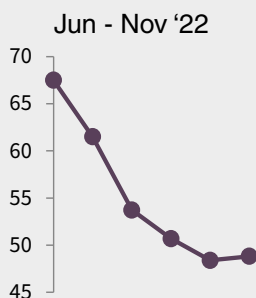




QATAR FINANCIAL CENTRE PMI



Faster increase in business activity driven by wholesale, retail and services sectors

Record rise in selling prices, reflecting a surge in tourism demand

Strongest outlook in over two years linked to post-tournament opportunities

The latest Purchasing Managers' Index™ (PMI™) survey data from Qatar Financial Centre (QFC) indicated faster growth of business activity in November as the **FIFA World Cup Qatar 2022™** kicked off in the second half of the month. Wholesale, retail and service providers in particular registered rapid expansions in activity. Moreover, sales prices increased at a series-record rate, with surging tourism demand from the tournament supporting higher rates for hotels, rentals, flights and other services. The November survey findings also showed that firms were at their most optimistic regarding the 12-month outlook since October 2020, as they sought to capitalise on post-tournament business opportunities.

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

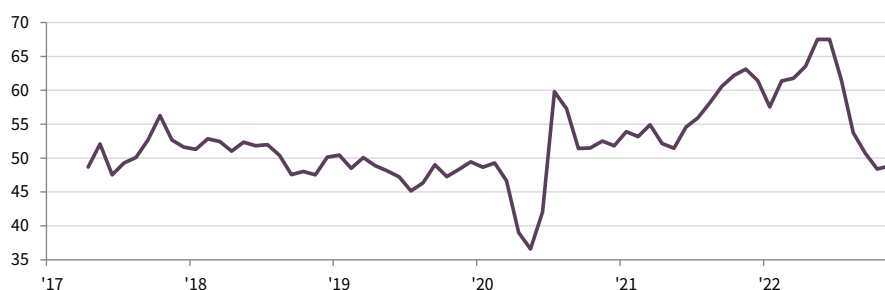
economy according to official national accounts data.

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.

At 48.8 in November, up from 48.4 in October, the PMI rose for the first time in six months and pointed to a near-stabilisation in overall non-energy private sector business conditions. Looking at the five components of the headline figure, a rapid rise in activity – the Output Index rose to 63.0, linked to retail trade and services – was countered by a construction-driven cooling in new orders, as well as shorter supplier lead times and cuts to input stocks as firms looked to save costs.

Non-oil private sector output rose for the twenty-ninth consecutive month in November. The rate of growth was the fastest since July and well above the

Qatar Financial Centre PMI
sa, >50 = improvement since previous month



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OVERVIEW CONTINUED...

long-run survey average. Data broken down by the four broad sectors revealed especially marked growth in wholesale & retail and services, reflecting the positive impact of the **FIFA World Cup Qatar 2022™**.

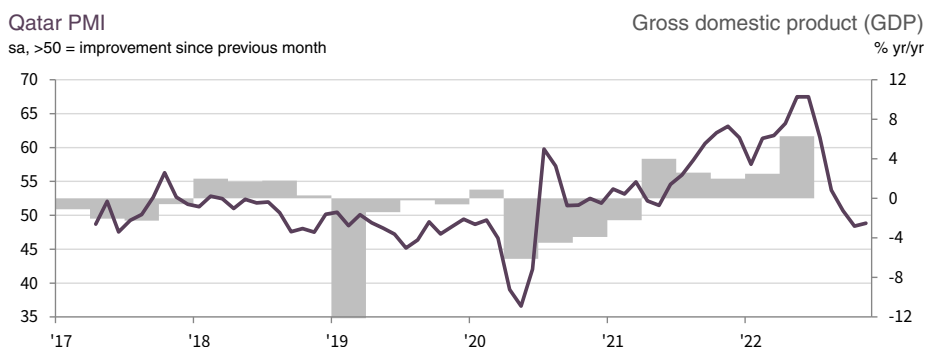
There was a further cooling of new sales in November, especially in construction, as total activity growth was driven by the completion of existing work. Outstanding business was cleared at the fastest rate since July 2019.

The 12-month outlook for business activity improved further in November, as companies looked to capitalise on post-tournament business opportunities. The overall degree of confidence was the highest since October 2020, with construction and service sector firms the most upbeat.

Prices charged for goods and services rose at the fastest rate in the survey history in

November, and for the seventh successive month. This partly reflected increased pricing power among firms linked to the **FIFA World Cup Qatar 2022™**, particularly in the wholesale & retail and services sectors. Meanwhile, average input prices fell slightly for the first time in four months, reflecting lower staff costs and broadly stable purchase prices.

Purchasing activity was further reduced in November as firms reported sufficient inventory levels. Input stocks fell for the fourth month running and at a faster rate as companies pursued efficiency gains and as supplier performance continued to improve: average lead times were the quickest since September 2020. Employment also declined, most notably in the construction sector.



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

COMMENT

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

"November saw a rapid expansion in business activity in Qatar's non-oil private sector as the FIFA World Cup Qatar 2022™ kicked off, with growth unsurprisingly driven by the wholesale, retail and services sectors. These industries also registered marked increases in selling prices during the

month, with the overall rate of output price inflation the highest on record.

"Overall, non-oil companies were the most confident in over two years as they eyed post-tournament business opportunities. The new order index witnessed a rise for the first time since hitting a record high in May, while new sales cooled slightly during the month. Similarly, the employment index rose

in November, despite a decline in the employment level reflecting the slowdown in construction sector.

"Supplier deliveries were much more timely in November, allowing firms to minimise stock levels further and improve efficiency. This, combined with strong pricing power, bodes well for company profitability."

OUTPUT AND DEMAND

Output

The volume of business activity in Qatar's non-oil private sector economy rose for the twenty-ninth consecutive month in November. The rate of expansion was marked and the fastest in four months, with the seasonally adjusted Output Index tracking well above its long-run trend level of 54.7.

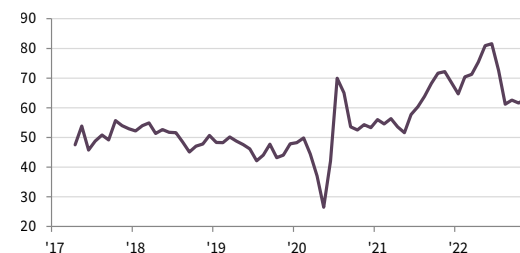
By sector, growth was strongest in wholesale & retail and services, reflecting the impact of the FIFA World Cup getting underway.

New orders

New business received by Qatari non-oil private sector firms moderated in November, although the New Orders Index rose for the first time in six months. Construction was again the main source of the moderation in new work.

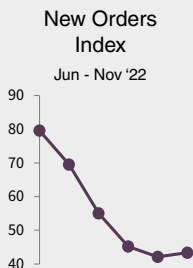
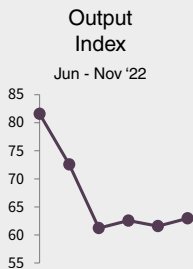
Output Index

sa, >50 = growth since previous month



New Orders Index

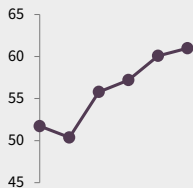
sa, >50 = growth since previous month



BUSINESS EXPECTATIONS

Future Output Index

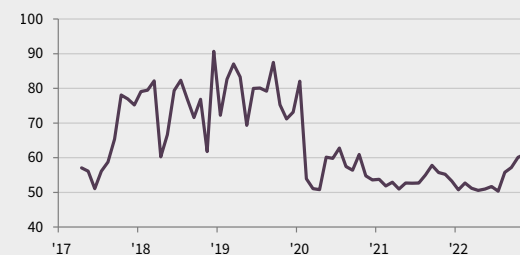
Jun - Nov '22



Non-oil private sector firms in Qatar grew increasingly confident of growth over the next 12 months in November. The Future Output Index rose for the fourth consecutive month, to the highest level since October 2020. Companies widely reported expectations of new business opportunities following the FIFA World Cup. Sentiment was strongest in the construction and services sectors.

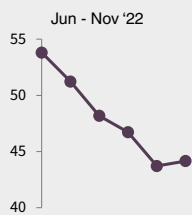
Future Output Index

>50 = growth expected over next 12 months



EMPLOYMENT AND CAPACITY

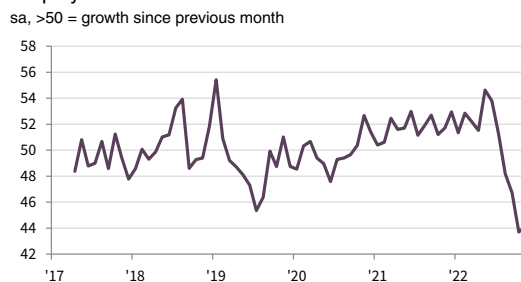
Employment Index



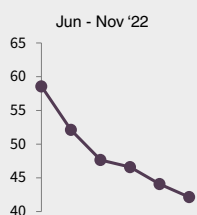
Employment

November data indicated a fourth consecutive monthly decline in headcounts at Qatari non-oil businesses. The rate of decline was sharp, but eased from October's record pace. Some firms reported releasing staff to help reduce costs. Sector data indicated that construction firms were most likely to reduce headcounts.

Employment Index



Backlogs of Work Index



Backlogs of work

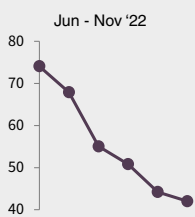
November data indicated ongoing spare capacity in the non-oil private sector, as the volume of outstanding business declined for the fourth month running and at the fastest rate since July 2019. Some companies reported the completion of projects. Spare capacity was most evident in the construction sector.

Backlogs of Work Index



PURCHASING AND INVENTORIES

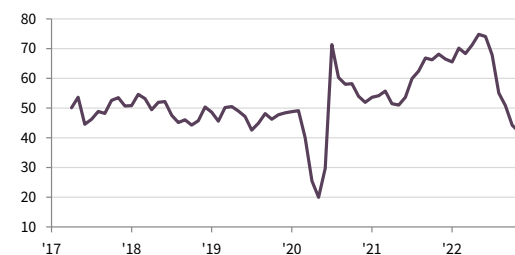
Quantity of Purchases Index
Jun - Nov '22



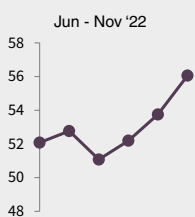
Quantity of purchases

Qatari companies widely reported that they had sufficient stock levels for current business requirements. Reflecting this, the volume of new inputs purchased fell further in November, and at the fastest rate since June 2020. There was a marked drop in purchasing in the construction sector, but a solid rise in the wholesale & retail sector.

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



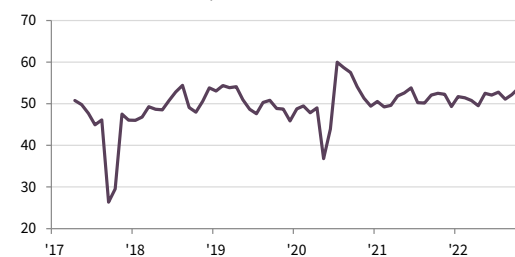
Suppliers' Delivery Times Index
Jun - Nov '22



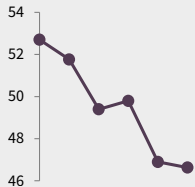
Suppliers' delivery times

Supplier performance continued to improve in November. Average lead times quickened for the seventh consecutive month, and the acceleration over the month was the fastest since September 2020. Moreover, the seasonally adjusted Suppliers' Delivery Times Index posted its fourth-highest level on record. Supplier performance was most improved in the wholesale & retail sector.

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



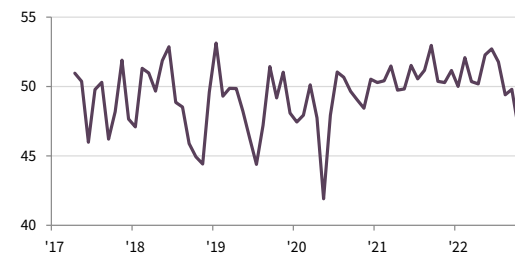
Stocks of Purchases Index
Jun - Nov '22



Stocks of purchases

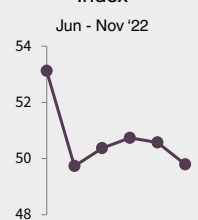
Non-energy firms continued to run down their input inventories in November. The current sequence of destocking was extended to four months, the longest in over three years. Some firms reported aiming to minimise stock levels to control costs.

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



PRICES

Overall Input Prices Index
Jun - Nov '22



Overall input prices

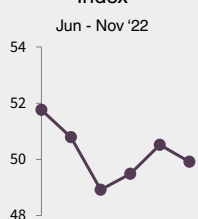
Average input prices paid by Qatari non-oil private sector firms fell in November, following a three-month period of mild inflation. That said, the decrease in the latest period was only marginal. Sector data signalled that service providers were the main beneficiaries of lower input prices.

Overall Input Prices Index

sa, >50 = inflation since previous month



Purchase Prices Index
Jun - Nov '22



Purchase prices

Purchase prices were broadly stable in November, following the first increase in three months in October. The seasonally adjusted Purchase Prices Index remained below its long-run trend level of 51.8.

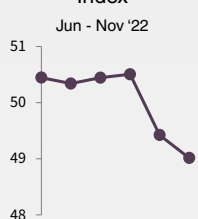
Purchase prices fell in the wholesale & retail sector, were unchanged in services and rose slightly in manufacturing and construction.

Purchase Prices Index

sa, >50 = inflation since previous month



Staff Costs Index
Jun - Nov '22

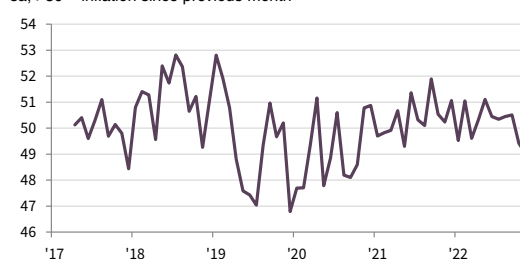


Staff costs

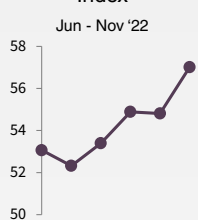
Average labour costs in the Qatari non-oil private sector eased for the second month running in November, and to a slightly greater degree than in October. The Staff Costs Index fell to a 25-month low and was below its long-run average of 50.1. Some firms mentioned a preference for reducing pay instead of enacting layoffs, where cost cutting was necessary. Construction was the main source of downward wage pressures.

Staff Costs Index

sa, >50 = inflation since previous month



Output Prices Index
Jun - Nov '22



Output prices

November data signalled improving pricing power among non-oil private sector companies. Average prices charged for goods and services rose for the seventh month running, and at the fastest rate in the five-and-a-half year survey history. Charges rose most in the wholesale & retail and services sectors. Some firms linked higher prices to increased tourism demand due to the FIFA World Cup.

Output Prices Index

sa, >50 = inflation since previous month



FINANCIAL SERVICES

Growth of financial services activity remains strong

Activity expands for seventeenth month running

New business growth strengthens in November

Financial services companies continue to cut charges

Financial services firms in Qatar recorded another marked increase in business activity in November, and one that was faster than in October. The current growth sequence was extended to 17 months, and the pace of expansion in the latest period remained above the long-run five-and-a-half year average.

New business continued to expand in November, and at a faster rate. Meanwhile, employment was broadly stable over the month and the 12-month outlook for activity remained positive.

Input prices paid by financial services companies were broadly stable in November, while charges levied for services fell for the fifth month running as companies sought to boost competitiveness.

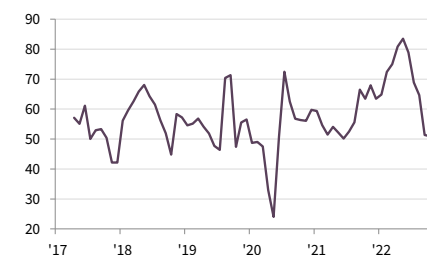
Business Activity Index

sa, >50 = growth since previous month



New Business Index

sa, >50 = growth since previous month



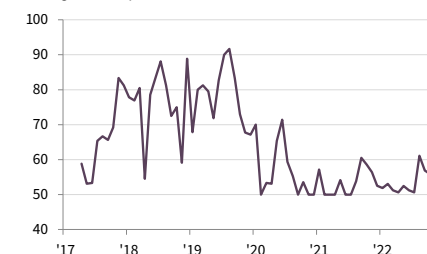
Employment Index

sa, >50 = growth since previous month



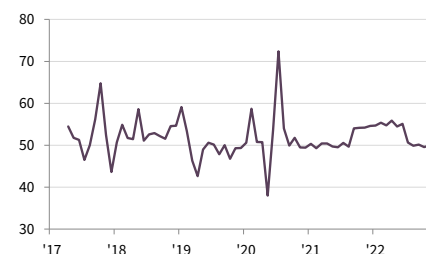
Future Activity Index

>50 = growth expected over next 12 months



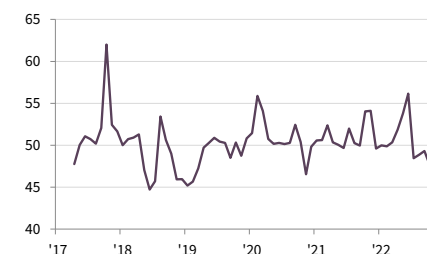
Input Prices Index

sa, >50 = inflation since previous month



Prices Charged Index

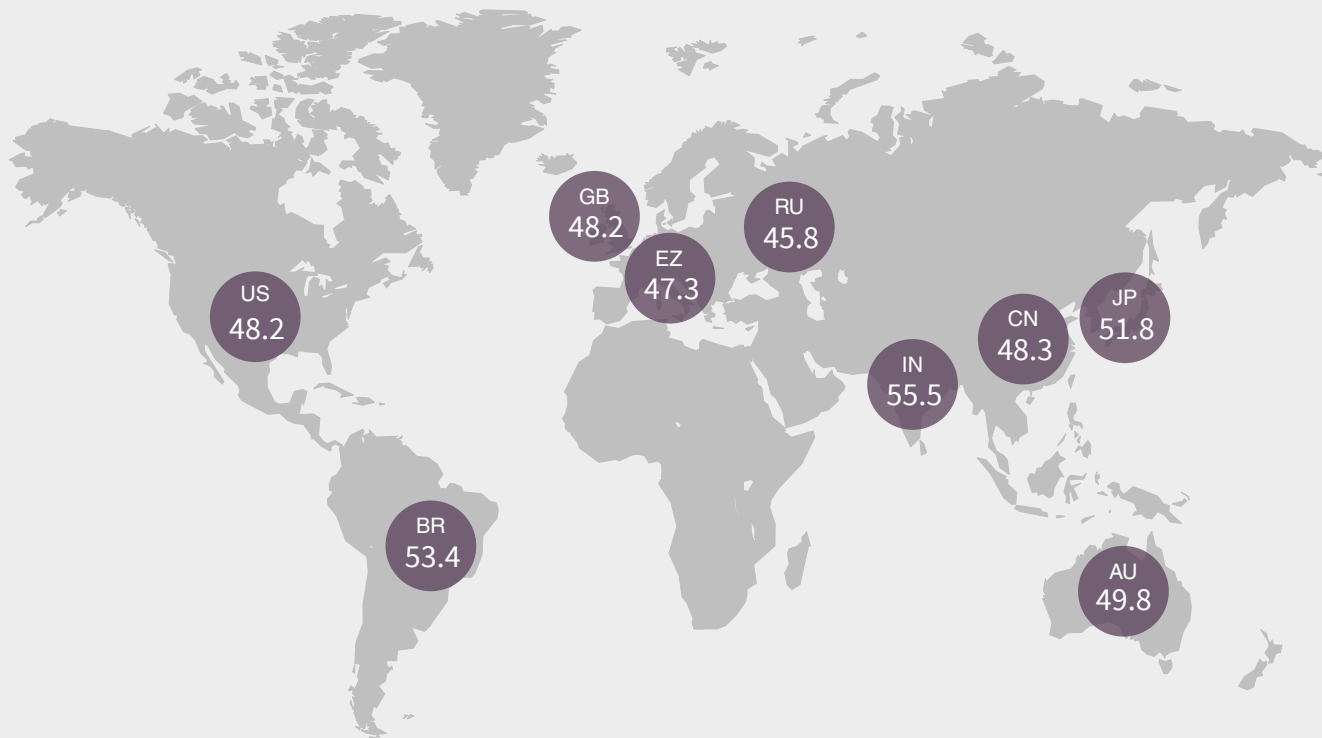
sa, >50 = inflation since previous month



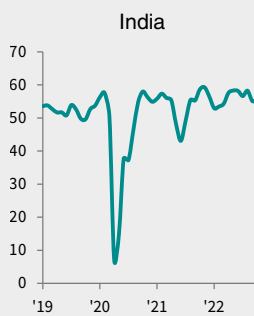
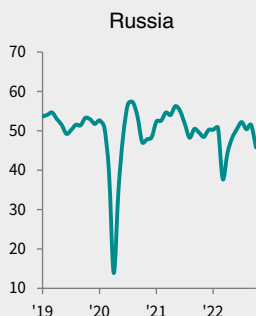
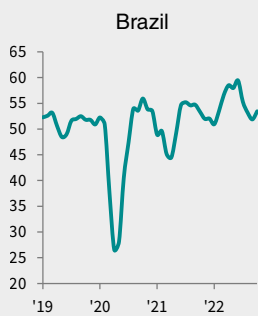
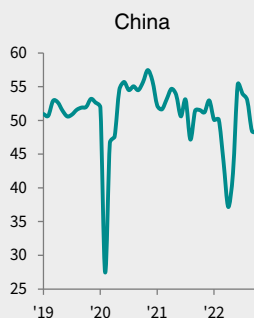
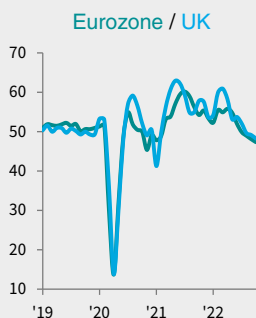
INTERNATIONAL PMI

Composite Output Index, Oct '22
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
sa, >50 = growth since previous month



Survey panel size

450
companies

Index calculation

$\frac{\% \text{ 'Higher' } + (\% \text{ 'No change'})}{2}$

SURVEY 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 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@ihsmarkit.com.

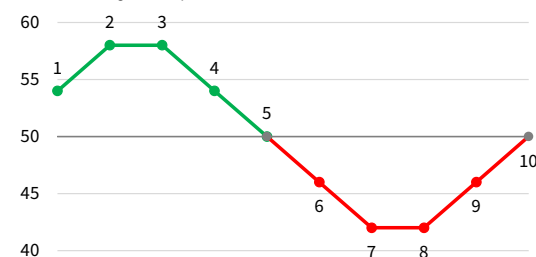
Survey dates and history

Data were collected 11-23 November 2022.

Survey data were first collected in April 2017.

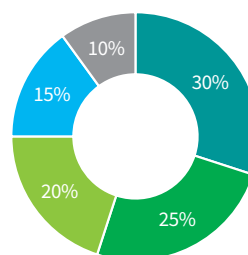
Index interpretation

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



New Orders
Output
Employment
Suppliers' Delivery Times
Stocks of Purchases

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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PMI™

by **S&P Global**

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S&P Global (NYSE: SPGI) S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

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.

ihsmarkit.com/products/pmi.html