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Qatar moves fiscal year-end, reforms budget policy

Qatar's government is moving the end of its fiscal year to Dec. 31 from March 31 and giving more power to the finance ministry in reforms designed to help the government carry out tens of billions of dollars of infrastructure projects.

The changes are contained in a financial system law issued on Tuesday by the emir, Sheikh Tamim bin Hamad al-Thani, the official Qatar News Agency reported.

Finance minister Ali Sherif al-Emadi told QNA that the change to the fiscal year-end would make government operations more compatible with the requirements of the private sector and international financial institutions, which tend to base their budgets on calendar years.

The state budget for the current fiscal year to March 31, which originally envisaged a 3.7 percent rise in government spending to 218.4 billion riyals ($59.98 billion), will be extended to the end of 2015.

The transition will not affect any of the government's planned projects and investments, Emadi said.

The new law also gives the finance ministry authority to prioritise economic development projects if there are disputes about them among state entities, enlist the aid of other government councils and ministries, and issue government debt in local or foreign markets in coordination with the central bank.

Qatari officials have said they planned to spend as much as about $200 billion on transport, electricity generation, water supply, housing and other projects between 2013 and 2018, as the country gears up to host the 2022 soccer World Cup.

But some projects are threatened by delays due to bureacratic red tape, while billions could be wasted if construction efforts are not coordinated to minimise pressure on supplies of labour and raw materials. The new law may allow the finance ministry to carry out projects more efficiently.

The plunge of oil and natural gas prices since mid-2014 has hurt Qatar's state finances, but the world's largest gas exporter is so wealthy that economists believe it will be able to continue spending heavily - although some projects may be delayed or scaled back out of prudence.

A Reuters poll of analysts in January found them predicting Qatar would continue running a budget surplus in 2015 and 2016, even as several other Gulf energy exporters suffered deficits.

The surplus for the 10 months through January totalled more than 100 billion riyals, central bank governor Sheikh Abdullah bin Saud al-Thani said this week, QNA reported. In the fiscal year to last March 31, the surplus rose to a record 115.0 billion riyals, or 15.6 percent of gross domestic product. (Reporting by Sami Aboudi and Andrew Torchia; Editing by Olzhas Auyezov)

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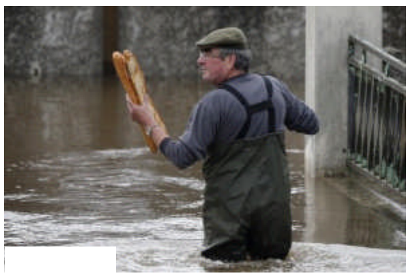

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