Embargoed until 1200 AST (0900 UTC) 5 December 2021

مـركـز قـطـر للـمـال
QATAR FINANCIAL CENTRE

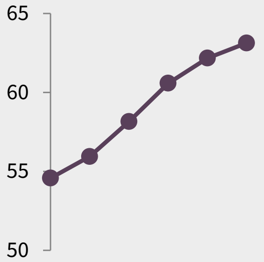
QATAR FINANCIAL CENTRE PMI™

Non-energy growth hits new survey peak in November

QATAR FINANCIAL CENTRE PMI

Nov '21
63.1
Oct: 62.2

Jun '21 - Nov '21



Record increases in activity, new business, and backlogs

Longest ever stretch of month-on-month gains in headline figure

Strongest input cost inflation for 15 months

Purchasing Managers' Index™ (PMI™) survey data from Qatar Financial Centre (QFC) scaled new heights in November, signalling a burgeoning non-energy private sector economy. Both total activity and new business rose at the strongest rates since the survey began in April 2017, while a record rise in backlogged work suggested growing capacity pressures despite a further rise in employment. Moreover, pricing power improved as average charges for goods and services increased at a series-record pace during November.

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.

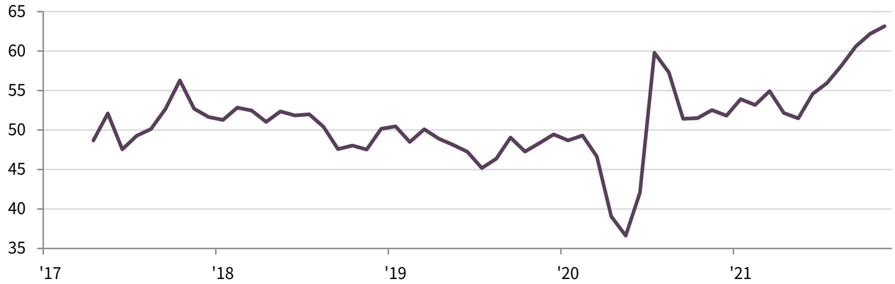
The headline IHS Markit Qatar PMI is a composite single-figure indicator of non-energy private sector performance. It is derived from indicators for new orders, output, employment, suppliers' delivery times and stocks of purchases.

The PMI set a new record high for the third month running at 63.1 in November, up from 62.2 in October. This indicated the strongest overall improvement in non-energy business conditions since the survey began in April 2017. The headline figure has risen for the past six months, a record sequence of month-on-month gains.

The latest rise in the PMI was driven by the new orders and output components, which together have a weight of 55% in the headline figure. Both indicators set new record highs during the month, most notably new business, with 54% of companies reporting stronger demand growth during November. In contrast, only 2% of firms reported lower new orders during the month compared with October. Growth rates for output and new work have accelerated continuously since June.

Qatar Financial Centre PMI

sa, >50 = improvement since previous month



PMI™
By IHS Markit

CONTENTS

OVERVIEW CONTINUED...

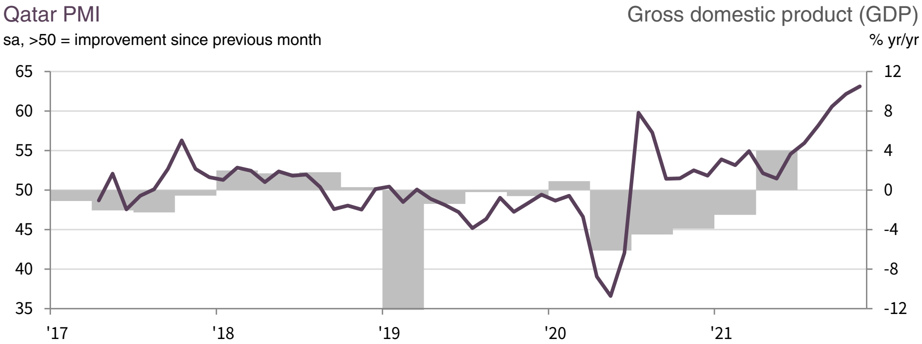
Firms linked growth to healthy trading conditions, a lack of COVID restrictions and high levels of customer satisfaction as well as retention.

Qatari firms remained confident of growth in activity from current levels in 12 months' time, partly linked to increased tourism and business opportunities due to the forthcoming FIFA World Cup. Sentiment was strongest in the services and construction sectors.

Employment in the non-energy private sector rose for the fourteenth successive month in November, and at a stronger rate. Despite the pick-up in hiring activity, the level of outstanding business increased at the fastest rate on record. This suggested growing pressure from demand on business capacity.

Purchasing activity was stepped up to meet rising demand in November. The volume of inputs bought rose at the second-fastest rate on record, surpassed only by the bounce registered in July 2020. Stocked inputs rose for the sixth month running. Average purchase prices increased at the fastest rate since June, contributing to the strongest overall cost pressures since August 2020. Wages and salaries also continued to rise, albeit at a slower rate.

With growing pressure on costs and rapidly improving demand, non-energy private sector firms raised their charges for goods and services in November. Moreover, the rate of inflation accelerated to a survey record high, signalling an improvement in profitability.



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

COMMENT

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

"The latest PMI survey results for Qatar have shown the non-energy economy going from strength to strength as we approach a World Cup year. The PMI set a record high for the third month running in November, backed by surging levels of new business and total activity, which is indicative of the strong, gradual economic recovery being witnessed in Qatar.

"Moreover, the level of outstanding business at companies increased at a record pace during November, despite a faster increase in employment. This bodes well for sustained growth over the coming months.

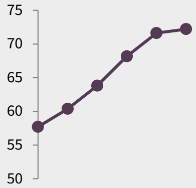
"Companies also raised their prices charged for goods and services at a record pace in the latest survey, encouraged by strong demand but also in response to greater costs.

"The records set by the PMI in recent months are strongly pointing towards an acceleration in the official GDP figures in the third and fourth quarters, though this partly reflects low base effects from 2020."

OUTPUT AND DEMAND

Output
Index

Jun '21 - Nov '21

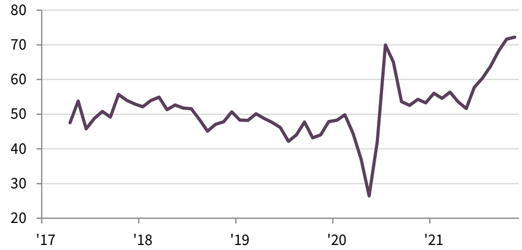


Output

The seasonally adjusted Output Index rose for the sixth consecutive month in November, signalling accelerating growth in business activity at non-energy private sector firms. Moreover, the pace of expansion was the fastest in any month since the survey began in April 2017. That said, the upturn lost some momentum, as the increase in the Index was the smallest in the current sequence of gains.

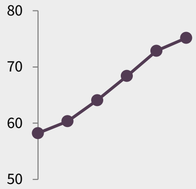
Output Index

sa, >50 = growth since previous month



New Orders
Index

Jun '21 - Nov '21



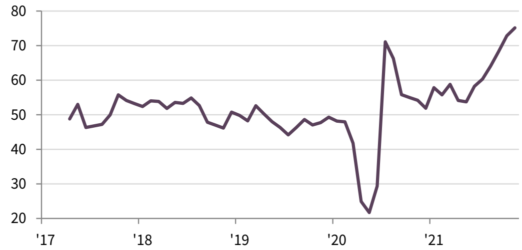
New orders

The volume of new business received by private sector non-energy firms increased at the fastest rate in the survey history in November, with 54% of respondents reporting growth, compared with just 2% stating the opposite. New business has risen every month since July 2020.

Demand growth was strongest in the construction and manufacturing sectors.

New Orders Index

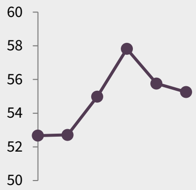
sa, >50 = growth since previous month



BUSINESS EXPECTATIONS

Future
Output Index

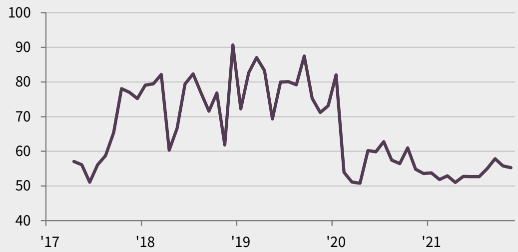
Jun '21 - Nov '21



Qatari firms in the non-energy private sector remained confident of growth of activity from current levels in 12 months' time. The Future Output Index remained comfortably above 50.0 despite easing to a three-month low. Anecdotal evidence partly linked growth expectations to increased tourism and business opportunities due to the forthcoming FIFA World Cup. Sentiment was strongest in the services and construction sectors.

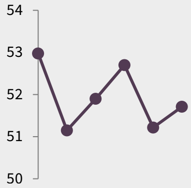
Future Output Index

>50 = growth expected over next 12 months



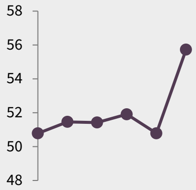
Employment Index

Jun '21 - Nov '21



Backlogs of Work Index

Jun '21 - Nov '21



EMPLOYMENT AND CAPACITY

Employment

Non-energy private sector employment rose for the fourteenth successive month in November, the longest sequence of continuous job creation in the survey's history. The rate of growth picked up from October and was in line with the trend for 2021 to date.

All four sub-sectors registered higher staffing levels in November, with recruitment strongest in wholesale & retail and construction.

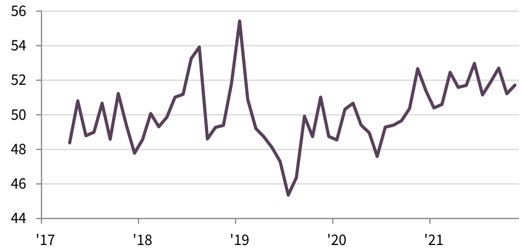
Backlogs of work

November data signalled a notable increase in pressure on business capacity. The level of outstanding work increased at the strongest rate since the series began over four-and-a-half years' ago.

The most notable increase in backlogs was indicated in the wholesale & retail sector.

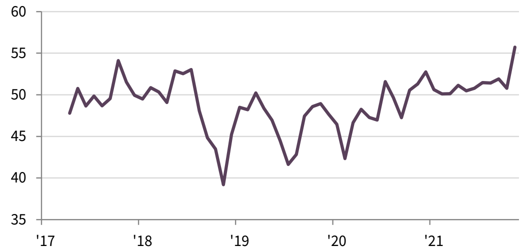
Employment Index

sa, >50 = growth since previous month



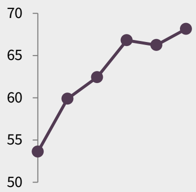
Backlogs of Work Index

sa, >50 = growth since previous month

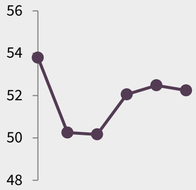


PURCHASING AND INVENTORIES

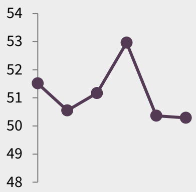
Quantity of
Purchases Index
Jun '21 - Nov '21



Suppliers' Delivery
Times Index
Jun '21 - Nov '21



Stocks of
Purchases Index
Jun '21 - Nov '21



Quantity of purchases

The rate at which non-energy private sector firms increased their purchases quickened for the fifth time in six months in November. Moreover, only in July 2020 had a stronger rise in purchasing been recorded over the survey history. The overall level of inputs purchased has risen for the past 17 months.

As was the case in October, purchases rose fastest in the wholesale & retail sector in November.

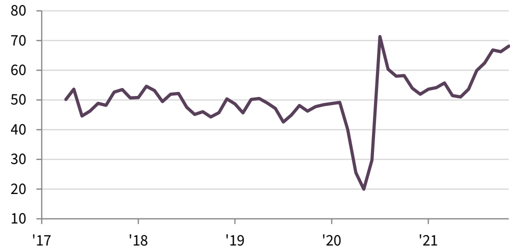
Suppliers' delivery times

November data signalled another reduction in the average time taken for suppliers to deliver inputs to Qatari non-energy private sector firms. Times have come down in each of the past eight months.

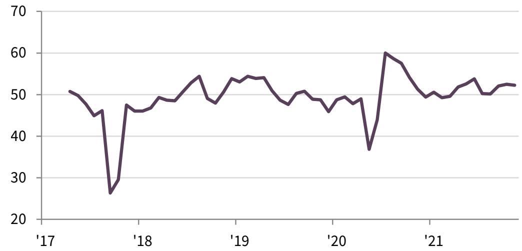
Stocks of purchases

The level of inputs held in stock in the non-energy private sector rose for the sixth consecutive month in November, the longest sequence of growth in the survey history. That said, the rate of growth remained mild in the latest period.

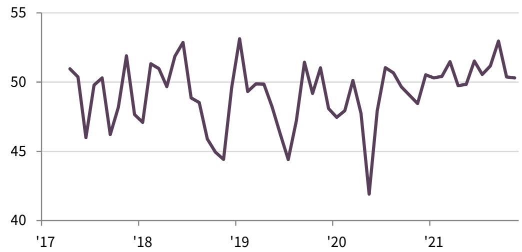
Quantity of Purchases Index
sa, >50 = growth since previous month



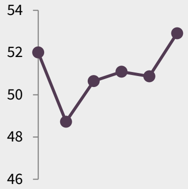
Suppliers' Delivery Times Index
sa, >50 = faster times since previous month



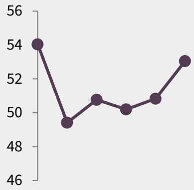
Stocks of Purchases Index
sa, >50 = growth since previous month



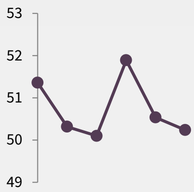
Overall Input Prices Index
Jun '21 - Nov '21



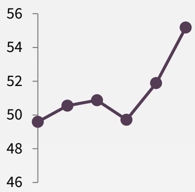
Purchase Prices Index
Jun '21 - Nov '21



Staff Costs Index
Jun '21 - Nov '21



Output Prices Index
Jun '21 - Nov '21



PRICES

Overall input prices

November data signalled a strengthening of cost inflationary pressure in the non-energy private sector. Average input prices increased at the fastest rate since August 2020, and one that was greater than the long-run survey trend. Moreover, the current four-month sequence of inflation is the longest observed in over two-and-a-half years. Construction companies and service providers registered the greatest cost pressures in November.

Overall Input Prices Index
sa, >50 = inflation since previous month

Purchase prices

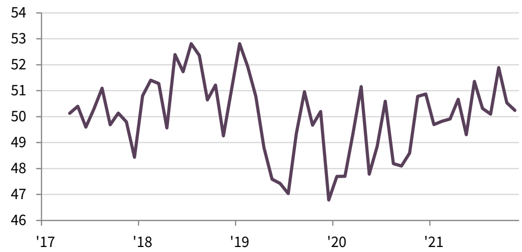
Average prices paid for purchased items rose further in November. The seasonally adjusted Purchase Prices Index signalled inflation for the fourth successive month, and the fastest rate of increase since June. It was also above its long-run average of 52.1 since April 2017.

Purchase Prices Index
sa, >50 = inflation since previous month

Staff costs

Non-energy private sector firms continued to raise average wages and salaries in November. Staff costs rose for the sixth month running, the joint-longest sequence in the survey history. That said, the rate of inflation eased since October. Labour costs rose most in the services sector, while manufacturing wages fell slightly.

Staff Costs Index
sa, >50 = inflation since previous month

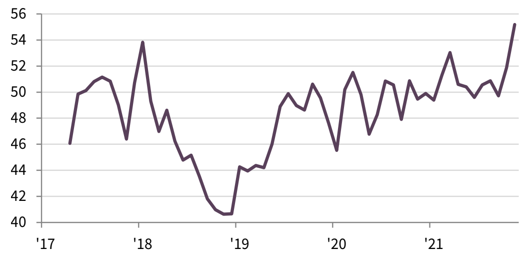


Output prices

The latest survey data signalled greater pricing power at non-energy private sector firms. The seasonally adjusted Output Prices Index rose sharply in November to a new series record high, signalling the strongest rise in average prices charged for goods and services for over four years.

At the sector level, further discounting at wholesalers and retailers was offset by strong increases at manufacturers, construction firms and service providers.

Output Prices Index
sa, >50 = inflation since previous month



FINANCIAL SERVICES

Marked growth in financial services activity sustained

PMI data focusing on financial sector indicate marked growth

New business expands at second-fastest rate to date

Strongest increase in charges since February 2020

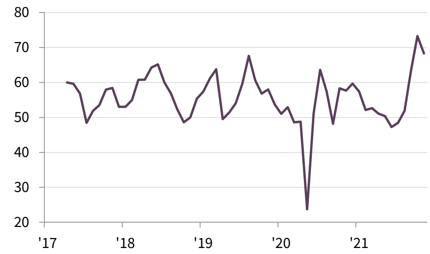
November data covering Qatar's financial services sector signalled another substantial increase in business activity. The rate of growth eased slightly from October but was the second-fastest since the series began in 2017.

New business inflows at financial services firms rose further in November. Growth was the second strongest ever, with only July 2020 having recorded a faster increase over the survey history. Expectations for activity over the next 12 months remained positive, leading workforces to be expanded further.

Average input costs rose further, albeit at a slightly softer rate. Meanwhile charges levied for financial services rose the most since February 2020, signalling improved profitability.

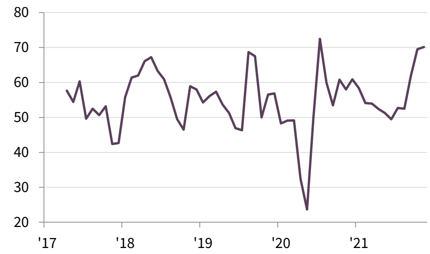
Business Activity Index

sa, >50 = growth since previous month



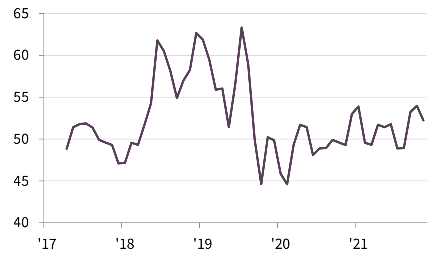
New Business Index

sa, >50 = growth since previous month



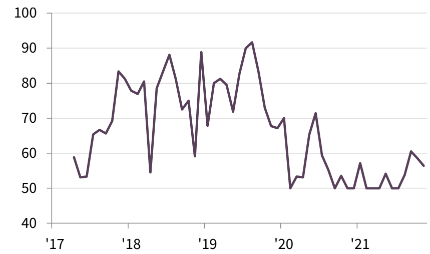
Employment Index

sa, >50 = growth since previous month



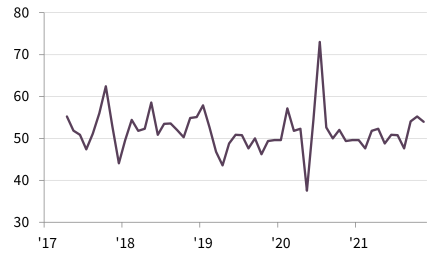
Future Activity Index

>50 = growth expected over next 12 months



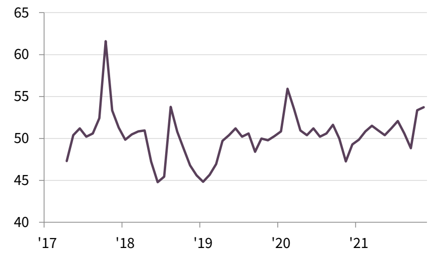
Input Prices Index

sa, >50 = inflation since previous month



Prices Charged Index

sa, >50 = inflation since previous month

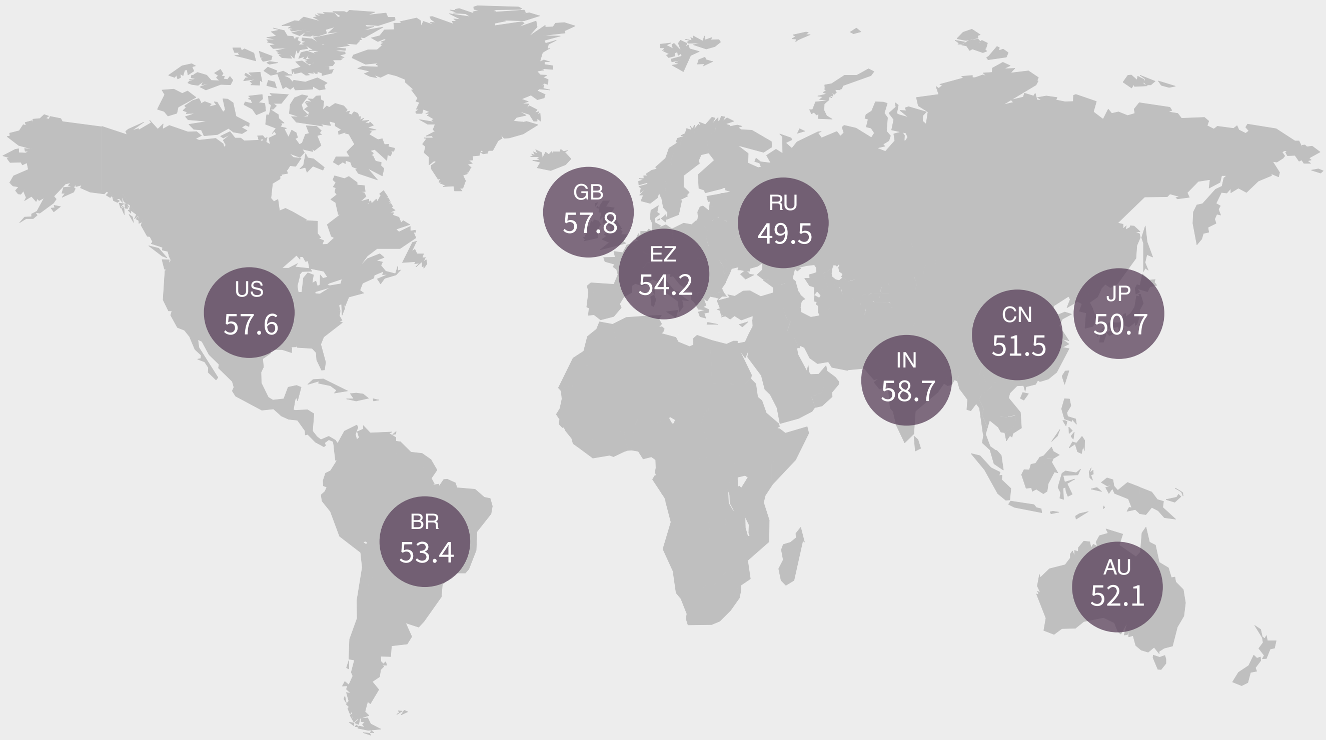


INTERNATIONAL PMI

Composite Output Index, Oct '21

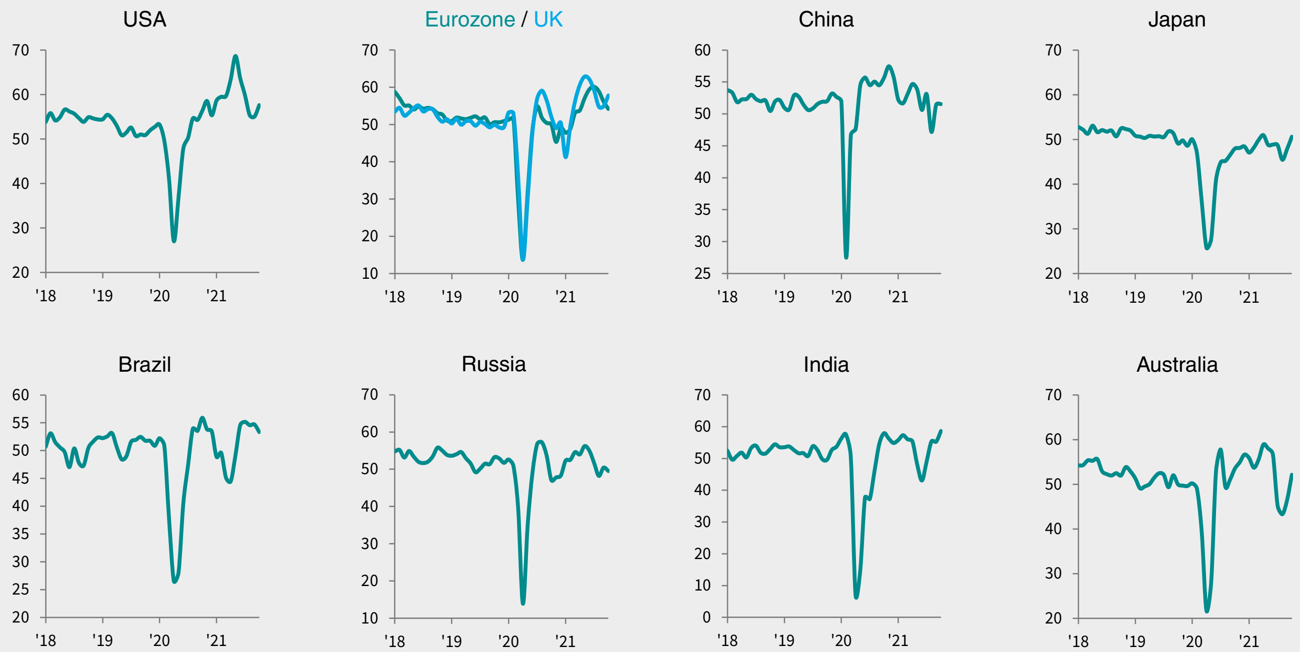
sa, >50 = growth since previous month

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



Survey panel size

450

companies

Index calculation

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

SURVEY METHODOLOGY

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.

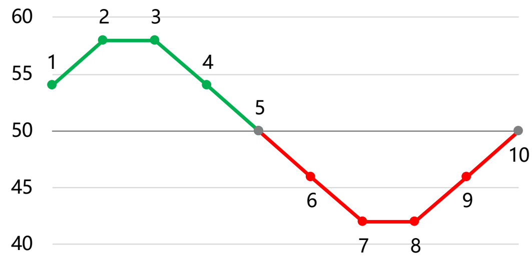
The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted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

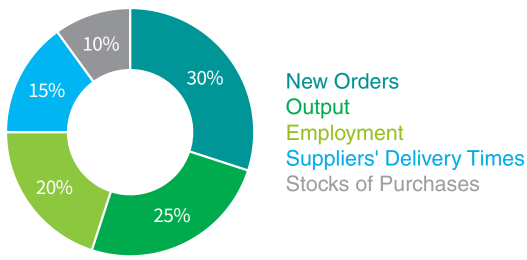
Index interpretation

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 12-23 November 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.