

News Release

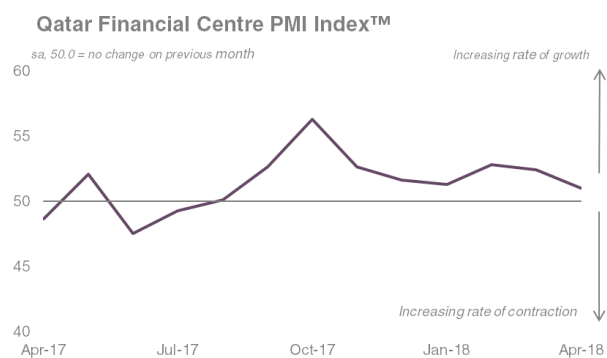
QFC Qatar PMI remains positive, signalling non-oil growth

Qatar Financial Centre PMI™

- Business conditions continue to improve
- Price pressures soften
- Business confidence remains positive

Doha, Qatar: 3 May 2018 – This report contains the first public release of data collected from the monthly survey of business conditions in Qatar's non-oil private sector. The survey, compiled for Qatar Financial Centre by IHS Markit, has been conducted since April 2017 and provides an early indication of operating conditions in Qatar. The headline figure derived from the survey is the Purchasing Managers' Index™ (PMI™).

Readings above 50.0 signal an improvement in business conditions on the previous month, while readings below 50.0 show a deterioration.



Growth was sustained in Qatar's non-oil private sector in the latest survey, signaled by a positive reading in the headline PMI. The finding reflected further growth in output and new orders. Although the Future Output



Index saw business confidence retrace some of the strong gains witnessed in the last couple of months, it remained positive overall. April data also indicated easing levels of job shedding and input price inflation, providing some positive news for the non-oil private sector.

The headline seasonally adjusted Qatar Financial Centre PMI – a composite gauge designed to give a single-figure snapshot of operating conditions in the non-oil private sector economy – fell to 51.0 in April, down from 52.5 in March. Despite the decline, the reading remained above the critical 50.0 mark that delineates expansion and contraction, and indicated a further improvement in business conditions. Growth has been recorded continuously since August last year.

The pace of improvement in client demand, captured by new order growth, eased in April leading to a modest softening in output growth. Purchase price inflation softened to an eight-month low. Whilst some businesses continued to report rising transportation costs, the vast majority signalled unchanged cost burdens since the preceding survey period. Meanwhile, staff costs decreased for the first time in four months.

On the employment front, job shedding eased in April and was only fractional overall. Furthermore, the rate of decline was slower than the historical average.

Finally, April saw a retracement in the degree of confidence towards future growth prospects. Whilst some firms noted optimism towards new project wins and general economic development, others reported concerns towards political and economic uncertainty in the non-oil private sector. Nonetheless, business confidence remained positive overall.

Comment

“Although the headline PMI fell slightly in April, the figure was still indicative of an expansion in the non-oil private sector, thus extending the current phase of growth to nine months. Qatari businesses continued to generate new business at a modest rate, demonstrated by the expansion in new orders since October last year.

“Easing price pressures provided welcome signs of lower inflation for local businesses. Whilst some firms continued to note persistently high transportation costs, the majority reported unchanged cost burdens. Furthermore, falling staff costs also helped ameliorate business budgets in the latest survey.”

Dr. Haitham Al Salama, Chief Economic Advisor at Qatar Financial Centre

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The next Qatar PMI Report will be published on 5 June 2018 at 09:00 Doha (06:00 UTC)



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 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 www.qfc.qa

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IHS Markit (Nasdaq: INFO) is a world leader in critical information, analytics and expertise to forge solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 key business and government customers, including 85 percent of the Fortune Global 500 and the world's leading financial institutions. Headquartered in London, IHS Markit is committed to sustainable, profitable growth.

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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.

To learn more go to <https://ihsmarkit.com/products/pmi.html>.

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