



# EU-GCC Dialogue on Economic Diversification

A Project funded by the European Union

## GCC Country Economic Profile

### Qatar



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DMI Associates



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# Qatar Key Facts

## Government

The State of Qatar's government apparatus consists of the Council of Ministers, ministries, supreme councils and government bodies. The system of governance in the country is based on the separation of powers. The executive power is headed by His Highness the Amir, with the help of the Council of Ministers. The Advisory Council represents the legislative power. The judicial power is vested in the courts in accordance with the Constitution. The Council of Ministers acts as the supreme executive body for all internal and external affairs, in accordance with the Constitution and the provisions of the law.

The Amir of the State of Qatar is His Highness Sheikh Tamim Bin Hamad Al Thani. His Highness Sheikh Abdullah Bin Hamad Al Thani is the Deputy Amir of the State of Qatar. His Excellency Sheikh Khalid bin Khalifa bin Abdulaziz Al Thani is the Prime Minister and Minister of Interior.

## Membership in international organisations

ABEDA, AFESD, AMF, CAEU, CD, CICA (observer), EITI (implementing country), FAO, G-77, GCC, IAEA, IBRD, ICAO, ICC (national committees), ICRM, IDA, IDB, IFAD, IFC, IFRCS, IHO, ILO, IMF, IMO, IMSO, Interpol, IOC, IOM (observer), IPU, ISO, ITSO, ITU, LAS, MIGA, NAM, OAPEC, OAS (observer), OIC, OIF, OPCW, OPEC, PCA, UN, UNCTAD, UNESCO, UNIDO, UNIFIL, UNWTO, UPU, WCO, WHO, WIPO, WMO, WTO

## Languages

Arabic (official), English commonly used as a second language

## Economic agreements

Regional Trade Agreements in force: GCC, GCC – Singapore, Pan-Arab Free Trade Area (PAFTA)

Announced: EFTA – GCC, Australia – GCC, Japan - GCC

Qatar - Key figures (2019)	
Population (millions)	3
GDP (Billions of Euros)	171
GDP per capita (Euros)	62,249
Real GDP growth	2.0
Inflation rate	-0.4

Merchandise Trade (2019, Billions of Euros)	
Imports	25.7
Exports	67.7

Trade in Services (2018, Billions of Euros)	
Imports	27.5
Exports	15.5

Source DG Trade, WEF

# Qatar economic policies and EU – Qatar economic relations

## Economic development objectives

- Qatar's National Vision aims that by 2030 Qatar becomes an advanced society capable of sustaining its development and providing a high standard of living for its people.
- Sound Economic Management – achieve reasonable and sustained rates of economic growth, financial and economic stability, a stimulating business climate capable of attracting foreign funds and technologies and of encouraging national investments, open and flexible economic structures capable of competing in a changing world.
- Responsible exploitation of oil and gas - establish a balance between reserves and production, and between economic diversification and the degree of depletion
- Suitable economic diversification to reduce dependence on hydrocarbon industries. Design and development of economic activities in which Qatar can specialize, including the technical and human requirements of these activities, build a knowledge-based economy characterized by innovation, entrepreneurship, excellence in education, world-class infrastructure.

## Current economic status

- COVID-19 and oil price related policies: fiscal, monetary, and macro-economic policies include stimulus package of \$20.6 bn to support small businesses and hard-hit sectors. The Qatar Central Bank (QCB) has lowered its policy rates twice in March in line with the US Federal Reserve. QCB has put in place mechanisms to encourage banks to postpone loan instalments and obligations of the private sector with a grace period of six months.
- Oil prices: are forecasted to remain low for the next several years. It is critical for Qatar to diversify the economy from hydrocarbon to be less affected by energy price shocks.
- Qatar is forced to deal with local environmental issues, such as the impact of diminishing water and hydrocarbon resources, and the effects of pollution and environmental degradation, as well as international environmental issues such as the potential impact of global warming on water levels in Qatar and thereby on coastal urban development.
- Ease of Doing Business: 5<sup>th</sup> in the GCC, 77<sup>th</sup> in the world.
- It is critical for the economy to boost research and development. Qatar ranks 38<sup>th</sup> in the world on innovation capability, in 27<sup>th</sup> place in the interaction and diversity dimension, and 58<sup>th</sup> in research and development.

## EU – Qatar Economic relations

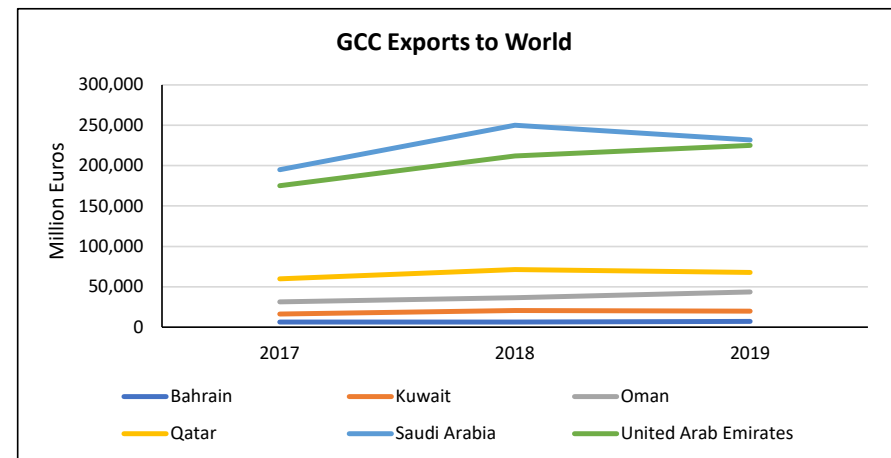
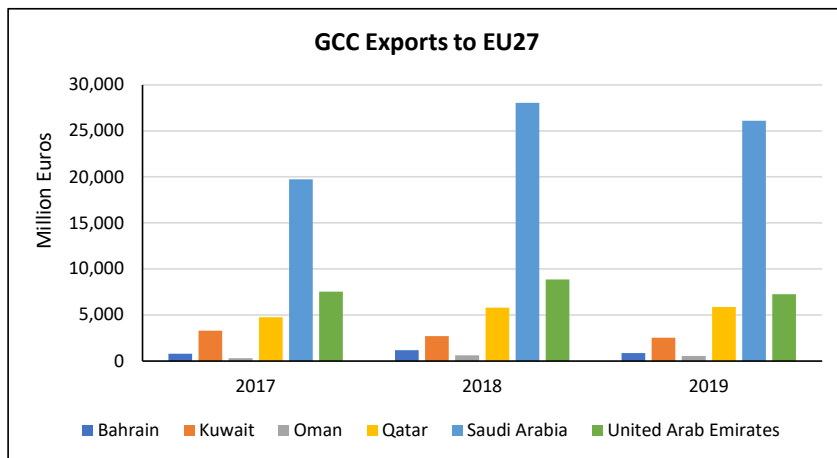
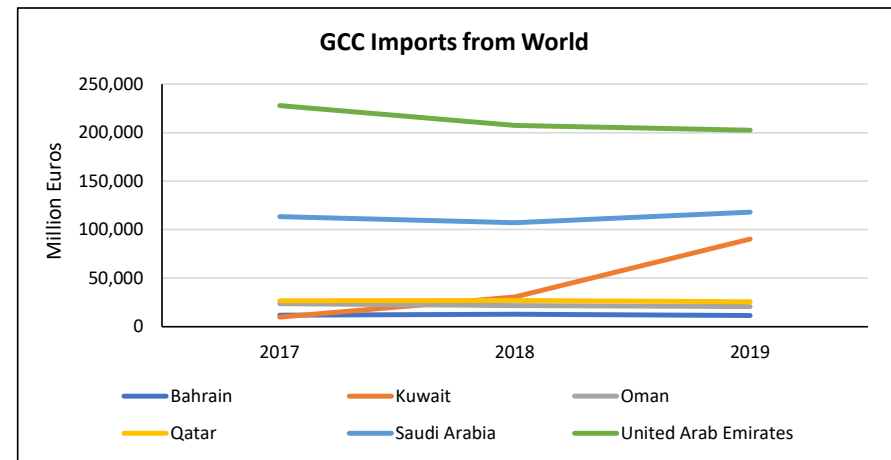
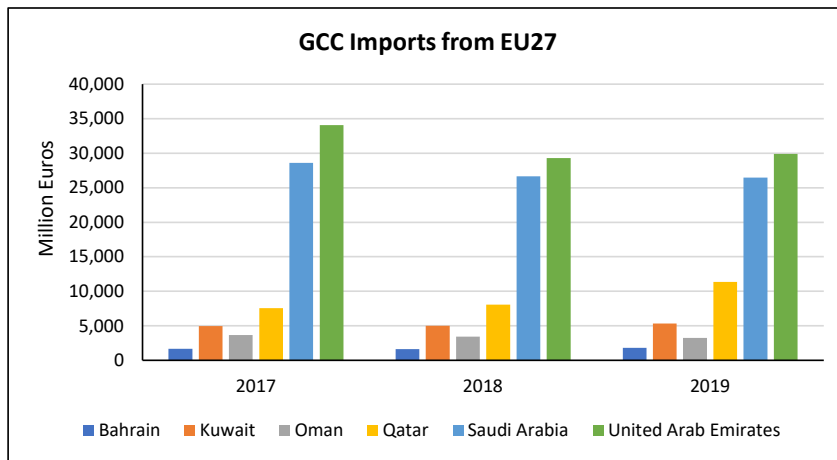
**Economic and political cooperation between the EU and the GCC countries:** the framework is provided by the 1988 EU-GCC cooperation agreement that seeks to improve trade relations and stability in a strategic part of Europe's neighbourhood. The agreement created a Joint Council and a Joint Co-operation Committee which meet annually. The two sides meet on an annual basis to discuss trade, amongst other topics, within the EU-GCC Joint Co-operation Committee held in Riyadh or Brussels.

**EU and Qatar:** In 2018, the European External Action Service and the Ministry of Foreign Affairs of the State of Qatar signed a Cooperation Arrangement to support and strengthen the relationships between the two sides, by promoting information sharing and consultations, and by fostering mutual understanding.

**Trade negotiations:** The EU and Gulf Cooperation Council launched negotiations for a Free Trade Agreement (FTA) in 1990. The FTA is foreseen to provide for a progressive and reciprocal liberalisation of trade in goods and services. The negotiations have faced several challenges and were effectively halted in 2008, when the GCC countries suspended all ongoing negotiations in which they were involved. While periodic informal contacts have taken place since then to test whether a basis might be found to resume and conclude negotiations, these have not been successful. In parallel with the negotiations, the prospective EU-GCC FTA was subject to a sustainability impact assessment.

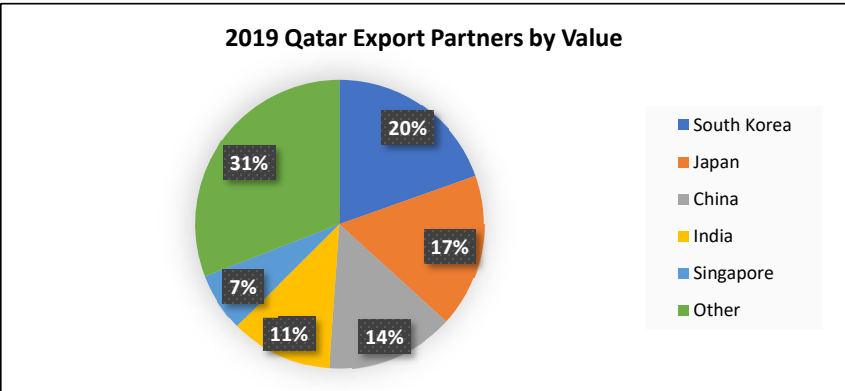
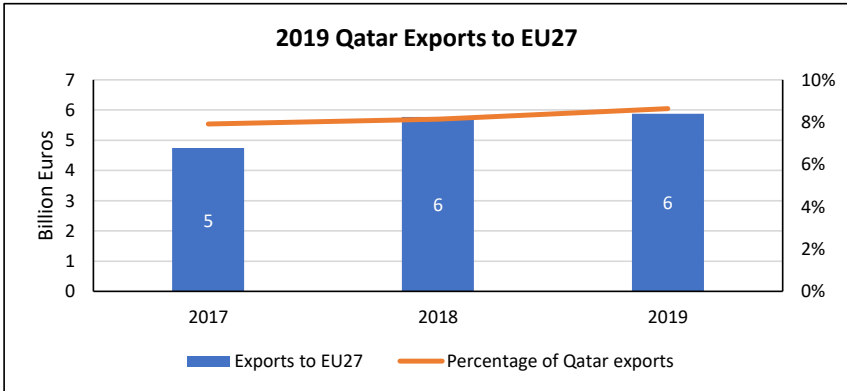
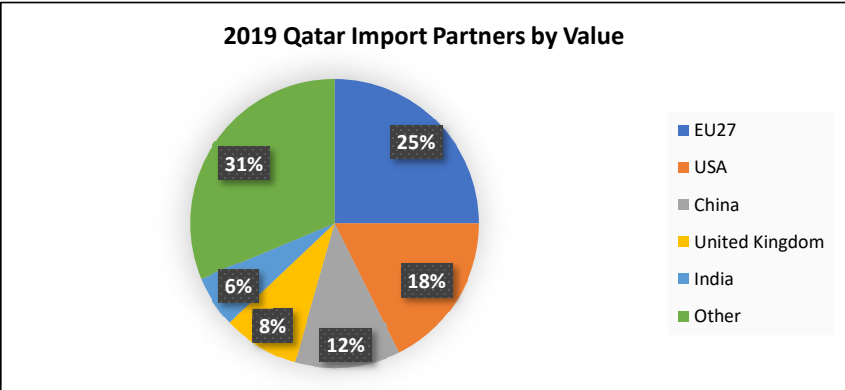
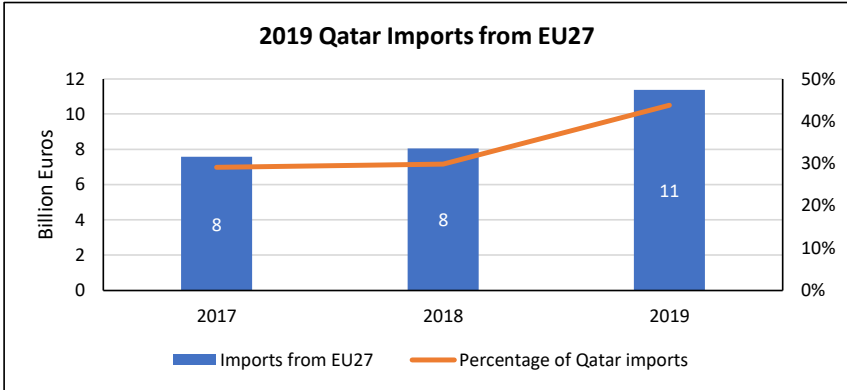
Source: <https://ec.europa.eu/trade/policy/countries-and-regions/regions/gulf-region/>

# GCC Merchandise Trade with EU27 and the World



Source Eurostat Comext, European Commission Trade Market Access Database

# Qatar Merchandise Trade with EU27 and the World



Source Eurostat Comext

## EU – Qatar Major Trade flows by HS section

EU Imports from Qatar					
2018			2019		
Goods	Value (millions of Euros)	% EU Imports from Qatar	Goods	Value (millions of Euros)	% EU Imports from Qatar
V Mineral products	4320	75%	V Mineral products	4535	77%
VII Plastics, rubber and articles thereof	279	5%	VI Products of the chemical or allied industries	285	5%
VI Products of the chemical or allied industries	257	4%	VII Plastics, rubber and articles thereof	249	4%
XV Base metals and articles thereof	67	1%	XVI Machinery and appliances	45	1%
XVI Machinery and appliances	49	1%	XV Base metals and articles thereof	39	1%

EU Exports to Qatar					
2018			2019		
Goods	Value (millions of Euros)	% EU Exports to Qatar	Goods	Value (millions of Euros)	% EU Exports to Qatar
XVII Transport equipment	2824	35%	XVII Transport equipment	2798	25%
XVI Machinery and appliances	1880	23%	XVI Machinery and appliances	2728	24%
VI Products of the chemical or allied industries	635	8%	XV Base metals and articles thereof	869	8%
XV Base metals and articles thereof	532	7%	VI Products of the chemical or allied industries	669	6%
XX Miscellaneous manufactured articles	304	4%	XVIII Optical and photographic instruments, etc.	346	3%

## EU – Qatar major trade flows by HS heading

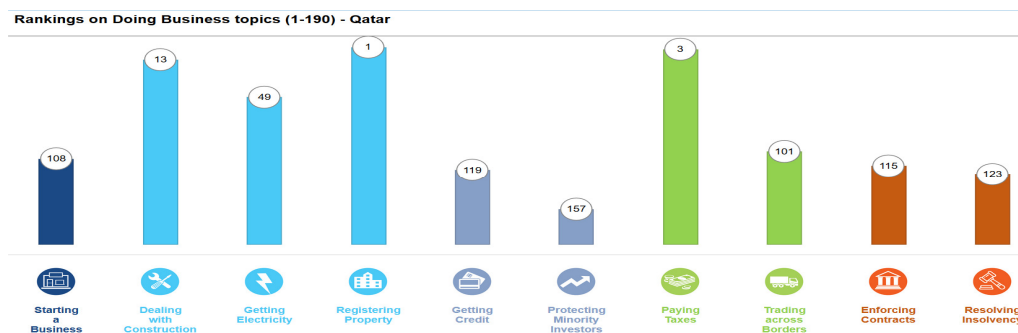
2019 EU Imports from Qatar		2019 EU Exports to Qatar	
V Mineral products (HS 25-27)	2711 - Petroleum gas and other gaseous hydrocarbons 2710 - Petroleum oils and oils obtained from bituminous minerals (excl. crude); preparations containing >= 70% by weight of petroleum oils or of oils obtained from bituminous minerals 27SS - Confidential trade of chapter 27 (Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes)	XVII Vehicles, aircraft, vessels and associated transport equipment (HS 86-89)	8802 - Powered aircraft "e.g. helicopters and aeroplanes"; spacecraft, incl. satellites, and suborbital and spacecraft launch vehicles 8703 - Motor cars and other motor vehicles principally designed for the transport of <10 persons, incl. station wagons and racing cars 8803 - Parts of aircraft and spacecraft of heading 8801 or 8802
VI Products of the chemical or allied industries (HS 28-38)	2901 - Acyclic hydrocarbons 2804 - Hydrogen, rare gases and other non-metals 2933 - Heterocyclic compounds with nitrogen	XVI Machinery and appliances	8526 - Radar apparatus, radio navigational aid apparatus and radio remote control apparatus 8529 - Parts suitable for use solely or principally with transmission and reception apparatus for radio-telephony, radio-telegraphy, radio-broadcasting, television, television cameras 8517 - Telephone sets, incl. telephones for cellular networks or for other wireless networks; other apparatus for the transmission or reception of voice, images or other data
VII Plastics, rubber and articles thereof	3901 - Polymers of ethylene, in primary forms 3902 - Polymers of propylene or of other olefins, in primary forms 3904 - Polymers of vinyl chloride or of other halogenated olefins, in primary forms	XV Base metals and articles thereof	7305 - Tubes and pipes, having circular cross-sections and an external diameter of > 406,4 mm, of flat-rolled products of iron or steel 7408 - Copper wire 7304 - Tubes, pipes and hollow profiles, seamless, of iron or steel

*Note: Products ordered by value*



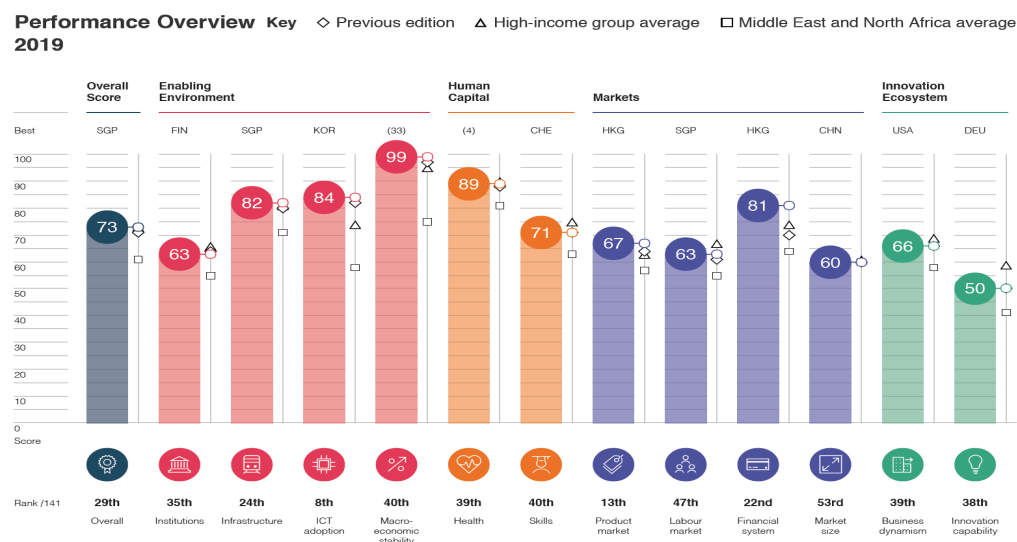
# Economic competitiveness indicators

Indicator	Ranking	Out of # Countries
World Bank Ease of Doing Business	77	190
WEF Global Competitiveness Index 4.0	29	141
Fraser Institute – Economic Freedom	69	162
Global Foreign Direct Investment Attractiveness Index	42	109
United Nations e-Government Survey	51	193
Global Innovation Index	65	129



Source World Bank, Doing Business 2020

Infrastructure – key figures	
<b>Airports:</b> 6 (2013)	
Annual passenger traffic on registered air carriers:	25,263,224 (2015)
Annual freight traffic on registered air carriers:	7,563,307,390 mt-km (2015)
<b>Major seaports:</b> Doha, Musay'id, Ra's Laffan, LNG terminal(s) (export): Ras Laffan	
<b>ICT</b>	
Broadband - fixed subscriptions:	267,906
subscriptions per 100 inhabitants:	11 (2018 est.)
Telephones - fixed lines:	452,088
subscriptions per 100 inhabitants:	19 (2018 est.)
Telephones - mobile cellular:	3,945,978
subscriptions per 100 inhabitants:	167 (2018 est.)



Source WEF, The Global Competitiveness Report 2019







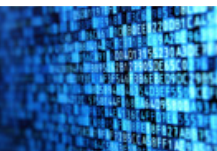



# Population Structure and Availability of Human Capital

Population (2020 est.)	
Population (millions)	3
Population growth rate	1.55%
Birth rate	9.3 births/1,000 population
Death rate	1.6 deaths/1,000 population

Age structure (2020 est.)	
0-14 years	12.84% (male 158,702/female 155,211)
15-24 years	11.78% (male 203,703/female 84,323)
25-54 years	70.66% (male 1,439,364/female 287,575)
55-64 years	3.53% (male 66,561/female 19,600)
65 years and over	1.19% (male 19,067/female 10,068)

Human Capital Availability
<ul style="list-style-type: none"> <li>➤ Literacy (age 15 and over can read and write) 2017:           <ul style="list-style-type: none"> <li>▪ total population: 93.5%</li> <li>▪ male: 92.4%</li> <li>▪ female: 94.7%</li> </ul> </li> <li>➤ School life duration (primary to tertiary education) 2017:           <ul style="list-style-type: none"> <li>▪ total: 12 years</li> <li>▪ male: 11 years</li> <li>▪ female: 14 years</li> </ul> </li> <li>➤ Labor force participation rate, total (% of total population ages 15-64): 88</li> <li>➤ Unemployment, total (% of total labor force): 0.09</li> </ul>

# Investment opportunities by Sector

Financial Services			<p>The Qatar Financial Centre's strategy focuses on financial services industries such as FinTech, Islamic Finance, Capital Markets and Asset Management. The government is actively promoting Qatar as a regional centre for fintech, which will act as a catalyst to drive innovation and growth forward, making it the perfect time and place to join the FinTech revolution. Opportunities exist within digital payments, money management, lending, remittances and investments.</p>
Tourism			<p>In pursuit of Qatar's National Vision 2030, tourism has been designated a priority sector, meaning tourism investment avenues in this sector are numerous. Opportunities exist within leisure, cultural and MICE tourism include facilities management, HR and training, marketing, event management, logistics and consultancy services.</p>
Healthcare			<p>Several healthcare megaprojects and a National Health Strategy (2018-2022) has been launched. Opportunities exist within healthcare and medical services, facilities management, ICT, architecture and logistics consultancy.:</p>
Information and Communications Technology			<p>Qatar's digital advancement is driven by a mandate to increase and improve digital engagement in the public and private sectors as part of Qatar's National Vision 2030, presenting numerous opportunities for investment.</p>
Sport and Media			<p>Qatar's intention to launch an entire media city is borne on the back of a history stretching back to the 1960s. Since then news, sports and cultural channels and satellites have followed. In 2019, a draft law was issued to establish a Media City that aims to develop the industry and attract multinational media, technology businesses, and research and training institutions in print, electronic and digital media. Qatar's upcoming hosting of the FIFA World Cup Qatar 2022™ is accelerating investment in sporting infrastructure and facilities. Opportunities exist within HR and training, facilities management, translation services, ICT, healthcare and medical services and event management.</p>

## Important Contacts

Agency	Support Provided	Website	Contact Information
Qatar Development Bank	Offers financial services, banking and loans to the development of the industrial, tourism, educational, health care, agricultural, animal resources and fisheries sectors of the Qatari economy.	<a href="https://www.qdb.qa/">https://www.qdb.qa/</a>	Grand Hamad Street Doha, Qatar PO Box 22789 Tel(+974) 4430 00 00 Fax(+974) 4431 66 13
Qatar Financial Centre	Global Financial and Business Centre serving the GCC	<a href="http://www.qfc.qa">www.qfc.qa</a>	19 <sup>th</sup> Floor, QFC Tower 1, Doha, Qatar. Tel (+974) 4496 7777
Ministry of Commerce and Industry	The Investment Promotion Agency of MoCI coordinates investment promotion and marketing activities with key stakeholders,	<a href="https://www.moci.gov.qa/en/">https://www.moci.gov.qa/en/</a>	1 <sup>st</sup> Floor Ministry of Commerce and Industry Lusail City, Qatar Tel (+974) 6611 1400 <a href="mailto:info@moci.gov.qa">info@moci.gov.qa</a>
Qatar Chamber of Commerce & Industry	The Chamber promotes and protect the interests of companies in the agricultural, industrial and commercial sectors. It also provides administrative services, advice and arbitration.	<a href="https://qatarchamber.com/">https://qatarchamber.com/</a>	Al Shaab Street, Doha, Qatar Tel (+974) 4455 9111 <a href="mailto:info@qcci.org">info@qcci.org</a>
Investment Promotion Agency of Qatar	The Agency acts as a single gateway to all investment solutions in Qatar, with a focus on advancing ambitious investors' goals and accelerating their growth, in line with the nation's FDI roadmap and economic development goals.	<a href="https://www.invest.qa/about">https://www.invest.qa/about</a>	Qatar Financial Centre Tower 1 (Opposite to City Centre) P.O. Box 23245 Doha, Qatar Tel: +974 44967777 <a href="mailto:Info@ipaq.gov.qa">Info@ipaq.gov.qa</a>

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- IMF 'World Economic Outlook April 2020'
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- World Economic Forum 'The Global Competitiveness Report 2019'
- World Intellectual Property Organization, Insead, Cornell SC Johnson College of Business 'Global Innovation Index 2019 – Creating Healthy Lives – The Future of Medical Innovation'