

Qatar News Update

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I thought you might be interested in the latest developments regarding the State of Qatar.

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Qatar Builds Global Partnerships

- The U.S. is Qatar's largest source of FDI, having invested \$110.6 billion into Qatar, while Qatar has invested \$200 billion into the U.S. economy.

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- The U.S. exported \$6.5 billion to Qatar in 2019, and over \$23 billion in the last five years, making the U.S. the largest single source of imports.
- With \$9.4 billion in trade between the two countries in 2019, there was over 100% growth since 2017, making the U.S. its largest trade partner.
- During the U.S.-Qatar Strategic Dialogue, the two countries signed several agreements, including: the Qatar-US 2021 Year of Culture; the U.S. and Qatar Foundation partnership for U.S. Fulbright Scholars to study several important fields of study in Qatar; an MoU with the Qatar Foundation, Qatar Museums, and the Smithsonian Institution on educational, cultural, and sports collaboration; and an MoU between NASA and the Qatar Foundation to create a study to detect underground water aquifers.
- The two countries are committed to long-term cooperation in defense, counterterrorism, promoting regional peace and security, civil aviation (open skies agreement), providing humanitarian aid, law enforcement collaboration, stopping the financing of terrorism, stopping human trafficking, academic and cultural exchanges, science and innovation collaboration, expanding trade and investment, and health cooperation, especially with COVID-19.
- U.S. Secretary of State Pompeo praised the Qatar-U.S. relationship stating, “The MoU emphasizes that our partnership has grown beyond just defense and economics into one of true friendship and community between our people and our two countries.”
- Recently, the Qatari Businessmen Association (QBA) and several U.S. Embassy officials met to discuss further cooperation in all economic sectors, increasing FDI, and expanding domestic SMEs into the others’ economic market.
- Qatar’s Deputy PM and its Minister of State for Defense Affairs met with the U.S. Assistant Secretary of State for Political-Military Affairs, where they discussed the bilateral relationship between the countries, especially in the areas of politics and military affairs.
- According to the U.S. Deputy Assistant Secretary of State for Gulf Affairs, the U.S. is moving ahead with naming Qatar as a major non-NATO ally, a move which would provide Qatar with benefits in defense trade, security cooperation, preferential access to U.S. military equipment and technology, expedited export processing, and prioritized cooperation in military training.
- U.S. Secretary of State Pompeo reaffirms that the U.S. wants to end the Qatar blockade and has asked the Gulf countries to resolve their issues with Qatar.
- U.S. Coordinator for Counterterrorism Ambassador Nathan Sales traveled to Qatar in August to express Washington’s gratitude “for its commitment to combating global terrorism and its dedication to a robust partnership with the United States on counterterrorism and security.”
- Recently, Qatar enacted a new PPP law that has opened the door for FDI, especially from U.S. based companies. The goal being to help build projects for the Qatar National Vision 2030 and the Qatar 2022 FIFA World Cup. The country estimates that it will award about \$85 billion in PPP projects before 2030, including construction on roads, tunnels, schools, telecommunications, hotels, and hospitals.
- The U.K. and Qatar signed a statement of intent to increase bilateral cooperation in defense and to help increase the security and stability of the region. In addition to the already functioning U.K.-Qatari joint Typhoon squadron, the U.K. will house the Qatari Emiri Air Force’s (QEAF) nine Hawk aircraft on a British base.
- The U.K. and Qatar are increasing bilateral economic cooperation and trade, encouraging SMEs to expand into the others’ economic market, and increasing FDI between the two countries.
- Qatar and Germany are expanding bilateral trade, already exceeding \$2.31 billion in 2019, an increase of 10% from 2018 making Germany Qatar’s 11th largest trade partner. Hundreds of German companies are now operating in Qatar, bringing in FDI and helping to build infrastructure for the 2022 FIFA World Cup.
- Qatar and the South Sudan have announced their intent to build diplomatic relations and strengthen their cooperation politically, economically, commercially, and culturally.

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- Qatar has changed its laws to allow foreigners to own real estate in more areas within the country, in an effort to increase foreign investment, boost the real estate market, and diversify its economy. The country has also increased incentives for foreigners to buy property, including the option of obtaining semi-permanent residency for foreigners buying property over \$200,000 and the possibility of obtaining permanent residency for foreigners who buy property over \$1 million.

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Humanitarian Aid for Countries in Need

- Qatar provided immediate assistance to Beirut following the explosions in August, sending field hospitals, medical aid, collapsible beds, generators, and burn sheets.
- It also provided \$50 million to help rebuild Beirut after the devastating blasts.
- Qatar Red Crescent Society's relief groups worked to repair homes in Beirut that were damaged by the explosion, and delivered over 70,000 face masks, face shields, hand sanitizers, and gloves to help aid first responders.
- Qatar Charity has donated QR 57 million for the 2019-2020 winter campaign "Warmth and Peace", which will provide food, shelter, medical aid, winter assistance, and financial support for Syrian and Palestinian refugees in refugee camps in 13 countries, reaching more than 1,247,546 displaced persons.
- The U.S. applauded Qatar's \$500 million multi-year assistance pledge (\$8 million annually from 2019-2023) to support forcibly displaced persons and refugees.
- Qatar has committed \$88 million to support COVID-19 relief to over 80 countries.
- Qatar Charity and Qatar Airways provided 100 tons of food, medical supplies, personal hygiene kits, mattresses, blankets, and shelter tents to help those affected by Sudan's worst flood in over a century.

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Qatar Sets Sustainable Energy Goals

- Qatar's National Vision 2030 aims to achieve 20% non-gas energy by 2030. The country is working to diversify its energy market through investments in photovoltaic (PV) solar energy.
- A new 800MW PV solar plant will generate power for the Qatar General Electricity & Water Corporation-Kahramaa.
- The Ministry of Energy and Ministry of Municipality and Environment are working on a technology that will convert the treatment of solid waste into electrical energy.
- Qatar General Electricity and Water Corporation has a new 1-MW/4-MWh energy storage facility, which will store energy using Tesla batteries, allowing the country to secure production capacity at peak times, raise energy efficiency, and become more sustainable.

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Qatar's Economy and Labor Market have a Positive Future

- Qatar's new labor reforms include a higher non-discriminatory minimum wage (\$274 a month, with an extra allowance of \$137 for accommodation and \$82 for food) and the dismantling of the kafala sponsorship system, which will allow migrant workers to change jobs without a No-Objection Certificate (NOC) from their current employer. These laws will increase migrants living standards and create greater opportunity for migrants, while also benefiting Qatar's long-term economic development by encouraging competition and bringing higher skilled workers.
- With 95% of Qatar's workforce consisting of foreign migrants and expats, making up 90% of its population, these reforms will have drastic impacts on the standard of living in Qatar, and will hopefully create a more permanent and more successful workforce with greater competition.
- The E.U. welcomed the new labor reforms as they are the first of their kind in the Middle East and will hopefully set the stage for worker rights in the region.
- Qatari Minister of Administrative Development, Labor & Social Affairs HE Yousuf Mohamed Al Othman Fakhroo stated, "The State of Qatar is committed to creating a modern and dynamic labor market. In line with Qatar Vision 2030, these new laws mark a major milestone in this journey and will benefit workers, employers, and the nation alike... Because of the change, the country expects billions of additional pounds to be remitted overseas in local currencies or reinvested in Qatar's economy each year."
- Moody's recently issued the country's unsecured debt rating of Aa3, this exceptional rate is credited to the country's resilience to shocks and destabilizing events, like the COVID-19 pandemic. The country's resilience can be attributed to the country's high level of per-capita income, its large hydrocarbon reserves that require low extraction costs, its net asset position, and its track record of macroeconomic policy effectiveness.
- Qatar's E-commerce sector is expected to grow from \$1.3 billion to \$3.2 billion by 2022. Due to COVID-19's government-imposed restrictions E-commerce has greatly increased, with many businesses moving more to online sales.

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All the best,

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