



QNB Qatar Monthly Monitor November 2017

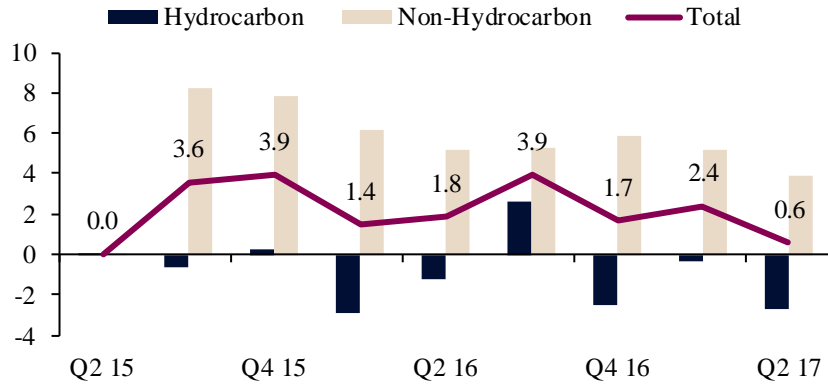
Highlights

- **Industrial production surged to 7.4% y/y growth following a contraction of 2.2% in Q2, due to a bounce-back in the mining sector**
- **Inflation picked up to 0.2% in October from -0.5% in September, mainly owing to increases in recreation and transportation costs**
- **The fiscal deficit continued to narrow, reaching 4.1% of GDP in Q2 from a revised deficit of 5.1% in Q1-2017 (previously 5.5%)**

Economic Activity

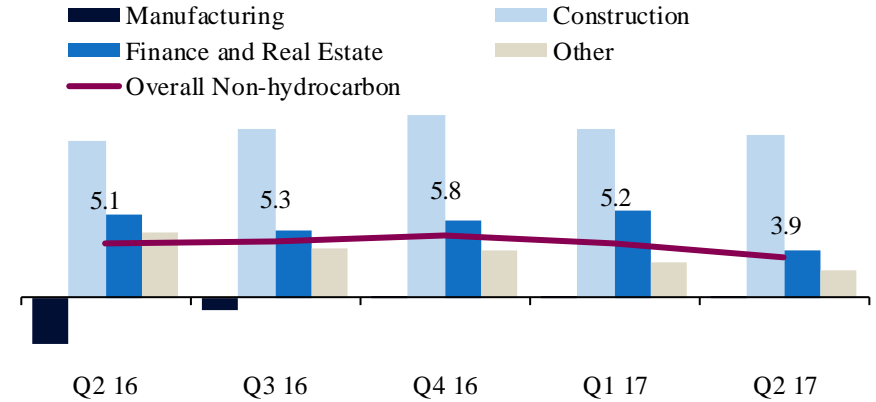
Real GDP growth slowed in Q2 mainly due to a contraction in the hydrocarbon sector

(% year on year)



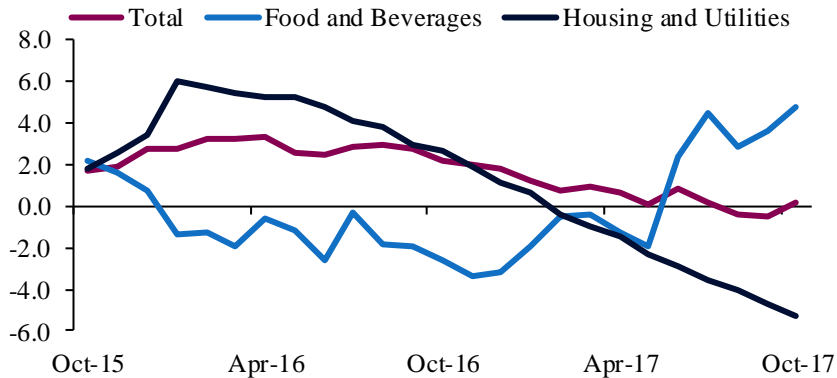
Non-hydrocarbon real GDP growth slowed in Q2, mainly due to the construction, finance and real estate sectors

(% year on year)



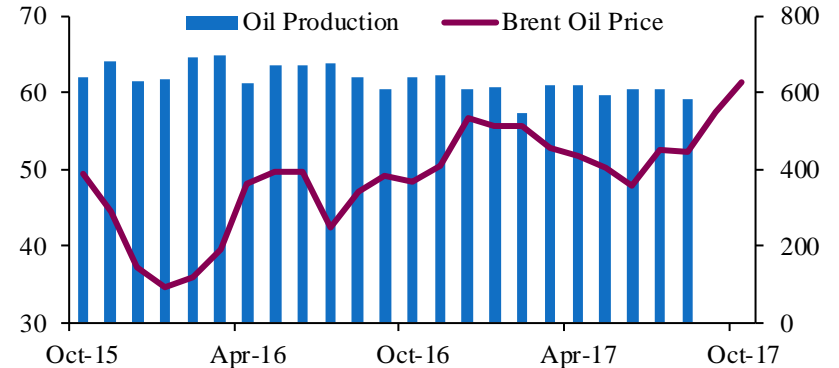
Inflation picked up to 0.2% in October from -0.5% in September, mainly owing to increases in recreation and transportation costs

(% year on year)



Brent crude prices rose to USD61.4/b in October, their highest since mid-2015; Qatar's oil production fell to 585k b/d in August from 611k b/d prior

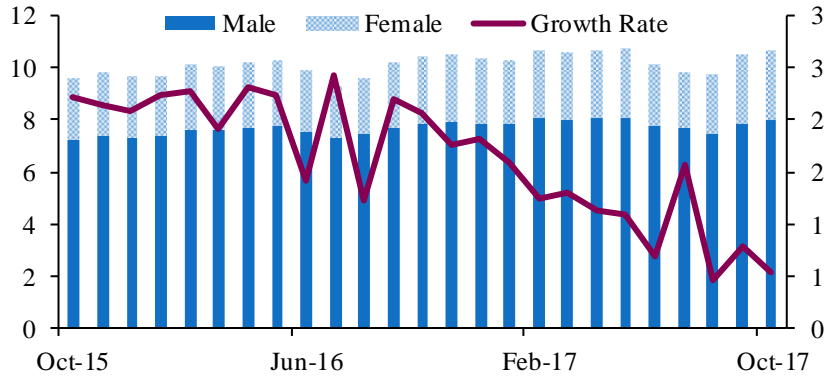
(USD/b, left axis; Oil production (k b/d), right axis)



Economic Activity

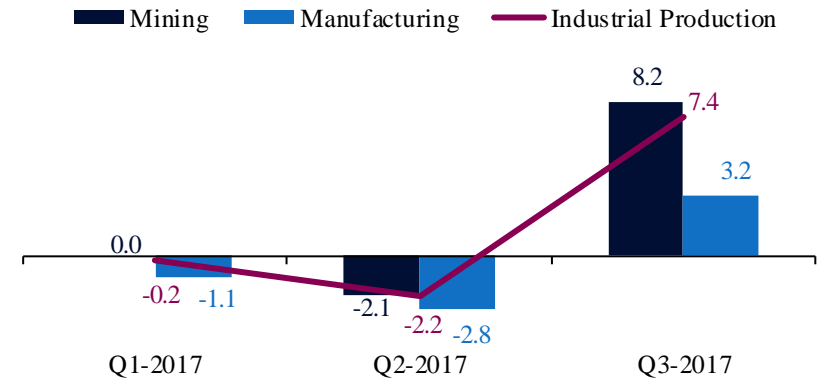
Qatar's population expanded to 2.67mn in October, although growth slowed to 2.2% y/y from 3.2% the month prior

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



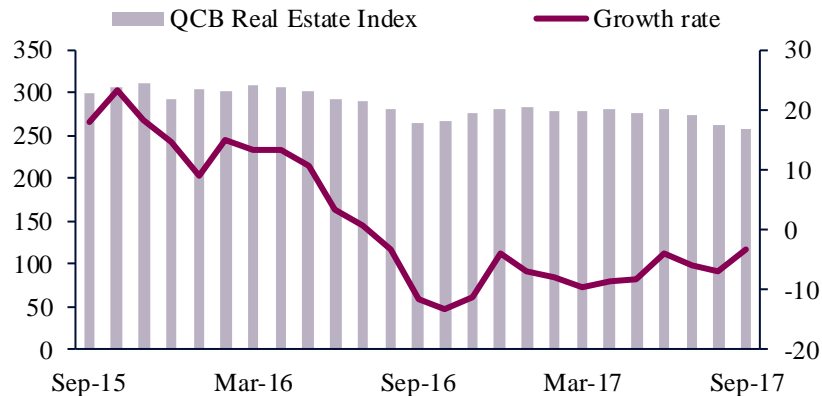
Industrial production surged to 7.4% y/y growth following a contraction of 2.2% in Q2, due to a bounce-back in the mining sector

(% year on year)



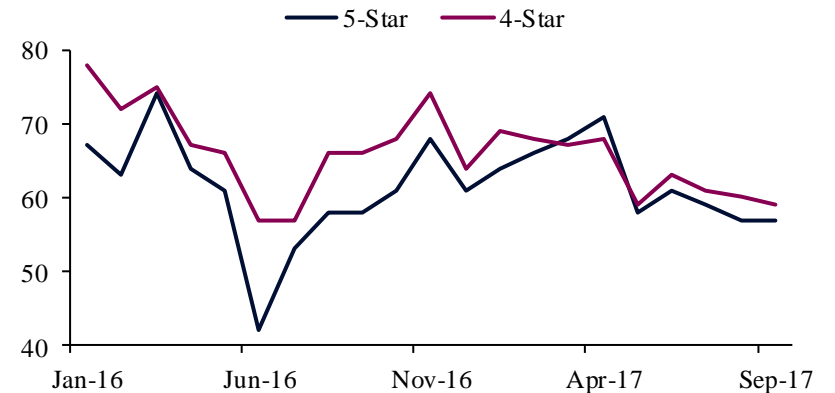
The real estate price index stabilised in Q3, although it has still fallen 5.4% over the last year

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



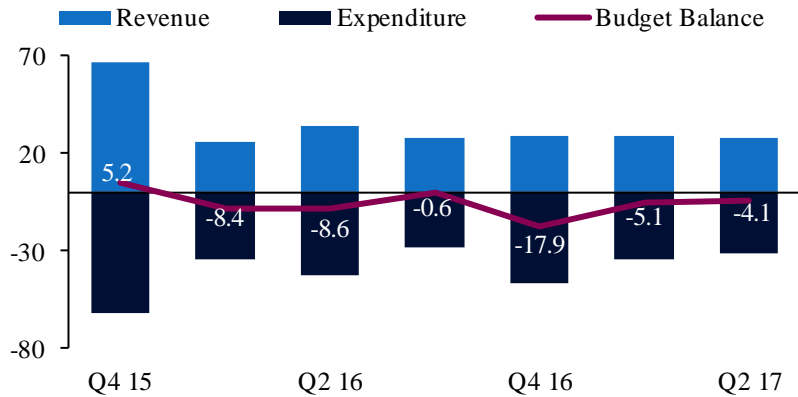
5-star hotel occupancy rates stayed flat at 57% in September while 4-star occupancy dipped to 59% from 60% in August

(% occupancy rate)

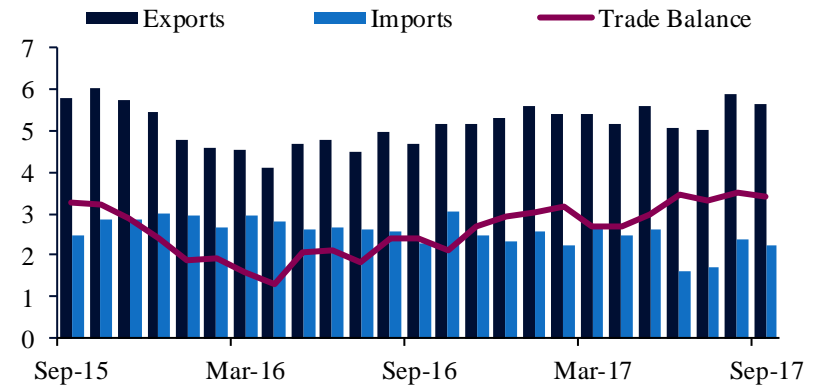


Fiscal and External Balances

The fiscal deficit continued to narrow, reaching 4.1% of GDP in Q2 from a revised deficit of 5.1% in Q1-2017 (previously 5.5%)
(% of GDP)

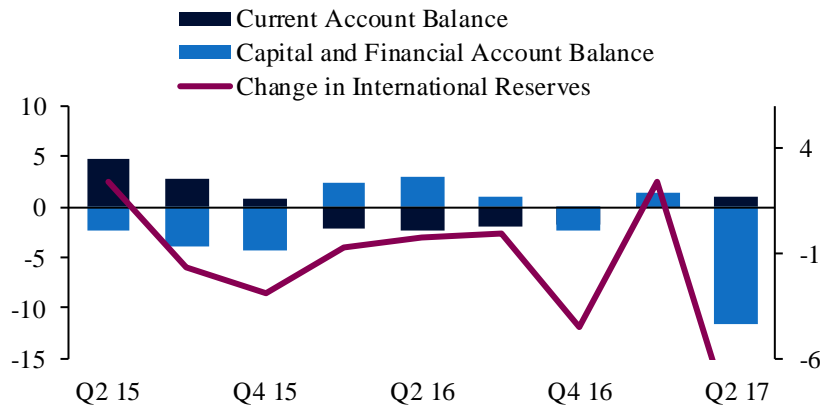


Imports fell 6.9% m/m in September following the surge seen in August (39% growth m/m); exports have been undisrupted
(bn USD)



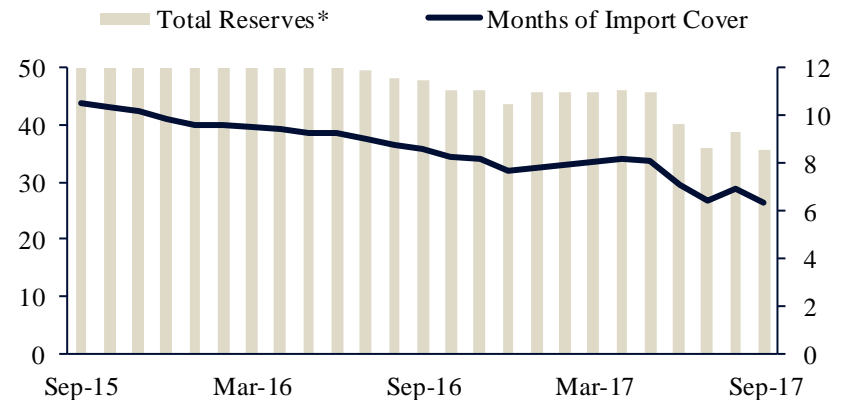
The current account surplus widened to 2.4% of GDP while the financial account fell into deficit

(bn USD; Balances, left axis; Reserves, right axis)



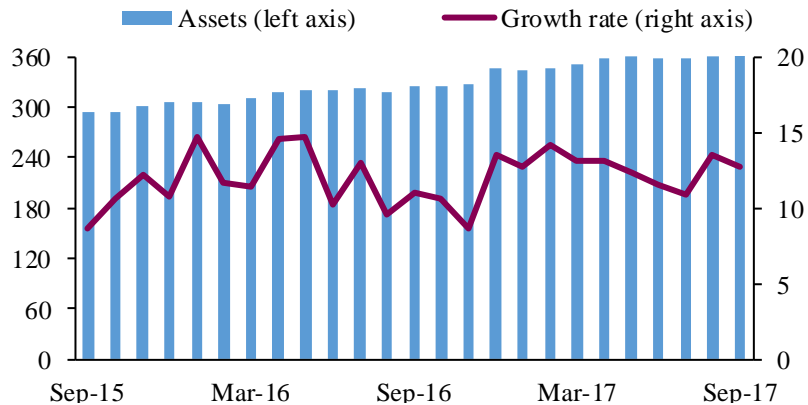
Total reserves fell to USD36bn in September from USD39bn prior; import cover of six months is well above the IMF recommendation of three months

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

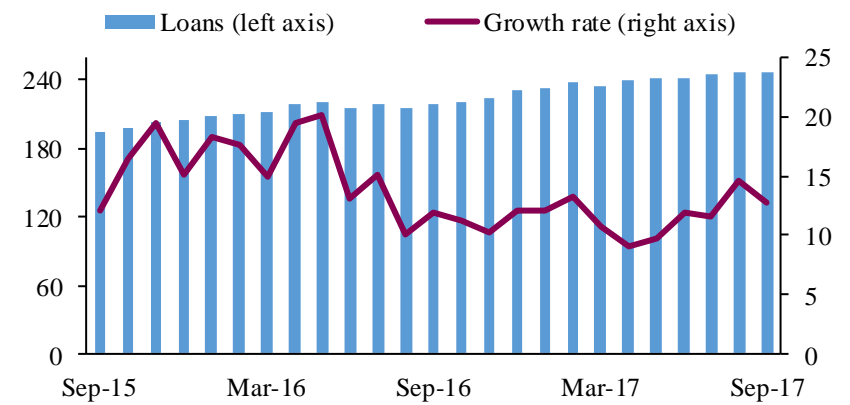


Money and Banking

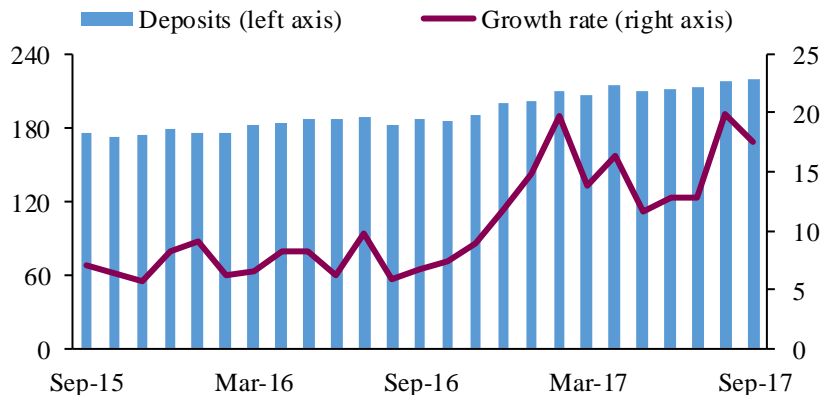
Assets expanded to USD367bn in September, although growth slowed slightly to 12.8% y/y from 13.5% in August
(bn USD and % year on year)



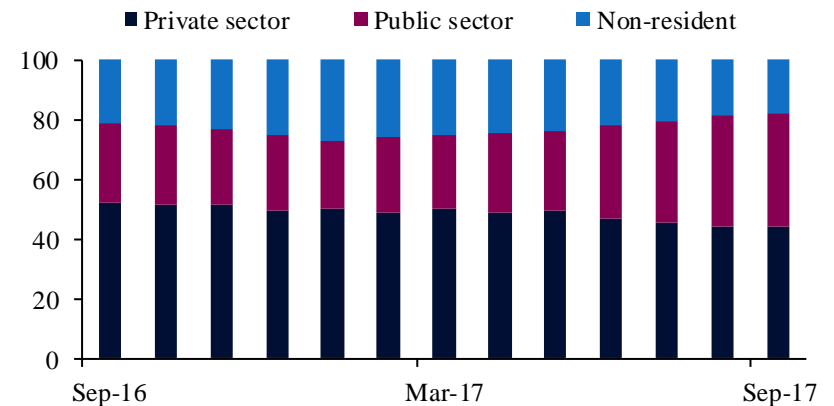
Credit grew at 12.7% y/y in September versus 14.5% in August; foreign loan growth accelerated while domestic loan growth slowed
(bn USD and % year on year)



Bank deposits continued to grow at double digits, at 17.5% in September compared to 20.0%
(bn USD and % year on year)



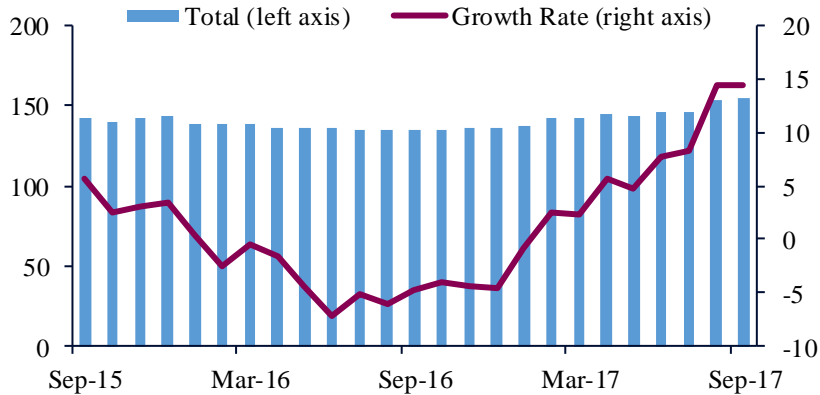
Deposit growth has been driven by the public sector, supported by higher oil prices
(% of total)



Money and Banking

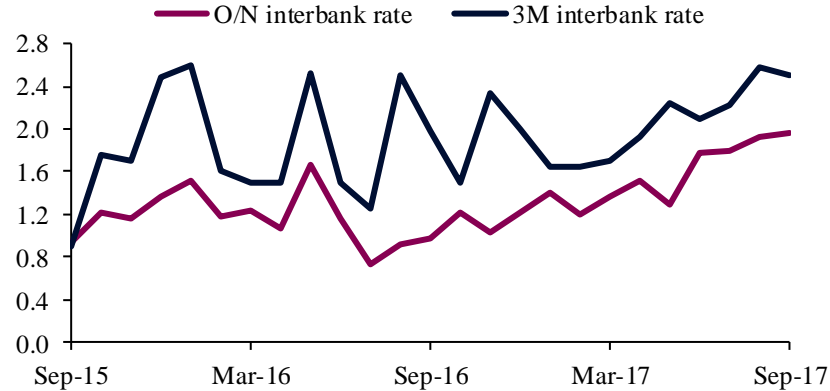
Broad money supply (M2) growth was flat at 14.5% in September from 14.4% in August

(bn USD and % year on year)



Overnight interbank rates rose to 1.93% in September from 1.80% in August; the 3-month interbank rate fell to 2.50% from 2.57%

(%)



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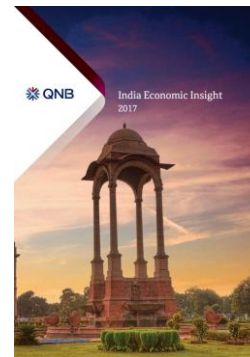
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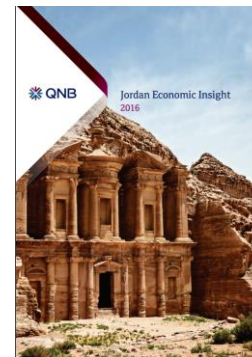
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