



Qatar Q1 GDP

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- Qatar's real GDP growth rate slowed to 3.7% y/y in Q1, down from 6.1% in Q4 2024.
- Hydrocarbons growth slowed to 1.0%, while non-hydrocarbons remained robust at 5.3%.
- We forecast growth of 2.6% this year and 4.8% in 2026.

Qatar's real GDP growth rate slowed to 3.7% y/y in Q1, down from 6.1% in Q4 2024. This still marked a strong performance, however, coming in well above the 2.5% averaged over the previous four years. On a quarterly basis, growth was 0.3%, from 0.4% in Q4. The slowdown in annual growth was driven primarily by a drop in 'mining & quarrying', mainly from the hydrocarbons sector, where growth fell to 1.0% y/y, from 6.3% the previous quarter. There was also a more modest slowdown in non-hydrocarbon GDP which maintained a robust growth rate of 5.3%, compared with 6.2% previously. We forecast headline GDP growth of 2.6% this year, compared with 2.4% in 2024.

Hydrocarbons

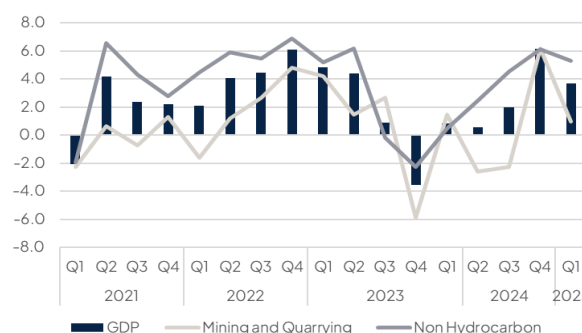
While Qatar saw a record first quarter in terms of LNG exports, hitting 22mt amid high demand from northeast Asia, there was only a modest 1.5% y/y rise in the extraction of crude petroleum and natural gas industrial production index. The second quarter also appears to have got off to a fairly weak start, with the index's April print down 3.8% y/y. We have pencilled in a 2.0% expansion in the hydrocarbons side of the economy this year. In 2026, however, we project a much more robust 8.0% growth rate given the expected start of operations at the North Field East expansion project in the middle of next year. This will drive headline GDP growth up to 4.8% next year according to our projections, which if realised would be the fastest growth rate since 2015.

Non-Hydrocarbons

Our non-hydrocarbons growth forecast for this year is 3.0% which would represent a modest slowdown from the 3.4% seen last year. Though the Q1 growth print does offer some upside risk to this projection there has been a slowdown in quarterly growth which if maintained would see softer annual growth through the remainder of the year. Nevertheless, the broad economy is in good shape, with positive annual growth across all components of GDP in Q1, and indications are that growth has been maintained

in the second quarter, with the Qatar Financial Centre PMI survey remaining above the neutral 50.0 level in April and May.

Growth picking up



Source: Haver Analytics, Emirates NBD Research

Notable growth drivers in Q1 include wholesale & retail trade which expanded 14.6% y/y and accounted for 8.4% of GDP, and manufacturing which made up 7.4% of the total and grew 5.6% y/y, compared with a 0.2% decline in Q4 2024. Building & construction saw growth of 4.4% and the outlook for the rest of the year is positive given high levels of project spending in the pipeline. As of June, MEED Projects data gives USD 52.8bn worth of projects budgeted in Qatar. The bulk of this is in construction, closely followed by transport with investment going into the New Doha International Airport and the Doha Metro network. Transport & storage saw growth of 4.1%, maintaining the healthy pace set over the previous three years. While visitor arrivals in Q1 were down 7% to 1.5mn, the ongoing expansion of Qatar Airways and the development of Doha International as a regional and global hub likely provided support to the sector – in 2024 passenger volumes through DOH expanded by 15% to reach 52.7mn passengers

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