Embargoed until 1200 AST (0900 UTC) 3 November 2021

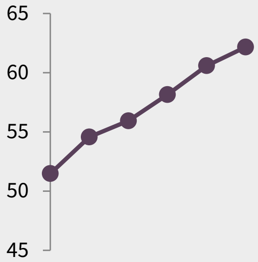
QATAR FINANCIAL CENTRE PMI™

Record expansions in both activity and new business in October

QATAR FINANCIAL CENTRE PMI

Oct '21
62.2
Sep: 60.6

May '21 - Oct '21



PMI hits new peak in October, driven by record increases in both output and new work

Employment growth maintained for thirteenth successive month

Output prices rise at fastest pace in seven months

The latest Purchasing Managers' Index™ (PMI™) survey data from Qatar Financial Centre signalled a successive record improvement in operating conditions in the non-energy economy at the start of the fourth quarter. Output and new work both increased at the fastest rates since the survey began in April 2017, with activity growth especially marked in financial services and construction. The buoyant mood in the economy comes at a time of COVID-restriction loosening and record global LNG 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 IHS Markit Qatar 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.

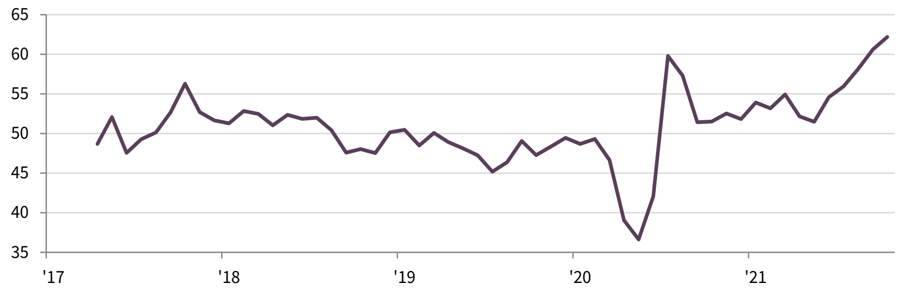
The PMI increased to a new record high for the second month running at 62.2 in October, from 60.6 in September. This indicated the strongest overall improvement in non-energy sector business conditions since the survey began four-and-a-half years ago. The headline figure has now risen for five consecutive months, also a survey record.

Since operating conditions began to improve again in July 2020, as the economy emerged from lockdown, the PMI has trended at 55.1, compared with a long-run average of 50.7 since April 2017.

The new record high set by the PMI reflects movement in the two largest components by weight - new orders (30%) and output (25%). Both these indicators ascended to new series peaks in October, with faster growth even than during the post-lockdown bounce in July 2020. The employment

Qatar Financial Centre PMI

sa, >50 = improvement since previous month



CONTENTS

OVERVIEW CONTINUED...

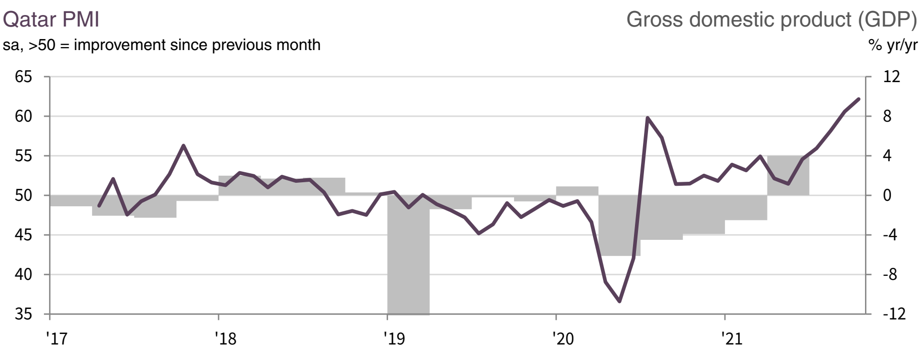
(20%) and stocks of purchases (10%) indices also had positive contributions to the PMI in October, albeit slightly less so than in September. Suppliers' delivery times (15% weight) weighed slightly on the headline figure in October.

The record increase in total business activity reflected strong growth across all four of the broad sectors monitored: services, wholesale & retail, manufacturing and construction. The latter posted a record increase in activity in October while, within the wider services sector, financial services was a stand-out performer with record growth in business activity.

Output was boosted by surging demand for goods and services in October, with the rate of expansion surpassing the previous record set in July 2020.The level of outstanding business rose for the thirteenth consecutive month, despite a concurrent increase in employment in the non-energy private sector. Increased demand for staff led to a fifth successive month of rising wages and salaries.

Companies were strongly confident of rising workloads over the next 12 months. Companies expected market conditions to improve further in 2022, with the forthcoming FIFA World Cup mentioned as an expected source of demand. By sub-sector, confidence was strongest among service providers.

Prices pressures continued to build in October, with average input costs rising for the sixth time in seven months. Companies raised their own prices by the most since March as a result.



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

COMMENT

Sheikha Alanoud bint Hamad Al-Thani, Deputy CEO & Chief Business Officer, QFC Authority:

"The latest survey data showed Qatar's non-hydrocarbon economy continuing to gain momentum as we enter the final quarter of 2021. The PMI set a record for the second month running, with the key indicators of output and new business scaling new peaks.

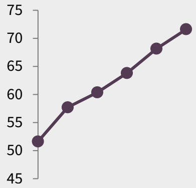
"The strength of the PMI in 2021 has been corroborated by the latest official data, with gross domestic product (GDP) expanding by 4.0% on an annual basis in the second quarter. This expansion was driven by the non-energy economy, which saw growth of 6.2%, while mining & quarrying activities expanded by 0.7% year-on-year.

"Given that the PMI has now risen for five straight months – a survey record sequence – the non-energy economy looks set to underpin further economic growth in the third and fourth quarters."

OUTPUT AND DEMAND

Output
Index

May '21 - Oct '21

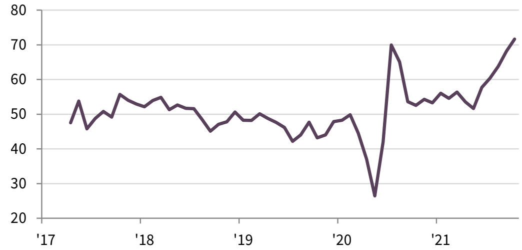


Output

Non-energy private sector activity in Qatar rose for the sixteenth month running in October, further extending the longest sequence of expansion since the survey began in April 2017. Moreover, the rate of growth accelerated for the fifth month running to the fastest on record. The construction registered a record pace of growth, while the three remaining broad sectors all posted marked expansions.

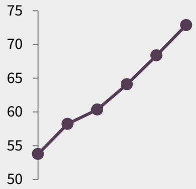
Output Index

sa, >50 = growth since previous month



New Orders
Index

May '21 - Oct '21

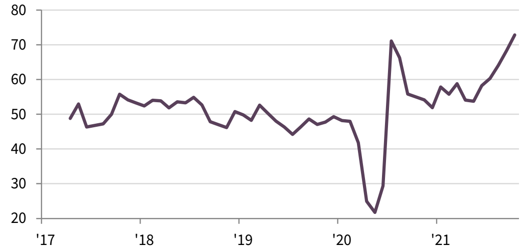


New orders

New business rose at the sharpest pace recorded over the four-and-a-half-year survey history in October, surpassing the previous record set during the post-lockdown bounce in July 2020. Demand improved markedly in all four sub-sectors, led by wholesale & retail.

New Orders Index

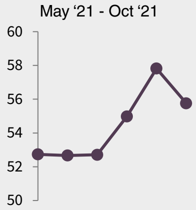
sa, >50 = growth since previous month



BUSINESS EXPECTATIONS

Future
Output Index

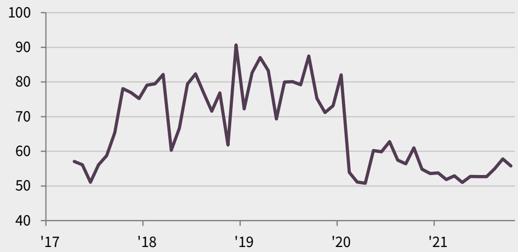
May '21 - Oct '21



The 12-month outlook for non-energy private sector business activity in Qatar remained firmly positive in October. Companies expected market conditions to improve further in 2022, with the forthcoming FIFA World Cup mentioned as an expected source of demand. By sub-sector, confidence was strongest among service providers. The overall degree of sentiment eased slightly since September, however.

Future Output Index

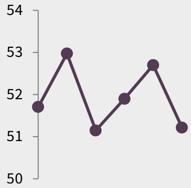
>50 = growth expected over next 12 months



EMPLOYMENT AND CAPACITY

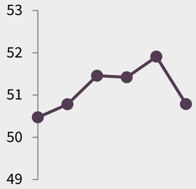
Employment Index

May '21 - Oct '21



Backlogs of Work Index

May '21 - Oct '21



Employment

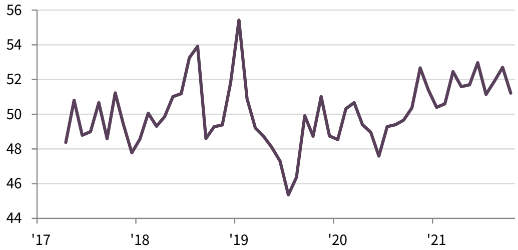
The seasonally adjusted Employment Index remained above 50.0 for the thirteenth consecutive month in October, signalling the longest sequence of workforce growth since the survey began in 2017. Anecdotal evidence highlighted the need for additional staff to cover increased workloads. All sub-sectors except manufacturing recorded higher employment, led by wholesale & retail. The overall rate of job creation eased since September, however.

Backlogs of work

October survey data indicated a thirteenth successive month of rising levels of outstanding business in the non-energy private sector, driven by the services and wholesale & retail sub-sectors. The overall rate of backlog growth eased from September's recent peak, however.

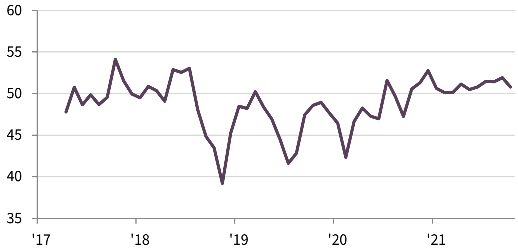
Employment Index

sa, >50 = growth since previous month



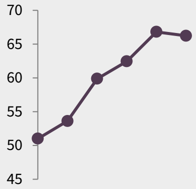
Backlogs of Work Index

sa, >50 = growth since previous month



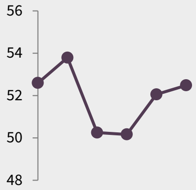
Quantity of Purchases Index

May '21 - Oct '21



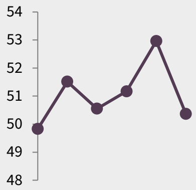
Suppliers' Delivery Times Index

May '21 - Oct '21



Stocks of Purchases Index

May '21 - Oct '21



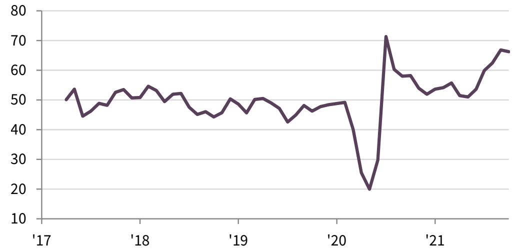
PURCHASING AND INVENTORIES

Quantity of purchases

Purchases of goods and services by non-energy firms in Qatar continued to rise in October, as companies expanded operations to meet improving demand. In the past two months purchases have risen at a faster rate than in any previous survey period except for the post-lockdown bounce in July 2020. Marked increases in purchasing were indicated across the sector, most notably among wholesale & retail and construction companies.

Quantity of Purchases Index

sa, >50 = growth since previous month

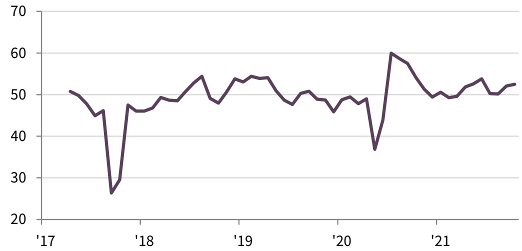


Suppliers' delivery times

The performance of suppliers continued to improve in October, as the average time taken to deliver purchased goods fell. Lead times shortened for the seventh month running, equalling the previous record sequence of improvement from November 2018 to May 2019.

Suppliers' Delivery Times Index

sa, >50 = faster times since previous month

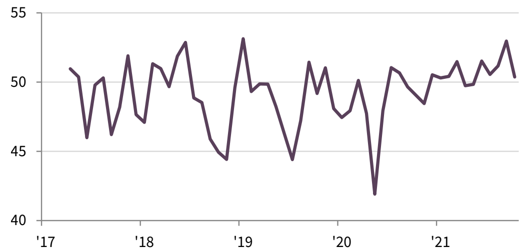


Stocks of purchases

Having risen in September at one of the fastest rates in the survey history, input inventories rose only slightly in October. Nevertheless, growth in stocks has been registered for five consecutive months, a series record.

Stocks of Purchases Index

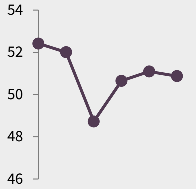
sa, >50 = growth since previous month



PRICES

Overall Input Prices Index

May '21 - Oct '21

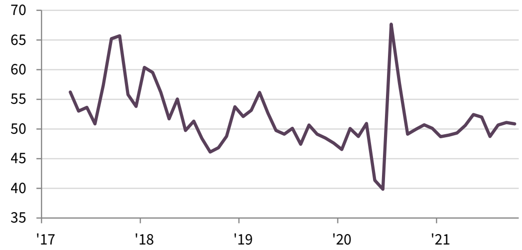


Overall input prices

Cost pressures facing non-energy private sector firms continued to build in October, as signalled by the seasonally adjusted Input Prices Index remaining above the no-change mark of 50.0. Rising prices have been registered six times in the past seven months, although the rate of inflation remained modest in the latest period. Sub-sector data signalled that cost pressures remained strongest among service providers.

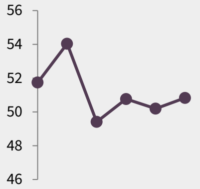
Overall Input Prices Index

sa, >50 = inflation since previous month



Purchase Prices Index

May '21 - Oct '21

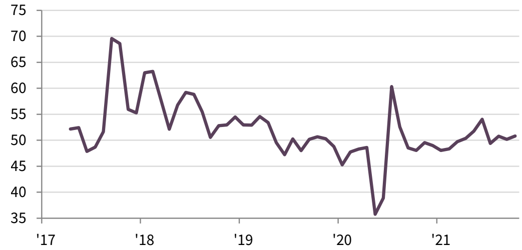


Purchase prices

Average prices paid for inputs by non-energy private sector firms in Qatar rose for the sixth time in seven months in October. The rate of inflation remained only modest, however.

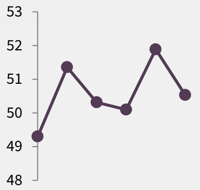
Purchase Prices Index

sa, >50 = inflation since previous month



Staff Costs Index

May '21 - Oct '21

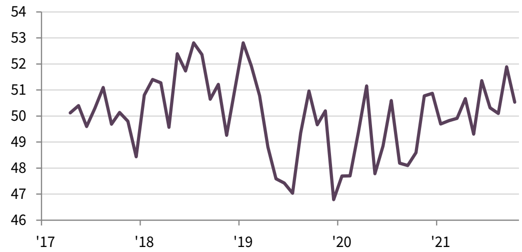


Staff costs

Average labour costs rose for the fifth month running in October. That said, the rate of wage inflation slowed from September's two-and-a-half year high.

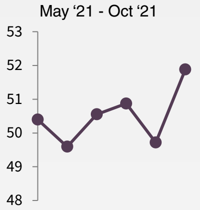
Staff Costs Index

sa, >50 = inflation since previous month



Output Prices Index

May '21 - Oct '21

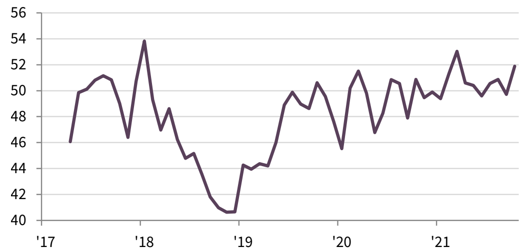


Output prices

Qatari non-energy firms increased their prices charged for goods and services in October. This marked the seventh time in nine months that charges have risen. Moreover, the rate of inflation accelerated to the fastest since March.

Output Prices Index

sa, >50 = inflation since previous month



FINANCIAL SERVICES

Financial services sector expands rapidly in October

New data signal booming financial services sector

Fastest growth in new business over four-and-a-half-year series history

Strongest hiring growth at financial firms in over two years

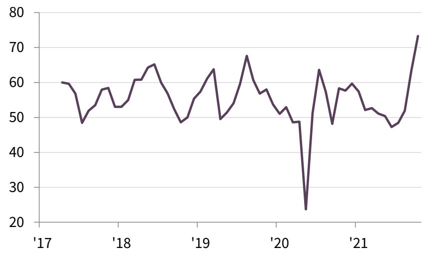
PMI data covering Qatar's financial services sector signalled rapid growth in October. Overall activity in the sector rose at the strongest rate over the four-and-a-half-year series history, as new business inflows surged higher.

In response to strong demand for financial services, companies in the sector boosted workforces at the start of the fourth quarter. The rate of job creation was the fastest since August 2019, and easily outpaced the expansion seen across the non-energy economy as a whole. Financial services companies remained optimistic regarding growth prospects over the next 12 months.

Cost pressures reached the highest since July 2020, leading to a robust increase in charges levied for financial services during the month.

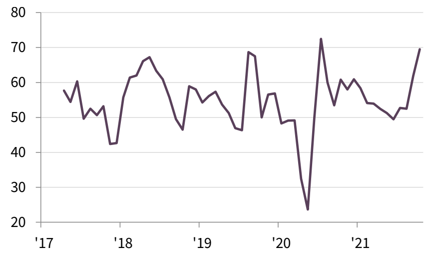
Business Activity Index

sa, >50 = growth since previous month



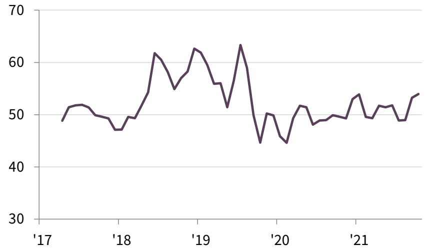
New Business Index

sa, >50 = growth since previous month



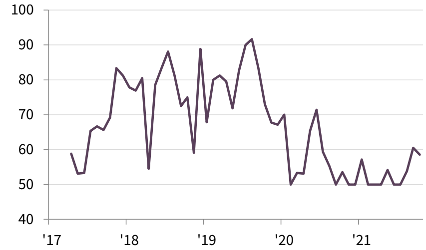
Employment Index

sa, >50 = growth since previous month



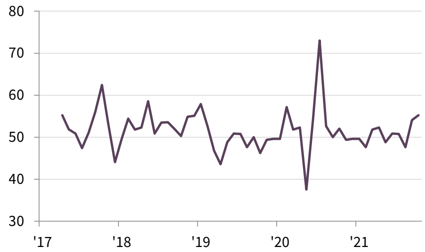
Future Activity Index

>50 = growth expected over next 12 months



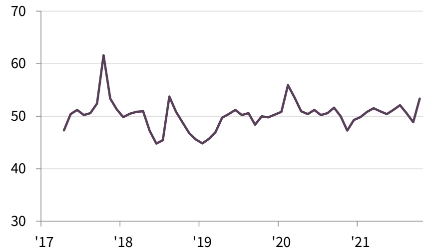
Input Prices Index

sa, >50 = inflation since previous month



Prices Charged Index

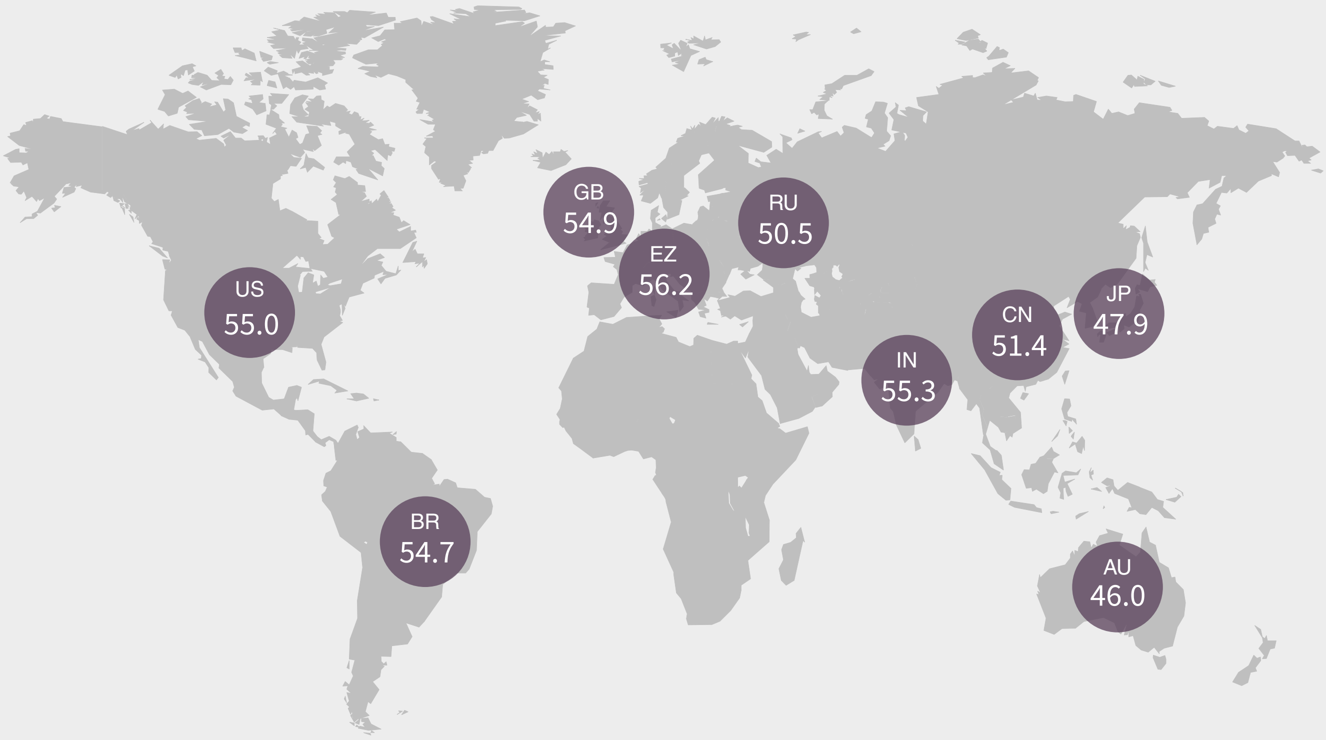
sa, >50 = inflation since previous month



INTERNATIONAL PMI

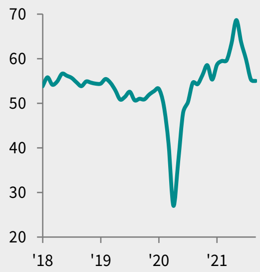
Composite Output Index, Sep '21
sa, >50 = growth since previous month

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



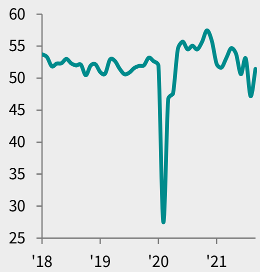
Composite Output Index
sa, >50 = growth since previous month

USA

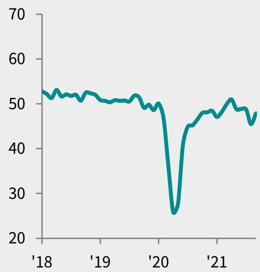


Eurozone / UK

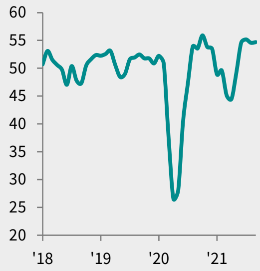
China



Japan

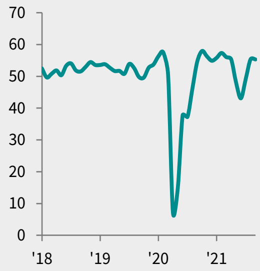


Brazil



Russia

India



Australia

SURVEY METHODOLOGY

Survey panel size

450

companies

Index calculation

% 'Higher'
+
(% 'No change')/2

The Qatar Financial Centre PMI™ is compiled by IHS Markit 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.

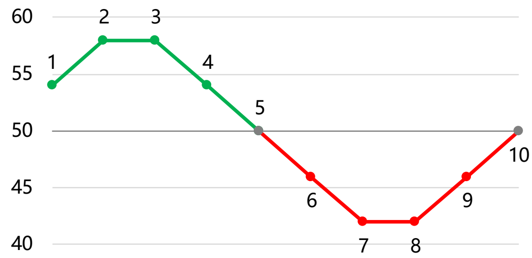
The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted 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.

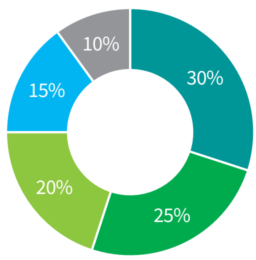
Index interpretation

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



Survey dates and history

Data were collected 12-22 October 2021.

Survey data were first collected in April 2017.

Sector coverage

PMI data include responses from companies operating in sectors classified according to the following ISIC Rev.4 codes:

- C Manufacturing
- F Construction
- G Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles
- H Transportation and Storage
- I Accommodation and Food Service Activities
- J Information and Communication
- K Financial and Insurance Activities
- M Professional, Scientific and Technical Activities
- N Administrative and Support Service Activities
- P Education*
- Q Human Health and Social Work Activities*
- R Arts, Entertainment and Recreation
- S Other Service 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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About IHS Markit

IHS Markit (NYSE: INFO) is a world leader in critical information, analytics and 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 business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions.

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.