Embargoed until 1200 AST (0900 UTC) 3 February 2022

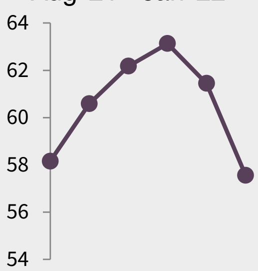
QATAR FINANCIAL CENTRE PMI™

Non-energy growth eases at start of 2022, but remains strong

QATAR FINANCIAL CENTRE PMI

Jan '22
57.6
Dec: 61.4

Aug '21 - Jan '22



Qatar PMI corrects to six-month low of 57.6

Survey-record sequence of workforce growth sustained

Output and new business continue to rise strongly overall

Purchasing Managers' Index™ (PMI™) survey data from Qatar Financial Centre (QFC) continued to signal strong growth in the non-energy private sector at the start of 2022. The rates of expansion in output, new orders and backlogs of work all made further corrections from last November's records, but were still among the fastest registered throughout the near five-year history of the survey. This comes at a time of reinstated temporary restrictions related to the Omicron variant of COVID-19 throughout Qatar. Despite this overall easing, employment rose for a record sixteenth successive month. The latest survey also revealed a slight easing of inflationary pressure in the non-energy economy.

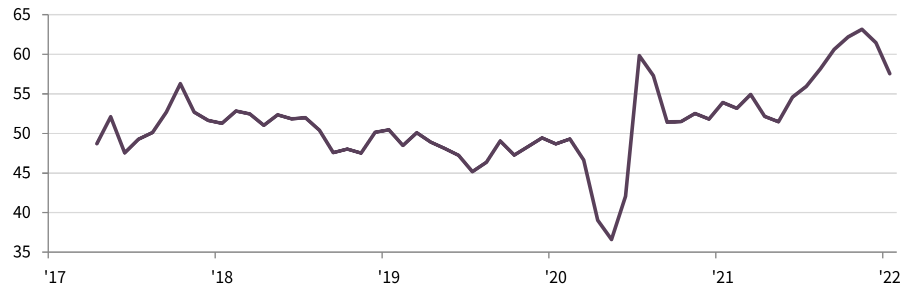
The Qatar PMI indices are compiled from survey responses from a panel of around 450 private sector companies. The panel covers the manufacturing, construction, wholesale, retail, and services sectors, and reflects the structure of the non-energy economy according to official national accounts data.

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 eased further from November's record high of 63.1 to 57.6 in January, from 61.4 in December. The latest figure was still the seventh-highest in the survey history. In comparison, the PMI has trended at 51.3 since it was first compiled in April 2017.

The 3.8-point drop in the PMI in January was the largest observed since September 2020. It was reflected in all five of the headline figure's components with the biggest directional influence coming from new orders (-2.2 points), followed by output (-0.9), suppliers' delivery times (-0.4), employment (-0.3) and stocks of purchases (-0.1).

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



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OVERVIEW CONTINUED...

Private sector non-energy output in Qatar rose for the nineteenth consecutive month in January. The rate of growth eased to a five-month low but remained among the strongest recorded to date. Growth remained notably strong in the wholesale & retail sector, while contraction was steepest in construction and services where COVID-19 restrictions had an impact.

New business inflows also increased further in January. The rate of growth eased since the end of 2021, but remained above the strong trend over the current 19-month expansionary sequence. There were notable slowdowns in the construction and services sectors, but these were partly offset by ongoing strong new business growth in manufacturing and wholesale & retail.

Demand for goods and services remained strong enough to generate rising backlogs at firms. The increase in outstanding business was softer than at the end of 2021, but still the fourth-strongest in the survey history.

Employment in the non-energy private sector continued to rise in January, extending the current series-record sequence of job creation to 16 months. The rate of growth eased since December but remained faster than the long-run trend. Recruitment remained strongest in the wholesale & retail sector.

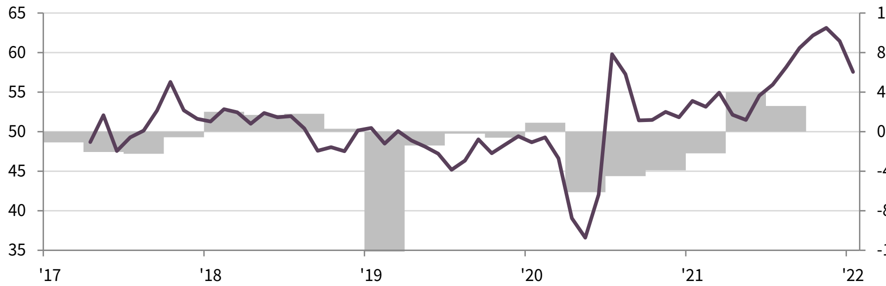
Input price inflation was registered for the sixth month running, the longest sequence of cost increases for over three-and-a-half years. The rate of inflation eased, however, as did the pace at which output prices rose.

Qatar PMI

sa, >50 = improvement since previous month

Gross domestic product (GDP)

% yr/yr



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

COMMENT

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

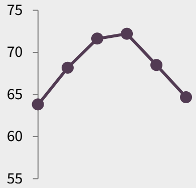
"Although the PMI posted a further correction from November's all-time high at the start of 2022, easing to 57.6, it is holding at one of the highest levels seen since the survey began in April 2017. Prior to last August and excluding the post-lockdown bounce to 59.8 in July 2020, the highest the PMI had ever reached was 56.3 in October 2017.

"The first batch of data for 2022 therefore signals that the non-energy economy continues to expand sharply, with the key indicators for output, new orders and employment all remaining well above their long-run averages. The forthcoming FIFA World Cup continues to be cited as a source of confidence among companies.

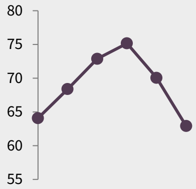
"Recent PMI data for the final quarter of 2021 signal that official economic growth will regain momentum, having eased to 2.6% on an annual basis in the third quarter from 4% in the third quarter."

OUTPUT AND DEMAND

Output
Index
Aug '21 - Jan '22



New Orders
Index
Aug '21 - Jan '22



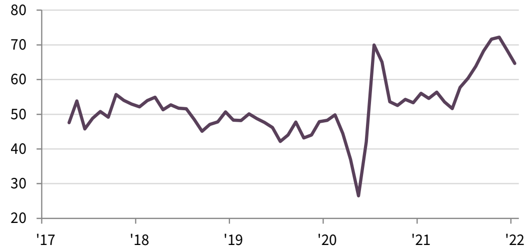
Output

Overall non-energy private sector business activity in Qatar continued to expand at a marked pace in January. The seasonally adjusted Output Index eased for the second month running from November's record high to a five-month low. But the latest figure was still the seventh-highest since the survey began in April 2017, well above its long-run trend of 52.1. The strongest expansion was registered in the wholesale & retail sector.

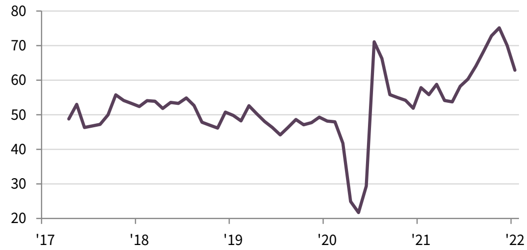
New orders

Demand for Qatari goods and services rose rapidly in January, despite a further correction in the rate of expansion since November. The seasonally adjusted New Orders Index eased to a six-month low, but was still among the highest on record. Demand increased most notably in manufacturing and wholesale & retail.

Output Index
sa, >50 = growth since previous month

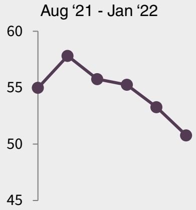


New Orders Index
sa, >50 = growth since previous month



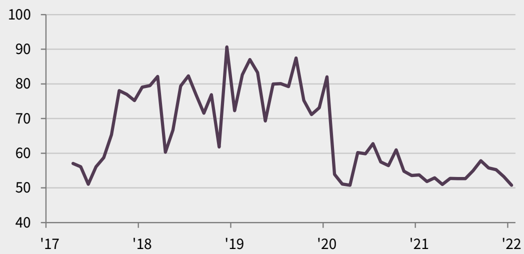
BUSINESS EXPECTATIONS

Future
Output Index
Aug '21 - Jan '22



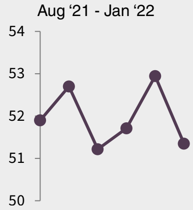
The Future Output Index remained above 50.0 in January, signalling that companies in the non-energy private sector remained optimistic of higher output in 12 months' time. Anecdotal evidence from survey respondents continued to highlight the forthcoming FIFA World Cup as a source of business growth. Confidence was strongest among service providers.

Future Output Index
>50 = growth expected over next 12 months



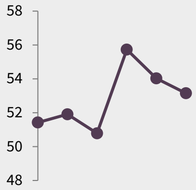
Employment Index

Aug '21 - Jan '22



Backlogs of Work Index

Aug '21 - Jan '22



EMPLOYMENT AND CAPACITY

Employment

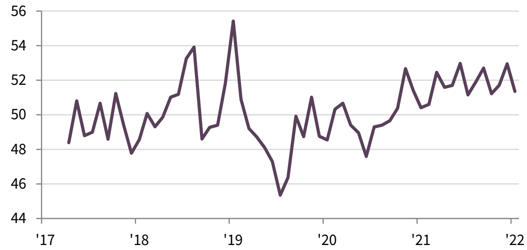
January saw sustained workforce growth in the Qatari non-energy private sector economy. Employment rose for the sixteenth successive month, extending the survey-record sequence of growth since October 2020. The wholesale & retail sector registered the strongest jobs growth, followed by construction and manufacturing respectively. Service providers reported a slight fall in staff levels. The overall rate of job creation was the slowest in three months.

Backlogs of work

Private sector non-energy firms continued to see their levels of outstanding business rise in January. The rate of growth was slower than November's record high and December, but still the fourth-highest ever registered. Pressure on business capacity was strongest in the wholesale & retail sector.

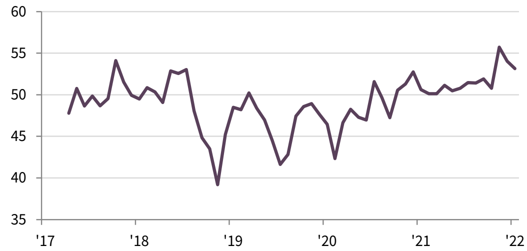
Employment Index

sa, >50 = growth since previous month



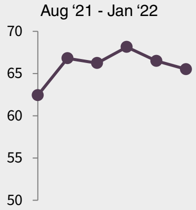
Backlogs of Work Index

sa, >50 = growth since previous month



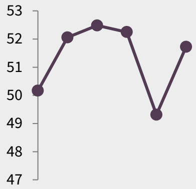
Quantity of Purchases Index

Aug '21 - Jan '22



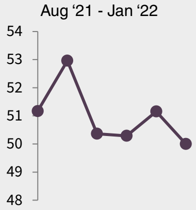
Suppliers' Delivery Times Index

Aug '21 - Jan '22



Stocks of Purchases Index

Aug '21 - Jan '22



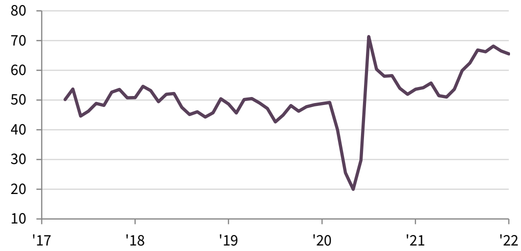
PURCHASING AND INVENTORIES

Quantity of purchases

The volume of inputs purchased by non-energy private sector firms continued to rise markedly in January. The rate of expansion was the slowest in five months, but still stronger than in any survey period prior to last September except for July 2020's bounce.

Quantity of Purchases Index

sa, >50 = growth since previous month

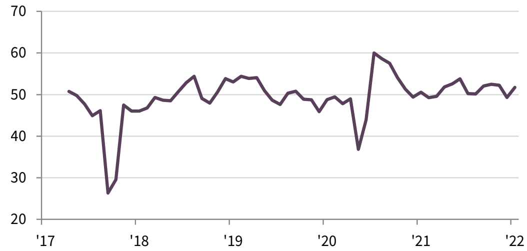


Suppliers' delivery times

The average time taken for suppliers to deliver inputs to non-energy private sector firms in Qatar fell in January, reversing the slight lengthening registered in December. Supplier performance has improved nine times in the past ten months.

Suppliers' Delivery Times Index

sa, >50 = faster times since previous month

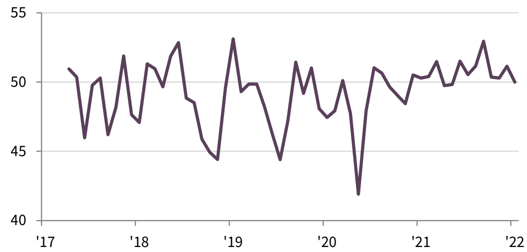


Stocks of purchases

The seasonally adjusted Stocks of Purchases Index registered exactly 50.0 in January, indicating no change in the volume of inputs held in stock at non-energy private sector firms compared with December. This brought to an end a survey-record growth sequence of seven months. Destocking at manufacturers was offset by increases in the three remaining sectors monitored.

Stocks of Purchases Index

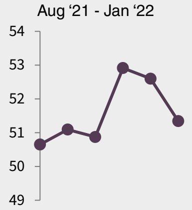
sa, >50 = growth since previous month



PRICES

Overall Input Prices Index

Aug '21 - Jan '22

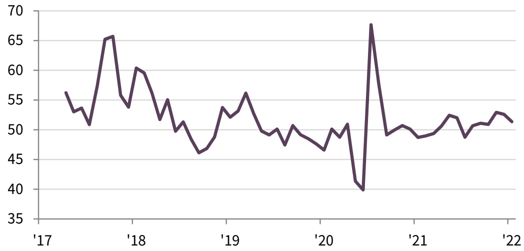


Overall input prices

Average input prices paid by non-energy private sector firms in Qatar continued to increase in January, extending the current sequence of inflation to six months. This was the longest spell of rising average costs in over three-and-a-half years. The rate of inflation eased from those seen in November and December, and was below the long-run survey average. Cost pressures were strongest in the service sector.

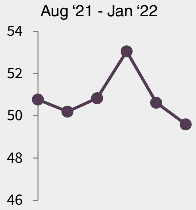
Overall Input Prices Index

sa, >50 = inflation since previous month



Purchase Prices Index

Aug '21 - Jan '22



Purchase prices

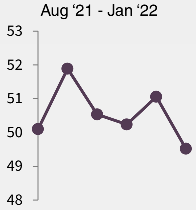
The seasonally adjusted Purchase Prices Index fell below the no-change mark of 50.0 in January, signalling a decline in average prices paid for physical inputs by private sector non-energy firms. This followed a period of eight increases in nine months. That said, the reduction was only marginal.

Purchase Prices Index

sa, >50 = inflation since previous month

Staff Costs Index

Aug '21 - Jan '22

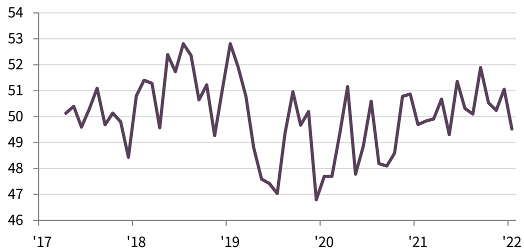


Staff costs

Pressure on wages and salaries fell in January, signalled by the seasonally adjusted Staff Costs Index falling below the neutral threshold of 50.0. Average labour costs fell for the first time since last May, albeit only marginally. The reduction in January followed one of the fastest wage increases seen over the past three years in December.

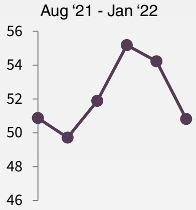
Staff Costs Index

sa, >50 = inflation since previous month



Output Prices Index

Aug '21 - Jan '22



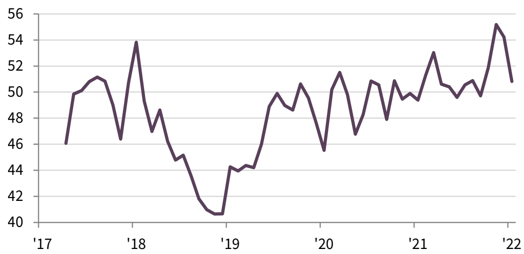
Output prices

Average charges levied for goods and services rose for the fourth month running in January, the joint-longest sequence in the survey history. That said, the rate of inflation eased since December and was weak.

Construction firms registered another strong increase in prices charged, while manufacturers cut their prices.

Output Prices Index

sa, >50 = inflation since previous month



FINANCIAL SERVICES

Financial sector new business growth accelerates in January

Growth rate for new business picks up since December

Sustained increase in employment at financial firms

Input costs for financial services firms continue to rise solidly

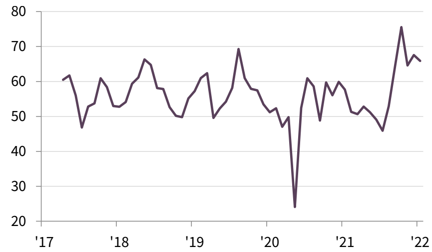
The latest PMI data on Qatar's financial services sector signalled strengthening demand in January. New business received in the sector rose at a faster pace than in December, and one of the strongest since the series began in 2017. Total activity growth eased but was still the fifth-strongest on record.

Employment at financial services firms rose for the fifth month running, the longest sequence of job creation in over two years, despite a moderation in business expectations at the surveyed firms.

Average input costs at financial services firms rose solidly for the fifth month running in January, and at a rate sharper than the long-run series trend. Meanwhile, prices charged for financials services rose slightly, having been discounted in December.

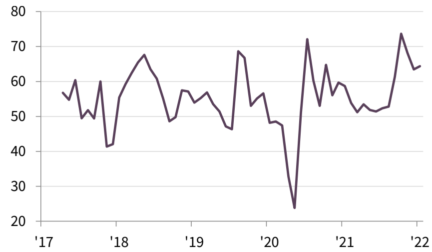
Business Activity Index

sa, >50 = growth since previous month



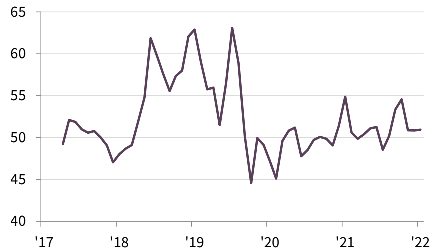
New Business Index

sa, >50 = growth since previous month



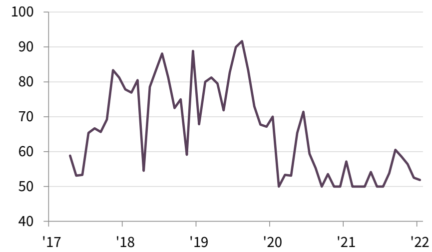
Employment Index

sa, >50 = growth since previous month



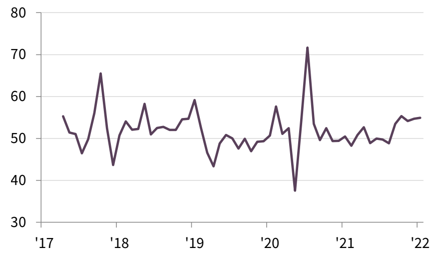
Future Activity Index

>50 = growth expected over next 12 months



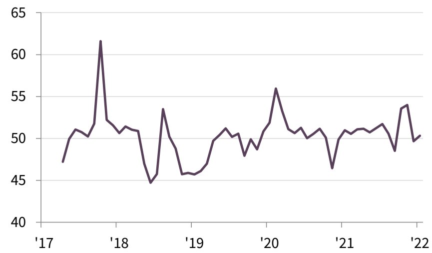
Input Prices Index

sa, >50 = inflation since previous month



Prices Charged Index

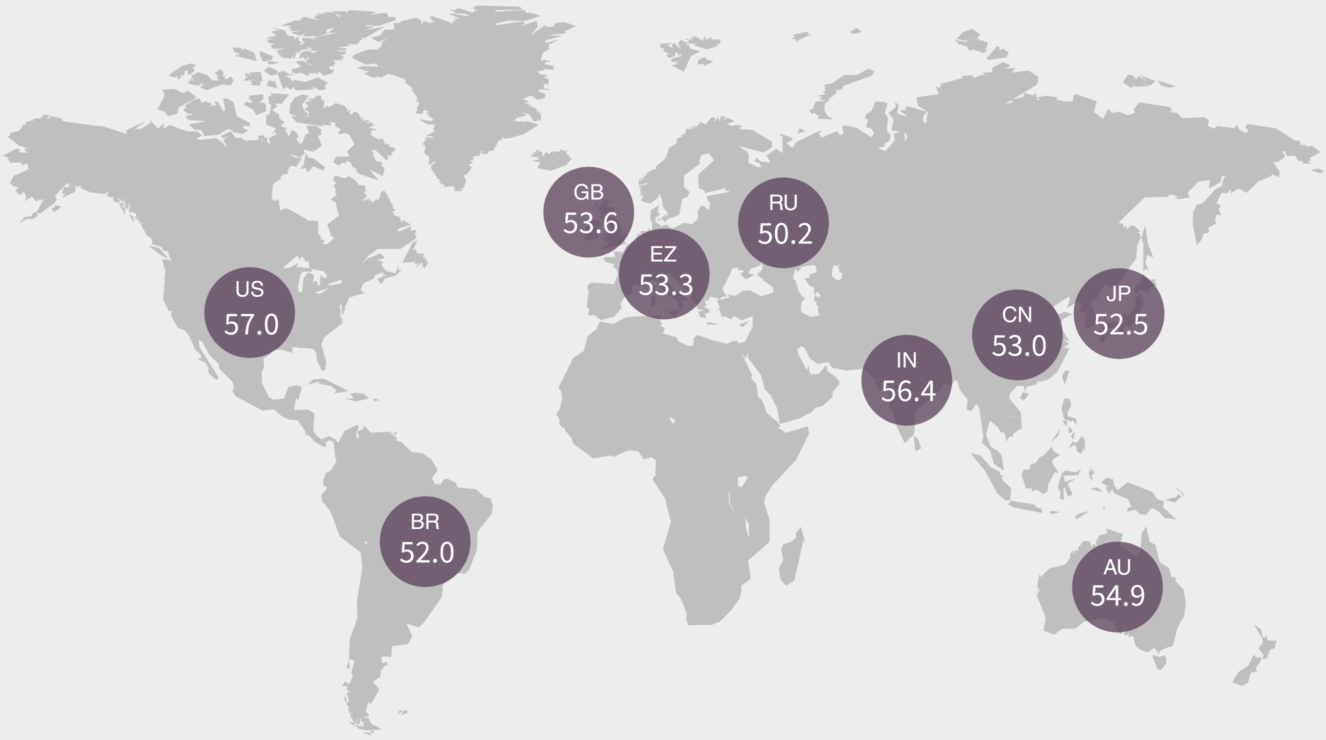
sa, >50 = inflation since previous month



INTERNATIONAL PMI

Composite Output Index, Dec '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.

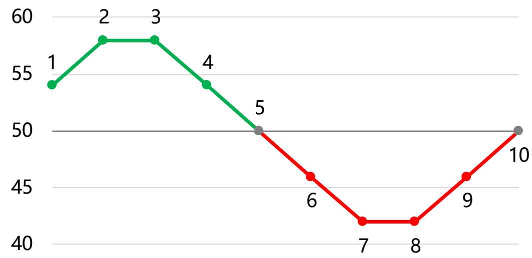
The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted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

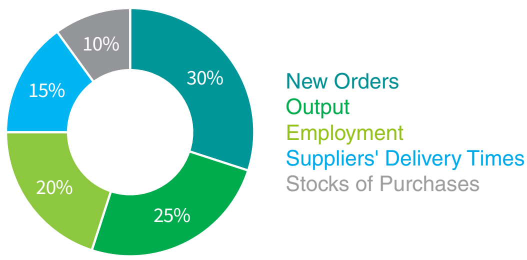
Index interpretation

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 12-24 January 2022.

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

MEDIA CONTACTS

Muna Jabr Al-Thani
Head of Corporate Communications
QFC
m.althani@qfc.qa

Joanna Vickers
Corporate Communications
IHS Markit
T: +44 207 260 2234
joanna.vickers@ihsmarkit.com

ENQUIRIES ABOUT THE REPORT

qatarpmi@qfc.qa

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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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.