



News Release

Purchasing Managers' Index™
MARKET SENSITIVE INFORMATION
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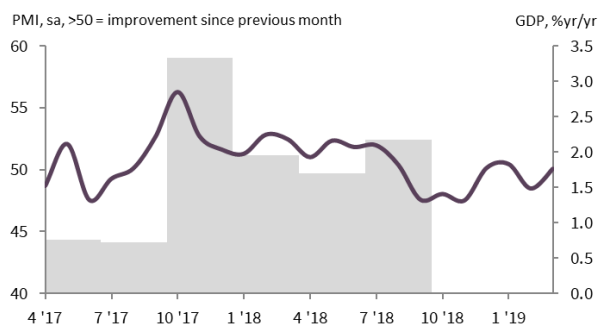
Strongest rise in new business since August 2018

Qatar Financial Centre PMI™

- New contracts received by Qatari firms rise sharply
- Output expectations second-strongest on record
- Fastest input price inflation in a year

Doha, Qatar: 3 April 2019 – The latest PMI™ survey of Qatari non-hydrocarbon private sector businesses by Qatar Financial Centre highlighted a marked increase in the volume of new business. The rate of expansion was the fastest since August 2018, and sharper than the trend pace indicated since the survey began in April 2017.

QFC Qatar PMI™



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



Comment

“Intakes of new business boosted Qatar’s non-hydrocarbon private sector in March, with this indicator from the PMI survey at a seven-month high. Moreover, the month-on-month rise in the new business index, at 4.5 points, was the second-largest in nearly a year-and-a-half. This improvement in demand influenced companies’ expectations for total workloads, with the Future Activity Index rising to the second-highest level since the survey began in April 2017. Over the first quarter of 2019 Qatar’s PMI has trended higher compared with the final quarter of 2018; a period during which the global economy saw the softest expansion in over two years.”*

Sheikha Alanoud bint Hamad Al-Thani, Managing Director, Business Development, QFC Authority

*Based on IHS Markit’s Global PMI data.

Overall confidence was the second-highest on record, with concurring reports from survey respondents of new project launches. Stronger inflows of new work helped to boost expectations regarding the 12-month outlook for growth of total business activity, with 80% of surveyed companies expecting output at their units to rise by March 2020. As a result, the Output Index registered a three-month high.

The uptick in business activity helped lift the headline PMI figure for Qatar from February’s 48.5 to 50.1 in March. This improvement was reflected in new orders, higher output, lower stocks of purchases and suppliers’ tighter delivery times (the latter index is inverted for the PMI calculation). The overall rise in the headline figure was slightly tempered by a weaker contribution from employment, however, which had registered a record high earlier in the quarter. As a whole, non-oil activity has resurged over the first quarter of 2019 with the PMI trending at 49.7, compared to the lower average recorded over the second half of 2018 (49.3).

When inferring possible changes to economic projections, readers should consider the short duration for which both PMI and GDP data has been collected. However, the trend PMI reading for Q1 2019 is broadly consistent with non-hydrocarbon GDP rising by 3.9% in real terms on an annual basis.

As a consequence of substantially higher new business orders, there was evidence of rising pressure on business capacity with the indicator for backlogs of work at an eight-month high.

The latest survey indicated an intensification of overall cost pressures faced by non-energy private sector firms. Average input prices increased at the fastest rate since March 2018. This mainly reflected non-staff costs – including shipping and customs charges, electricity and chemicals – as the indicator for wages and salaries indicated a slower increase in March. Companies continued to cut their own prices charged for goods and services, however. This pointed to further pressure on operating margins.

– ENDS –



ABOUT THE 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 PMI

Purchasing Managers' Index™ (PMI™) surveys are now available for over 40 countries and for key regions including the Eurozone. They are the most closely watched business surveys in the world, favored by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends.

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

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