QATAR

What’s happening in this economy

Qatar has the world’s highest GDP per capita on a purchasing power parity basis. GDP growth is forecast to be 2.6 per cent in 2019, amongst the highest in the Middle East and North Africa.

The oil and gas sector dominates Qatar’s economy, representing nearly 60 per cent of GDP. Qatar has commenced projects to increase LNG production from the current 77 million tonnes a year to 126 million tonnes a year by 2024. This will provide major opportunities in the engineering and construction sector.

Major infrastructure investments are planned for the 2022 FIFA World Cup and to achieve Qatar’s National Vision 2030. These two drivers are estimated to be worth AUD 285 billion in government spending.

Qatar has an estimated population of 2.7 million. Only around 10 per cent of these residents are citizens. A large proportion of expatriates are Indian, Bangladeshi, Nepalese and Filipino, followed by Arabs and other nationalities.

Arabic is the official language, but English is widely used across business.

Following scrutiny in recent years of the welfare of foreign workers, Qatar committed to a series of reforms. While foreign workers continue to report incidents of exploitation, Qatar has made substantial improvements to its labour laws, including on wage levels and payment, reform of the sponsorship system, and promotion of workers voices. Qatar continues to work closely with the International Labour Organization to carry out further reforms.

In June 2017 Saudi Arabia, the UAE, Egypt and Bahrain imposed a diplomatic and trade embargo against Qatar, closing air and land access, and cutting major trade routes. The overall economic impact of this has been less severe than expected—foreign reserves remain similar to pre-blockade levels, and new supply chains have been found.

The new Hamad Port is facilitating Qatar’s trade links and reducing reliance on other regional hubs. There is a move towards greater self-sufficiency in agriculture. But the limitations of agriculture in a desert climate mean continued dependence on long food supply chains.

Trade, investment, and commercial opportunities and activities

• Qatar is Australia’s second largest two-way trade partner and third largest export market in the Middle East and North Africa (MENA).

• In 2018 two-way goods and services trade between Qatar and Australia was worth AUD 2.17 billion:
  – Australian exports to Qatar were dominated by aluminium ores, meat and live animals, and
  – imports from Qatar consisted mainly of fertilisers, aluminium and LNG products.

Key facts and figures

- Population: 2.7 million
- GDP growth: 2.6% (2019)
- GDP per capita: USD 70,288 (2019)
- Political system: absolute monarchy
- Two-way goods and services traded: AUD 2.17 billion (2018)
There are approximately 80 Australian companies registered in Qatar, the largest of these working in the engineering and infrastructure sector:

- Qatar will continue to engage foreign companies to develop infrastructure ahead of Qatar’s National Vision 2030.

Qatar’s sovereign wealth fund, the Qatar Investment Authority, is the 10th largest in the world, and a valued source of foreign investment into Australia:

- this includes through its subsidiary Hassad Food, which has invested significantly in Australian agribusiness.

Australia enjoys a good reputation in Qatar for the quality of its agricultural products, particularly meat and livestock, but also fruit, vegetables and manufactured food products:

- demand for Australian products continues to grow, particularly as Qatar invests in alternative supply chains and continues its push towards greater self-sufficiency
- Australian products are currently available in supermarkets and high-end restaurants, and
- several initiatives have been used to showcase Australian meat and produce in Qatar, including the Australian Embassy’s Australia Day function in January 2019, the Australia Festival across the Lulu Hypermarket Chain in January 2019, and ongoing two-way visits from both government and industry between Qatar and Australia.

Australian expertise in dryland farming could help Qatar grow more food locally to support the Qatari Government’s food security goals.

There are good opportunities to help Qatar build its knowledge-based sectors, including in education and health care.

Qatar Airways now has daily flights to five Australian cities, and there are opportunities to increase collaboration in the tourism sector:

- the Australian Embassy has used targeted social media campaigns in the lead-up to Qatari holiday seasons to increase awareness of Australia as a tourism destination.

Australia’s high quality education system is well recognised in Qatar:

- there are currently 34 Australian institutions on Qatar’s list of approved overseas universities for its students, which is an opportunity to boost the number of Qatari students studying in Australia, and
- there are also opportunities to increase university research collaboration on Qatar’s national priorities, including food security, water security and environmental science.

Trade policy and negotiations

Prospective FTA partner – GCC FTA negotiations have not progressed since the beginning of the blockade against Qatar in June 2017.
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