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**COUNTRY
REPORT**

Qatar

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Division, International Relations & Regional Policy

SEV Hellenic Federation of Enterprises

T. +30 211 5006 152

E. ir@sev.org.gr

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1. General information: Qatar

Geography

- Qatar, officially the State of Qatar, is a country in West Asia. It occupies the Qatar Peninsula on the northeastern coast of the Arabian Peninsula in the Middle East; it shares its sole land border with Saudi Arabia to the south, with the rest of its territory surrounded by the Persian Gulf. The Gulf of Bahrain, an inlet of the Persian Gulf, separates Qatar from nearby Bahrain. The capital is Doha, home to over 80% of the country's inhabitants. In the 21st century, Qatar emerged as both a major non-NATO ally of the United States and a middle power in the Arab world. Its economy has risen rapidly through its resource-wealth and its geopolitical power has risen through its media group, Al Jazeera Media Network, and reported support for rebel groups financially during the Arab Spring. Qatar also forms part of the Gulf Cooperation Council.
- Capital city: Doha

Population

- Total Population estimate: 3,063,005 (2023)
- The population density in Qatar is 264/km² (683.8/sq mi).

Ethnic Origins: 49% Arab, 43% South Asian, 21.8% Indian, 12.5% Bangladeshi 4.7% Pakistani, 4.35% Sri Lankan, 7% other

Religion: 65.5% Islam (official), 15.1% Hinduism, 14.2% Christianity, 3.3% Buddhism, 1.9% other

Official Language: Arabic

Government: Unitary parliamentary semi-constitutional monarchy under an authoritarian state

- **Emir:** Tamim bin Hamad
- **Deputy Emir:** Abdullah bin Hamad
- **Prime Minister:** Mohammed bin Abdulrahman

National Currency: Qatari riyal (QAR)

Overview

With just 300,000 citizens, Qatar enjoys among the highest gross domestic product (GDP) per capita in the world and looks to overseas partners to achieve strategic goals, as outlined in Qatar National Vision 2030. According to the World Bank, by the end of 2022, Qatar's annual gross domestic product (GDP) saw 4.8% growth – primarily due to a strong hydrocarbon market and the FIFA's Men's World Cup. In April 2023, the International Monetary Fund (IMF) forecasted Qatar's 2023 real GDP growth would be 2.4%. Near-term growth is boosted by the ongoing Liquefied Natural Gas (LNG) expansion and domestic demand for goods and services. Qatar's continued economic diversification endeavors will further support economic growth in the medium-term. The IMF forecasts strong fiscal surpluses in the coming years, even before the North Field Expansion project comes fully online, with the government's 2022 budget surplus reaching 10% of GDP.

2. Economy

2.1. Economic and Political Overview

The Emirate's economy is heavily concentrated in the gas industry, which represents two-thirds of its GDP and almost 80% of export earnings. Qatar's decade-long endeavors to diversify the economy reached fruition with the successful hosting of the 2022 FIFA World Cup. Following robust growth in 2022 (4.9% of GDP) fueled by elevated natural gas prices and the aforementioned World Cup, the Qatari economy continued to expand in 2023, albeit at a slower rate (1.6% as per the IMF latest estimates). Near-term growth normalization is anticipated, with non-hydrocarbon sectors driven by public project investments, the North Field LNG expansion project, and subsequent benefits in logistics, manufacturing, and trade. Over the medium term, growth is projected to average around 5.5%, bolstered by substantial LNG production expansion and initial reform progress from the forthcoming Third National Development Strategy (NDS3).

The central government fiscal surplus increased to approximately 10% of GDP in 2022. Substantial fiscal surpluses persisted through the third quarter of 2023, supporting a projected surplus of 7.5% of GDP for the year. At the same time, non-hydrocarbon revenues increased due to higher corporate earnings, driven by the rise in tourist arrivals. The debt-to-GDP ratio decreased marginally in 2023 (to 41.4%, from 42.4% one year earlier), and is expected to follow a downward trend over the forecast horizon, reaching 46.3% by 2025 (IMF). With the decline in global commodity prices and the normalization of domestic demand, headline inflation eased to below 3% in 2023 and is expected to remain around 2% over the medium term. The Qatar Investment Authority (QIA) holds total assets estimated to be around 200% of GDP. Its overseas investments encompass diverse sectors including sports, entertainment, media, ports, real estate, retail, and airports. This strategy enables the emirate to utilize its external surplus, enhance the country's prestige, and generate additional investment income. Banks exhibit strong capitalization, liquidity, and profitability, with a capital adequacy ratio of 19% and a return on equity of 14.6% as of Q2/2023.

Qatar is overall a politically stable, rich country (it had the fifth-highest income per capita in the world in 2022 according to the World Bank, PPP, at USD 114,648). It is estimated that 85% of the inhabitants are expatriates, whose rights are limited, despite the progress made with recent reforms. According to World Bank, unemployment is almost null, representing 0.1% of the total labour force in 2022.

Table 1: (Qatar Economic Forecasts - 2022-2026 Outlook)

Main Indicators	2022	2023	2024	2025	2026
GDP (billions USD)	236.26	234.22	244.69	251.90	269.00
GDP (Constant Prices, Annual % Change)	4.2	1.6	2.0	2.0	5.9
GDP per Capita (USD)	80,573	78,696	81,400	83,382	88,598

General Government Gross Debt (in % of GDP)	42.5	39.4	37.3	36.1	35.0
Inflation Rate (%)	5.0	3.1	2.6	2.4	2.2
Current Account (billions USD)	63.12	43.87	38.08	33.16	30.98
Current Account (in % of GDP)	26.7	18.7	15.6	13.2	11.5

Source: IMF – World Economic Outlook Database, October 2021

2.2. SWOT Analysis

Strengths

- Efficient bureaucracy and a low corporate tax rate in Qatar attract business and helps reduce costs and work hours.
- Strong rules of law and protection of intellectual property legislation ensure that business property is adequately protected.
- Vast gas reserves provide a bedrock for GDP growth while global prices and demand continue to rise.
- Continuing high levels of GDP per capita guarantee, a market for imported goods and non-essential or luxury items.

Weaknesses

- The regional security and geopolitical outlook have darkened considerably in H2 2024 since Israel and Iran have traded airstrikes.
- General bias in favor of domestic investors and restrictions on FDI limit the options and potential profits for foreign investors in Qatar.
- Any drop in LNG prices has a large effect on the economy due to its intrinsic vulnerability to global fluctuations.
- Access to international financial markets remains limited, leading to a lack of available liquidity for businesses.
- Energy prices remain elevated in 2023 and support headline economic growth.

Opportunities

- Heavy economic diversification in line with Qatar National Vision 2030 to support economic vertical expansion.
- Diversification within the European energy sector favors growth in Qatari exports of LNG.
- 2024 World Aquatics Championships to support heavy infrastructure spending, CapEx and multiple non-oil economic sectors.
- Increasing prevalence of e-government services is streamlining bureaucratic procedures for businesses, saving time and costs.

Threats

- Risks of a regional war between Israel and Iran and its proxies continue to rise heading into 2025.

- Attacks on international shipping vessels in the Red Sea by Yemeni Houthi rebels in 2025 could result in shocks to the regional freight and logistics sectors.
- Israel-Hamas conflict could present additional downside risks, especially if the Iranian and Israeli forces trade further hostilities.
- Foreign businesses may find that Qatari bids for government contracts are preferred.
- With large-scale infrastructure construction for the 2022 World Cup now complete, the outlook for future projects is comparatively weak.
- Attempts to diversify the economy are gradual and favorable hydrocarbons prices will slow down diversification, potentially leaving Qatar vulnerable to hydrocarbon price fluctuations for an extended period of time.

2.3. Structure of the Economy

Qatar's agricultural sector is almost non-existent due to the country's climate and a lack of arable land. It is estimated to account for only 0.3% of GDP, employing 1% of the workforce (World Bank, latest data available). Although Qatar experiences a dry climate, it has embraced and implemented sustainable and intelligent technologies, such as automated irrigation systems, hydroponics, and aquaponics, to improve both the quality and quantity of fruits and vegetables. The country is self-sufficient in fresh poultry and dairy.

The economy of Qatar is based on the oil and natural gas sectors: proved natural gas reserves represent 11% of the world total and the third-largest in the world, while proved oil reserves exceed 25.2 billion barrels, which means the production could continue for over 50 years at current levels. Qatar's liquefied natural gas (LNG) industry has attracted tens of billions of dollars in foreign investment and made Qatar the world's second-largest exporter of this commodity (after the U.S.). Being the country's main economic engine and government revenue source, Qatar is highly dependent on the oil & gas sector, thus after the drop in commodity prices in recent years, it tried to diversify its economy, focusing mainly on manufacturing, construction, leading non-oil GDP to steadily rise to just over half the total. The construction sector in particular was booming due to the preparation for the 2022 FIFA World Cup of football. Overall, the industrial sector contributes 65.4% of GDP and 40% of employment, while manufacturing accounts for 9% of GDP (World Bank).

The services sector is based mainly on financial services and is estimated to account for 38.5% of GDP, giving employment to 59% of the active population (World Bank). According to official data, approximately 8% of the country's GDP in 2022 came from the financial sector (USD 19 billion). Tourism is also an important economic sector: the "Qatar Tourism Strategy 2030" set a target to attract over 6 million international visitors a year by 2030. The country saw a 5-year tourism high with 4 million visitors in 2023. The transportation and storage sector contribution to Qatar's GDP as of 2022 stood at USD 9.9 billion.

Table 2: Breakdown of Economic Activity By Sector

Breakdown of Economic Activity By Sector	Agriculture	Industry	Services
Employment By Sector (in % of Total Employment)	1.2	54.0	44.8
Value Added (in % of GDP)	0.3	65.6	38.3
Value Added (Annual % Change)	7.7	2.5	6.8

Source: World Bank, Latest Available Data. Because of rounding, the sum of the percentages may be smaller/greater than 100%.

2.4. Investment

Foreign direct investment flows into Qatar have generally followed an upward trend in the past several years, thanks to the country's political stability, a stable currency pegged to the U.S. dollar, high-quality infrastructure and one of the lowest corporate tax rates in the world (10%). However, following the diplomatic crisis with countries such as Saudi Arabia, the UAE and Kuwait, the Qatari economy experienced a negative impact. This was compounded by the global economic crisis triggered by the Covid-19 pandemic. According to UNCTAD's World Investment Report 2023, FDI flows stood at only USD 76 million in 2022, after a negative inflow of USD 1.09 billion one year earlier. At the end of the same period, the stock of FDI was estimated at USD 27.6 billion, around 12.2% of the country's GDP. However, Qatar is also a key international investor, thanks to its large foreign exchange reserves (the stock of outward FDI stood at USD 50 billion as of 2022). As per the figures from the Investment Promotion Agency Qatar (IPA Qatar), the country attracted USD 29.8 billion in inward FDI projects in 2022: a total of 135 new FDI projects were recorded, creating 13,972 new jobs in 2022. The largest contributors to FDI inflows are the U.S., Japan, South Korea and Singapore, while the main sectors attracting foreign investment are oil and gas, construction, public works and financial services.

Qatar aims to become a leading country in terms of its business and foreign investment environment. In May 2018, the government approved a law that allows non-Qatari investors to own 100% capital in all sectors, while many Qatar Stock Exchange listed companies have increased their foreign ownership limit to 49%. Law 1/2019 imposes a restriction on foreign ownership, capping it at 49 percent in the banking, insurance, and commercial agency sectors, unless specifically permitted by the Cabinet. Certain sectors, such as telecommunications, are monopolized by local state-owned enterprises, preventing both domestic and foreign competition. One element that limits the expansion of FDI flows into Qatar concerns its policies governing the private sector, especially due to the long amount of time it took to establish a privatization program. Other elements that hinder FDI are the country's relatively small domestic market, a lack of a skilled workforce and high cost of living, and the current diplomatic and commercial relations with other Arab countries. The public-private partnership program launched recently is expected to improve the situation. According to UNCTAD, Qatar has signed 67 bilateral investment treaties (BITs), 32 of which are currently in force. Moreover, as a member of the Gulf Cooperation Council (GCC), Qatar has entered

into 12 treaties with investment provisions (TIPs). Qatar ranks 50th among the 132 economies on the Global Innovation Index 2023 and 28th out of 184 countries on the latest Index of Economic Freedom.

Table 3: Foreign Direct Investment - UNCTAD

Foreign Direct Investment	2020	2021	2022
FDI Inward Flow (million USD)	-2,434	-1,093	76
FDI Stock (million USD)	28,627	27,534	27,610
Number of Greenfield Investments*	35	98	162
Value of Greenfield Investments (million USD)	897	1,188	29,974

Source: UNCTAD, Latest available data

Strong points for FDI in Qatar:

Qatar is an attractive country for FDI, with significant opportunities for investment in infrastructure, healthcare, education, tourism, and financial services. The reasons to invest in the country include the following:

- Qatar is one of the fastest-growing economies in the world
- It was ranked third globally by the World Bank's 2020 Doing Business Report for its taxation regime (the corporate tax rate is 10% and there is no personal income tax)
- Low cost of energy
- Good infrastructures
- Inexpensive labour force provided by migrant workers
- The FIFA World Cup 2022 represents an occasion for investments
- The government provides various incentives to local and foreign investors
- The country enjoys one of the highest per capita incomes in the world
- Political stability
- Investment-friendly environment: up to 100% foreign ownership in all sectors, extensive economic zones with a tax exemption or full profit repatriation

Weaknesses for FDI in Qatar include:

Qatar's investing landscape weak points are:

- The economy's heavy dependence on hydrocarbons and foreign workforce
- A requirement for 51-49% partnership split in favour of Qatari nationals
- An expected budget deficit of USD 9,5 billion in 2021 (Qatari Ministry of Finance)
- Small domestic market
- Preferential treatment is given to suppliers using local products in government procurement

- Import licenses issued only to individuals with Qatari nationality or companies owned or controlled by Qataris
- The country's untransparent system of rulemaking
- Weaknesses in data transparency

Government Measures to Motivate or Restrict FDI:

The government remains the dominant actor in Qatar's economy, though it encourages private investment in many sectors and is willing to attract more foreign investment. Indeed, as part of its National Vision 2030, the government of Qatar has adopted reforms to encourage foreign investment in the economy.

A new Public Finance Law (Law No. 2/2015) aims to optimize the use of public funds and introduce international best practices and standards in Qatar's financial framework.

The government recently introduced reforms modifying the country's foreign investment regulations by allowing 100% foreign ownership of businesses in more economic sectors. The government is also implementing a regulatory regime to curb corruption and anti-competitive practices.

Qatar has several free zones (Ras Boufantas and Umm Alhoul) and business facilitation options (Qatar Financial Centre and Qatar Science and Technology Park). The government established an independent Free Zone Authority in 2018 to supervise free zones in Qatar and provide investors with opportunities and benefits.

Bilateral investment conventions signed by Qatar.

Qatar has signed over 49 bilateral international investment agreements.

2.5. Taxation

Company Tax: 10%

Tax Rate for Foreign Companies. An entity that is wholly or partially foreign-owned and that derives income from sources in Qatar is taxable in Qatar, regardless of the place of its incorporation. A company is resident in Qatar if it is incorporated in accordance with Qatari laws, its head office or its place of effective management and control is situated in the country (residency is used to determine whether withholding taxes will apply on payments, but not for corporate income tax purposes).

Capital Gains Taxation: Capital gains are aggregated with other income and are subject to tax at the regular corporate income tax rate.

Main Allowable Deductions and Tax Credits: Expenses occurred to generate income are generally deductible, provided they are not capital in nature. Other deductible expenditures include: employee costs (including salaries, wages, gratuities, and other ends of service benefits), losses resulting from the sale of assets, rents, insurance premiums. Bad debts are deductible subject to approval of the

General Tax Authority. Interests on loans are deductible (subject to conditions). Entertainment expenses are deductible up to 2% of net income or QAR 500,000, whichever is lower. Certain charitable contributions are deductible, up to 3% of the net profit in the year in which the deduction is claimed. Payments to foreign head offices are deductible up to 3% of the total revenue less certain other costs (1% for banks and insurance companies). Losses may be deducted from the net income during the year. Losses can be carried forward for five years after the year in which they were incurred, but cannot be carried back.

Other Corporate Taxes: Employers have to pay social insurance in respect of Qatari employees (10% of the basic salary) but have no obligations for foreign employees. Employees' salaries, wages, and allowances are not subject to income tax. Although no property or transfer taxes are levied in Qatar, fees may be payable to the government by the owner on the registration of property and by the landlord on the registration of leases.

3. Buying and Selling

3.1. Marketing opportunities

Consumer Profile: Qatar has a population of 2.64 million (Planning and Statistics Authority of Qatar, 2021), however, it is mainly comprised of expats as Qatari citizens were no more than 333,000 in 2019 (Priya Dsouza Communications, latest data available). The population (and thus the customer base) has tripled in the decade up to 2011. The median age of the population is 33.7 years. In terms of age structure, the group between 0-14 years represents 12.84% of the population, the one 15-24 years 11.78%, 25-54 years 70.66%, 55-64 years 3.53% and 65 years and around 1.19% (CIA World Factbook, 2020 est.). The totality of Qatari consumers are urban dwellers: the country has an urbanization rate among the highest in the world, at 99.2% in 2020 (CIA World Factbook). Qatar has the highest level of GDP per capita in the world, estimated at USD 59,140 in 2021 (IMF). Such high levels of national wealth have helped to underpin the development of a strong retail market, nevertheless, inequalities are still evident. In recent years the cost of living has grown significantly, fueled by high rental rates. The large presence of expats has influenced the products on offer in many retail establishments. In June 2017, Saudi Arabia and an array of other Arab countries abruptly cut all diplomatic relations with Qatar, impacting the country's retail market. However, this issue, which was one of the most severe diplomatic crises in the history of the Arabian Peninsula, ended in January 2021 when Saudi Crown Prince Mohammed bin Salman received the Emir of Qatar, Sheikh Tamim bin Hamad al-Thani.

Consumer Behavior: In general, for Qatari consumers price is the key factor when making a purchase decision, and they actively seek sales and promotions whenever possible. However, consumers also take into consideration the quality of goods and services offered and are willing to try new products: the new-to-market status of goods could offer a competitive advantage. Qatar is one of the biggest markets in the world for luxury products, and this trend is expected to continue in the next years. Fashion

involvement, brand consciousness and social comparison have a significant impact on consumers' attitude toward luxury brands. Qatari consumers seek reviews and comments before considering purchasing a product or service, as in general they trust other consumers feedback more than advertising campaigns. Currently, advertisements in newspapers are the most common way to promote food and other fast-moving consumer goods.

Qatar is also trying to expand its e-commerce market as the country has many of the key ingredients for a favorable online market: a population with high levels of disposable income, a strong and secure ICT infrastructure, and a highly connected society. In fact, Qatar has been ranked number one in the world in 2020 in terms of internet penetration, with a rate of 99% (Digital Report 2020, We Are Social). Prior to Covid-19, consumers still generally shopped in-store, due to questions of cultural affiliation, ease of access to modern shopping malls, and because they preferred to see the product and interact with a salesperson, who could provide them with direct information before making a purchase. In 2020, e-commerce activity in Qatar has increased significantly as a result of the restrictions imposed on consumers and retailers by the Covid-19 pandemic. Qatar's e-commerce industry is projected to jump from QAR 4.7 billion (US\$1.3 billion) to QAR 12 billion (US\$3.2 billion) by 2022 (USDA). While e-commerce is rising, having a local representative is still the most effective way to reach the consumer base. Foreign companies are not allowed to directly market to the Qatari consumer base without registering as an entity in Qatar and acquiring local representation.

3.2. Internet and Ecommerce

Internet access: Qatar has been ranked number one in the world in terms of internet penetration rate for the period between January 2017 and January 2018. According to the "Digital in 2018" report, with over 2.6 million internet users Qatar has 99% internet penetration rate. The country's smartphone penetration has reached 75%, with the usage being mostly concentrated within the 15-34 age group, split evenly between males and females (Qatari Ministry of Transport and Communications). The most popular web search engines in Qatar are Google (97%), Bing and Yahoo (1.5% and 1.1% respectively).

E-commerce market: Figures released by the Ministry of Transport and Communications (MoTC) revealed that Qatar's e-commerce market is expected to grow from US\$ 1.3 billion in 2017 to US\$ 3.2 billion in the next five years. In 2017 the e-commerce market already grew by 14% compared to the previous year. Travel, electronics and fashion are the main product categories purchased online. Famous websites for online shopping are Dohasooq.qa, Ubuy.qa and Getit.qa. Cash on delivery is the preferred payment method (75%), followed by credit card (19%) and other services like PayPal (6%) (Go-Gulf). With 2.4 million users, Qatar has one of the highest social media penetration rates in the world, according to a report by Hootsuite. Qatar also had the highest percentage of any population using social media through mobile devices (around 95%). Most internet users in Qatar use WhatsApp (93%) and about two-thirds use Instagram and Snapchat (70% and 64%, respectively, according to MidEastMedia). Fewer than one in four Qatari internet users use Facebook (23%).

3.3. Distribution: According to Alpen Capital, the Qatari retail market is expected to grow at a compound annual growth rate (CAGR) of 9.8% reaching \$284.5 billion in 2018, the fastest in the Gulf Cooperation Council region. The government has ambitious plans to develop its retail landscape to meet the rising demand of the growing population's high level of personal consumption. Key projects already underway include the Mall of Qatar, Doha Festival City and Place Vendome. The continued low oil price means the Qatari Government is seeing its state revenues decline. As such, the country is actively seeking foreign and private sector investment, in order to better respond to this factor. The development of the retail sector will help to shore up its economy and presents excellent opportunities for foreign investors, especially in the luxury retail. In 2015, the country was ranked as the fourth most attractive retail market according to the Global Retail Development Index (GRDI), placing it first in the Middle East. Recent government initiatives have already helped to pique investment interest among foreign companies. Plans to pass a law to introduce the use of public-private partnerships (PPPs) by the end of 2016 is believed to be a positive move which will likely attract further foreign investment. PPPs are seen as a feasible alternative to more traditional procurement models and will allow private investors to take stakes in projects along with the government, bearing part of the risk and sharing profits.

Qatar's rapidly growing population, coupled with its strong purchasing power per capita are strong fundamentals driving the growth of the retail sector. The country's affinity for luxury goods has already triggered entry plans by high-end retailers, and we expect more brands will follow suit given an additional one million square metres of retail space is scheduled to be added in Doha in the coming years. Foreign investors definitely stand to gain from Qatar's burgeoning retail market.

Market share: The Government of Qatar is the biggest end-user of a wide range of products and services. The government procurement process is based on standard tender procedures. A foreign supplier wishing to participate in government tenders may appoint a local commercial agent.

According to Euromonitor, private supermarkets account for the vast majority of retail sales, and this sector is currently expanding. In this way, the main players are:

- **Carrefour** with both hypermarkets and supermarkets (Carrefour market) in most of the shopping malls (City Center, Villaggio, Ezden Mall, Lagoon Mall, Salam Mall)
- **Lulu Hypermarket** with big stores and a good electronic appliance mix of products
- **Mega Mart** with a large assortment of imported products
- **Monoprix** with a large range of food products (50% of the store) and cosmetics products.
- **Al Meera Group** in a partnership with the french Géant

According to the International Trade Administration, the following distribution channel was in place in 2020: the importer/agent sells to private supermarkets (60%), cooperatives (20%), institutional users (10%) and wholesalers and convenience stores (5%).

3.4. Customs

International Conventions: Member of the World Trade Organization (WTO)

International Economic Cooperation: Member of the Gulf Cooperation Council (GCC)

Member of the Organisation of the Petroleum Exporting Countries (OPEC).

The country is also part of the Greater Arab Free Trade Area (GAFTA), a pact of the Arab League entered into force in January 2005 which aims to form an Arabic free trade area.

Non-Tariff Barriers: Qatar has no import quotas, however, non-tariff barriers arise occasionally.

- For instance, unlicensed military and security items are not allowed. Furthermore, a ban on pork was maintained until late 2011 but was lifted in 2012. The sale of pork remains heavily regulated and sales are restricted to only one distribution point managed by the Qatar Distribution Company (QDC).
- With certain exceptions, Qatar's foreign investment law limits foreign ownership of local entities to 49% of the entity's capital. However, foreign investors may own 100% of an entity's capital in sectors such as agriculture, industry, health care, education, tourism, and the exploitation and development of natural resources subject to approval by the Government of Qatar. Foreign investors must receive permission from the Government of Qatar to invest in the banking and insurance sectors.
- Foreign investment is not allowed in commercial agencies and real estate, although there are limited opportunities for foreigners to own interest (and have rights in land use) in select residential real estate projects for a term of 99 years renewable upon government approval.
- Bank loans are based on market terms with priority given to local organizations for the purpose of public development projects.
- Qatar gives preferential treatment to suppliers using local content in bids for government procurement. Bids for government contracts that contain goods with Qatari content are discounted by 10% and goods from other countries in the Gulf Cooperation Council receive a 5% discount.

Customs Duties and Taxes on Imports: In accordance with the Gulf Cooperation Council (GCC) Customs Union, outlined in Law No. 41/2002 and implemented as the GCC Unified Customs Law on January 1, 2003, Qatar imposes a 5% ad valorem tariff on the cost, insurance and freight (C.I.F.) invoice value of most imported products, including food products.

There remain some exceptions and limitations when importing into Qatar:

- The GCC has approved exemptions for approximately 400 goods (including basic food products such as live animals, fresh fruit and vegetables, seafood, wheat, flour, rice, feed grains, spices, seeds for planting and powdered milk), diplomatic and consular imports, military and security products, civilian aviation, personal effects and used household items, passenger accompanied luggage and gifts, goods destined for charitable use, ships and other vessels for the transport of passengers and floating platforms, and products to be used for industrial projects.

- Customs duties of 30 % are levied on imports of urea and 15 % on imports of records and musical instruments.
- Pork and pork products are illegal under Qatari law.
- Tobacco products and alcoholic beverages are subject to a 100 % import duty.

Note that projects funded by the Qatar Industrial Development Bank (QIDB) can be granted a customs duty waiver for the import of machinery, raw materials, and other industrial inputs.

Customs Classification: Qatar is a member of the World Customs organization and does comply with the harmonized customs system.

Import Procedures: All importers are required by law to have an import license. Import licenses are issued only to Qatari nationals, or to the Qatari partner in a limited liability partnership. These licenses must be registered with the Ministry of Business and Trade. The same applies to wholly foreign-owned entities operating in Qatar; however foreign-owned businesses in Qatar must have a Qatari partner. Imported meats, including beef and poultry products, require a health certificate issued by the country of export and a 'Halal' slaughter certificate issued by an approved Islamic center in that country. In order to clear goods from customs zones at ports or land boundaries, importers must submit certain documents including a detailed customs declaration, bill of lading, certificate of origin, pro forma invoice and import license. Information on specific requirements should be obtained from the Customs and Ports General Authority. Inspection of goods is generally conducted at customs stations or as directed by the Director-General, in the presence of the owner or his representative.

Importing Samples: There are no specific procedures for samples shipments. Sample shipments require the same set of documents as a normal shipment. The value of goods should still appear on the commercial invoice indicating "for customs clearance purpose only" on the invoice. Zero value invoices are not acceptable.

3.5. Transport

Main Useful Means of Transport: The two most useful forms of transporting good are via ship or airplane.

Ports: New Port Project, Qatar Ports Management Company

Airports: Hamad International Airport, Qatar Airways Cargo

Sea Transport Organisations: Qatar Ports Management Company

Air Transport Organisations: Civil Aviation Agency

Road Transport Organisations: Qatar Public Works Authority 'Ashghal', Ministry of Transport and Communications

Rail Transport Organisations: Qatar Rail

3.6. Suppliers

Industrial and Manufacturing Profile: The industrial sector makes up 50,3% of the total GDP according to 2017 estimates. The main industries are liquefied natural gas, crude oil production and refining, ammonia, fertilisers, petrochemicals,

steel reinforcing bars, cement and commercial ship repair. The only petroleum company operating in the country is the state owned Qatar petroleum. Despite the dominance of oil and natural gas, Qatar has made significant gains in strengthening non-oil sectors, such as manufacturing, construction, and financial services, leading non-oil GDP to steadily rise in recent years to just over half of the total. The services sector accounts for 49,5% of the total GDP, and the remaining 0,2% belongs to agriculture.

Qatari multisector Business directories

- Expat.com - Qatar business directory
- Online Qatar - Qatar business directory
- Qatar Business Directory - Qatar business directory
- Qatar Chamber - Qatar business directory
- Qatar Chamber - Qatar Chamber commercial and industrial directory
- Qatar Contact - Qatar business directory
- Qatar Online Directory - Database of Qatari companies
- Qatar Yellow - Qatar business directory
- Qatar Yellow Pages - Qatar business directory

4. International Trade (doing business)

4.1. Imports - Exports

Qatar's trade policy is essentially focused on creating a modern and liberal economy. This is reflected in its promotion of investment (both domestic and foreign), its trade diversification programs at the regional and international levels and membership in several organizations, such as the WTO. Trade represents 100% of the country's GDP (World Bank, latest data available). Mineral fuels, oils and distillation products represented over 87.2% of the country's exports in 2022 (mainly natural gas, followed by crude and other oil products), while chemical products accounted for 6.1%. In terms of product category, machinery and transport equipment constituted the main import (35.2% of the total), ahead of miscellaneous manufactured articles (22%), manufactured goods (14%), and food and live animals (11.3% - data PSA).

In 2022, Asia emerged as the primary destination for Qatar's exports, constituting 66.2% of total exports, and the leading source of Qatar's imports, comprising 39.5% of total imports. Following Asia, the European Union accounted for 22.7% of exports and 27.1% of imports, while the GCC represented 6.8% of exports and 5.4% of imports (data PSA). On a country level, the main export partners were China (15.9%), India (11.6%), Japan (10.9%), and South Korea (9.6%). Qatar's leading suppliers were China (16.2%), the United States (14.6%), India (6.2%) Italy (5.7%), and Germany (5%). Qatar has very few trade barriers and relatively low customs duties. It has signed a number of free trade agreements, both bilaterally and via the Gulf Cooperation Council.

Benefiting from strong oil and gas revenues, Qatar's merchandise trade balance is structurally positive. In 2022, the country's exports increased by 50%, to reach USD 130.9 billion, on the back of high hydrocarbon prices. On the other hand, imports totaled USD 33.4 billion (+19.6%). As many countries in the region, Qatar remains a

net importer of services: imports reached USD 41 billion in 2022, while exports amounted to USD 30.7 billion. The trade surplus was estimated at 36.9% of GDP by the World Bank (the third highest worldwide). According to data from the Qatar Planning and Statistics Authority, in the first three quarters of 2023, the country exported QAR 270.9 billion worth of goods against QAR 84 billion in imports.

Table 4: Qatar's Foreign Trade Indicators

Foreign Trade Indicators	2018	2019	2020	2021	2022
Foreign Trade (in % of GDP)	91.8	90.0	90.0	93.0	n/a
Trade Balance (million USD)	50,981	41,581	27,137	60,339	97,445
Trade Balance (Including Service) (million USD)	36,750	25,276	11,869	44,345	87,173
Imports of Goods and Services (Annual % Change)	4.6	1.9	-8.9	n/a	n/a
Exports of Goods and Services (Annual % Change)	-1.2	-2.2	-1.5	n/a	n/a
Imports of Goods and Services (in % of GDP)	35.9	37.9	40.9	34.1	n/a
Exports of Goods and Services (in % of GDP)	55.9	52.2	49.1	58.9	n/a

Source: World Bank; Latest available data

Table 5: Qatar's Foreign Trade Values

Foreign Trade Values	2019	2020	2021	2022	2023
Imports of Goods (million USD)	29,178	25,835	27,985	33,479	30,928
Exports of Goods (million USD)	72,935	51,504	87,203	130,964	97,365
Imports of Services (million USD)	35,416	34,698	34,340	41,000	41,199
Exports of Services (million USD)	19,111	19,429	18,346	30,728	30,173

Source: World Trade Organisation (WTO); Latest available data

Table 6: Qatar's Foreign Trade Forecasts

Foreign Trade Forecasts	2023 (e)	2024 (e)	2025 (e)	2026 (e)	2027 (e)
Volume of exports of goods and services (Annual % change)	-0.6	-2.4	3.7	10.1	13.7
Volume of imports of goods and services (Annual % change)	1.6	2.0	2.0	5.9	7.6

Source: IMF, World Economic Outlook; Latest available data

4.2. Greece – Qatar Trade Relations

The total value of Greek exports to Qatar in 2023 reached €64 million (versus €70 million in 2022), presenting a decrease of 8.6%. At the same time, the total value of imports from Qatar amounted to €27,7 million (versus €52 million in 2022), showing a remarkable decrease of 46.8%. The major export categories in 2023 were commodities and transactions, manufactured goods and mineral fuels, lubricants and related materials.

Table 7: Value of Greek Imports from Qatar (Eurostat, 2024)

IMPORTS - Value in Euro (€)	2021	2022	2023
Food and Live Animals	:	73	:
Beverages and Tobacco	:	:	:
Crude Materials, Inedible, Except fuels	2.322.542	1.763.791	1.864
Mineral Fuels, Lubricants and Related Materials	144.855.046	19.646.180	56
Animal and Vegetable, Oils, Fats and Waxes	:	:	:
Chemical and Related Products, N.E.S.	14.959.111	29.566.017	26.053.088
Manufactured Goods Classified Chiefly by Material	52.865	522.828	1.438.086
Machinery and Transport Equipment	155.806	329.279	48.022
Miscellaneous Manufactured Articles	47.348	33.048	71.925
Commodities and Transactions not Classified Elsewhere in the SITC	7.218	18.589	:
Total	162.399.936	51.879.805	27.613.041

Table 8: Value of Greek Exports to Qatar (Eurostat, 2024)

EXPORTS - Value in Euro (€)	2021	2022	2023
Food and Live Animals	3.847.011	6.328.028	4.812.466
Beverages and Tobacco	267.369	309.009	433.655
Crude Materials, Inedible, Except fuels	1.441.945	3.934.797	2.589.507
Mineral Fuels, Lubricants and Related Materials	33.467.550	10.005.243	11.209.034

Animal and Vegetable, Oils, Fats and Waxes	302.930	742.446	225.476
Chemical and Related Products, N.E.S.	3.160.930	3.629.252	3.332.872
Manufactured Goods Classified Chiefly by Material	17.660.257	17.967.784	13.466.972
Machinery and Transport Equipment	5.064.593	5.091.639	2.592.120
Miscellaneous Manufactured Articles	16.231.394	5.858.866	4.281.369
Commodities and Transactions not Classified Elsewhere in the SITC	8.263.879	16.079.513	21.282.934
Total	89.707.858	70.284.321	64.258.452

4.3. Leading Sectors for Exporters

Architecture, Engineering, & Construction: Since being announced as hosts of the 2022 FIFA Men's World Cup, the construction industry has become one of the largest non-minerals industries in Qatar, accounting for 15 percent of GDP. Over one and a half million World Cup spectators visited Qatar during the 2022 FIFA Men's World Cup tournament. The country had quickly and steadily built a network of new hotels for guests and developed a state-of-the-art transportation system/infrastructure to meet tourists' needs. Qatar Rail opened its first metro line in May 2019 and then two additional lines with the entire network serving 37 stations. Several projects including hotels, transportation infrastructure, and stadiums that were delayed due to materials shortages and supply chain disruptions were completed just in time for the World Cup.

The construction sector has shifted in Qatar following the 2022 FIFA Men's World Cup, with slowdowns in projects in the non-residential and transportation infrastructure sub-sectors. However, industry experts are expecting moderate growth as large-scale projects like the buildout for Qatar Energy's North Field LNG Expansion project ramp up and last until 2026.

The Qatari government's adoption of a law governing public-private partnerships (PPPs) was signed by the Amir in May 2020. This PPP law is a positive signal for further opportunities to gain access to the country's infrastructure sector, allowing a structure by which foreign firms can access and develop public sector infrastructure development opportunities. This law lays the foundation to enhance and complement the development of additional new projects in Qatar, particularly those in support of the next phase of Qatar National Vision 2030, including but not limited to the construction of schools, telecommunications projects, and hospitals. Qatar is set to award projects that utilize the PPP mechanism with an estimated combined value of \$85 billion by 2030.

Automotive: The automotive sector in Qatar had a very successful year in 2022. Driven by the 2022 FIFA Men's World Cup, the market experienced significant growth in light vehicles and motorcycles sales, which surpassed pre-pandemic numbers. 2022 also experienced overall growth in new vehicle units of 33 percent, compared to 2021.

The most dynamic segment for growth was motorcycles. With the widespread adoption of food and groceries delivery applications (apps) such as Talabat, Snoonu, and Deliveroo, motorcycles are now commonly seen in the streets of Qatar. Food delivery apps have also positively impacted small cars sales, as the Ministry of Labor, implemented a new regulation to protect motorcycle drivers during the hottest hours of the day at the peak of summer, requiring companies to use cars instead of motorcycles for deliveries. Beyond light vehicles and motorcycles, Qatar's North Field Expansion project will drive growth in other segments the coming years.

In terms of brand recognition, Asian brands continue to dominate the market. High demand for parts such as brake pads, transmission controls, AC functions, coolant, wiper, and belts will continue to prevail in 2023. Given the popularity of SUVs for off-roading and dune bashing in the desert, a growing number of Auto repair shops offer off-road upgrades, and customization solutions to enhance the performance of vehicles in the desert. This offers a niche-opportunity since price sensitivity is less of an issue for this consumer base. The broader spare parts market is quite competitive, with high-quality products from Japan and Korea, and low-cost products from Turkey and China. Demand for spare parts, car care products, and accessories will continue to grow as the number of used vehicles increases in the market. Counterfeit parts remain a concern in Qatar.

Electric vehicle (EV) adoption continues in Qatar. The market continues taking serious steps towards electrification. The country aims to have all of its public and school transportation to be completely eco-friendly by 2030. EVs are spotted more in Qatar now than previously. The largest car dealers are starting to offer hybrid and electric variants in May 2023, Cadillac presented its all-new Cadillac LYRIQ SUV. Doha continues to be a platform for car manufacturers to showcase their newest models in the Middle East and to the world. In October 2023, Doha hosted the Geneva International Motor Show, the first time the show will be held outside of Geneva.

While Qatar has no domestic auto production, it has automotive investments abroad, including bus production in Oman and vehicle production in Turkey. The Qatar Investment Authority also owns a stake in German carmaker, Volkswagen, and in Quantumscape, a California-based company that develops solid state lithium metal batteries for electric cars.

Defense, Aerospace, and Security: As Qatar continues to manage an ambitious military modernization program, the Qatar Armed Forces rely on foreign military sales (FMS) and direct commercial sales (DCS). Major purchases since 2014 include Apache helicopters, Javelin missiles, early warning radar, PAC 3 Patriot systems, and F-15-QA fighter aircraft. In late 2021, Qatar received its first shipment of F-15-QA planes from Boeing. The Qatari military sponsors an initiative to create a vast network of military training facilities and programs to support its recent defense acquisitions. Qatar made significant investments in cybersecurity to support the 2022 FIFA Men's World Cup. Despite its relatively small population, the market saw some of the fastest

growth in cybersecurity spending in the GCC in 2022. The new Ministry of Communications and Information Technology (MCIT) launched 'Tasmu,' the Smart Qatar initiative. The program pledges to transform Qatar into a smart city leader in the Middle East. Because of Tasmu, public sector requirements for cybersecurity will increase; Qatar's implementing of e-government and digitization solutions will facilitate public sector investment in cyber-solutions. The Qatari cybersecurity market was estimated at over \$1 billion in 2022 and is expected to reach \$1.6 billion by 2026. Qatar has continued to strengthen its aviation position globally via its national carrier, Qatar Airways. Qatar Airways is one of largest cargo carriers in the world. In 2022, during

Education Training and Equipment: Education is one of the fastest growing sectors in Qatar. With many education options for students to achieve full academic potential, the standard of education is high. In 2023, Qatar allocated \$4.91 billion to the education sector, representing 9 percent of \$54.6 billion total government expenditure, and continues to invest in the ever-expanding education sector. The Government of Qatar has long recognized that educational reforms are vital to develop a diversified, innovation-driven, knowledge-based economy. As outlined in Qatar National Vision 2030, Qatar is overhauling its primary and secondary schools and is establishing more public schools through public and private-sector partnership.

Information and Communication Technology (ICT): Qatar's adeptness with ICT manifested during the successful execution of the 2022 FIFA Men's World Cup. Various technologies and innovations helped deliver an outstanding World Cup tournament experience and propelled the country into the international spotlight. Qatar National Vision 2030 recognizes that harnessing ICT is critical for economic development and maturing into a knowledge-based economy. In line with achieving its national vision, over the past decade, Qatar invested in updating, building, and integrating ICT infrastructure and capabilities to kick-start transforming its energy-based economy into a well-diversified, and knowledge-based society. The evolving ICT ecosystem in Qatar is expected to propel companies to utilize technologies such as artificial intelligence (AI), blockchain, intelligent automation & robotics, internet of things (IoT), and quantum computing.

Medical Equipment and Services: Healthcare continues to be a priority for the Qatari leadership. Even before the onset of the COVID-19 pandemic, healthcare was a national spending priority due to the important role of the National Health Strategy within Qatar National Vision 2030. The Qatari government is constantly upgrading the quality of its health services, drawing heavily on imported technology and equipment, as well as international expertise and knowledge. According to industry estimates, the market for medical equipment will grow over the next five years, and will rely heavily on imports from Europe, Asia, and the United States.

Qatar's strong interest in importing medical equipment, pharmaceuticals, healthcare technologies, and supplies from abroad is driven by two factors: (1) the rise of new construction projects for hospitals and health care centers, such as the Northwestern Medicine facility that opened in September 2020, and the Cedars Sinai facility opened in late 2022; and (2) Qatar's limited local production capacity in this area. Qataris needing advanced medical treatment have historically taken

advantage of specialized treatment options overseas. However, under Qatar National Vision 2030, Qatar has ambitious plans underway to expand its network of specialized care facilities in Qatar.

Oil & Gas Field Machinery Equipment: The State of Qatar is one of the largest global exporters of liquefied natural gas (LNG). Qatar possesses the third largest known reserve of natural gas in the world after Russia and Iran and has existing reserves of approximately 871 trillion cubic meters of natural gas, 13% of the world's proven natural gas reserves. Crude oil production is at approximately 1.746 million barrels per day, making Qatar one of the top 15 oil exporting countries and one of the world's major fertilizer producers. Qatar is undertaking a \$30 billion North Field Expansion (NFE) project in the LNG sector. The market is vibrant and there are significant opportunities for foreign companies offering products and services in the LNG production process.

Qatar's export of LNG, crude oil, and petroleum products constitute most of the government's total revenue for the past several years. In 2022, the hydrocarbon sector contributed around 37 percent of Qatar's GDP. The oil and gas industry is still the most active and bullish sector in the country and will likely continue to play a leading role in the future. This sector also includes the most significant export and investment opportunities for foreign companies over the past year, both in terms of dollar value and strategic interest. Considering the ongoing construction and development of the NFE, with the expected 64% increase of 2023 production by 2028 when both phases will be online, there will be more potential opportunities for interested foreign companies.

Education: Education in Qatar continues to expand due to a strong government commitment to create "an educated population," with substantial investment in the sector, a rising youth population, and continued increases in school and university enrollment. In 2020, Qatar allocated \$6.07 billion to the education sector, which represented 10.5% of the total budget. According to Boston Consulting Group, the private education market is expected to grow to \$2.4 billion by 2023. Qatar National Vision 2030 highlights the state's goal to expand and improve the education system and promote the "Qatarization" of the workforce, which would require Qatari students to gain sufficient knowledge and skill sets from their educational institutions. As of the 2019-20 academic year, there were 166 secondary schools (private and public) serving 52,161 students. Public schools are free-of-charge, generally separated by gender, and are preferred by Qatari families for primary and secondary levels.

5. Accessing the local market

Come visit: As in many Middle Eastern countries, personal engagement with potential agents and partners is key to successfully conducting business in Qatar. Before booking travel, please look up potential local holidays or observances, that may make doing business more difficult, such as the month of Ramadan or Eid holidays.

Get a lawyer: Acquiring good legal representation in Qatar is an important first step to entering the market. Hiring a lawyer is especially important before concluding commercial agreements to ensure foreign businesses have the necessary legal protections.

Feasibility study: Foreign firms already established in the market recommend that new entrants conduct a feasibility study. This study should be based on factors such as existing competition, market channels, and local tastes.

Maintain independence: Having a reliable local partner can make the difference between success and failure in Qatar. While local partners are an indispensable part of a market entry strategy, foreign firms should be sure to check with subject matter experts locally on specific and technical areas that may be outside the local partner's area of expertise.

Adapt: Successful foreign companies understand that doing business internationally always creates challenges and doing business in Qatar is no exception. Learn to live with new procedures and laws by injecting a healthy dose of flexibility into your business plan. It is recommended that foreign firms insist on payment by letter of credit to avoid costly payment delays.

6. Useful contacts

Embassy of Greece in Doha

Address : Building 5, Street 530
Zone 66, West Bay Lagoon (Legtaifiya)
Doha, State of Qatar
Tel. : +974 44128150
E-mail : gremb.doha@mfa.gr

7. Sources

- European Commission
- Euromonitor International
- Fitch Solutions: BMI Research
- IMF
- OECD
- Societe Generale
- Statista
- The World Bank Group
- TradingEconomics
- UNCTAD
- StandardTrade

- Doingbusiness
- U.S. Department of Commerce, International Trade Administration
- World Economic Forum

Financial Institutions

- Eurobank: Export Gate

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