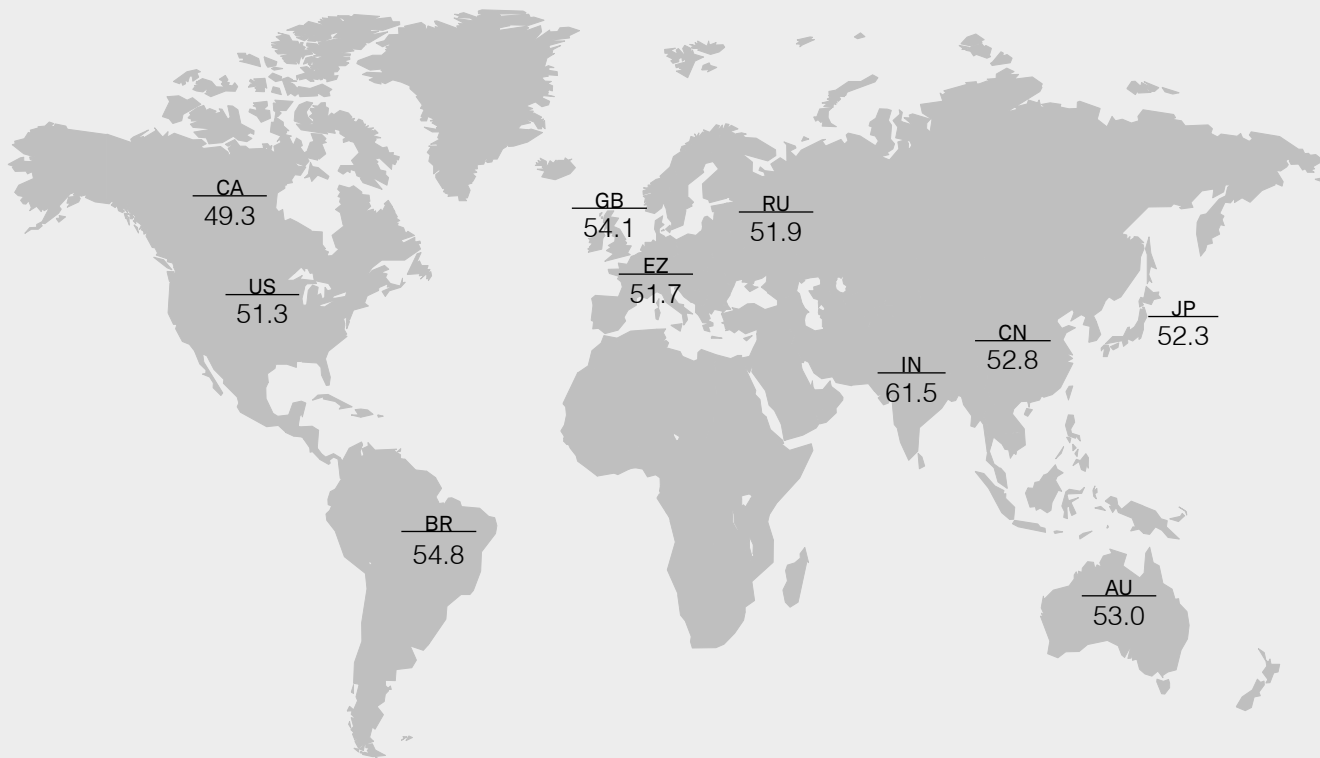
sa, >50 = inflation since previous month



## INTERNATIONAL PMI

Composite Output Index, Apr '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.

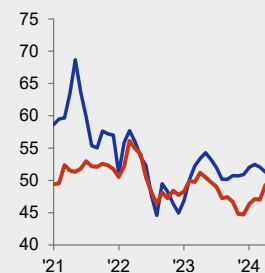


### Composite Output Index

■ USA

■ Canada

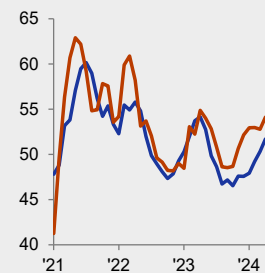
sa, >50 = growth



■ Eurozone

■ UK

sa, >50 = growth



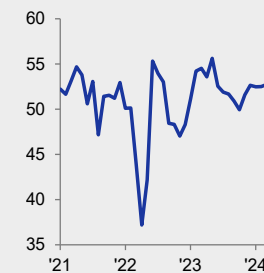
■ Russia

sa, >50 = growth



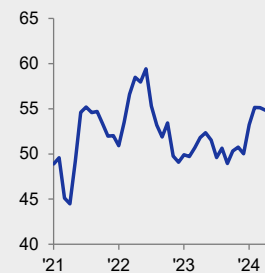
■ China

sa, >50 = growth



■ Brazil

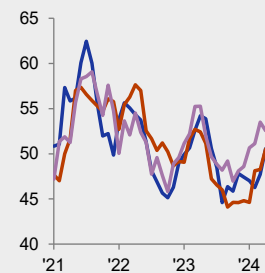
sa, >50 = growth



■ Germany ■ Italy

■ France

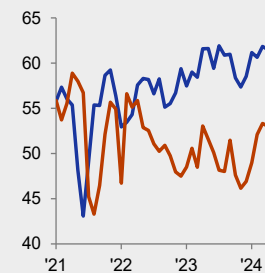
sa, >50 = growth



■ India

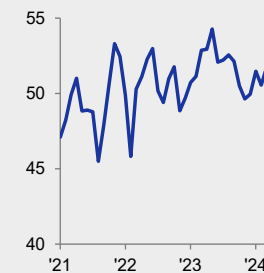
■ Australia

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](mailto:economics@spglobal.com).

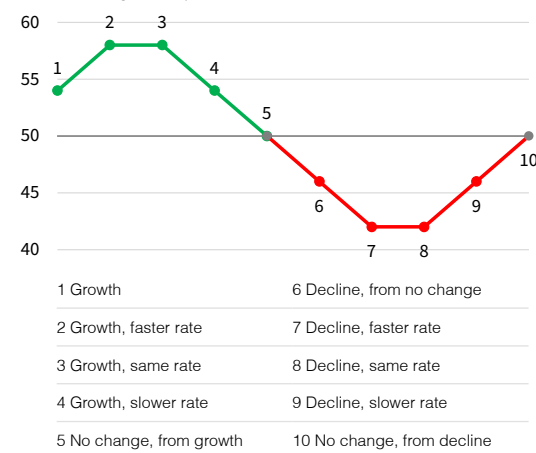
### Survey dates and history

Data were collected 10-23 May 2024.

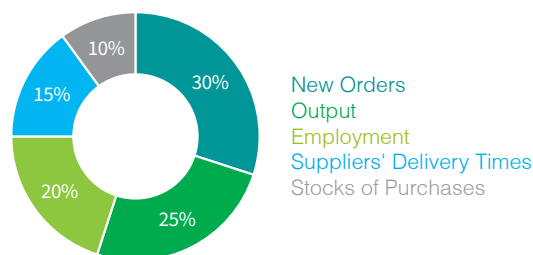
Survey data were first collected in April 2017.

### 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](http://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.  
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### 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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