Embargoed until 1200 AST (0900 UTC) 5 April 2022

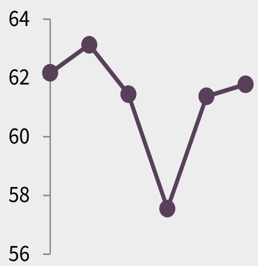
QATAR FINANCIAL CENTRE PMI™

Non-energy private sector expands rapidly in March

QATAR FINANCIAL CENTRE PMI

Mar '22
61.8
Feb: 61.4

Oct '21 - Mar '22



PMI hits four-month high at the end of Q1

Marked and accelerated uplifts in both output and new orders

Backlogs rise at second-strongest rate in series history

Purchasing Managers' Index™ (PMI™) survey data from Qatar Financial Centre (QFC) signalled a robust growth in the non-energy private sector during March 2022. The rates of expansion in business activity, new orders and outstanding business accelerated during the month and were among the fastest registered in the survey's exact five-year history. In addition, headcounts expanded for the eighteenth month in succession while purchasing activity continued to rise at historically elevated rates. Buoyed by supportive demand conditions and the fast-approaching FIFA World Cup, firms were optimistic of further output growth in the year ahead.

As for prices, purchase costs rose marginally. Firms chose to absorb the increase and reduce selling prices amid promotional efforts.

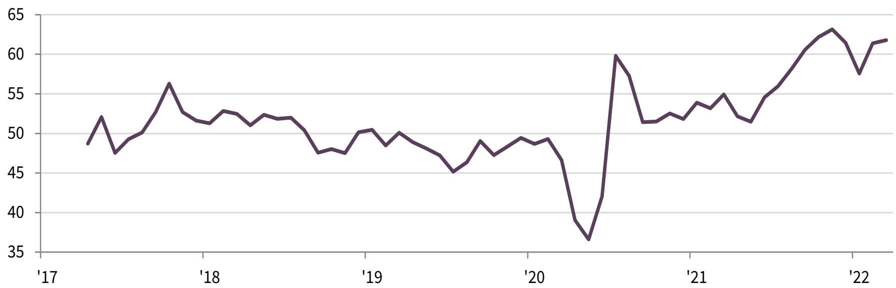
The Qatar PMI indices are compiled from survey responses from a panel of around 450 private sector companies. The panel covers the manufacturing, construction, wholesale, retail, and services sectors, and reflects the structure of the non-energy economy according to official national accounts data.

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 remained firmly in growth territory, up from 61.4 in February to 61.8 in March. The latest figure was the highest for four months and the third-strongest in the series history, behind only that seen last October and November.

The two largest components of the PMI by weight – output and new orders – were behind the latest upsurge. Both sub-indices improved to four-month highs

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



PMI™ by S&P Global

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OVERVIEW CONTINUED...

and were the third- and fourth- strongest in the series history, respectively. Sub-sector data revealed robust expansions across the board, led by wholesale & retail trade. Manufacturing and construction followed closely behind. Services meanwhile recorded the softest increase of the four, which was still strong nonetheless, and is expected to rise faster in the year ahead.

With demand conditions improving rapidly, Qatari non-energy private sector firms continued to increase their workforces. However, this was not enough to tame a rise in backlogs that rose at the second-quickest rate in the survey's five-year history.

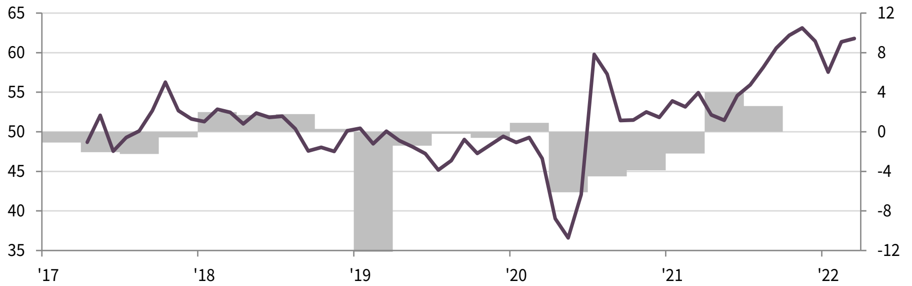
Input price inflation was registered for the sixth month running, which is in line with world trends. In contrast, prices charged for goods and services fell for the second month in succession. According to anecdotal evidence, firms engaged in promotional activity in order to support demand growth.

With the demand conditions robust, companies boosted their purchasing activity again in March. The rate of growth was among the strongest in the series history but moderated from February's near series high. Delivery times, meanwhile, continued to shorten.

Looking ahead, firms were optimistic that favourable demand conditions would support output growth over the next 12 months. The degree of optimism did, however, ease from that seen in February.

Qatar PMI
sa, >50 = improvement since previous month

Gross domestic product (GDP)
% yr/yr



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

COMMENT

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

“Latest PMI data revealed a strong end to the first quarter of 2022 with business conditions strengthening further in the Qatari non-energy private sector. In fact, the PMI was the third-highest in the survey's five-year history, boosted by favourable demand. Moreover, firms encouraged further sales through a variety of promotional activity.

"Greater output levels underpinned higher workforce numbers and purchasing activity in March. Despite this, capacity pressures remained near survey peaks, suggesting there is further scope for growth in the coming months as firms work through their existing orders.

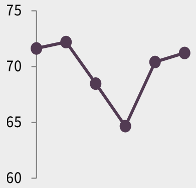
"As for prices, overall input price inflation continued, as it does globally, though the rates of increase remain relatively soft. Firms, however, reduced their selling prices in order to reap the benefits of bustling demand.

"Qatar's non-energy private sector extended its strong run of growth in March, which shows no signs of letting up as we head into the second quarter."

OUTPUT AND DEMAND

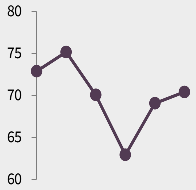
Output
Index

Oct '21 - Mar '22



New Orders
Index

Oct '21 - Mar '22



Output

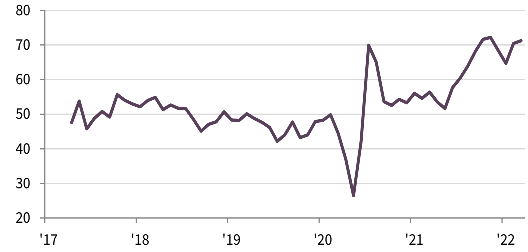
The total level of non-energy private sector output in Qatar continued to expand sharply in March, thereby signalling 21 successive months of growth. The seasonally adjusted Output index accelerated from that in February to reach a four-month high. The strongest expansion was registered in the wholesale & retail sector, which led growth for the third month running.

New orders

Demand for Qatari goods and services rose at a marked and accelerated pace in March. Moreover, the rate of growth was quickest since last November and the third-strongest in the series history. Demand increased sharply in all four sectors, led by manufacturing.

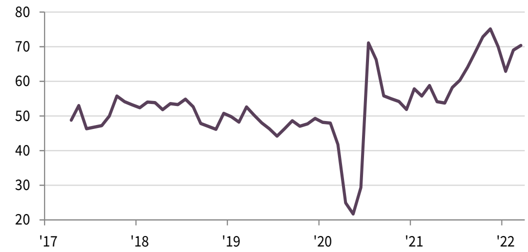
Output Index

sa, >50 = growth since previous month



New Orders Index

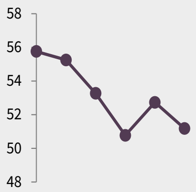
sa, >50 = growth since previous month



BUSINESS EXPECTATIONS

Future
Output Index

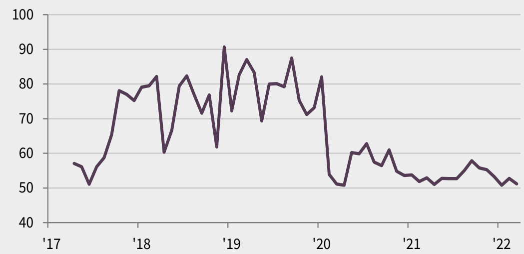
Oct '21 - Mar '22



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

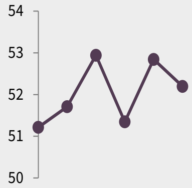
Future Output Index

>50 = growth expected over next 12 months

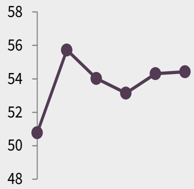


EMPLOYMENT AND CAPACITY

Employment
Index
Oct '21 - Mar '22



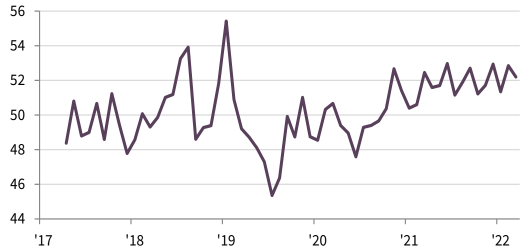
Backlogs of Work
Index
Oct '21 - Mar '22



Employment

March continued to signal employment growth in the Qatari non-energy private sector economy. Headcounts have now expanded in each of the last 18 months, with the latest expansion sharp relative to the long-run average. Firms mentioned that higher workloads encouraged hiring activity. Employment growth was strongest in the construction sector.

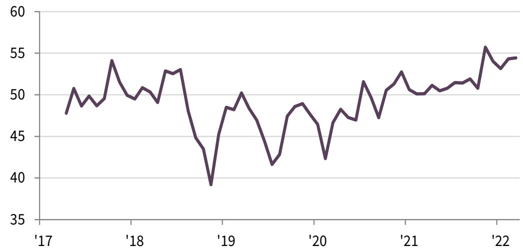
Employment Index
sa, >50 = growth since previous month



Backlogs of work

Improving demand conditions led to another increase in the volume of outstanding business in March. Moreover, backlogs rose at the second-fastest rate on record, surpassed only by that seen last November. Capacity pressures were most prominent in the manufacturing sector, followed by construction.

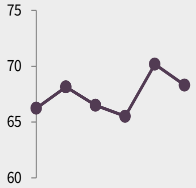
Backlogs of Work Index
sa, >50 = growth since previous month



PMI™ by S&P Global

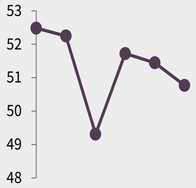
Quantity of Purchases Index

Oct '21 - Mar '22



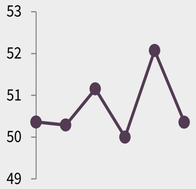
Suppliers' Delivery Times Index

Oct '21 - Mar '22



Stocks of Purchases Index

Oct '21 - Mar '22



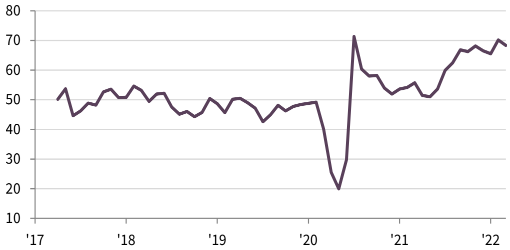
PURCHASING AND INVENTORIES

Quantity of purchases

The volume of inputs purchased by Qatari non-energy private sector firms continued to rise markedly in March. Despite softening, the rate of expansion was robust, and the third-quickest in the series history. Purchasing was notably intense in the manufacturing and wholesale & retail sectors.

Quantity of Purchases Index

sa, >50 = growth since previous month

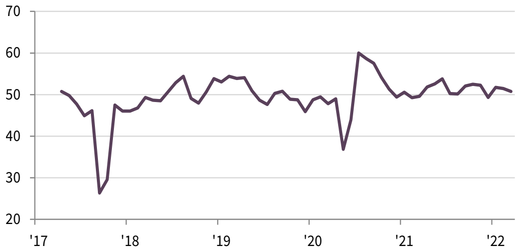


Suppliers' delivery times

The average time taken for suppliers to deliver inputs to non-energy private sector firms in Qatar fell in March, signalling a third successive month of improving supplier performance. That said, the improvement was the softest in the current sequence.

Suppliers' Delivery Times Index

sa, >50 = faster times since previous month

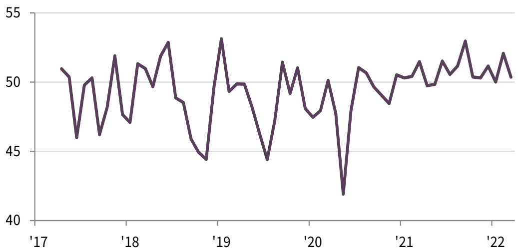


Stocks of purchases

The volume of inputs held in stock at non-energy private sector firms continued to rise in March, extending the current sequence of growth to two months. The overall rate of expansion was modest, however.

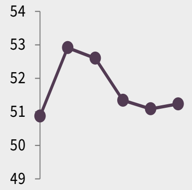
Stocks of Purchases Index

sa, >50 = growth since previous month



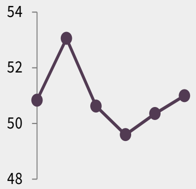
Overall Input Prices Index

Oct '21 - Mar '22



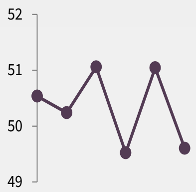
Purchase Prices Index

Oct '21 - Mar '22



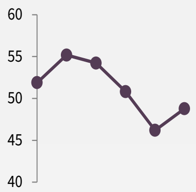
Staff Costs Index

Oct '21 - Mar '22



Output Prices Index

Oct '21 - Mar '22



PRICES

Overall input prices

Average input prices paid by non-energy private sector firms in Qatar continued to increase in March, extending the current sequence of inflation to eight months. The overall rate of inflation was little-changed from February and below the long-run series average, however. Cost pressures were strongest in the service sector.

Overall Input Prices Index

sa, >50 = inflation since previous month

Purchase prices

The seasonally adjusted Purchase Prices Index signalled inflation for the seventh time in eight months during March. The rate of increase accelerated for the second successive month but was modest overall. Moreover, purchase costs fell in three of the four monitored sectors, the exception being wholesale and retail.

Purchase Prices Index

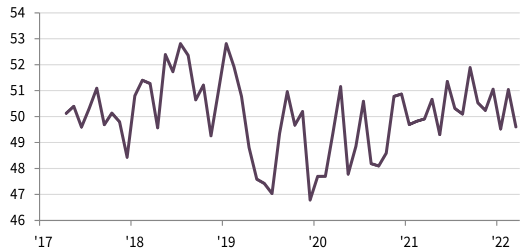
sa, >50 = inflation since previous month

Staff costs

Pressure on wages and salaries eased in March, as signalled by the seasonally adjusted Staff Costs Index falling below the neutral threshold of 50.0. Average labour costs have now fallen for the second time in three months, though the latest reduction was only slight.

Staff Costs Index

sa, >50 = inflation since previous month

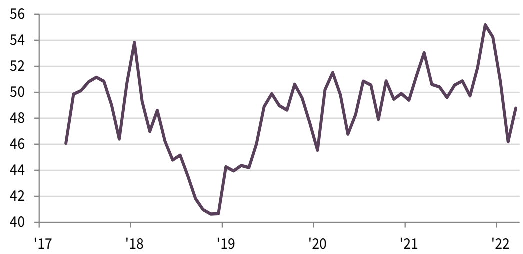


Output prices

In contrast to the trend for input costs, average charges levied by Qatari private sector non-energy firms fell in March, signalling two successive months of discounting. That said, the rate of deflation was marginal and eased from February's previous low.

Output Prices Index

sa, >50 = inflation since previous month



مركـز قطـر للمـال
Qatar Financial Centre

FINANCIAL SERVICES

Financial sector maintains robust growth at end of Q1

Output and new order growth accelerates to five-month high for financial services

Seventh monthly increase in staffing levels for financial services

Inflationary pressures continue to mount, but firms remain optimistic

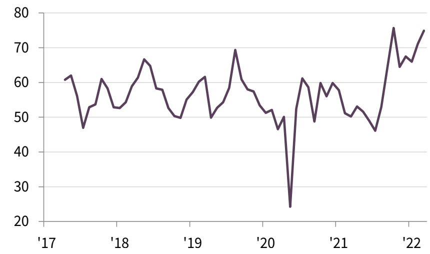
The latest PMI data on Qatar's financial services sector signalled a strengthening in output growth, buoyed by favourable demand conditions. Business activity rose at the strongest rate since last October while new business growth followed a similar pattern, accelerating to a five-month high for financial services.

Employment levels rose for the seventh month running in March. The rate of increase quickened from February and was the second-strongest uplift in over a year. Firms were meanwhile optimistic for output growth in the next 12 months.

On the price front, average input costs rose sharply, extending the sequence of inflation to seven months. In contrast, prices charged for financials services fell slightly, signalling some pressure on profitability.

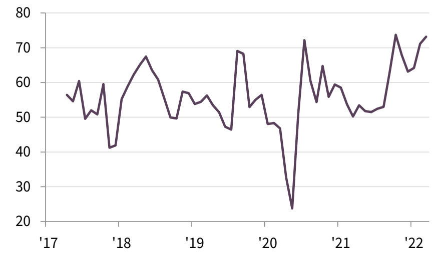
Business Activity Index

sa, >50 = growth since previous month



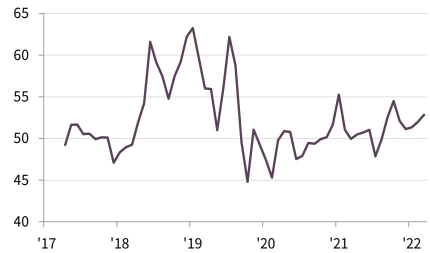
New Business Index

sa, >50 = growth since previous month



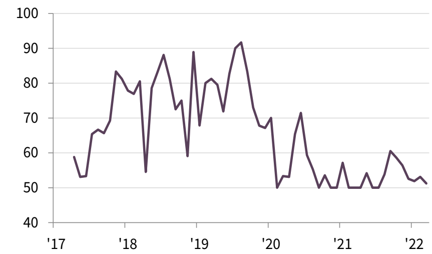
Employment Index

sa, >50 = growth since previous month



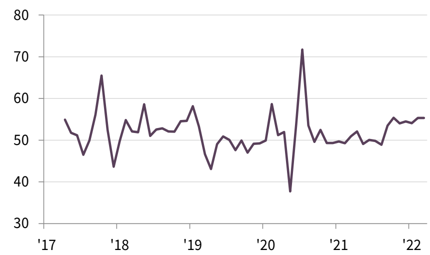
Future Activity Index

>50 = growth expected over next 12 months



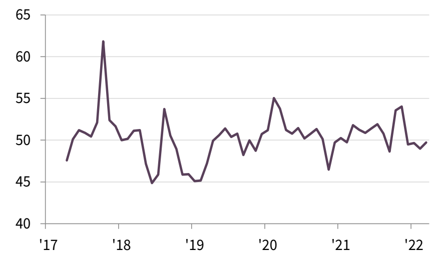
Input Prices Index

sa, >50 = inflation since previous month



Prices Charged Index

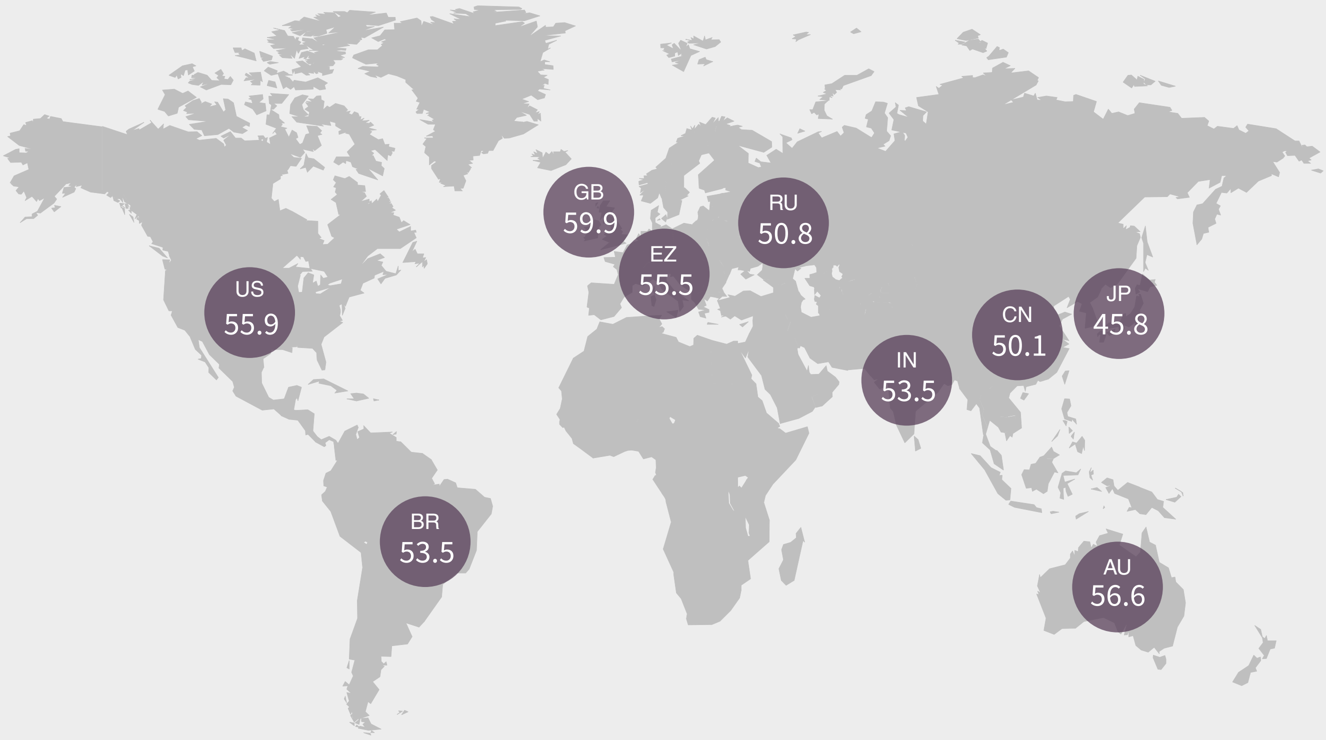
sa, >50 = inflation since previous month



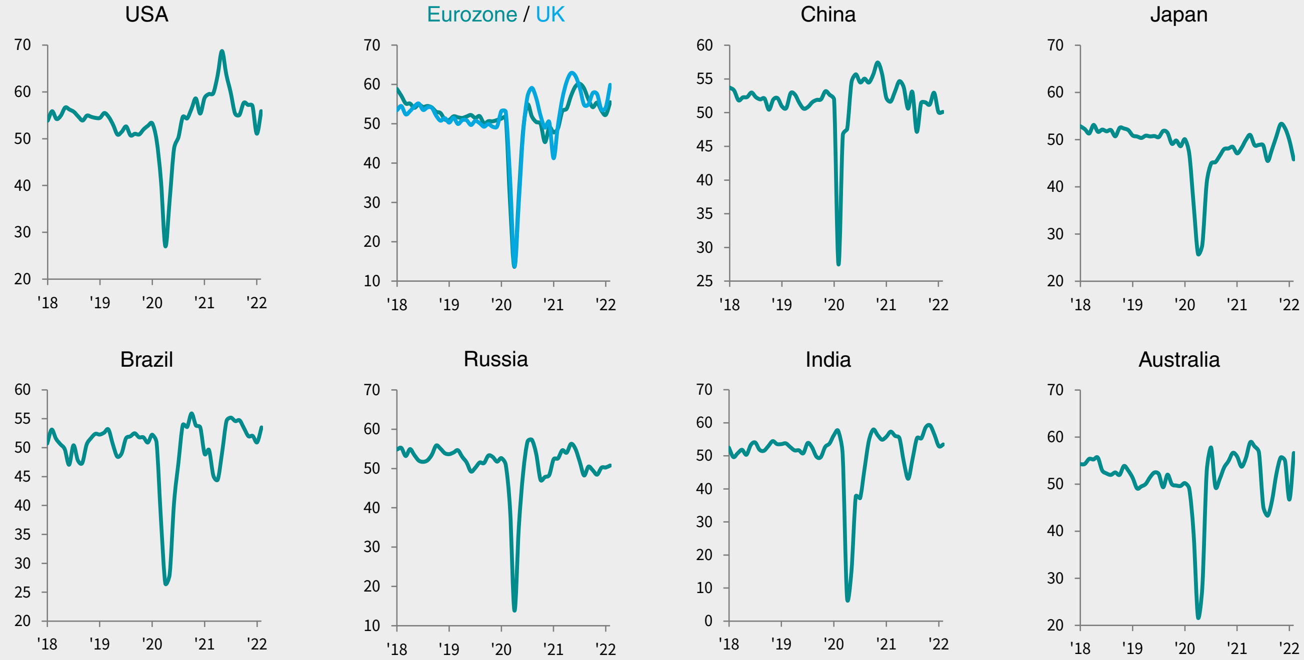
INTERNATIONAL PMI

Composite Output Index, Feb '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 METHODOLOGY

Survey panel size

450

companies

Index calculation

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

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.

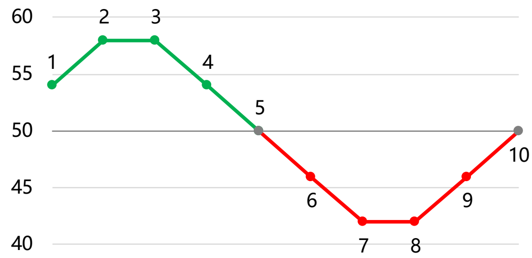
The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted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

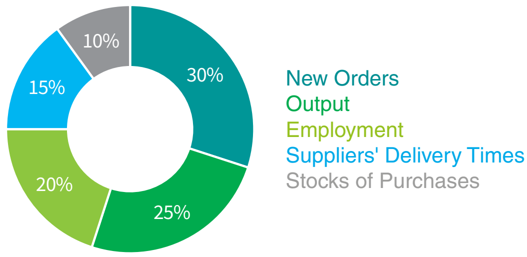
Index interpretation

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 11-24 March 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

PMI™ by S&P Global

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ENQUIRIES ABOUT THE REPORT

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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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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.
www.spglobal.com.

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.

PMI™ by S&P Global