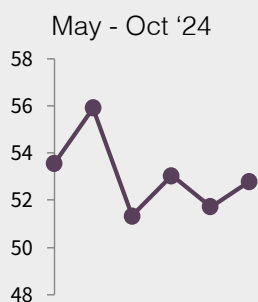




QATAR FINANCIAL CENTRE PMI



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

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

Qatar Financial Centre PMI

sa, >50 = improvement since previous month



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OVERVIEW CONTINUED...

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.

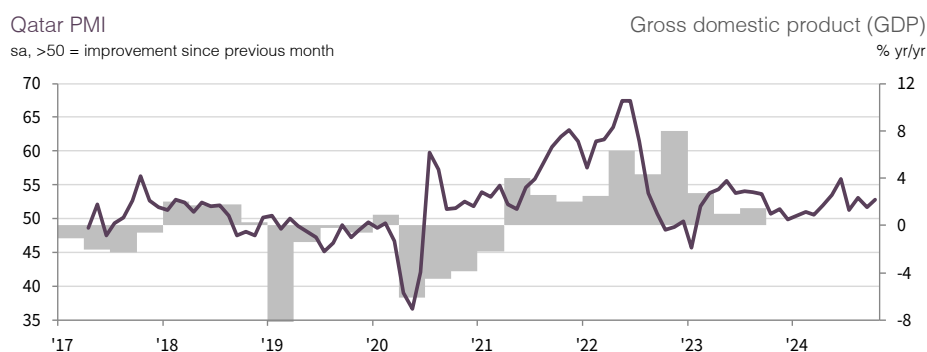
October data signalled continued investment in staff in order to boost capacity. Over the past two months non-energy employment has risen more quickly than at any other time in the survey history. Service providers in particular raised staffing levels at a rapid rate.

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.



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

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."

OUTPUT AND DEMAND

Output

October data indicated an expansion in total business activity, following a brief pause in growth in September. Sub-sector data revealed that the strongest output trends were in services and manufacturing.

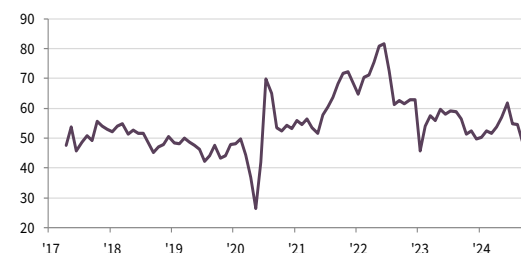
New orders

Inflows of new business expanded for the tenth month running in October. The rate of growth accelerated since September but remained softer than the trend for 2024 so far. Anecdotal evidence partly linked new contracts to successful marketing, service enhancements, population growth and client satisfaction.

The wholesale & retail and manufacturing sectors recorded the fastest increases in new orders.

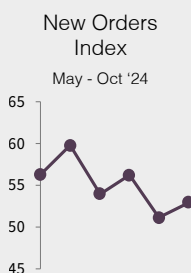
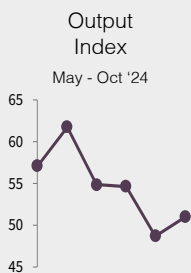
Output Index

sa, >50 = growth since previous month



New Orders Index

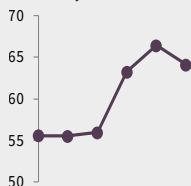
sa, >50 = growth since previous month



BUSINESS EXPECTATIONS

Future Output Index

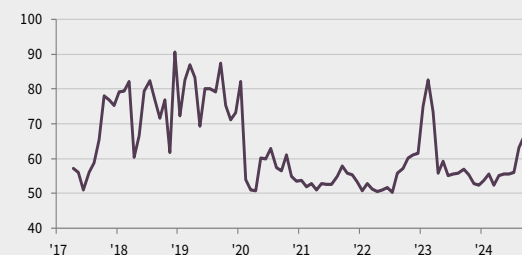
May - Oct '24



The 12-month outlook for activity in Qatar's non-energy economy remained strongly positive in October, linked to improving market conditions, population growth, real estate investment, new products, marketing and tourism. The Future Output Index eased slightly from September's 18-month high, but remained above its long-run average of 63.0. By sector, service providers were the most optimistic in October.

Future Output Index

>50 = growth expected over next 12 months



EMPLOYMENT AND CAPACITY

Employment

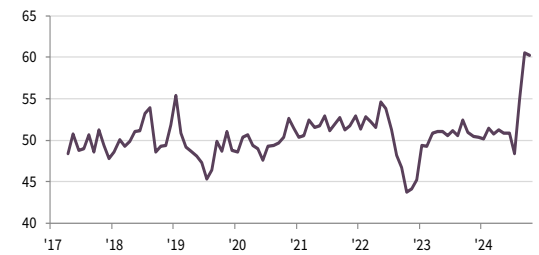
The seasonally adjusted Employment Index was little-changed from September's record high in October, indicating the second-fastest increase in non-energy employment in Qatar in the survey history. Recruitment was linked to new projects and hiring in sales, marketing and management roles among others. Employment rose sharply in all four sectors, led by services which posted a fresh record increase in jobs.

Backlogs of work

Non-energy private sector firms in Qatar registered an increase in outstanding business for the second successive month in October, as new business inflows accelerated. Moreover, the rate of growth in backlogged work was the strongest since June 2022. Outstanding business rose in all four sectors, led by construction.

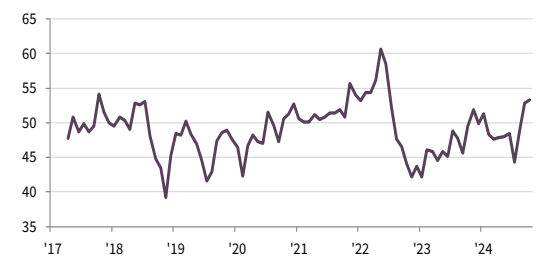
Employment Index

sa, >50 = growth since previous month



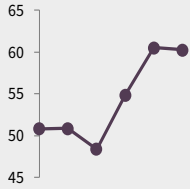
Backlogs of Work Index

sa, >50 = growth since previous month



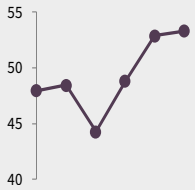
Employment Index

May - Oct '24



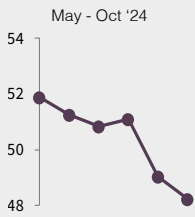
Backlogs of Work Index

May - Oct '24



PURCHASING AND INVENTORIES

Quantity of Purchases Index
May - Oct '24



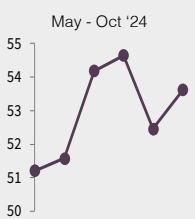
Quantity of purchases

The volume of inputs ordered by non-energy private sector firms fell for the second month running in October, following a six-month sequence of expansion. The rate of reduction was only modest, but slightly faster than in September. Firms reported adjusting purchasing due to rising inventory levels.

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



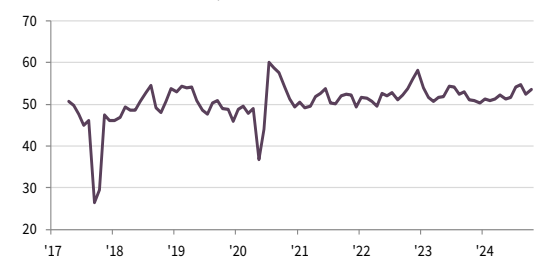
Suppliers' Delivery Times Index
May - Oct '24



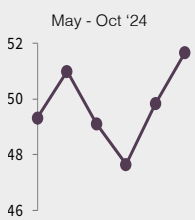
Suppliers' delivery times

Supplier performance continued to improve in October, linked to good relationships with vendors and competition in supply chains. Average lead times have shortened in every month since May 2022, the longest sequence on record. The seasonally adjusted Suppliers' Delivery Times Index also resumed its upward trajectory, signalling a stronger improvement. Input delivery times improved to the greatest degree in the wholesale & retail sector.

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



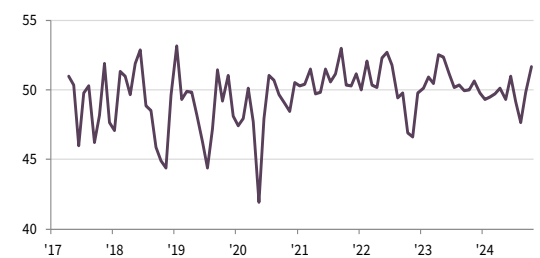
Stocks of Purchases Index
May - Oct '24



Stocks of purchases

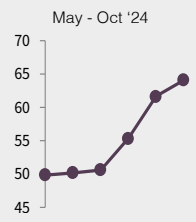
The level of inputs held in stock in the Qatari non-energy private sector expanded for the first time in four months in October. Moreover, the seasonally adjusted Stocks of Purchases Index signalled the fastest rate of growth since May 2023.

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



PRICES

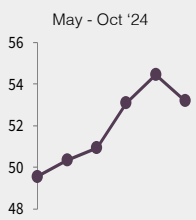
Overall Input Prices Index
May - Oct '24



Overall input prices

Average input prices paid by Qatari non-energy private sector firms rose for the fifth month running in October. The seasonally adjusted Overall Input Prices Index rose for a survey-record sixth month running, signalling the strongest inflation for over four years. It was well above the long-run survey average of 51.8. Average input prices rose sharply in all four sectors, led by construction and manufacturing.

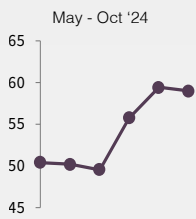
Purchase Prices Index
May - Oct '24



Purchase prices

Average purchase prices paid by non-energy private sector firms in Qatar increased sharply in October compared with the previous month. The seasonally adjusted Purchase Prices Index eased from September's 50-month high, signalling slower inflation, but remained well above the long-run trend level of 51.6. Purchasing costs rose across all sectors, led by construction and manufacturing.

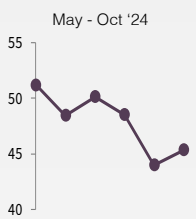
Staff Costs Index
May - Oct '24



Staff costs

Average wages and salaries paid by private sector non-energy companies in Qatar rose for the third month running in October. The rate of inflation eased from September's record, but was still easily the second-highest in the survey history. Firms often reported the need to boost salaries to retain experienced and highly skilled staff. Wage growth was highest among construction companies and service providers.

Output Prices Index
May - Oct '24



Output prices

Prices charged by private sector firms in Qatar fell further in October, linked to highly competitive markets. The rate of discounting eased from September's five-and-a-half year record, but remained strong. Three sectors posted lower output prices in October, led by services. Construction rates rose since September.

Overall Input Prices Index

sa, >50 = inflation since previous month



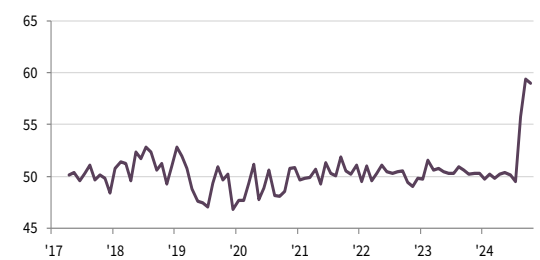
Purchase Prices Index

sa, >50 = inflation since previous month



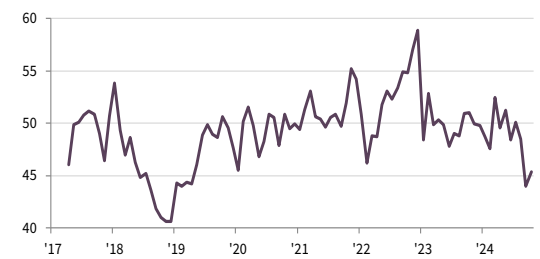
Staff Costs Index

sa, >50 = inflation since previous month



Output Prices Index

sa, >50 = inflation since previous month



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

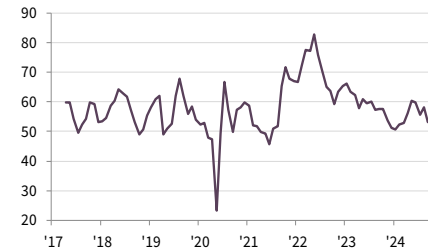
There was a further marked increase demand for Qatari financial services in October, driving a record increase in employment in the sector. The seasonally adjusted Financial Services Employment Index rose to 63.3, from 60.9 in September, the highest since the series began in April 2017. New business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

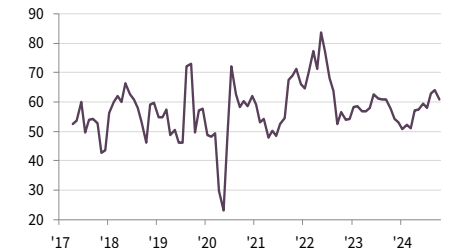
Business Activity Index

sa, >50 = growth since previous month



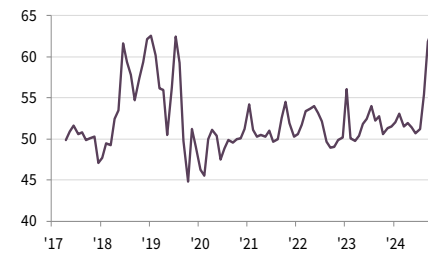
New Business Index

sa, >50 = growth since previous month



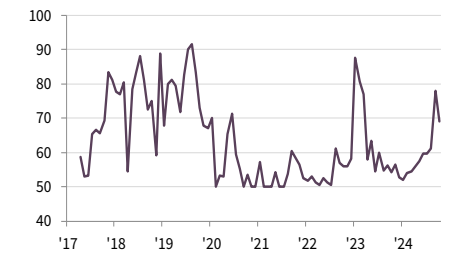
Employment Index

sa, >50 = growth since previous month



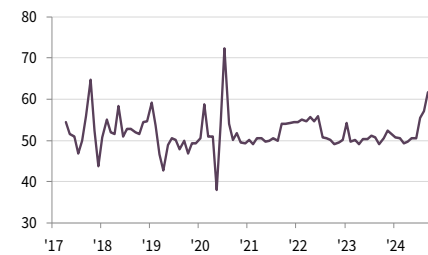
Future Activity Index

>50 = growth expected over next 12 months



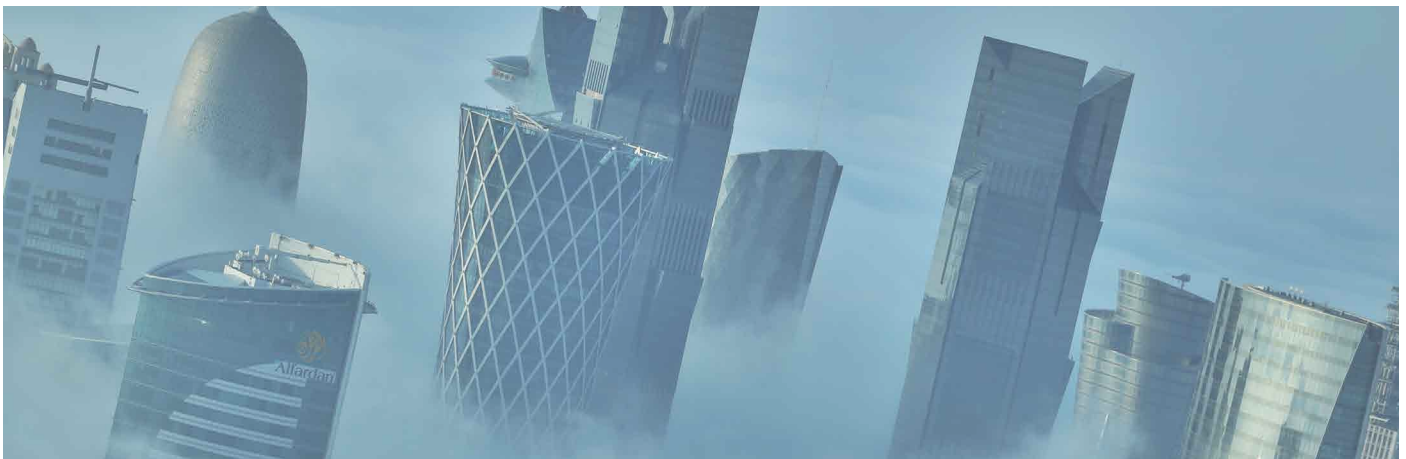
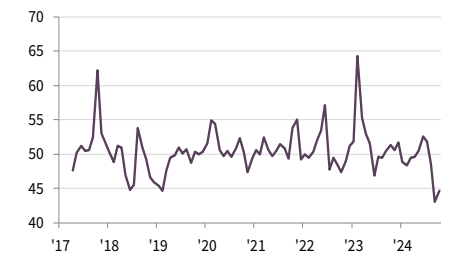
Input Prices Index

sa, >50 = inflation since previous month



Prices Charged Index

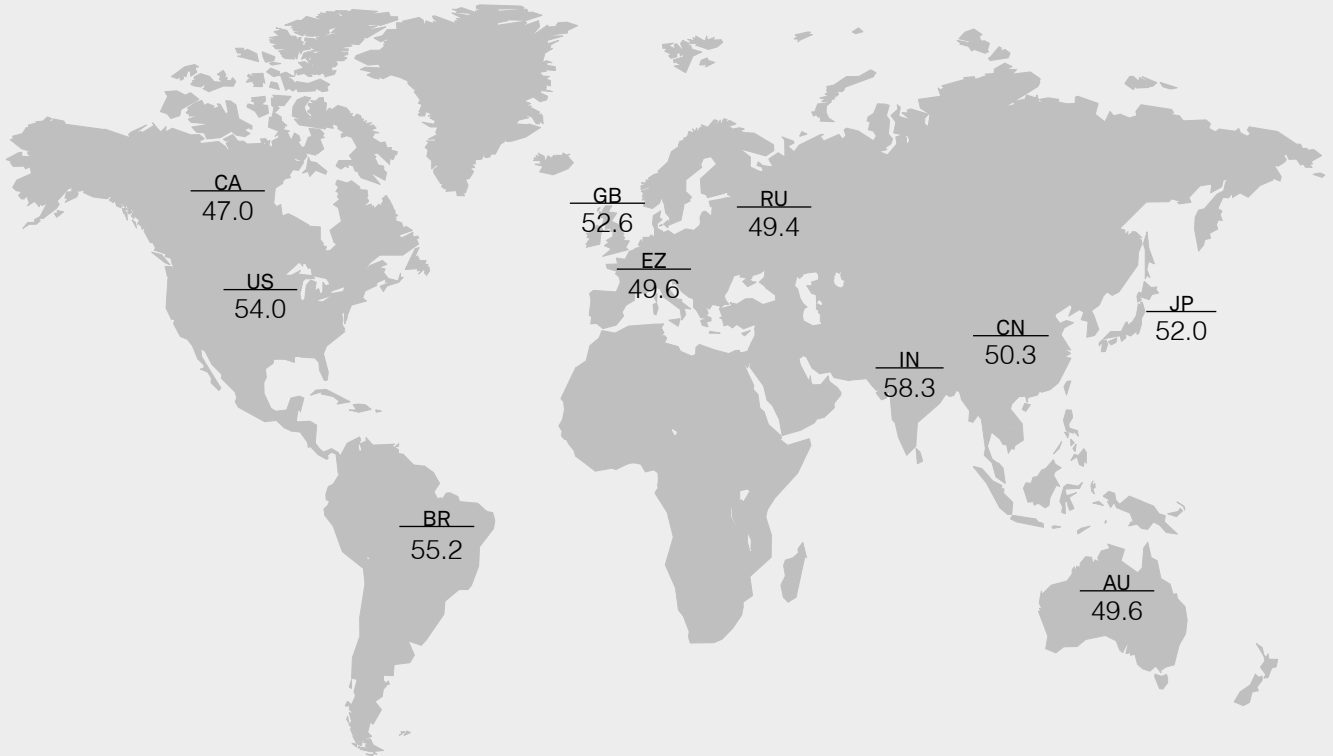
sa, >50 = inflation since previous month



INTERNATIONAL PMI

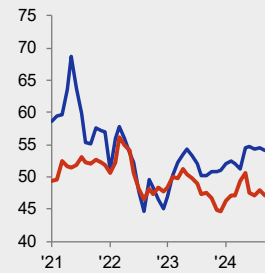
Composite Output Index, Sep '24
sa, >50 = growth since previous month

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

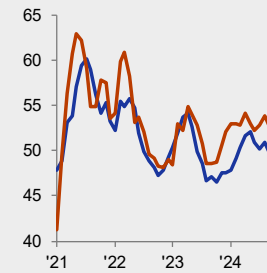


Composite Output Index

■ USA
■ Canada
sa, >50 = growth



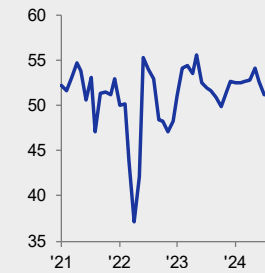
■ Eurozone
■ UK
sa, >50 = growth



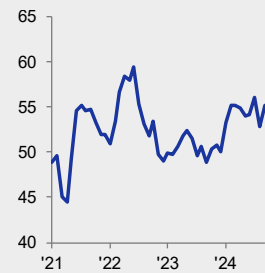
■ Russia
sa, >50 = growth



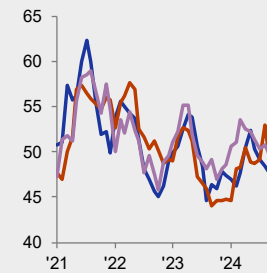
■ China
sa, >50 = growth



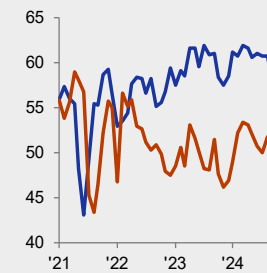
■ Brazil
sa, >50 = growth



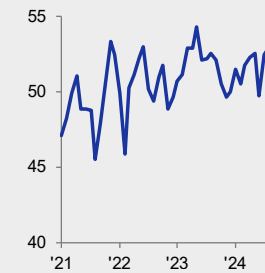
■ Germany ■ Italy
■ France
sa, >50 = growth



■ 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.

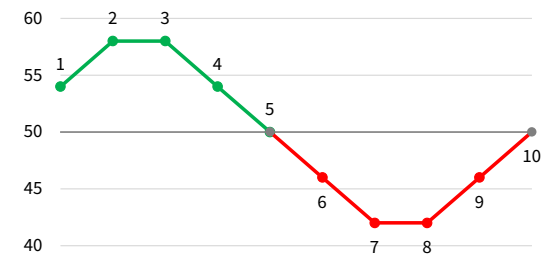
Survey dates and history

Data were collected 10-24 October 2024.

Survey data were first collected in April 2017.

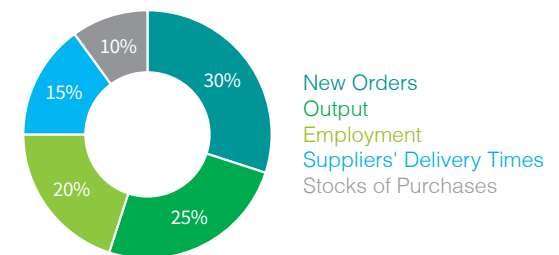
Index interpretation

50.0 = no change since previous month



1 Growth	6 Decline, from no change
2 Growth, faster rate	7 Decline, faster rate
3 Growth, same rate	8 Decline, same rate
4 Growth, slower rate	9 Decline, slower rate
5 No change, from growth	10 No change, from decline

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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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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