

QATAR

Business Conditions Snapshot

- Low energy prices and the COVID-19 pandemic have been disruptive, but deep pockets and proven resilience mean Qatar should weather the storm better than most. Post-COVID market opportunities will remain strongest in food and agriculture; infrastructure; and resources and energy.
- Qatar is projected to register a 2 per cent contraction of real GDP in 2020. The decline has been mitigated by fiscal and monetary responses as well as ongoing infrastructure investments associated with the 2022 FIFA World Cup and Qatar's National Vision 2030—worth A\$285 billion in spending.
- Qatar's economy should rebound quickly in 2021 as energy prices stabilise and global LNG demand increases. Non-energy economic sentiment should improve once the COVID-19 pandemic abates. The economy is expected to reach 3 per cent growth by 2022 ahead of the FIFA World Cup.
- Qatar has the world's third largest natural gas reserves and hydrocarbons dominate the economy, representing nearly 60 per cent of GDP. The government has commenced plans to increase LNG production from 77 million tonnes a year to 126 million tonnes a year by 2026. These plans remain on track.
- Qatar continues to focus on diversifying its economy by expanding knowledge industries and establishing itself as a global sports hub. As part of this effort, Qatar has attracted major international education institutions, including Georgetown University and Carnegie Mellon University.
- 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 international criticism, Qatar has made substantial improvements to its labour laws, including on wage levels and payment, reform of the sponsorship system, and the promotion of workers' voices. Qatar continues to work closely with the International Labour Organization to carry out further reforms.
- Since June 2017 Saudi Arabia, the United Arab Emirates (UAE), Egypt and Bahrain have maintained an embargo against Qatar. The overall economic impact has been limited. With Qatar's supply chains now extensively decoupled from UAE and Saudi Arabia, our direct food exports to Qatar have grown rapidly.

Key facts and figures

- Population: 2.7 million (2018)
- GDP growth: 2.0 per cent (2019)
- GDP per capita: US\$69,688 (2019)
- Political system: absolute monarchy
- Two-way trade: A\$2.3 billion (2019)
- Two-way investment: A\$479 million (2019)



MARKET INSIGHTS

CONNECTING AUSTRALIAN BUSINESS TO THE WORLD

- Although Qatar is a sizable market by value, its importance is growing as a global logistics hub, for both trade and tourism. Qatar Airways' should emerge from the crisis with a greater share of both the passenger and cargo market globally, offering opportunities to work with Qatari entities to re-export to the region. Before COVID-19, it operated daily flights to Adelaide, Canberra, Melbourne, Perth and Sydney.

Trade and Investment Opportunities

- Before COVID-19, approximately 3,000 Australians lived in Qatar and nearly 40,000 Australians visited annually.
- In 2019 two-way goods and services trade between Qatar and Australia was worth A\$2.13 billion, making it Australia's second largest two-way trading partner in the Middle East and North Africa region.
 - Australian exports to Qatar were dominated by aluminium ores, meat and live animals, and engineering services.
 - Imports from Qatar consisted of aviation services, fertilisers, aluminium and LNG products.
- There are about 80 Australian companies registered and active in Qatar, the largest of these working in the engineering and infrastructure sector.
 - There are still opportunities for Australian companies to develop infrastructure ahead of the FIFA 2022 World Cup and toward Qatar's National Vision 2030.
 - Opportunities are growing in facilities management as Qatar's infrastructure transitions from construction to maintenance phase.
- Our reputation for quality food means demand for Australian agricultural produce remains strong.
 - This is particularly so for meat and livestock, but also fruit, vegetables and manufactured food products.
- Qatar's US\$50 billion LNG expansion plans provide significant long-term opportunities for engineering services.
 - Qatar's construction conglomerates are seeking Australian engineering expertise to compete for LNG expansion projects.
- Australia's high-quality education system is recognised in Qatar.
 - There are currently 34 Australian institutions on Qatar's list of approved universities abroad for its students.
 - Research links are strong with 24 Australian universities undertaking projects with Qatari institutions in recent years.
 - There are opportunities to further increase research collaboration in science, technology and innovation.



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MARKET INSIGHTS

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- Qatar’s sovereign wealth fund—the Qatar Investment Authority—is the 10th largest in the world and looking to grow its investment portfolio in Australia.
 - This includes through its subsidiaries Hassad Food and Nebras Power, which have invested about A\$3 billion over recent years in Australian property, logistics, energy and agriculture sectors.

Trade Policy Focus

- Negotiations for the Australia–Gulf Cooperation Council Free Trade Agreement have not progressed since the beginning of the blockade against Qatar in June 2017.

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Insight current as at December 2020.



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