



News Release

Purchasing Managers' Index™
MARKET SENSITIVE INFORMATION
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Qatari non-energy economy powers ahead in August with near-record improvement in business conditions

Qatar Financial Centre PMI™

- PMI rises to 58.2, second-highest on record
- Expansions in activity and new business accelerate further
- Outlook for next 12 months brightens

Data were collected 12-25 August 2021.

Doha, Qatar: 5 September 2021 – The latest Purchasing Managers' Index™ (PMI™) survey data from Qatar Financial Centre signalled a strengthening non-energy economy in August. Overall business conditions improved at the fastest rate since July 2020, and the second-sharpest since the survey began in April 2017. The key metrics of output and new business registered the fastest rates of growth signalled by the survey outside of the one-off post-lockdown bounce in July and August last year. This healthy growth of both current and future business bodes well for Qatar's non-oil economy, with exports that now well exceed pre-pandemic levels and in an increasing number of foreign markets.

The Qatar PMI indices are compiled from survey responses from a panel of nearly 400 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 rose for the third month running to 58.2 in August, from 55.9 in July. The latest figure signalled the second-strongest overall improvement in operating conditions since the survey began in April 2017. Only in July 2020 had the headline PMI registered at a higher level as the economy reopened from the first COVID-

19 lockdown. Moreover, business conditions have improved for 14 successive months, the longest sequence in the survey's history.

Sub-sector data signalled improvements in all four main categories. Wholesale & Retail registered the strongest performance, followed by manufacturing, services and construction, respectively.

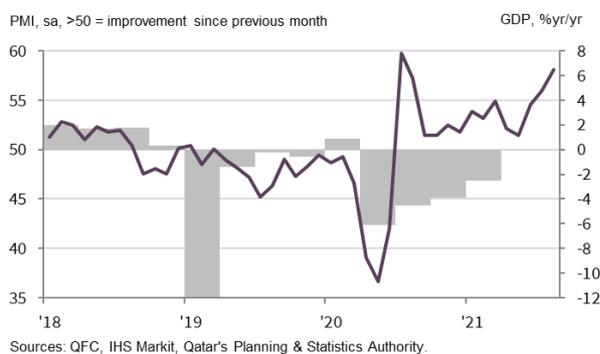
The headline PMI was positively influenced by four of its five components in August, the exception being suppliers' delivery times which was broadly neutral. The 2.3-point upward movement in the PMI since July mainly reflected the new orders (+1.1) and output (+0.9 points) components, followed by employment (+0.2) and stocks of purchases (+0.1).

Marked growth of output was driven by a rapid increase in new business in August. Demand expanded at one of the fastest rates on record, with only July-August 2020 seeing stronger increases in new orders. Consequently, backlogged work rose for the eleventh month running in August, despite a further rise in employment.

The volume of inputs ordered by Qatari private sector firms rose at the second-fastest rate in the survey history in August, as they looked to support business operations over the near term. Output expectations were the strongest since October 2020.

Inflationary pressures increased in August, with average input prices rising for the fourth time in five months. This was driven by rising purchase prices for raw materials and other items, while staff costs were only fractionally higher than in July. Prices charged for goods and services rose at the fastest rate since March.

QFC Qatar PMI™ vs. GDP





Comment

"Qatar's PMI ascended for the third month running in August to the second-highest level recorded since the survey began in 2017, signalling a rapid overall improvement in business conditions. Only post-lockdown did a stronger month-on-month performance register as restrictions began to be lifted. Growth rates for output and new orders were the third-fastest on record, and the 12-month outlook also notably improved.

"The recent strength of the PMI is pointing to a generous rebound in official GDP data for the second and third quarters.
Sheikha Alanoud bint Hamad Al-Thani, Deputy CEO, QFC Authority

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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 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.

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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.

<https://ihsmarkit.com/products/pmi.html>.

METHODOLOGY

The Qatar Financial Centre PMI™ is compiled by IHS Markit from responses to questionnaires sent to purchasing managers in a panel of around 400 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.

Data were collected 12-25 August 2021.

For further information on the PMI survey methodology, please contact economics@ihsmarkit.com.

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