



مركز قطر للمال
Qatar Financial Centre

PMI[®]
by **S&P Global**

News Release

Purchasing Managers' Index™
MARKET SENSITIVE INFORMATION
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Non-energy private sector continues to expand rapidly in July

Qatar Financial Centre PMI™

- While output and new order growth soften, overall activity measure remains historically elevated
- Renewed reduction in overall input prices
- Headcounts rise marginally

Data were collected 12-22 July 2022.

Doha, Qatar: 3 August 2022 – The latest Purchasing Managers' Index™ (PMI™) survey data from Qatar Financial Centre (QFC) continued to signal rapid growth in the non-energy private sector in July. The rates of expansion in total activity, new work and outstanding business all eased slightly compared with June but were still among the fastest registered throughout the survey's more than five-year history. Headcounts meanwhile rose marginally while sentiment moderated somewhat.

Positively for businesses, overall input prices fell slightly in July while firms continued to raise selling prices.

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 remained well within expansion territory in July at 61.5. This eased notably from June's previous record high but was still among the strongest in the survey, which began in April 2017.

The two largest components of the PMI by weight – new orders and output – were behind the month-on-month dip in the headline figure in July. Output and new orders rose sharply, albeit at the softest pace for four and five months, respectively.

Wholesale & retail firms recorded the steepest increase in activity levels followed by manufacturing, construction and services.

With demand and output expanding rapidly in July, non-energy private sector firms in Qatar raised their workforces. Employment levels have now increased for 22 months in a row.

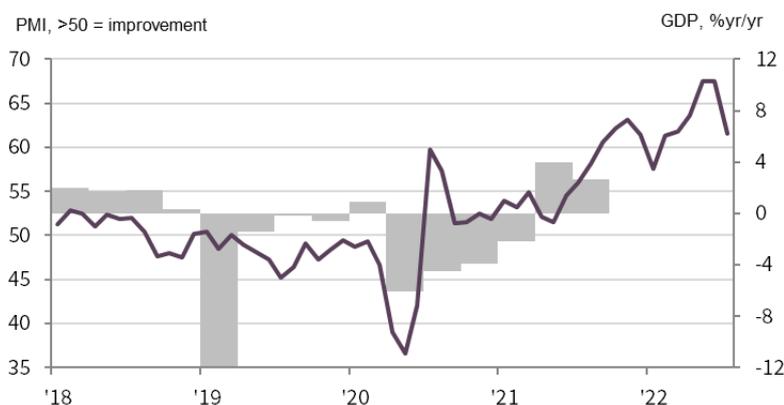
Robust demand conditions continued to exert pressure on capacity with backlogs rising moderately during the month. However, the rate of accumulation slowed notably from June, and was modest overall.

Sustained new order growth led firms in Qatar's private sector to raise their buying activity. Purchases have now risen in each of the last 25 months with the latest uptick among the strongest in the survey's history. Subsequently, stocks of inventories rose, albeit only moderately amid improving vendor performance.

On the price front, purchase prices increased at the softest pace in three months while overall input prices fell fractionally. Firms opted to raise selling prices at a softer pace, but at a rate that was still among the quickest in the survey's history.

Firms remained optimistic that their output levels would improve over the coming 12 months amid the upcoming FIFA World Cup.

QFC Qatar PMI™ vs. GDP



Sources: QFC, IHS Markit, Qatar's Planning & Statistics Authority.



Financial sector maintains rapid growth

- Growth rates for activity and new business ease, but remain markedly high
- Headcounts rise for the eleventh month in succession
- Prices charged for financial services fall modestly

The latest PMI data on Qatar's financial services sector signalled further marked growth in July. Business activity increased at a slower pace to that seen in the previous five months, but growth was marked compared to the historical average. New business followed a similar trend, easing to a five-month low but remaining robust overall.

Employment at financial services firms rose marginally, although at a softer pace, while business expectations remained positive.

On the price front, average input costs at financial services firms rose marginally, and at the softest pace in the current eleven-month sequence of inflation. By contrast, prices charged for financial services fell moderately and at the quickest pace for 20 months.

Comment

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

"Despite correcting from record highs in May and June, latest PMI data pointed to continued strong performance in Qatar's non-energy sector. Output and new orders expanded markedly, while headcounts rose once again. At the same time, delivery times improved at the greatest extent for over a year and firms were keen to purchase and store items.

"Positive news also came on the price front with overall input prices falling slightly in July. Robust demand conditions allowed firms to focus on their profits by raising their selling prices for the third month running.

"Companies have their sights set on higher output over the coming months, with the FIFA World Cup still a key factor underpinning positive sentiment."

– 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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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, favored 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 12-22 July 2022.

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

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