



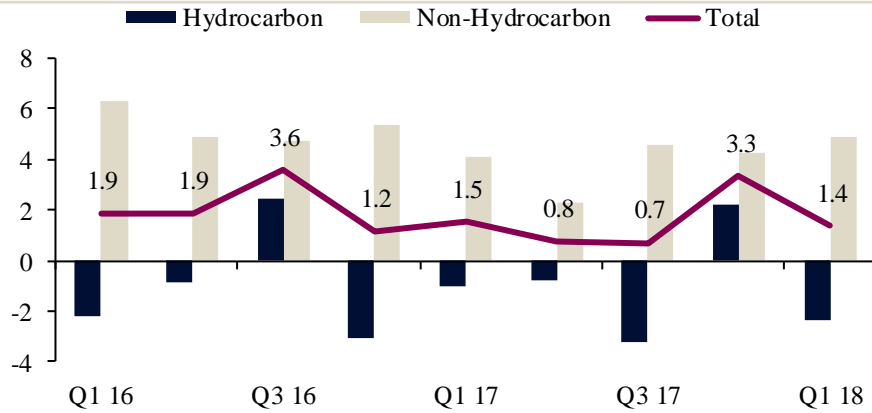
QNB Qatar Monthly Monitor August 2018

Highlights

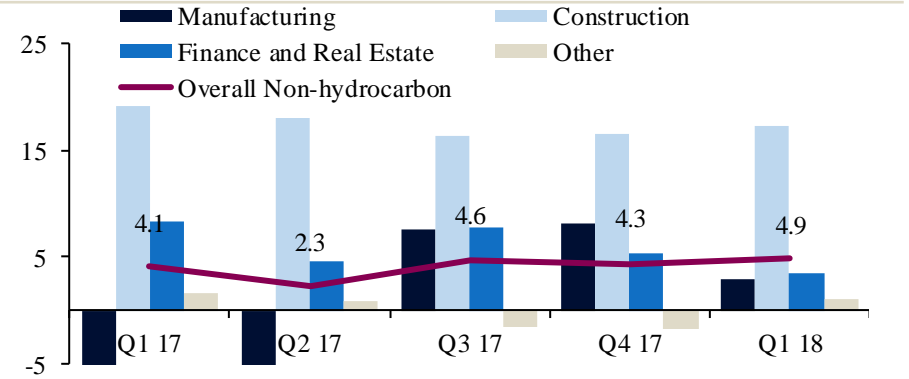
- **The fiscal account moved into a surplus in Q1 as revenue picked up in line with higher oil prices**
- **Exports grew 46% y/y in July as a result of higher oil prices, while imports grew 50% y/y reflecting last July's low base**
- **QCB foreign exchange reserves ticked up to USD45.2bn in June, equating to 7 months of import cover**

Economic Activity

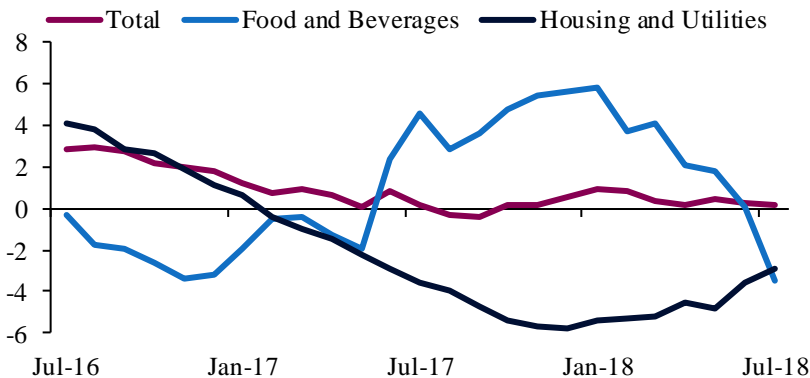
Real GDP growth slowed in Q1 thanks to a further fall in hydrocarbon output. Non-hydrocarbon GDP growth was a solid 4.9% y/y (% year on year)



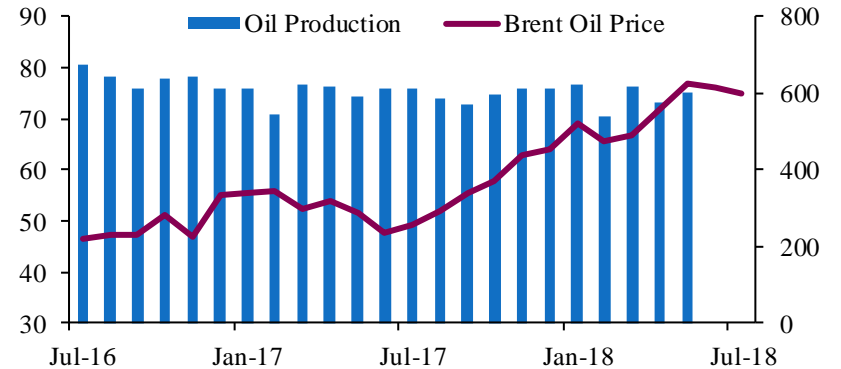
Booming construction output, up 17.2% y/y, remained the key driver of activity in the non-hydrocarbon sector. Manufacturing gained 3% y/y (% year on year)



CPI Inflation was broadly flat at 0.2% y/y in July; food inflation dropped due to the base effect from last year; deflation in housing costs moderated (% year on year)



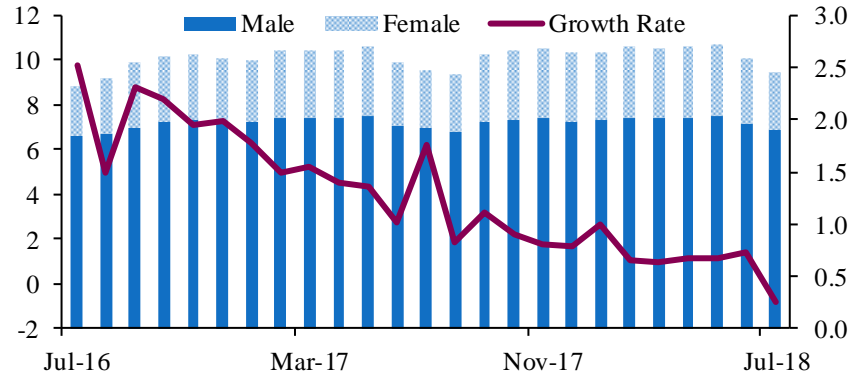
Brent crude prices slipped to an average of USD75/b in July; Qatar's oil production rose to 601kb/d in May from 578kb/d prior (average prices (USD/b), left axis; Oil production (k b/d), right axis)



Economic Activity

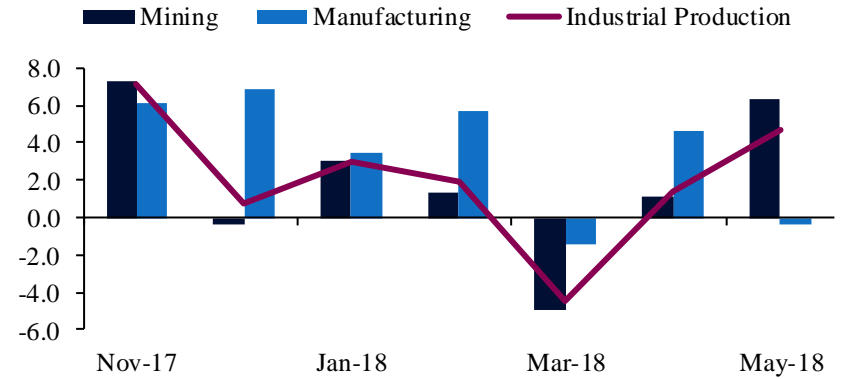
Qatar's population increased 0.9% y/y to stand at 2.45m in July; women made up close to 22% of the population

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



Industrial production rose 4.7% y/y in May from 1.4% the previous month

(% year on year)



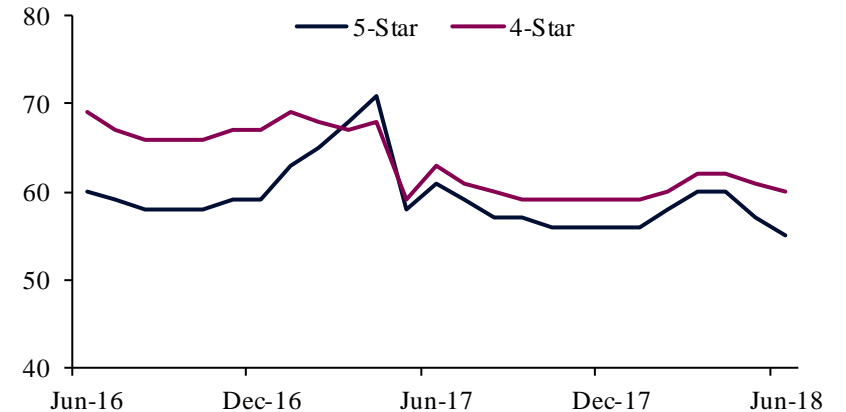
The real estate price index slipped back further in June

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



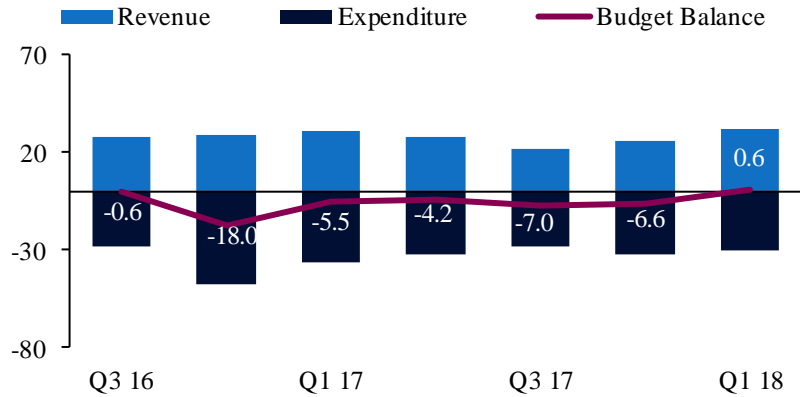
5-star and 4-star hotel occupancy rates dipped slightly in July to stand at 55% and 60% respectively

(%, occupancy rate)

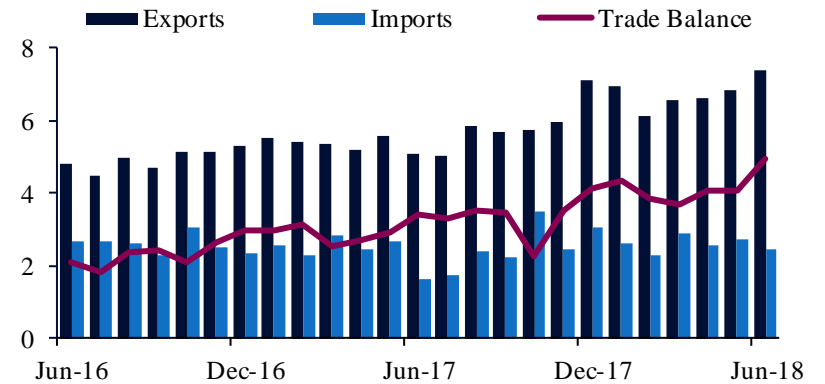


Fiscal and External Balances

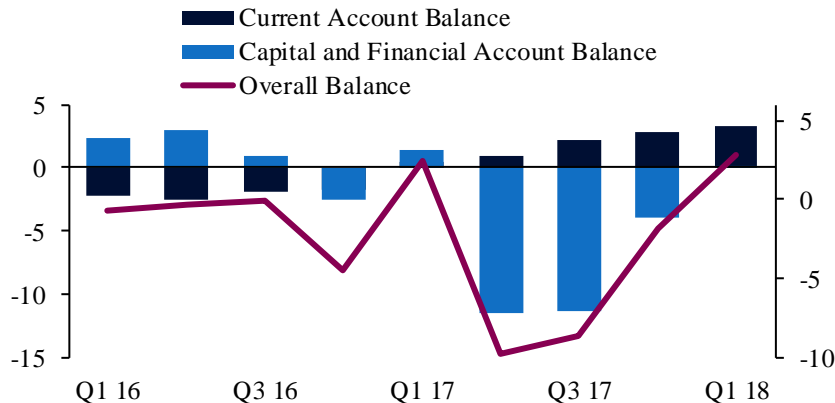
The fiscal account turned to a surplus in Q1 as revenue rose in line with higher oil prices
(% of GDP)



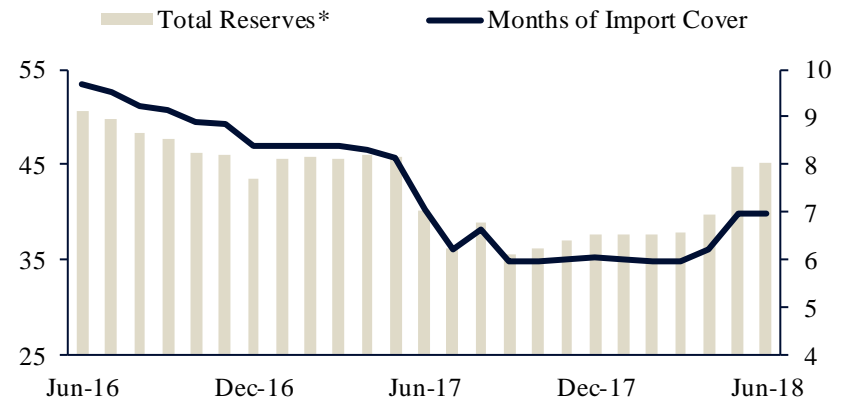
Exports grew 46% y/y in July as a result of higher oil prices, while imports grew 50% y/y due to the base effect from last year
(bn USD)



The current account surplus widened to 7.3% of GDP in Q1, while the financial account deficit narrowed
(bn USD, Balances, left axis; bn USD, change in Overall Balance, right axis)



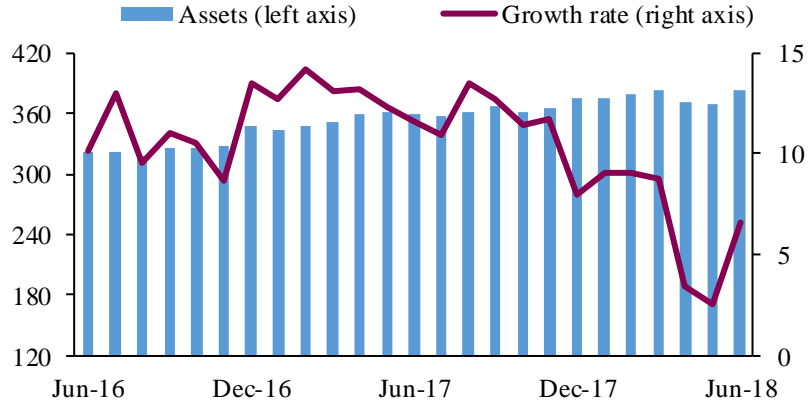
QCB foreign exchange reserves rose 0.9% m/m to reach USD45.2bn in June, equating to 7 months of import cover
(bn USD; Reserves, left axis; Months of Import Cover, right axis)



Money and Banking

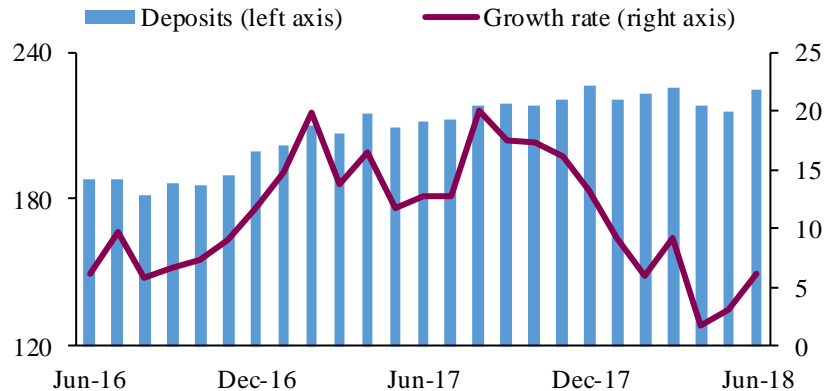
Bank asset growth was 6.6% y/y in June

(bn USD and % year on year)



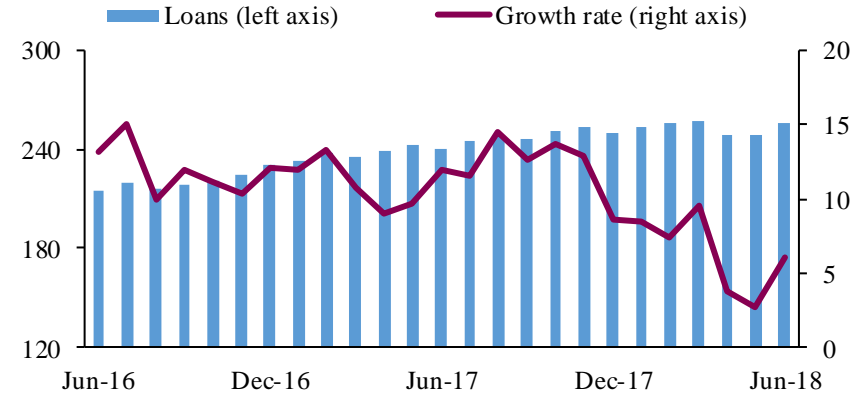
Bank deposit growth was 6.2% y/y in June

(bn USD and % year on year)

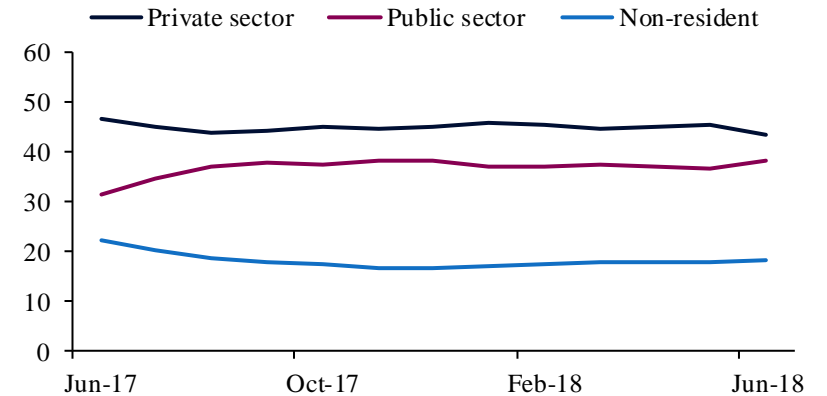


Credit growth was 6.0% y/y in June

(bn USD and % year on year)



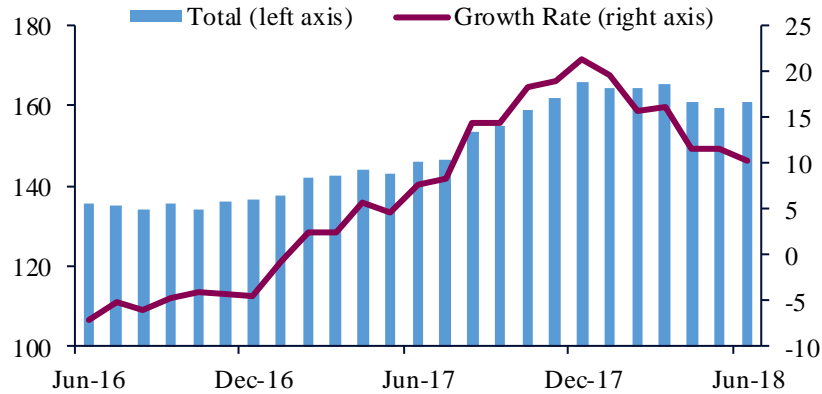
Deposits from the non-resident and public sector grew 7.1% and 8.9% m/m respectively in June, while the private sector declined 0.7% m/m
(% of total)



Money and Banking

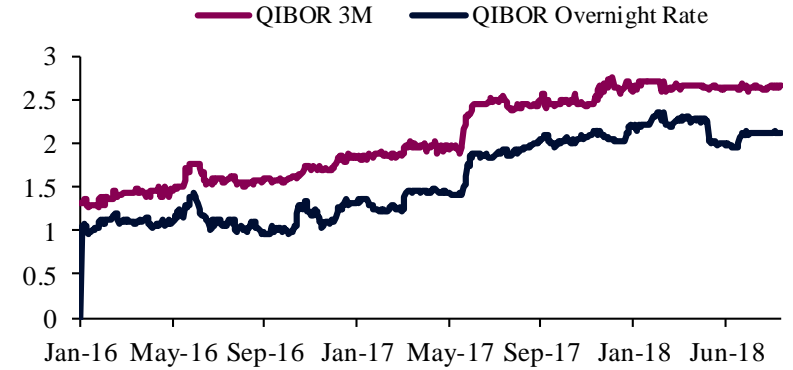
Broad money supply (M2) grew by 10.2% y/y in June

(bn USD and % year on year)



Interbank rates steady despite higher US short-term rates

(%, latest data 16th August)



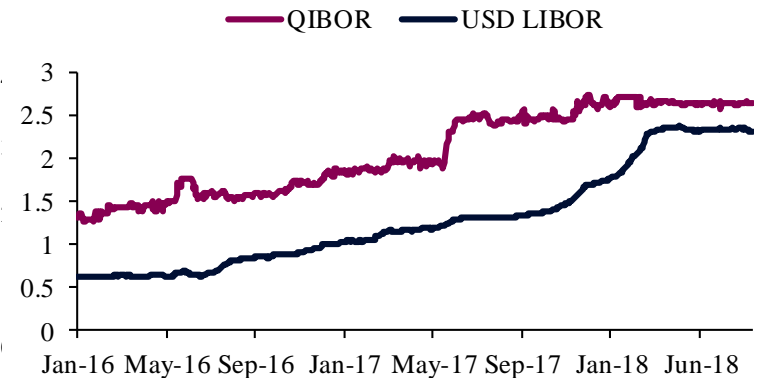
Qatar Sovereign 5-year CDS Spreads

(Basis points, latest data 16th August)



QIBOR and LIBOR 3-month interest rates

(%, latest data 16th August)



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This report is produced by the QNB Economics Team. For questions, or to receive the report by email each month, please contact:

QNB Economics

Tel: (+974) 4453 4450

economics@qnb.com

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