



EU-GCC Dialogue on Economic Diversification

A Project funded by the European Union

GCC Country Economic Profile - State of Qatar



December 2021



A project implemented by
GFA Consulting Group GmbH
Centre for European Policy Studies
DMI Associates



Table of Contents

- State of Qatar Key Facts
- Qatar Economic Policies & EU – Qatar Economic Relations
- GCC Merchandise Trade with EU27 & the World
- Qatar Merchandise Trade with EU27 & the World
- EU – Qatar Trade by product and sub-product
- Economic Competitiveness Indicators
- Population Structure & Availability of Human Capital
- Investment Opportunities by Sector
- Important Contacts
- References

State of 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

State of Qatar- Key figures (2020)	
Population (millions)	3
GDP (Billions of Euros)	128
GDP per capita (Euros)	45652
Real GDP growth (%)	-2.6
Inflation rate (%)	-2.7

Merchandise Trade (2020, Billion Euros)	
Imports	22.6
Exports	45.1
Trade in Services (2019, Billion Euros)	
Imports	31.6
Exports	17.0

Qatar Economic Policies & 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

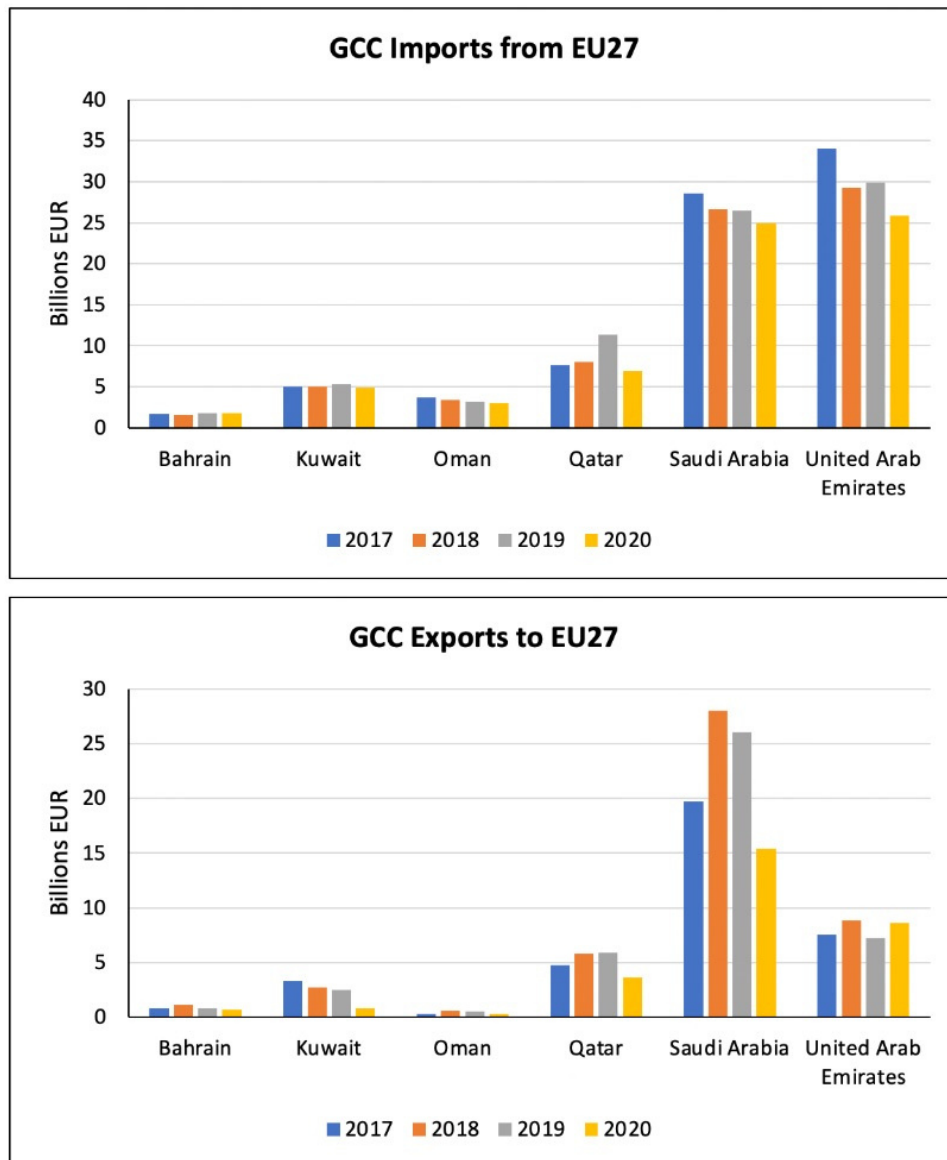
- COVID-19 and oil price related policies: fiscal, monetary, and macro-economic policies include stimulus package of QR 75 billion (about 14 percent of GDP) to support small businesses and hard-hit sectors. Measures have been extended to September 2021. The Qatar Central Bank (QCB) has lowered its policy rates twice in line with the US Federal Reserve. The Qatar Development Bank (QDB) is postponing installments of all borrowers and is administering the National Guarantee Program (NGP) by allocating QR5 billion (0.9 percent of GDP) in government guarantees to September 2021 to local banks for loans to private sector companies to help them pay wages and rental fees. Qatar Islamic Bank is providing interest-free loans to private companies under this program. In April 2021, the interest exemption period was extended for an additional year for the NGP.
- 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.

Qatar Economic Policies & EU – Qatar Economic Relations

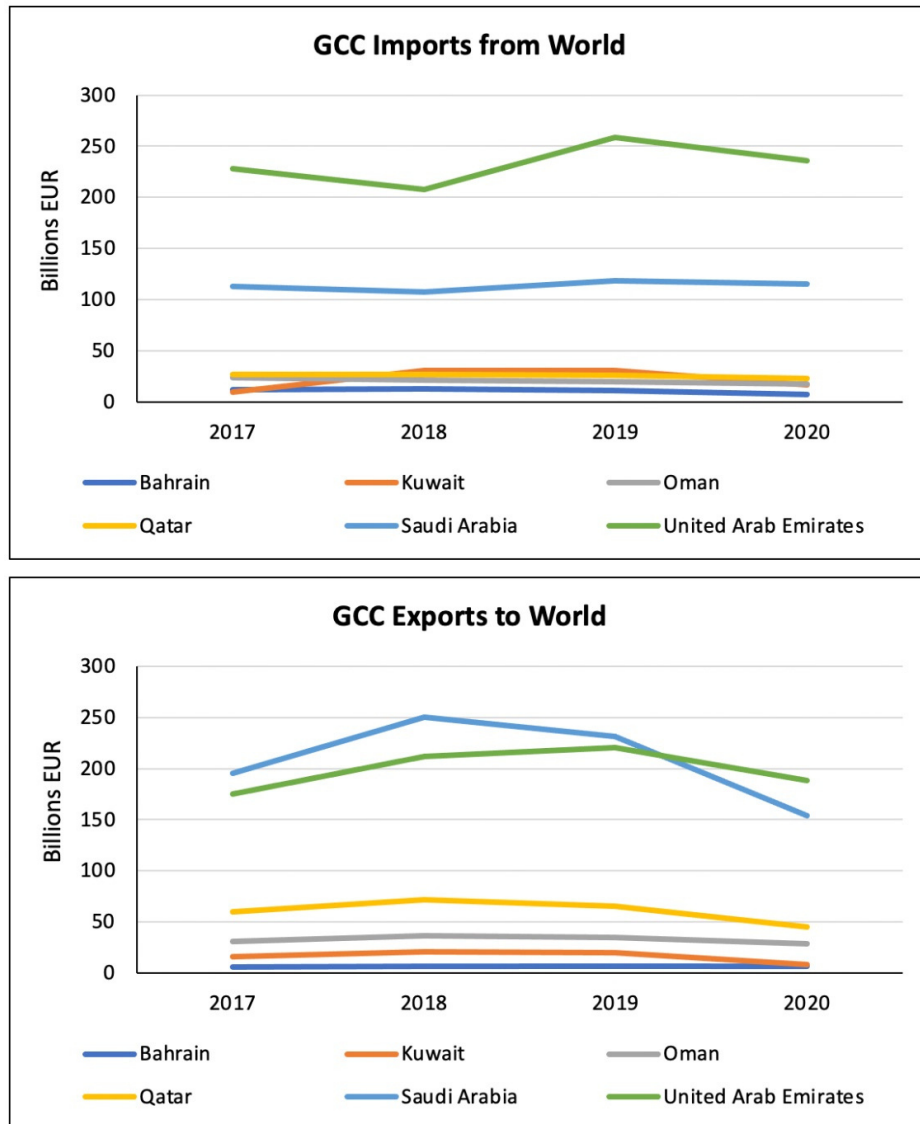
EU - Qatar Economic Relations

- **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.

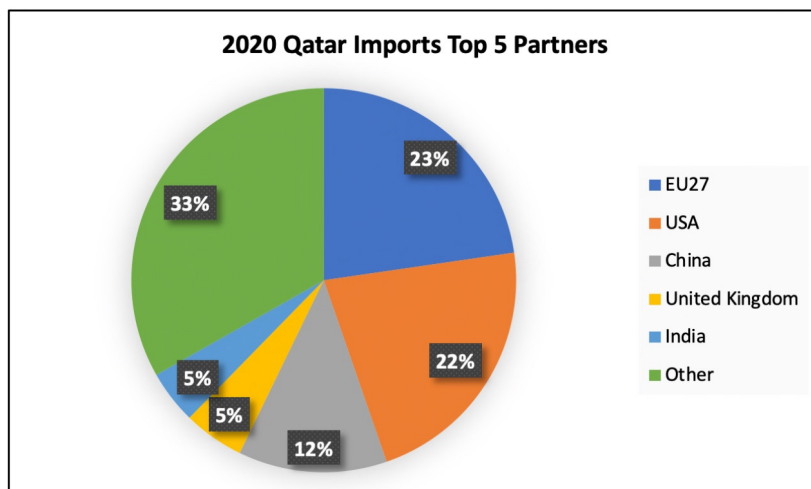
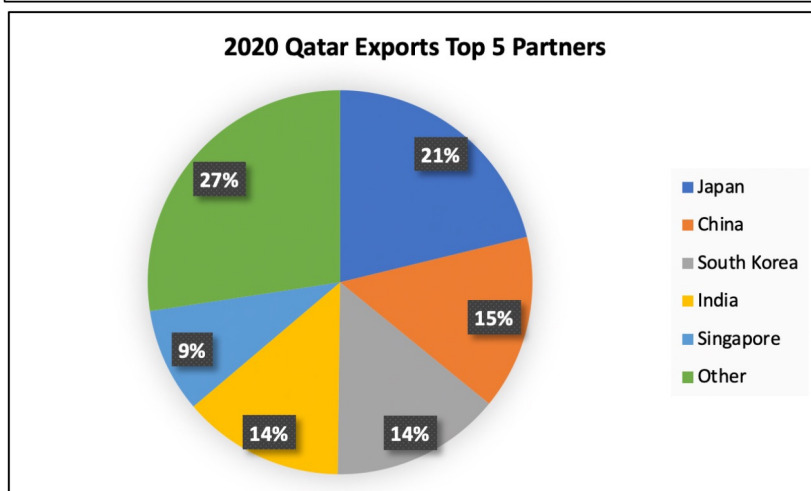
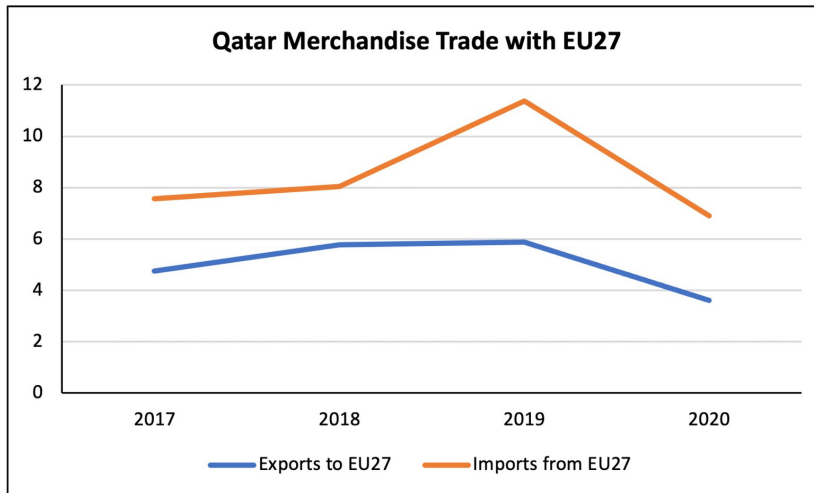
GCC Merchandise Trade with EU27 & the World



GCC Merchandise Trade with EU27 & the World



Qatar Merchandise Trade with EU27 & the World



EU – Qatar Major Trade flows by HS section

EU Imports from Qatar					
2019			2020		
Goods	Value (millions of Euros)	% EU Imports from Qatar	Goods	Value (millions of Euros)	% EU Imports from Qatar
V Mineral products	4535	77	I Animals and animal products	8357	63
VI Products of the chemical or allied industries	285	5	XXI Works of art	3826	2
VII Plastics, rubber and articles thereof	249	4	XXII Others	726	1
XVI Machinery and appliances	45	1	II Vegetable products	319	29
XV Base metals and articles thereof	39	1	VI Products of the chemical or allied industries	81	5

EU Exports to Qatar					
2019			2020		
Goods	Value (millions of Euros)	% EU Exports to Qatar	Goods	Value (millions of Euros)	% EU Exports to Qatar
XVII Transport equipment	2798	25	XVI Machinery and appliances	1703	20
XVI Machinery and appliances	2728	24	XXII Others	1340	16
XV Base metals and articles thereof	869	8	XVII Transportation equipment	1086	13
VI Products of the chemical or allied industries	669	6	XXI Works of art	886	10
XVIII Optical and photographic instruments, etc.	346	3	VI Products of the chemical or allied industries	706	8

Source: Eurostat Comext

EU – Qatar Major Trade flows by HS section

2020 EU Imports from Qatar		2020 EU Exports to Qatar	
I Animals and animal products	<p>0101 Live horses, asses, mules and hinnies</p> <p>0504 Guts, bladders and stomachs of animals (other than fish), whole and pieces thereof, fresh, chilled, frozen, salted, in brine, dried or smoked</p> <p>0204 Meat of sheep or goats, fresh, chilled or frozen</p>	XVI Machinery and appliances	<p>8414 Air or vacuum pumps (excl. gas compound elevators and pneumatic elevators and conveyors); air or other gas compressors and fans; ventilating or recycling hoods incorporating a fan, whether or not fitted with filters; parts thereof</p> <p>8471 Automatic data-processing machines and units thereof; magnetic or optical readers, machines for transcribing data onto data media in coded form and machines for processing such data, n.e.s.</p> <p>8481 Taps, cocks, valves and similar appliances for pipes, boiler shells, tanks, vats or the like, incl. pressure-reducing valves and thermostatically controlled valves; parts thereof</p>
XXI Works of art	<p>9702 Original engravings, prints and lithographs</p> <p>9701 Paintings, e.g. oil paintings, watercolours and pastels, and drawings executed entirely by hand (excl. technical drawings and the like of heading 4906, and hand-painted or hand-decorated manufactured articles); collages and similar decorative plaques</p> <p>9703 Original sculptures and statuary, in any material</p>	XXII Others	<p>99YY Trade under the declaration limit</p> <p>9905 Personal property belonging to natural persons transferring their normal place of residence</p> <p>99BB Articles declared as supplies or services for ships and aircrafts, not elsewhere classified</p>
XXII Others	<p>99YY Trade under the declaration limit</p> <p>9919 The following goods, other than those mentioned above: -- trousseaux and household effects belonging to a person transferring his or her normal place of residence on the occasion of his or her marriage; personal property acquired by inheritance -- school outfits, educational materials and related household effects -- coffins containing bodies, funerary urns containing the ashes of deceased persons, and ornamental funerary articles -- goods for charitable or philanthropic organisations and goods for the benefit of disaster victims</p> <p>9905 Personal property belonging to natural persons transferring their normal place of residence</p>	XVII Transportation equipment	<p>8802 Powered aircraft, spacecraft, incl. satellites, and suborbital and spacecraft launch vehicles</p> <p>88SS Confidential trade of chapter 88</p> <p>8705 Special purpose motor vehicles (other than those principally designed for the transport of persons or goods), e.g. breakdown lorries, crane lorries, fire fighting vehicles, concrete-mixer lorries, road sweeper lorries, spraying lorries, mobile workshops and mobile radiological units</p>

Economic Competitiveness Indicators

Indicator	Ranking	Out of # Countries
WEF Global Competitiveness Index, 2019	29	141
Fraser Institute - Economic Freedom, 2021 Report	80	165
Global Foreign Direct Investment Attractiveness Index, 2020	42	109
United Nations e-Government Survey, 2020	66	193
Global Innovation Index, 2021	68	132

Infrastructure - Key Figures

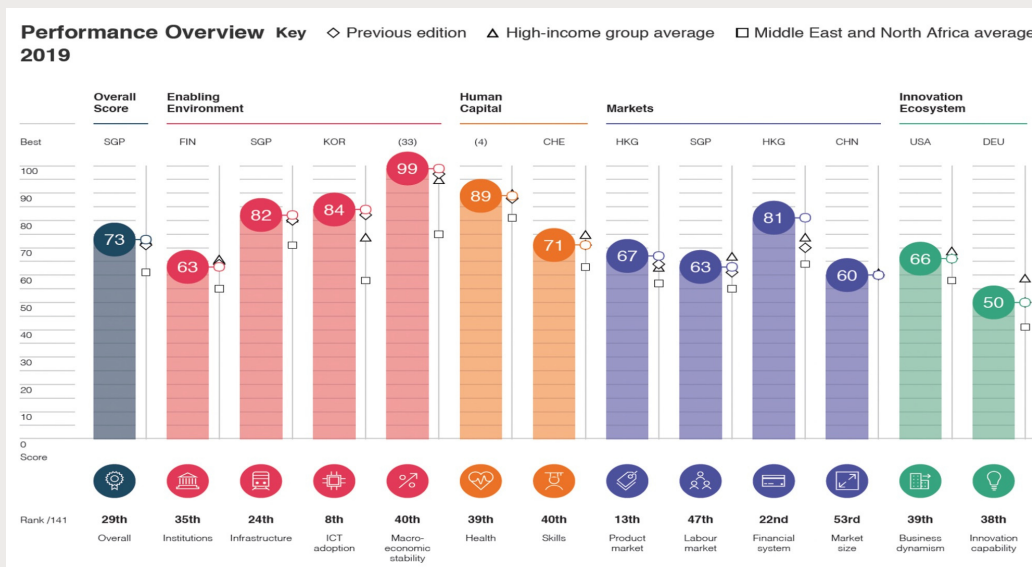
Airports: 6 (2013)
 Annual passenger traffic on registered air carriers: 29,178,923 (2018)
 Annual freight traffic on registered air carriers: 12,666,710,000 million mt-km (2018)

Major seaports: Doha, Musay'id, Ra's Laffan, LNG terminal(s) (export): Ras Laffan

ICT
 Broadband - fixed subscriptions: 284,679
 Subscriptions per 100 inhabitants: 11.82 (2019 est.)

Telephones - fixed lines: 461,289
 Subscriptions per 100 inhabitants: 19.15 (2019 est.)

Telephones - mobile cellular: 3,917,571
 Subscriptions per 100 inhabitants: 162.6 (2019 est.)



Population Structure & Availability of Human Capital

Population (2021 est.)	
Population (million)	3
Population growth rate	1.23%
Birth rate	9.38 births/1,000 population
Death rate	1.42 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
<p>Literacy (age 15 and over can read and write) 2017:</p> <ul style="list-style-type: none"> total population: 93.5% male: 92.4% female: 94.7%
<p>School life duration (primary to tertiary education) 2019:</p> <ul style="list-style-type: none"> total: 12 years male: 12 years female: 14 years
<p>Labor force: 1.953 million (2017 est.)</p>
<p>Unemployment, total (% of the total labor force): 8.9 (2017)</p>

Investment Opportunities by Sector

Financial Services



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.

Tourism



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.

Healthcare



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.

Information & Communications Technology



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.

Sports & Media



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.

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.	https://www.qdb.qa/	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	www.qfc.qa	19th 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	https://www.moci.gov.qa/en/	Al Shaab Street, Doha, Qatar Tel (+974) 4455 9111 info@qcci.org
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.	https://qatarchamber.com/	Al Shaab Street, Doha, Qatar Tel (+974) 4455 9111 info@qcci.org
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.	https://www.invest.qa/about	Qatar Financial Centre Tower 1 (Opposite to City Centre) P.O. Box 23245 Doha, Qatar Tel: +974 44967777 Info@ipaq.gov.qa

References

- Ben Jelili, Riadh 'Global Foreign Direct Investment Country Attractiveness Index 2020'
- Fraser Institute 'Economic Freedom of the World Annual Report 2021'
- IMF Policy Responses to COVID-19
- United Nations 'E-Government Survey 2020 Digital Government in the Decade of Action for Sustainable Development'
- World Economic Forum 'The Global Competitiveness Report 2019'
- WIPO (2021), 'Global Innovation Index 2021 - Tracking Innovation through the COVID-19 Crisis'

About the EU-GCC Dialogue on Economic Diversification Project

The EU-GCC Dialogue on Economic Diversification is a project funded by the European Commission Service for Foreign Policy Instruments under the Partnership Instrument.

The project contributes to stronger EU-GCC relations by supporting the GCC countries in the ongoing process of economic diversification away from hydrocarbon-dependent sectors, including by funding regular EU-GCC Business Fora.

The purpose of this project is to promote climate-friendly trade, investment, and economic affairs-related policy analysis, dialogue, and cooperation between stakeholders from the EU and GCC at both regional and country levels in the context of the GCC economic diversification process.

For more information on the EU-GCC Dialogue Project, and to download research reports and other publications, please visit:

https://eeas.europa.eu/headquarters/headquarters-homepage/87855/eu-gcc-dialogue-economic-diversification-project_en

To learn more about our projects, forthcoming events, webinars and recent updates, please follow us on:



<https://twitter.com/DialogueEu>



<https://www.instagram.com/eugccdialogue/>



<https://www.linkedin.com/company/eu-gcc-dialogue-on-economic-diversification>

Authors



Douglas Aitkenhead

Team Leader

E-mail: daitkenhead@eugcc.eu



Daniela Stratulativ

Trade and Foreign

Direct Investment Expert

E-mail: dstratulativ@eugcc.eu

Designed by Rania Nseir
Event Management & Communications Expert
EU-GCC Dialogue on Economic Diversification Project

This publication was produced with the financial support of the European Union. Its contents are the sole responsibility of the authors and do not necessarily reflect the views of the European Union.