



EU-GCC Dialogue on Economic Diversification

A project funded by the European Union

GCC Country Economic Profile - State of Qatar



October 2023



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



Table of Contents

- State of Qatar Key Facts
- State of Qatar Economic Policies
- EU – State of Qatar Economic Relations
- GCC Merchandise Trade with EU27 & the World
- EU 27 Rankings as Trade Partner for GCC Countries
- State of Qatar Merchandise Trade with EU27 & the World
- EU – State of Qatar Trade by Product & Sub-product
- Economic Competitiveness Indicators
- Population Structure & Availability of Human Capital
- Foreign Direct Investment
- Investing in the State of Qatar - Incentives
- 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 under the Constitution. The Council of Ministers acts as the supreme executive body for all internal and external affairs, under 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 (2022)	
Population (millions)	3
GDP (Billions of Euros)	214
GDP per capita (Euros)	80,176
Real GDP growth (%)	4.2
Inflation rate (%)	5.0

Trade in Goods (2022, Billions of Euros)	
Imports	27.7
Exports	130.5

Trade in Services (2021, Billions of Euros)	
Imports	29.0
Exports	15.5

State of Qatar Economic Policies

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 encouraging national investments, and 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, and world-class infrastructure.

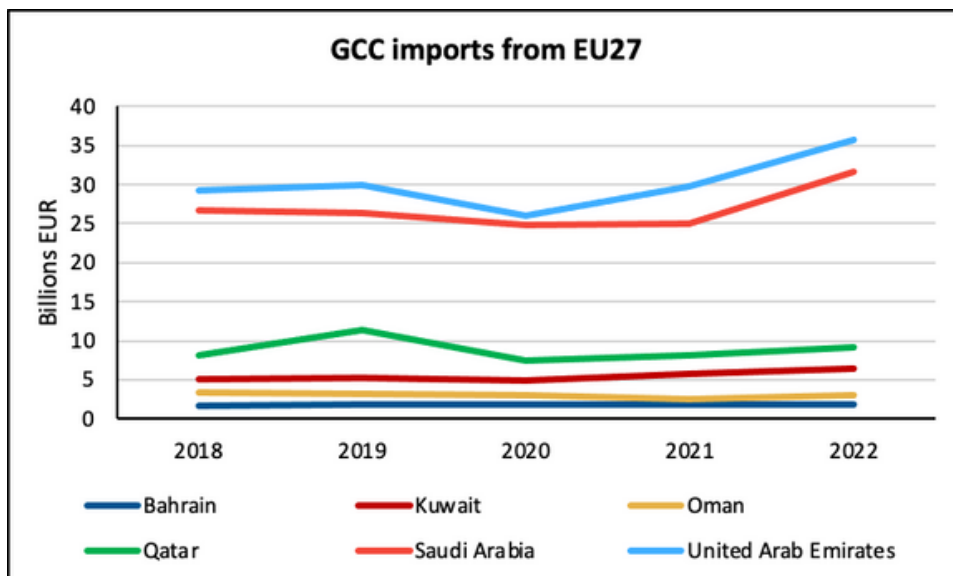
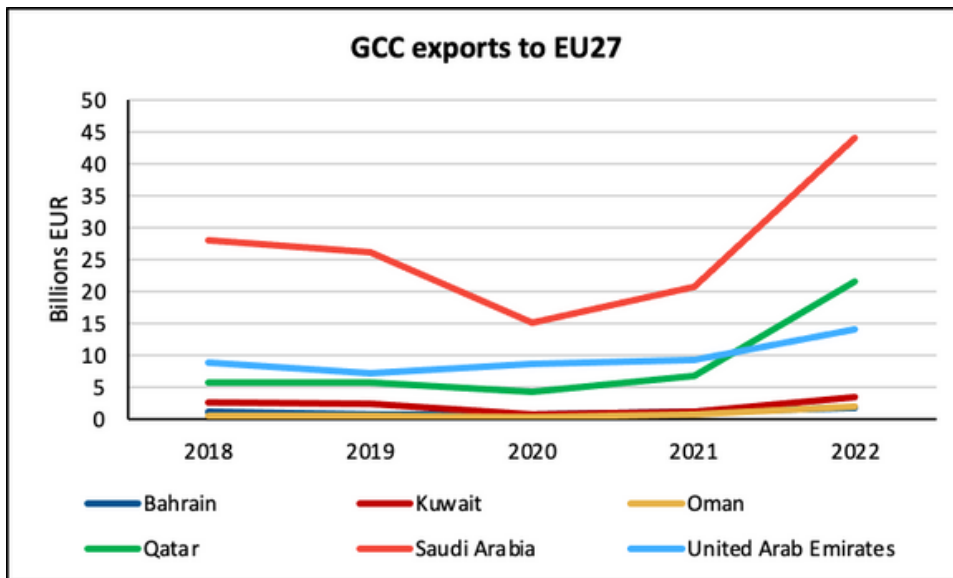
Current Economic Status (June 2023)

- After very strong growth in 2022 boosted by the World Cup, the economy is expected to normalize in the near term. Real GDP growth is expected at 2–2½ percent in 2023–24 on robust domestic demand and the ongoing LNG expansion, with inflation moderating gradually to around 3 percent.
- Medium-term growth is likely to rise to around 4–4½ percent after the North Field expansion starts boosting LNG production. Aided by buoyant export revenue and public spending, the fiscal and external current accounts are projected to be in surpluses throughout the medium term.
- Key risks to the outlook: an unfavorable global environment, including a sharper-than-expected global growth slowdown, tighter and more volatile global financial conditions, increased commodity price volatility, and further worsening of geopolitical tensions.
- Fiscal discipline has been broadly maintained in 2022, with most of the hydrocarbon windfalls saved and overall expenditure largely kept within the budget envelope. As a result, fiscal surplus rose to around 10 percent of GDP in 2022, from close to zero in 2021.
- The QCB has maintained price and financial stability. Monetary policy has been tightened broadly following the U.S. Federal Reserve, consistent with the currency peg to the U.S. dollar.
- Investment environment: conducive to attracting FDI. The advantages for foreign investors include part-ownership in Qatar shareholding companies, exemption from income tax for 10 years and no quantitative quotas on imports, no restrictions on money exchange and transfer of profits abroad, no export duties or taxes on corporate profits for pre-determined periods, and flexible regulations and procedures to import skilled and unskilled workforce.

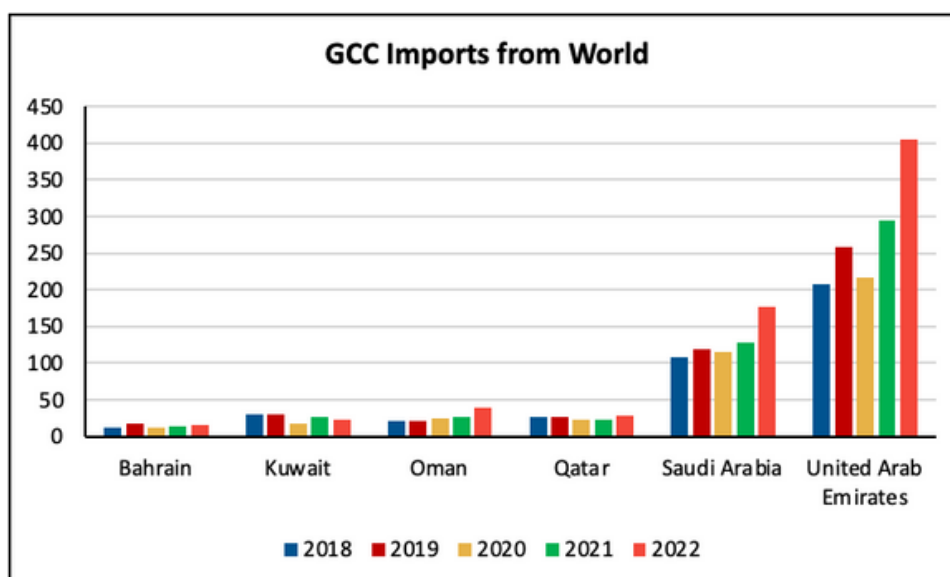
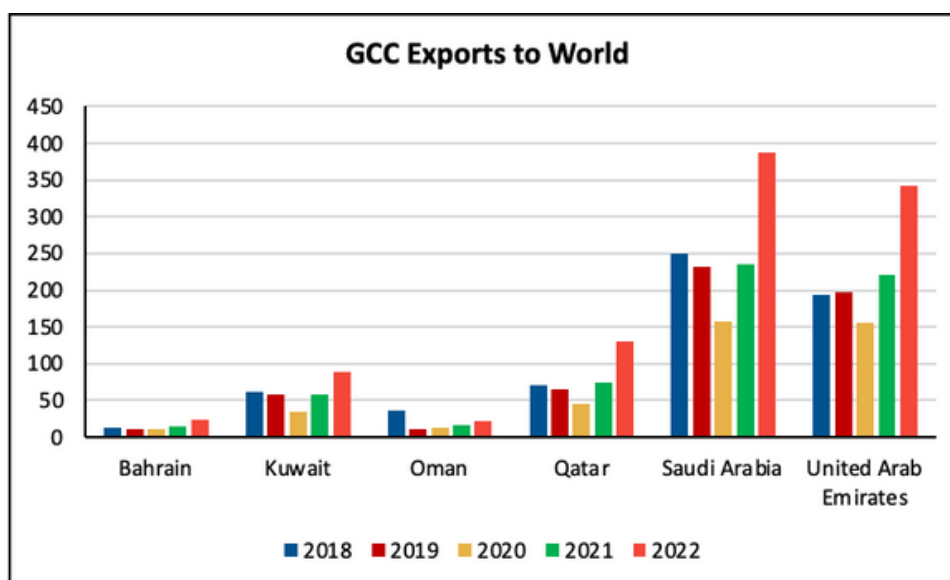
EU – Qatar Economic Relations

- **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 neighborhood. 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 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 Trade in Goods with EU27 & the World



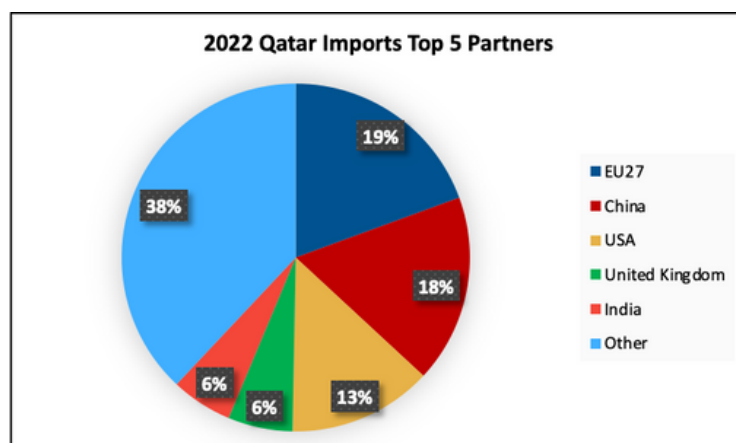
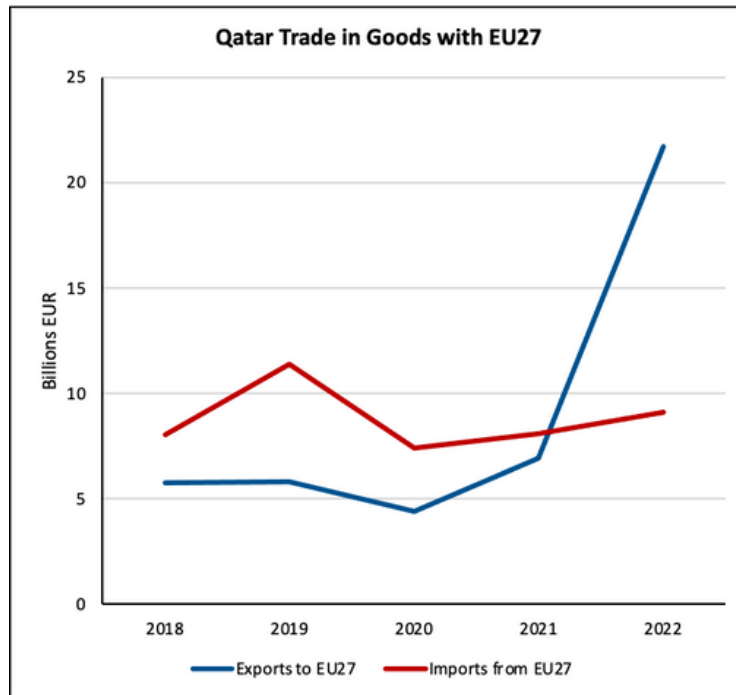
GCC Trade in Goods with EU27 & the World



EU27 Rankings as Trade Partner for GCC Countries, 2022

GCC country	EU27 rank as supplier	Imports value (Billion EUR)	Imports from EU27 as % of country's imports from all partners	EU27 rank as export market	Exports value (Billion EUR)	Exports to EU27 as % of country's exports to all partners
Bahrain	2	2.11	14.3	4	1.26	5.5
Kuwait	2	4.42	18.7	8	193	0.2
Oman	5	2.59	6.7	5	1.13	5.3
Qatar	1	5.37	19.4	4	15.25	11.7
Saudi Arabia	2	33.49	18.9	2	45.18	11.7
United Arab Emirates	2	42.69	10.6	7	13.06	3.8

Qatar Trade in Goods with EU27 & the World



EU – Qatar Major Trade Flows by HS Section

EU Imports from Qatar					
2021			2022		
Goods	Value (millions of Euros)	% Total	Goods	Value (millions of Euros)	% Total
V Mineral products	5133	74.4	V Mineral products	18,261	84.3
VII Plastics, rubber, articles thereof	389	5.6	VII Plastics, rubber, articles thereof	512	2.4
VI Products of the chemical or allied industries	314	4.6	VI Products of the chemical or allied industries	475	2.2
XV Base metals and articles of base metal	57	0.8	XV Base metals and articles of base metal	126	0.6
VI Machinery and appliances	32	0.5	VI Machinery and appliances	37	0.2

EU Exports to Qatar					
2021			2022		
Goods	Value (millions of Euros)	% Total	Goods	Value (millions of Euros)	% Total
XVI Machinery and appliances	2075	25.7	XVI Machinery and appliances	2,629	28.8
XVII Transportation equipment	1103	13.6	XVII Transportation equipment	1,825	20.0
VI Products of the chemical or allied industries	799	9.9	VI Products of the chemical or allied industries	855	9.4
XV Base metals and articles of base metal	469	5.8	XIX Arms and ammunition	451	4.9
XVIII Optical and photographic instruments, etc.	342	4.2	XX Miscellaneous manufactured articles	404	4.4

Source: Eurostat Comext

EU – Qatar Major Trade Flows by HS Heading

2022 EU Imports from Qatar		2022 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; waste oils containing mainly petroleum or bituminous minerals(2002-2500);Petroleum oils and oils obtained from bituminous minerals (excl. crude); 2712 Petroleum jelly, paraffin wax, micro- crystalline petroleum wax, slack wax, ozokerite, lignite wax, peat wax, other mineral waxes, and similar products obtained by synthesis or by other processes	XVI Machinery & mechanical appliances; electrical equipment (HS 84-85)	8411 Turbojets, turbopropellers and other gas turbines 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, incl. apparatus for communication in a wired or wireless network {such as a local or wide area network}; parts thereof (excl. than transmission or reception apparatus of heading 8443, 8525, 8527 or 8528) 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.
VII Plastics, rubber, articles thereof (HS 39-40)	3901 Polymers of ethylene, in primary forms 3920 Plates, sheets, film, foil and strip, of non-cellular plastics, not reinforced, laminated, supported or similarly combined with other materials (excl. self-adhesive products, and floor, wall and ceiling coverings of heading 3918) 3923 Articles for the conveyance or packaging of goods, of plastics; stoppers, lids, caps and other closures, of plastics	XVII Transport equipment (HS 86-89)	8703 Motor cars and other motor vehicles principally designed for the transport of <10 persons, incl. station wagons and racing cars (excl. motor vehicles of heading 8702) 8807 Parts of aircraft and spacecraft 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, mobile workshops and mobile radiological units
VI Products of the chemical or allied industries (HS 28-38)	2901 Acyclic hydrocarbons 2933 Heterocyclic compounds with nitrogen hetero-atom{s} only 2804 Hydrogen, rare gases and other non-metals	VI Products of the chemical or allied industries (HS 28-38)	3004 Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses, put up in measured doses or in forms or packings for retail sale (excl. goods of heading 3002, 3005 or 3006) 3002 Human blood; animal blood prepared for therapeutic, prophylactic or diagnostic uses; antisera and other blood fractions and immunological products; vaccines, toxins, cultures of micro-organisms (excl. yeasts) and similar products 3815 Reaction initiators, reaction accelerators and catalytic preparations, n.e.s. (excl. rubber accelerators)

Note: Products ordered by value

Source: Eurostat Comext

Economic Competitiveness Indicators

Indicator	Ranking	Out of # Countries
Fraser Institute – Economic Freedom, 2023 Report	90	165
United Nations e-Government Survey, 2022	78	193
Global Innovation Index, 2023	50	132

Infrastructure – Key Figures

Airports: 6 (2021)

Annual passenger traffic on registered air carriers: 29,178,923 (2018)

Annual freight traffic on registered air carriers: 12,666,710,000 mt-km (2018)

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

ICT

Broadband - fixed subscriptions: 296,126 (2020)
subscriptions per 100 inhabitants: 10 (2020 est.)

Telephones - fixed lines: 460,240 (2021 est.)
subscriptions per 100 inhabitants: 17 (2021 est.)

Telephones - mobile cellular: 3,876,499 (2021 est.)
subscriptions per 100 inhabitants: 144 (2011 est.)

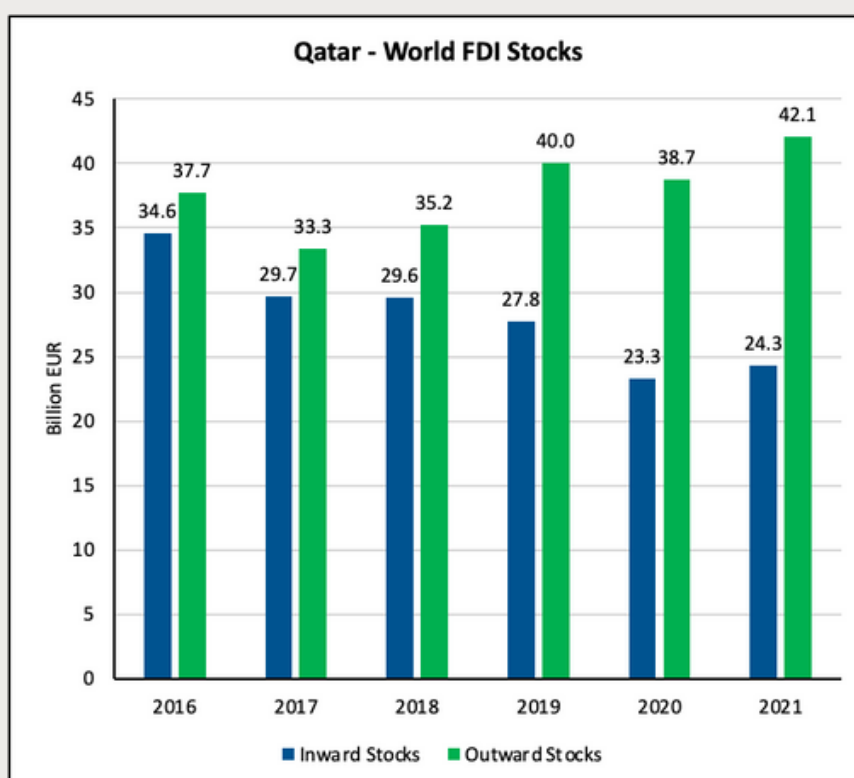
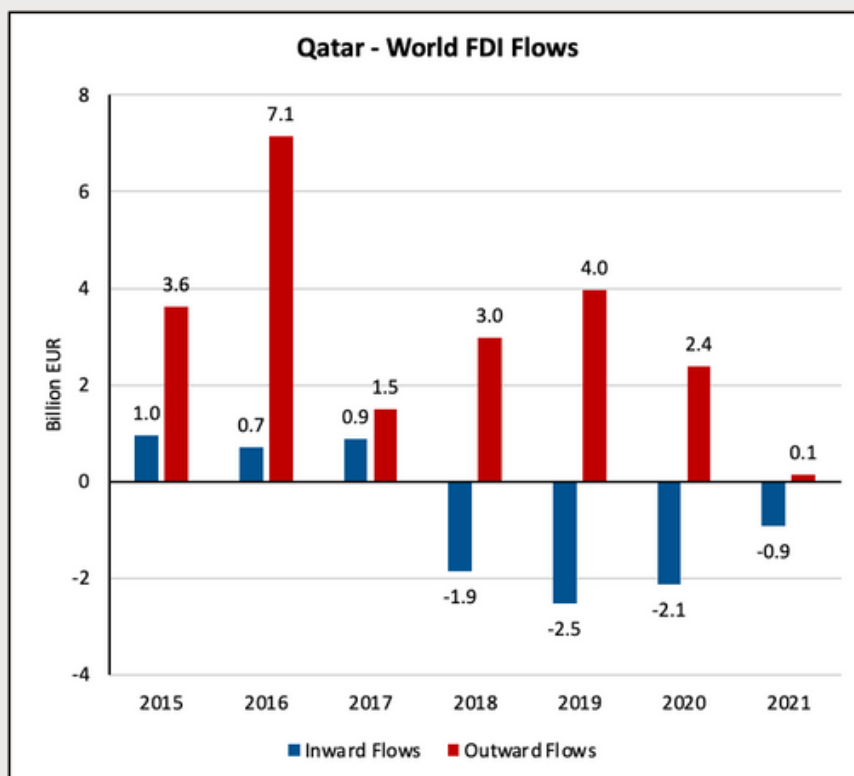
Population Structure & Availability of Human Capital

Population (2023 est.)	
Population (millions)	3
Population growth rate	0.86%
Birth rate	9.27 births/1,000 population
Death rate	1.42 deaths/1,000 population

Age structure (2023 est.)	
0 -14 years	13.08% (male 167,065/female 164,110)
15 - 64 years	85.51% (male 1,757,982/female 407,120)
65 years and over	1.41% (male 23,544/female 12,283)

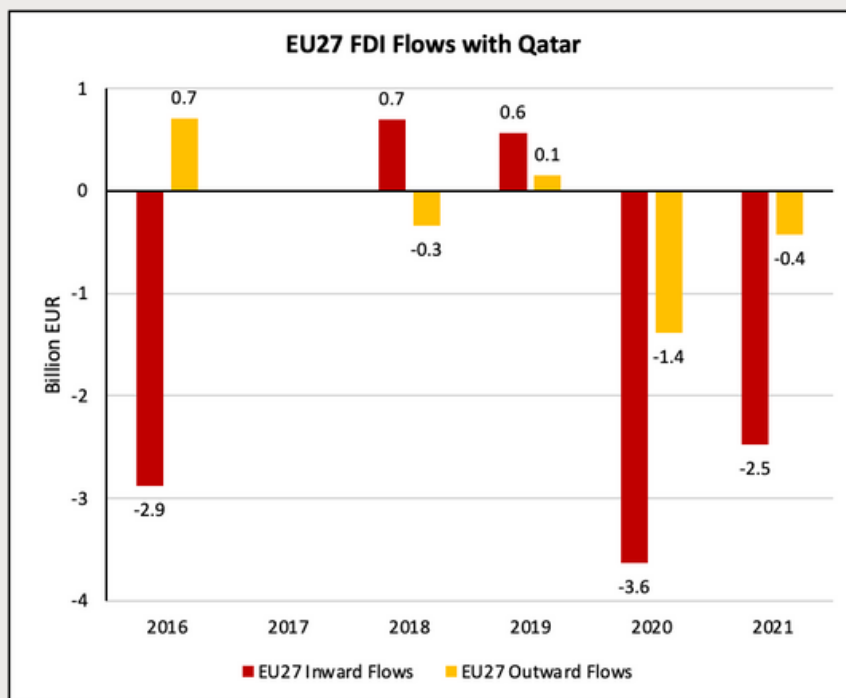
Human Capital Availability
<p>Literacy (age 15 and over can read and write) 2017:</p> <ul style="list-style-type: none"> total population: 93.5% male: 92.4% female: 94.7%
<p>School life duration (primary to tertiary education) 2021:</p> <ul style="list-style-type: none"> total: 13 years male: 12 years female: 15 years
<p>Labor force: 1.977 million (2021 est.)</p>
<p>Unemployment, total (% of the total labor force): 0.25% (2021 est.)</p>

State of Qatar - World FDI Flows & Stocks

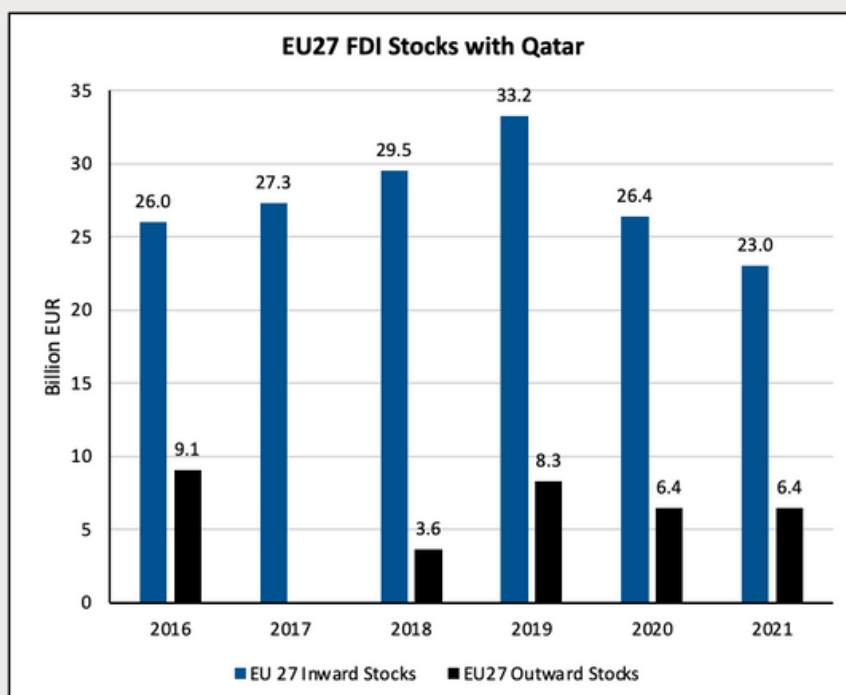


EU27 FDI Flows & Stocks with Qatar

Qatar ranks 205th in FDI Flows to EU



Qatar ranks 27th in FDI Flows to EU



Qatar FDI with World Partners, 2021

- **Qatar's inward FDI flows** from all world partners were -0.9 billion EUR, while **outward FDI flows** were close to 0.14 billion EUR.
- **FDI stocks in Qatar** from all world partners reached 24.3 billion EUR and **Qatar outward FDI stocks** to all partners reached 42 billion EUR.

EU27 FDI with World Partners, 2021

- **EU27 FDI flows to world partners** reached 98.8 billion EUR and **FDI flows to EU27 from world partners** -219.2 billion EUR.
- **EU27 FDI stocks to world partners** were 16,642 billion EUR and **world partners' FDI stocks into EU27** reached 14,051.4 billion EUR.

EU27 - Qatar Bilateral FDI, 2021

- **EU27 FDI flows to Qatar** were -0.4 billion EUR, compared to -1.4 billion EUR in 2020. **Qatar FDI flows to EU27** were -2.5 billion EUR in 2021, compared to -3.6 billion EUR in 2020.
- **FDI stocks from EU27 into Qatar** remained constant in 2021, to 6.4 billion EUR, as in 2020. In 2021, **Qatar's FDI stocks in the EU27** decreased to 23 billion EUR from 26.4 billion EUR in 2020.

Investing in Qatar- Incentives

- Part-ownership in Qatar Shareholding Companies
- Ownership of certain resort properties and residential units
- Exemption from income tax for 10 years and no quantitative quotas on imports
- No quantitative quotas on imports and no customs duties on machinery and equipment
- No restrictions on money exchange and transfer of profits abroad
- Ability to transfer ownership to any other investor or a Qatari partner in case of joint ventures
- No export duties or taxes on corporate profits for pre-determined periods
- Flexible regulations and procedures to import skilled and unskilled workforce
- Low electricity, water and gas rates
- Nominal lease rate of only (5) Qatari Riyals per square meter per year for industrial land sites for the first three years from site assignment and project operation, after which the lease rate will increase to (10) Qatari Riyals.

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/	1st Floor Ministry of Commerce and Industry Lusail City, Qatar Tel (+974) 6611 1400 info@moci.gov.qa
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

- Fraser Institute 'Economic Freedom of the World Annual Report 2023'
- IMF (2023) Saudi Arabia Article IV Consultation Staff Report
- United Nations 'E-Government Survey 2022 - The Future of Digital Government'
- WIPO (2023), 'Global Innovation Index 2023 - Innovation in the face of uncertainty'

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://www.eeas.europa.eu/eeas/EUintheGCC_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

Key Expert - Trade and Foreign
Direct Investment

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.