



QNB Qatar Monthly Monitor

March 2018

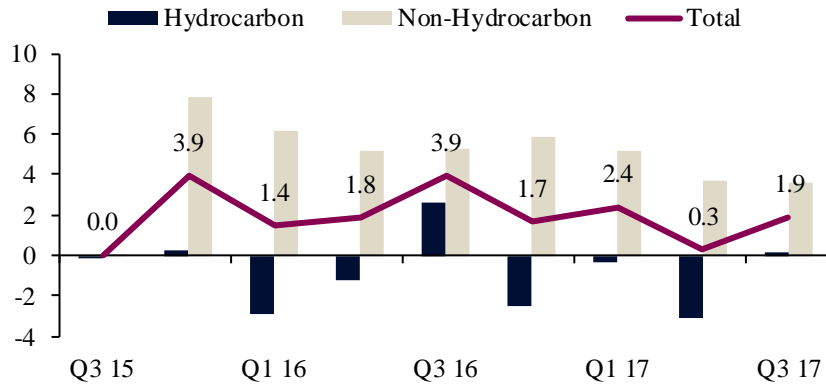
Highlights

- **The property sector has strengthened based on the latest data – the real estate price index rose 1.8% in December and falling rents have stabilised in recent months**
- **Exports expanded 28.8% y/y in January on higher hydrocarbon prices while import growth remained steady at 2% y/y**
- **Deposits from the non-resident and private sector remained stable in January**

Economic Activity

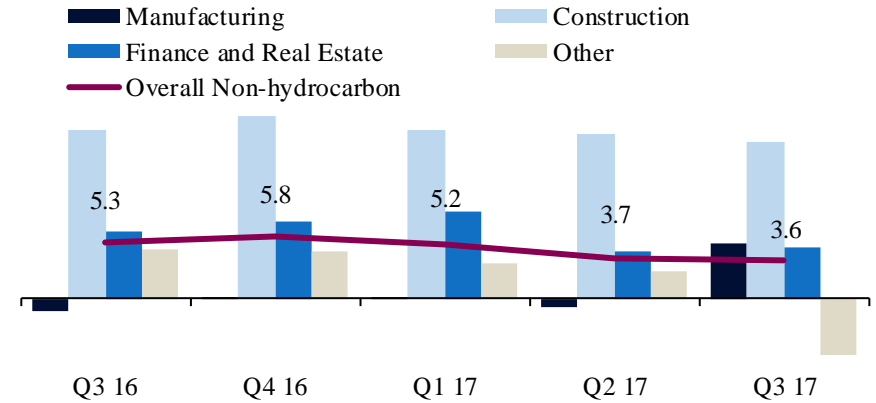
Real GDP picked up in Q3 mainly due to a recovery in the hydrocarbon sector

(% year on year)



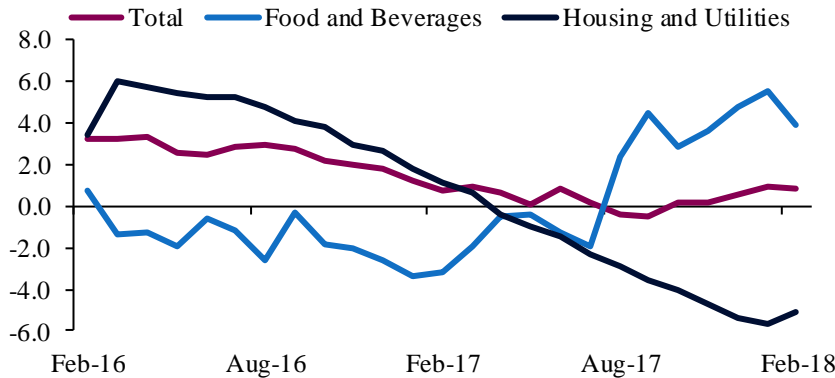
Non-hydrocarbon real GDP growth remained broadly flat in Q3

(% year on year)



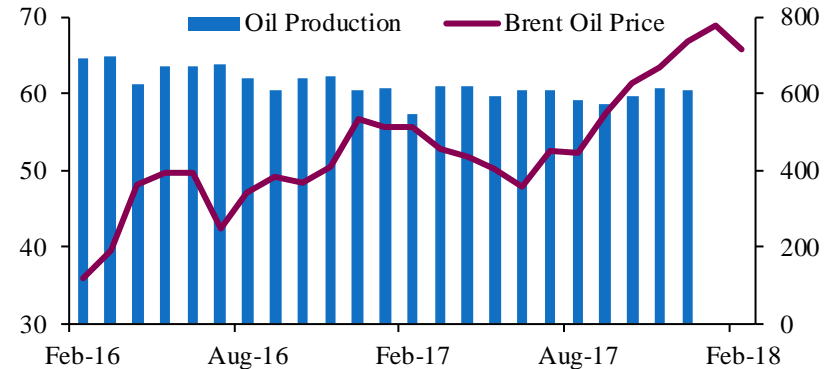
Inflation slowed was 0.8% in February y/y; falling rents have stabilised in recent months

(% year on year)



Brent crude prices fell to USD65.8/b in February from 69.1 in January; Qatar's oil production slowed to 612k b/d in December from 615k b/d prior

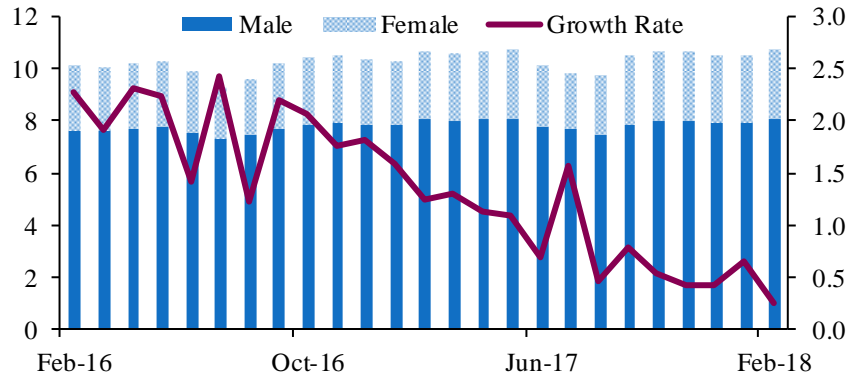
(average prices (USD/b), left axis; Oil production (k b/d), right axis)



Economic Activity

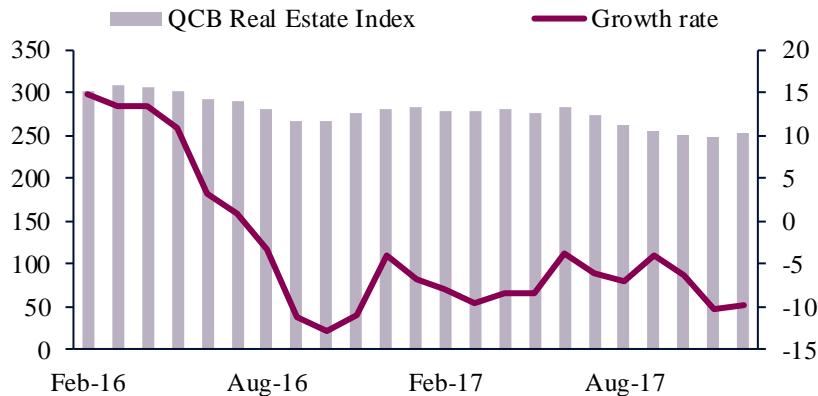
Qatar's population grew 1.0% y/y, reaching 2.7m in February; women made up close to 25% of the population

(m, male and female right axis; % year on year, left axis)



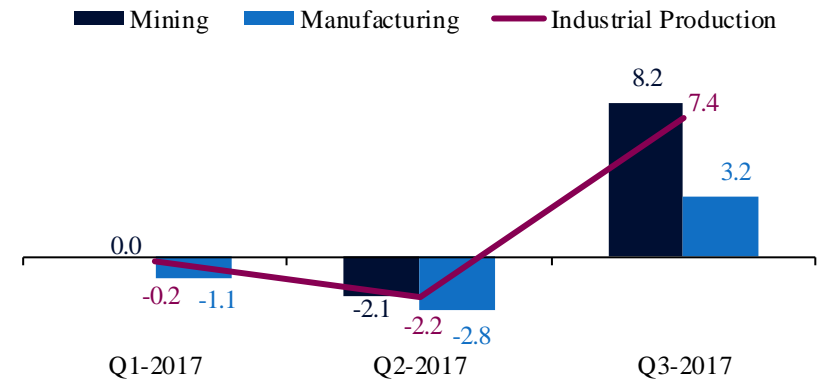
The real estate price index rose 1.8% m/m in December

(Index, left axis; % year on year, right axis)



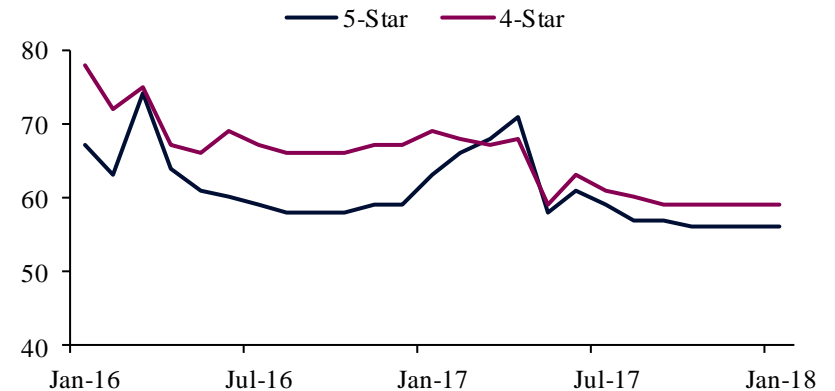
Industrial production surged to 7.4% y/y growth in Q3 on a rebound in the mining sector mainly due to less maintenance on LNG trains

(% year on year)



5-star and 4-star hotel occupancy rates remained steady at 56% and 59% respectively in January

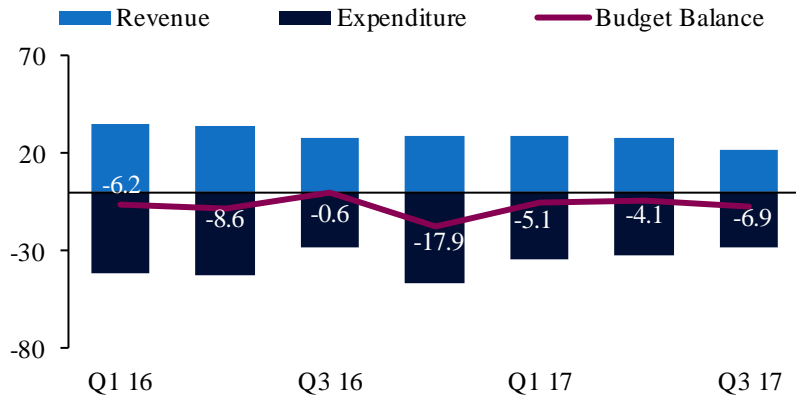
(% occupancy rate)



Fiscal and External Balances

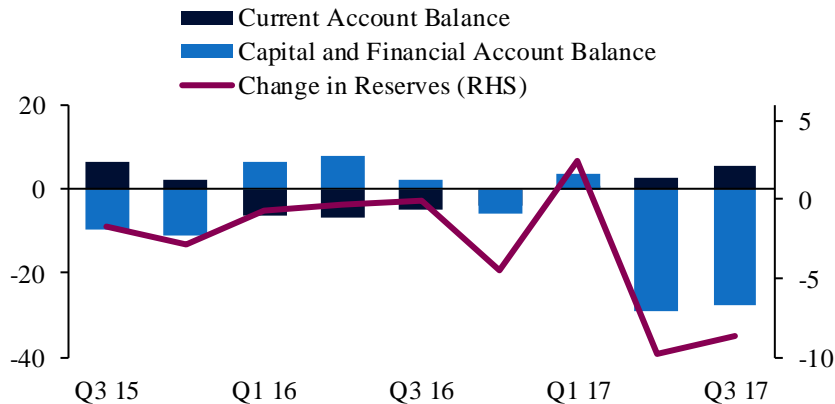
The fiscal deficit widened in Q3 to 6.9% of GDP from 4.1% in Q2-2017

(% of GDP)



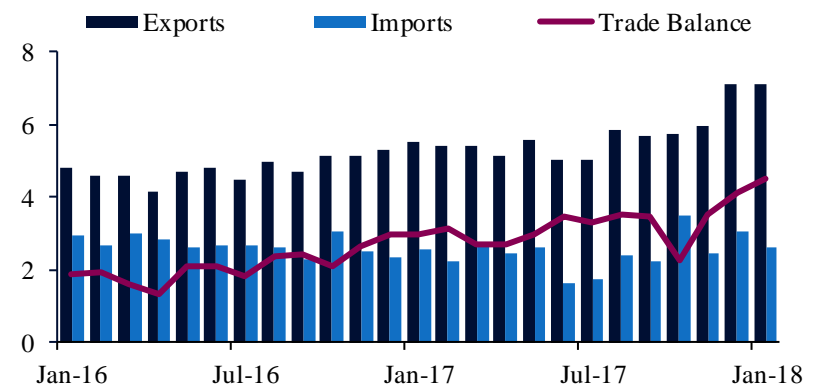
The current account surplus widened to 5.3% of GDP in Q3 from 2.5% in Q2 while the deficit in the financial account narrowed

(% of GDP; Balances, left axis; bn USD, Change in Reserves, right axis)



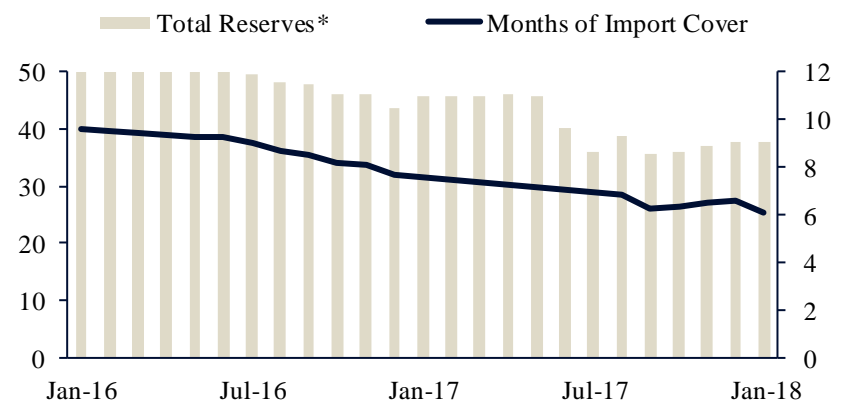
Exports expanded 28.8% y/y on higher hydrocarbon prices while import growth remained steady at 2% y/y

(bn USD)



QCB foreign exchange reserves increased to USD37.7bn in January from USD37.6bn in December, equating to over 6 months of import cover

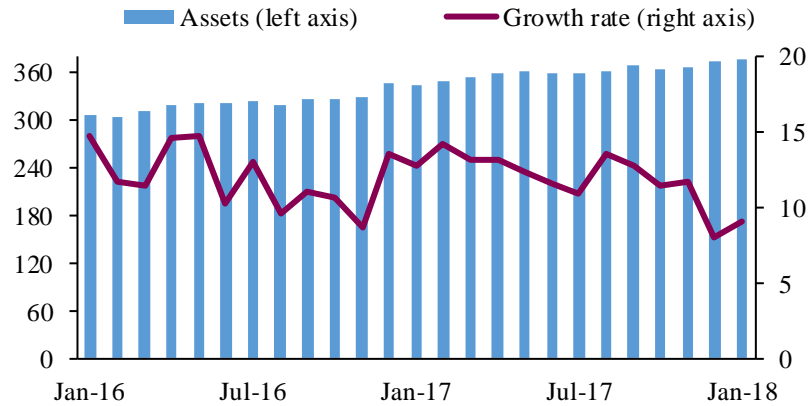
(bn USD; Reserves, left axis; Months of import cover, right axis)



Money and Banking

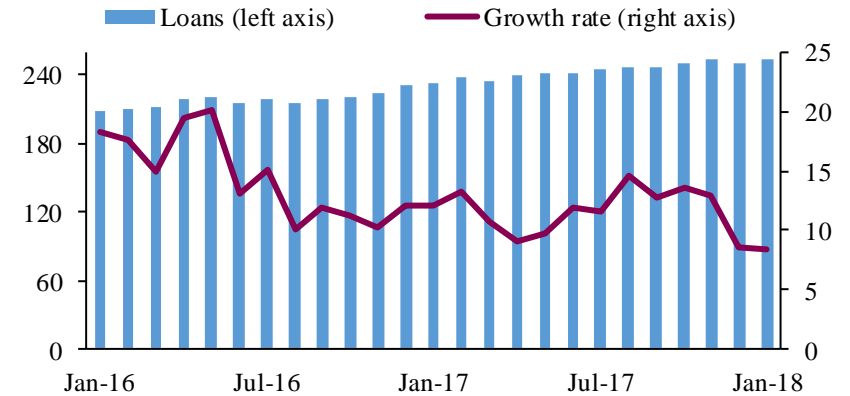
Assets expanded to USD375.5bn growing 9.1% y/y in January from 8.0% in December

(bn USD and % year on year)



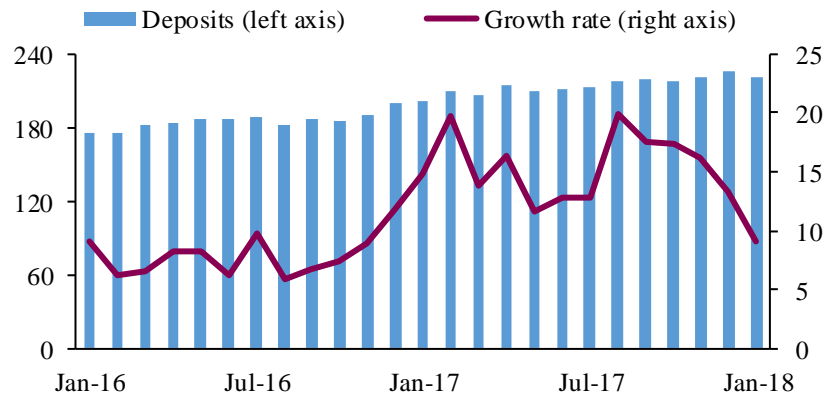
Credit growth was 8.5% in January, driven by lending to the public sector, which grew 16.1% y/y

(bn USD and % year on year)



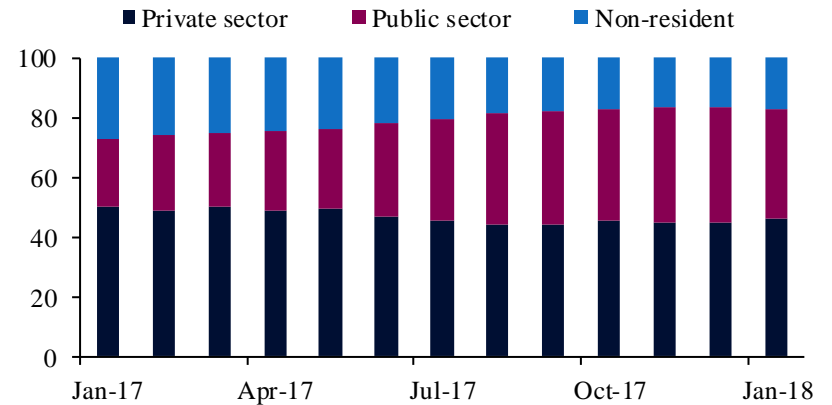
Bank deposit growth was 9.1% y/y in January

(bn USD and % year on year)



Deposits from the non-resident and private sector remained stable in January

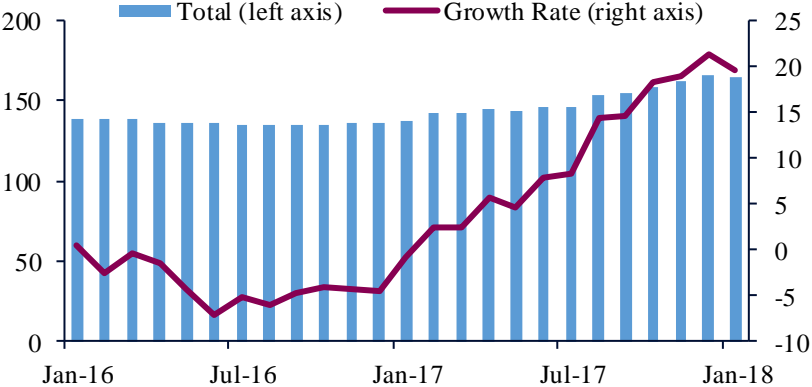
(% of total)



Money and Banking

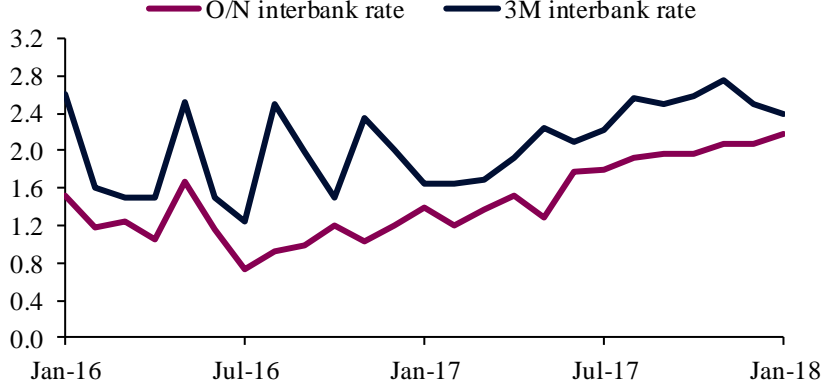
Broad money supply (M2) grew by 19.6% in January compared to 21.3% in December

(bn USD and % year on year)



The overnight interbank rate rose to 2.18% while the 3-month interbank rate declined to 2.54% in January from 2.75% prior

(%)



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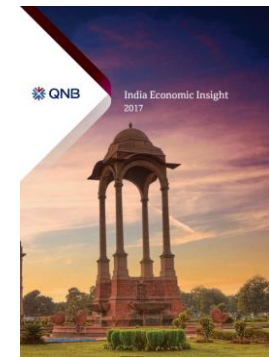
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