Embargoed until 1200 AST (0900 UTC) 3 March 2022

مركز قطر للمال
Qatar Financial Centre

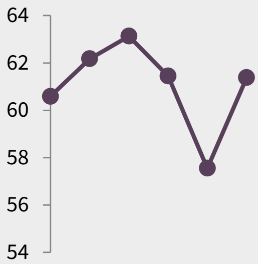
QATAR FINANCIAL CENTRE PMI™

Non-energy growth regains momentum in February

QATAR FINANCIAL CENTRE PMI

Feb '22
61.4
Jan: 57.6

Sep '21 - Feb '22



Qatar PMI posts biggest month-on-month gain since July 2020 to 61.4

Speedy expansion of both output and new business

Second-strongest increase in outstanding work in survey history

Purchasing Managers' Index™ (PMI™) survey data from Qatar Financial Centre (QFC) signalled a swift rebound in growth in the non-energy private sector in February following a brief loss of momentum in January due to a temporary reinstitution of COVID-19 protocols. The rates of expansion in output, new orders and backlogs of work all re-accelerated and were among the fastest registered throughout the near five-year history of the survey. Moreover, employment rose for a record seventeenth successive month, and the 12-month outlook improved as firms continued to report opportunities linked to the FIFA World Cup.

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.

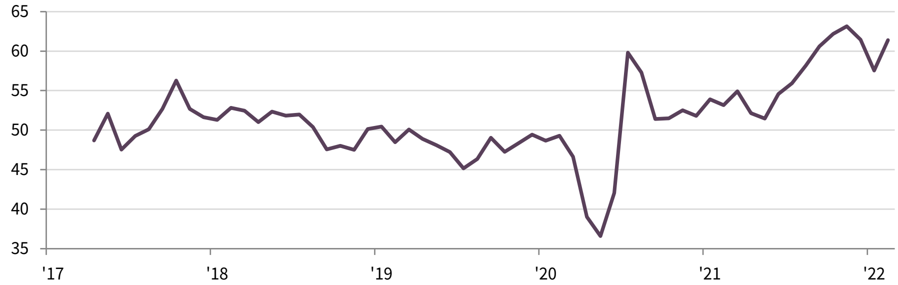
The headline Qatar Financial Centre PMI is a composite single-figure indicator of non-energy private sector performance. It is derived from indicators for new orders, output, employment, suppliers' delivery times and stocks of purchases.

The PMI rebounded from January's six-month low of 57.6 to 61.4 in February, indicating a rapid improvement in overall business conditions. The 3.8-point rise in the headline figure recovered all the loss registered in the opening month of 2021 and was the third-largest month-on-month gain in the survey history. Moreover, the latest reading was the joint-third highest since the series began in April 2017. Only in October (62.2) and November (63.1) last year had stronger growth been registered over the last 5 years.

The boost in the PMI in February was

Qatar Financial Centre PMI

sa, >50 = improvement since previous month



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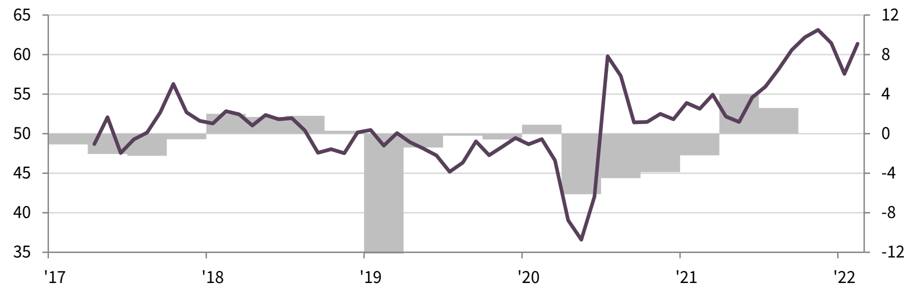
reflected in all five of the headline figure's components with the biggest directional influence coming from new orders (+1.8 points), followed by output (+1.4), employment (+0.3) and stocks of purchases (+0.2). Suppliers' delivery times had a fractionally positive influence compared with January.

Growth quickened in the manufacturing, construction and services sectors, while wholesale & retail also registered a strong overall expansion in activity despite some loss of momentum since January.

New business growth also accelerated in February and was among the fastest recorded in almost five years of data collection. All four sectors posted stronger growth in new orders, led by manufacturing. With demand improving, backlogs of work increased for the seventeenth consecutive month and at a rate second only to last November in the survey's operation.

Employment in the non-energy private sector continued to rise in February, extending the current series-record sequence of job creation to 17 months. Moreover, the rate of growth was among the strongest on record. Purchasing growth also accelerated in February to the second-strongest on record.

Average input costs rose in February, linked to both purchase prices and wages. In contrast, prices charged for goods and services fell for the first time in five months, and at the fastest rate since January 2020.



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

COMMENT

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

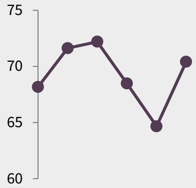
"January's PMI easing proved short-lived as the headline figure recovered strongly in February to post 61.4, the joint-third highest ever registered in nearly five years of the survey's operation. Only in October and November last year had the PMI signalled stronger monthly improvements in business conditions at non-energy private sector firms.

"Indicators for output, new business, purchasing, employment and backlogs all signal marked rates of growth in the latest period, with survey respondents continuing to highlight the forthcoming FIFA World Cup as a source of business.

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

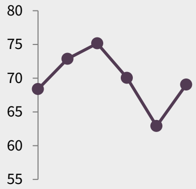
Output
Index

Sep '21 - Feb '22



New Orders
Index

Sep '21 - Feb '22



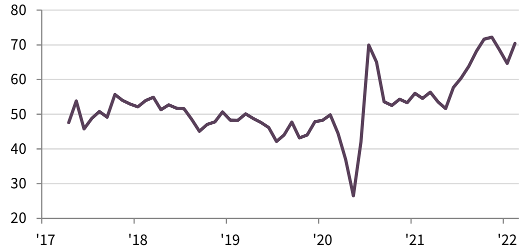
OUTPUT AND DEMAND

Output

Overall non-energy private sector business activity in Qatar expanded at a much stronger rate in February. The seasonally adjusted Output Index rose for the first time in three months to its third-highest level recorded since the survey began in April 2017. Growth accelerated in manufacturing, services and construction, with the strongest expansion seen in the latter.

Output Index

sa, >50 = growth since previous month

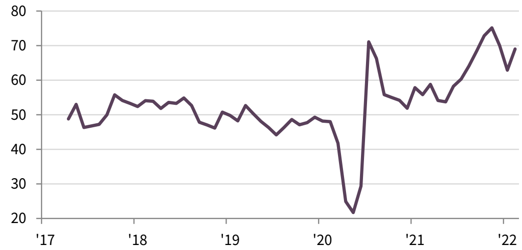


New orders

New business growth for Qatari goods and services regained momentum in February having previously eased in December and January. The seasonally adjusted New Orders Index posted its third-largest monthly increase in the survey history, signalling one of the fastest expansions to date. New order growth was strongest in manufacturing, followed by construction.

New Orders Index

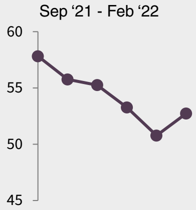
sa, >50 = growth since previous month



BUSINESS EXPECTATIONS

Future
Output Index

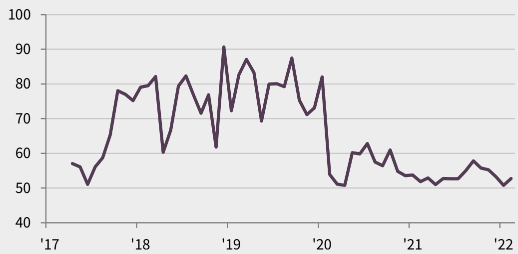
Sep '21 - Feb '22



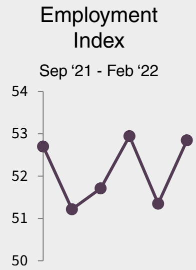
The Future Output Index remained above 50.0 in February, signalling that companies in the non-energy private sector remained optimistic of higher output in 12 months' time. Anecdotal evidence from survey respondents continued to highlight the forthcoming FIFA World Cup as a source of business growth.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

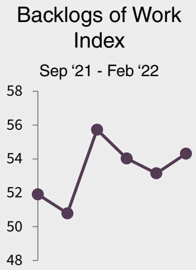
Future Output Index

>50 = growth expected over next 12 months



EMPLOYMENT AND CAPACITY



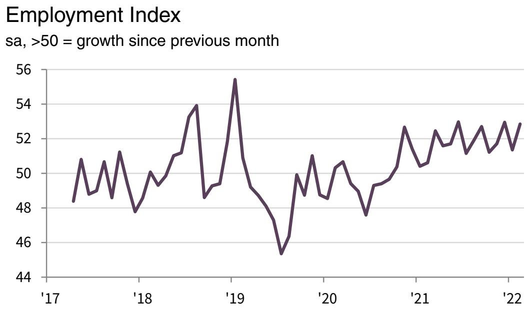


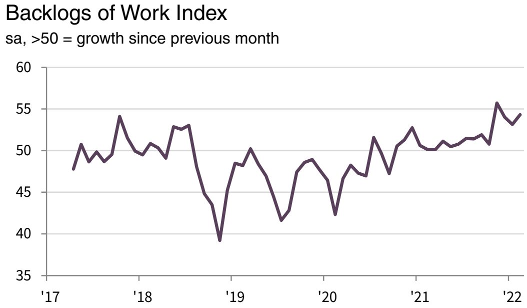
Employment

Non-energy private sector employment in Qatar rose for the seventeenth successive month in February, extending the survey-record sequence of growth since October 2020. The wholesale & retail, manufacturing and construction sectors all recorded solid increases, while recruitment was more restrained among service providers. The overall rate of job creation was faster than in January and the sixth-highest in the survey history.

Backlogs of work

Private sector non-energy firms continued to see their levels of outstanding business rise in February. The overall rate of growth accelerated since January and was the second-fastest on record, with only last November seeing a steeper gain in backlogs. All four sectors experienced marked pressure on capacity, most notably manufacturing and wholesale & retail.



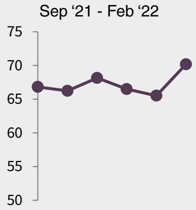


PURCHASING AND INVENTORIES

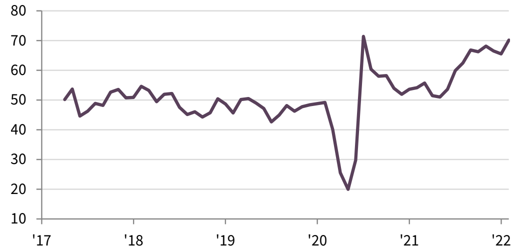
Quantity of purchases

The volume of inputs purchased by non-energy private sector firms increased at an accelerated pace in February. The rate of expansion was the second-fastest ever recorded, with only July 2020 seeing a stronger month-on-month increase in purchasing when the economy reopened from the first lockdown.

Quantity of Purchases Index
Sep '21 - Feb '22



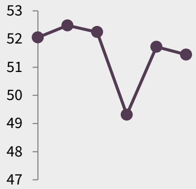
Quantity of Purchases Index
sa, >50 = growth since previous month



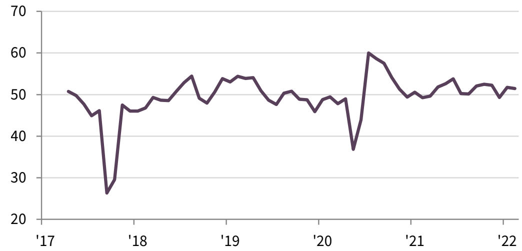
Suppliers' delivery times

The average time taken for suppliers to deliver inputs to non-energy private sector firms in Qatar fell in February, as was the case in January. Supplier performance has improved ten times in the past 11 months.

Suppliers' Delivery Times Index
Sep '21 - Feb '22



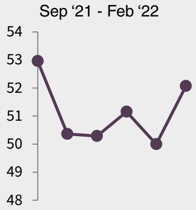
Suppliers' Delivery Times Index
sa, >50 = faster times since previous month



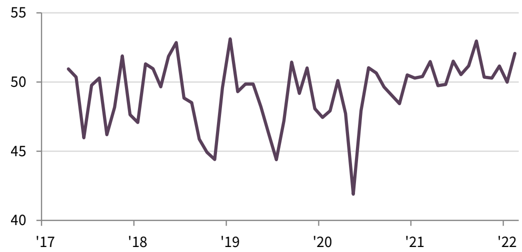
Stocks of purchases

The seasonally adjusted Stocks of Purchases Index rose above the no-change mark of 50.0 in February, indicating an increase in the volume of inputs held in stock at non-energy private sector firms compared with January, which had seen no change. The latest expansion was the eighth in the past nine months.

Stocks of Purchases Index
Sep '21 - Feb '22



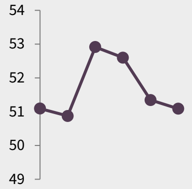
Stocks of Purchases Index
sa, >50 = growth since previous month



PRICES

Overall Input Prices Index

Sep '21 - Feb '22

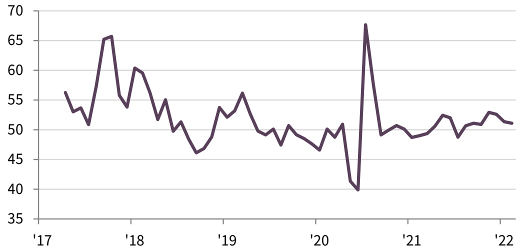


Overall input prices

Average input prices paid by non-energy private sector firms in Qatar continued to increase in February, extending the current sequence of inflation to seven months. This was the longest spell of rising average costs in nearly four years. The rate of inflation eased to a four-month low, however, and was below the long-run survey average. Cost inflation was mainly confined to the wholesale & retail and service sectors.

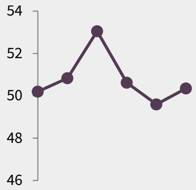
Overall Input Prices Index

sa, >50 = inflation since previous month



Purchase Prices Index

Sep '21 - Feb '22



Purchase prices

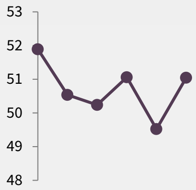
The seasonally adjusted Purchase Prices Index rose back above the no-change mark of 50.0 in February, signalling higher average prices paid for physical inputs by private sector non-energy firms. Purchase prices have risen nine times in the past 11 months. That said, the rate of inflation was only fractional.

Purchase Prices Index

sa, >50 = inflation since previous month

Staff Costs Index

Sep '21 - Feb '22

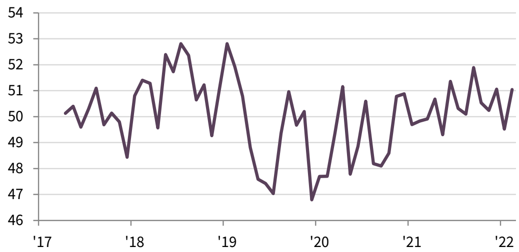


Staff costs

Pressure on wages and salaries rose in February, signalled by the seasonally adjusted Staff Costs Index rising back above the neutral threshold of 50.0. Average labour costs rose for the ninth time in 11 months, and the latest increase was among the strongest registered over the past three years.

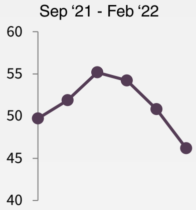
Staff Costs Index

sa, >50 = inflation since previous month



Output Prices Index

Sep '21 - Feb '22

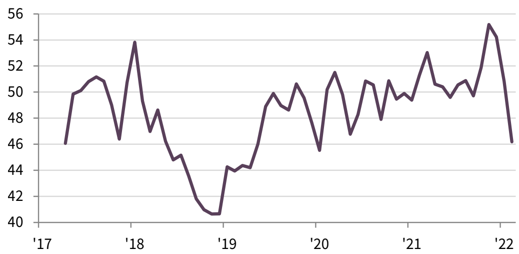


Output prices

Average charges levied for goods and services fell for the first time in five months in February, Moreover, the rate of discounting was the strongest since January 2020. Sector data signalled that service providers were the main source of lower selling prices in February.

Output Prices Index

sa, >50 = inflation since previous month



FINANCIAL SERVICES

Financial sector booms in February

Growth rates for total activity and new business both accelerated

Fastest jobs growth in four months

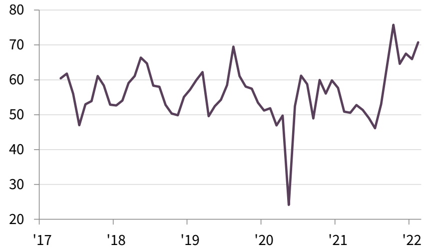
Charges levied fall despite strong increase in costs

The latest PMI data on Qatar's financial services sector signalled burgeoning demand in February. New business received in the sector rose at the third-fastest rate on record in the near-five year series history, leading to the second-fastest rise in total business activity.

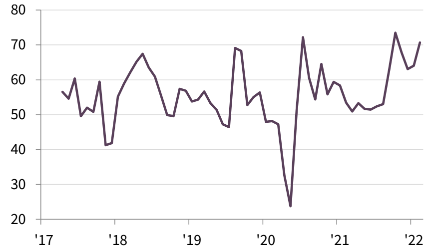
Employment at financial services firms rose for the seventh month running, and at the fastest rate since last October, while business expectations picked up since January.

Average input costs at financial services firms rose solidly for the sixth month running in February, at a rate that matched last October's recent high. Meanwhile, prices charged for financials services fell slightly, having been broadly stable in January.

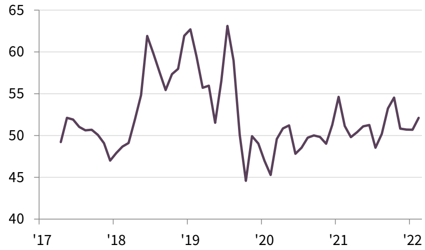
Business Activity Index
sa, >50 = growth since previous month



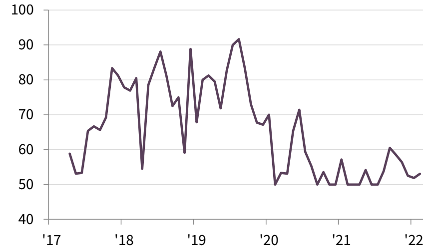
New Business Index
sa, >50 = growth since previous month



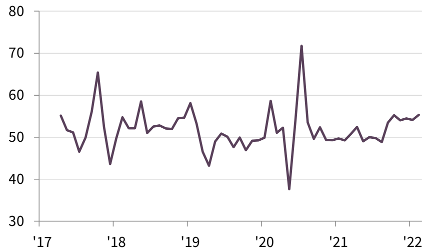
Employment Index
sa, >50 = growth since previous month



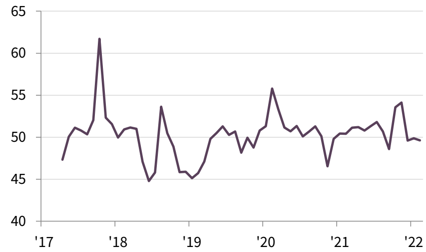
Future Activity Index
>50 = growth expected over next 12 months



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



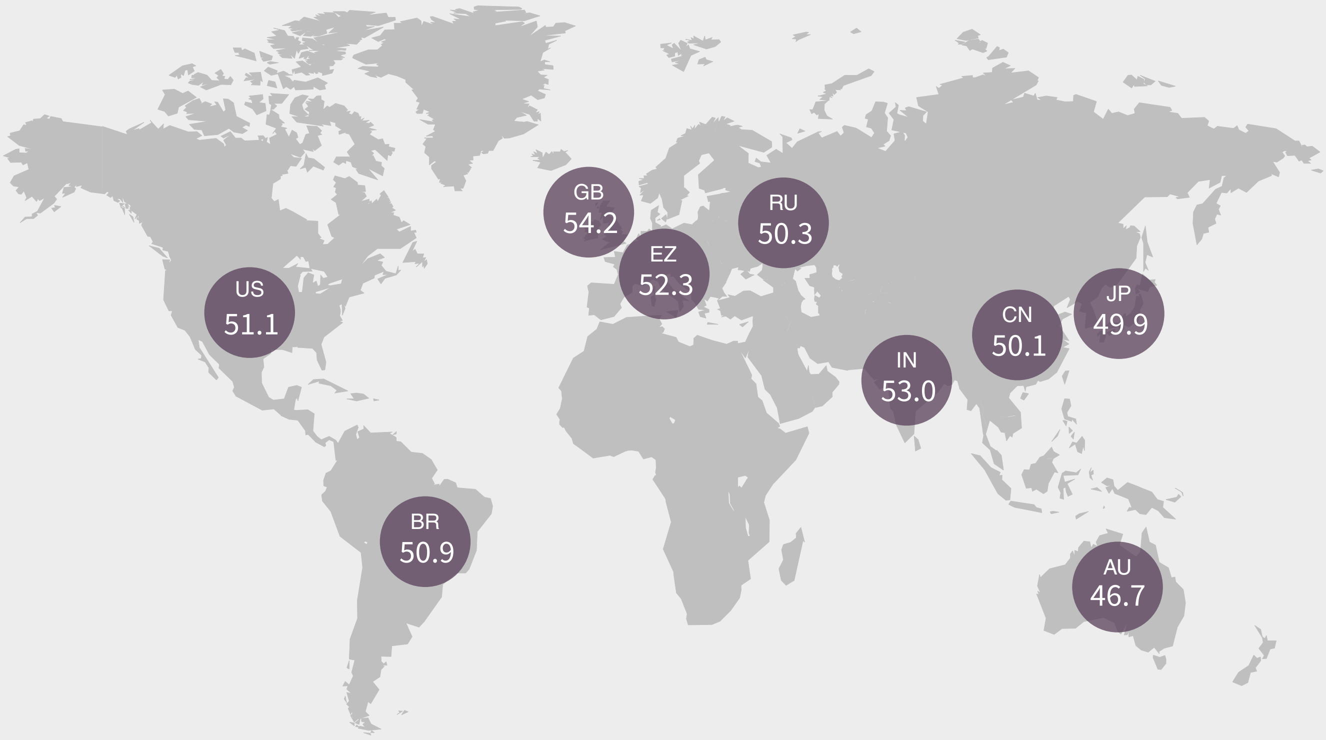
Prices Charged Index
sa, >50 = inflation since previous month



INTERNATIONAL PMI

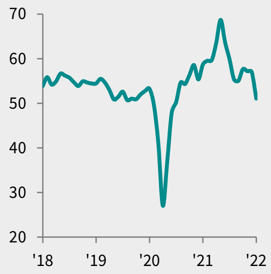
Composite Output Index, Jan '22
sa, >50 = growth since previous month

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

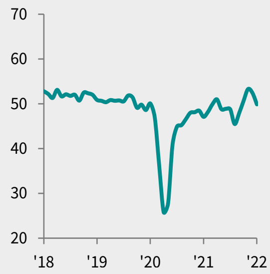
USA



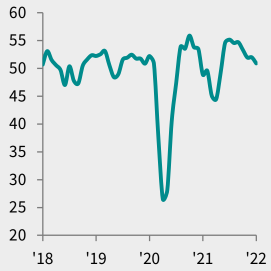
Eurozone / UK

China

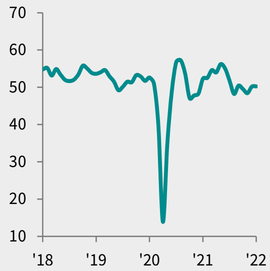
Japan



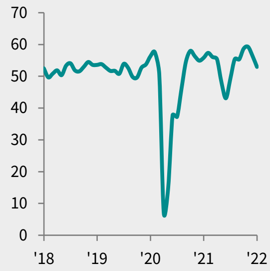
Brazil



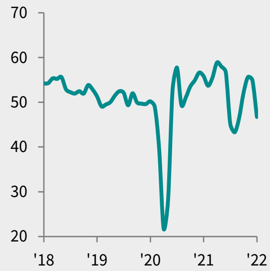
Russia



India



Australia



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.

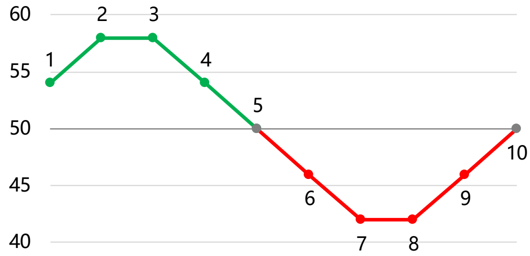
The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted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

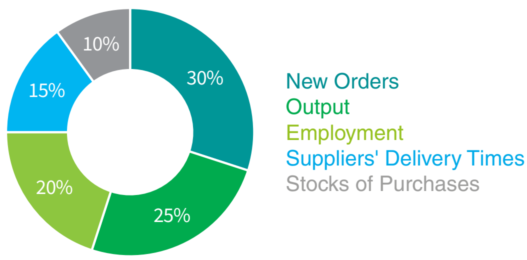
Index interpretation

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 10-21 February 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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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.