SUMMARY

1. Qatar is a hydrocarbon-rich country with a small indigenous population relative to its expatriate community. Some 1.9 million foreign workers constitute approximately 95% of the economically active population. Per capita GDP amounted to USD 62,800 in 2019. As stated in Qatar National Vision 2030, Qatar is pursuing economic diversification in the coming decade, seeking to build an economy less reliant on petroleum resources and with a larger private sector. Construction of infrastructure for the staging of the FIFA World Cup 2022 was a major economic stimulus, but most of these projects were finalized or are about to be completed.

2. Qatar experienced three economic shocks during the review period. The first shock began in 2014, as declining oil prices had a knock-on effect on the price of natural gas, Qatar's main export and source of government revenue. Measures were taken to rein in government expenditures, and fiscal discipline was maintained, as gas prices partially recovered in 2017 and 2018. Building on the reform of domestic fuel pricing in 2016, when prices were increased to world market levels, followed by regular adjustments to mirror movements in international fuel prices, utility prices (water and electricity) were also raised for businesses and non-Qatari households.

3. The second shock occurred in June 2017 when the Kingdom of Bahrain, Egypt, the Kingdom of Saudi Arabia, and the United Arab Emirates severed economic and trade ties, and most transport links with Qatar. The dispute officially ended on 5 January 2021. The embargo resulted in significant negative short-term effects, including capital flight. However, Qatar tapped into its sovereign wealth fund, which may be called upon in urgent situations, to stabilize the economy. As for trade, minor effects of the diplomatic rift were felt mainly on the import side. The drop in Gulf Cooperation Council (GCC) trade was met with increased imports from other sources, notably the United States, Turkey, and Oman. The import shares of the European Union, China, and India also rose compared with 2014. Asian countries absorb over 80% of Qatar's exports, which are dominated by sales of liquefied natural gas (LNG), crude oil, and other petroleum products.

4. The most recent worldwide shock, the COVID-19 pandemic, also affected Qatar. Subjected to strict quarantine measures, many businesses closed temporarily or operated with reduced capacity during 2020. The authorities responded with several mitigation measures, including a QAR 75 billion stimulus package for the private sector, capital injections in the stock market, and additional liquidity to the banking sector to facilitate new lending and the postponement of loan repayments.

5. The Qatari riyal is pegged to the US dollar. The monetary policy implemented by the central bank is consequently geared to the management of short-term interbank interest rates to sustain the fixed parity. Except for COVID-19 relief measures, the fiscal consolidation process continues. Qatar's current account was in deficit in 2016 for the first time in nearly 20 years. The surplus was subsequently restored, although effects of the pandemic may weaken the balance in the near term.

6. Qatar continues to improve its trade and investment environment by, *inter alia*, increasing transparency through the launch of the e-government portal, the legal portal, and the e-commerce portal; restructuring the ministries and agencies related to trade and investment, including the establishment of the Planning and Statistics Authority, the Investment Promotion Agency (IPA), the General Tax Authority, and the reorganization of the Ministry of Economy and Commerce into the Ministry of Commerce and Industry; and amending and revising legislation on foreign direct investment (FDI), intellectual property rights (IPR) protection, anti-money laundering, and incentive schemes. The law on FDI was repealed and replaced by Law No. 1 of 2019, which allows foreign ownership of up to 100% (up from 49%) in almost all economic sectors. Amendments to legislation on free zones, income tax, and foreign ownership and use of properties, as well as the establishment of the IPA, all aim at attracting more investment. The Law Organizing the Partnership between Public and Private Sectors entered into force in 2020, aiming to increase the participation of the private sector in the economy and encouraging competition. Qatar is making efforts to promote e-commerce, through measures to strengthen the regulatory framework, enhance delivery, enable e-payment, and empower e-merchants. According to the most recent investment survey available, FDI accounted for approximately 17% of the assets held by non-residents at the end of 2018. Almost 90% of the inward FDI relates to the oil and gas sector, either in exploration and production as such or in associated manufacturing, transportation, and marketing activities.

7. Qatar is actively engaged in WTO activities and is strongly committed to the multilateral trading system. In 2016, it deposited its instrument of acceptance of the 2005 Protocol Amending the TRIPS Agreement, and in June 2017 it ratified the WTO Trade Facilitation Agreement (TFA). All provisions in Section 1 of the TFA, except for Article 7.7 (Trade Facilitation Measures for Authorized Operators), were designated as Category A commitments. According to the authorities, the Authorized Economic Operator programme has been in place since 26 January 2019, and Qatar has accordingly implemented all of its obligations under the TFA. Qatar made notifications to the WTO in a number of areas, although some notifications require updating or renewal, specifically those on agriculture, import licensing procedures, subsidies, state-trading enterprises, and the General Agreement on Trade in Services. During the review period, Qatar was involved in four dispute settlement cases as a complainant, and one as a respondent. Qatar is a GCC member, and a party to the Pan-Arab Free Trade Area (PAFTA) Agreement. As a GCC member, Qatar has regional trade agreements with Singapore, and with the European Free Trade Association (EFTA) States.

8. Qatar applies the GCC common external tariff. Tariffs remain low and relatively simple. Almost all (99.3%) tariff lines carry *ad valorem* duties, and most tariffs are at 5% (87.5% of total tariff lines). Mixed duties apply to most tobacco products (0.2% of total tariff lines). The 2020 average applied most-favoured-nation (MFN) tariff, at 5.1%, was up slightly from 5% in 2013, mainly due to changes in the tariff nomenclature, as well as to increases in customs duty rates for preserved/processed fruit products containing alcohol, electronic smoking devices, and electrical appliances. Tariffs on agricultural products (WTO definition) remain higher (simple average of 7.7%) than on non-agricultural products (4.6%). All tariff lines are bound; the simple average bound tariff was 15.9%, more than three times higher than the simple average applied MFN rate of 5.1%. In 2020, the applied MFN tariff rates for 38 lines at the HS 8-digit level (mainly products containing alcohol and steel products) exceeded their bindings. In addition to duty-free treatment to all imports from GCC and PAFTA members, Qatar grants preferences on a reciprocal basis to EFTA States and Singapore (over 95% of tariff lines receive duty-free treatment). In response to the COVID-19 pandemic, Qatar implemented a temporary exemption of customs duties on food and medical goods for nine months in 2020.

9. On 1 January 2019, Qatar began to impose excise tax on specific goods considered harmful to human health, i.e. tobacco, energy drinks, carbonated drinks, and "special purpose goods" (alcohol and pork). The tax rate is 50% on carbonated drinks and 100% on all other goods subject to the tax. Qatar has yet to implement the GCC Unified Agreement for Value Added Tax, which foresees the imposition of VAT at a standard rate of 5% on goods and services.

10. Qatar prohibits or restricts the importation of certain goods for reasons of security, health, or religion. The list of prohibited goods is relatively short, while the restricted list now covers some 1,240 eight-digit tariff line items. Qatar is party to several international environmental conventions that allow or mandate restrictions on imports and/or exports of goods. Trade remedy measures are implemented within a common GCC framework. The GCC Office of the Technical Secretariat carried out several anti-dumping investigations during the review period, resulting in the imposition of duties on ceramic tiles, certain electric lead-acid accumulators, and containerboard. The WTO Committee on Safeguards was notified of certain ongoing investigations, but these are proceeding without the imposition of provisional measures.

11. Tasdeer, Qatar's export development agency, was launched in 2011 to help boost non-hydrocarbon exports. It operates within the Qatar Development Bank (QDB) and is financed through its budget. The QDB provides Qatari SMEs and start-ups with a wide range of supports, including credit guarantee, export finance, export insurance, direct lending, and legal advisory services.

12. Qatar provides incentives, in the form of fiscal and financial support, to investment projects in free zones and to SMEs. In 2018, the Qatar Free Zones Authority (QFZA) was established as an independent entity to develop and regulate free zones. Currently, Qatar has two free zones. Benefits to enterprises located in the zones include 20-year corporate tax holidays, import tariff exemptions, potential access to an investment fund, quality infrastructure, and 100% ownership and full capital repatriation for foreign investors. In addition to free zones overseen by the QFZA, there are special free zones, such as the Qatar Science and Technology Park and the Qatar Financial Centre, where the Government provides certain supports to attract technology institutes and international financial business.

13. The legal and institutional framework for standards has remained largely unchanged since the previous Review. The General Organization for Standardization is the competent body responsible for standards and technical regulations in Qatar. At the GCC level, Qatar is a member of the GCC Standardization Organization (GSO). As at November 2020, Qatar had 22,240 standards, of which 1,130 were mandatory and 29 were national. According to the authorities, 96% of the total approved standards are based on international standards. Qatar made 267 notifications to the WTO from 2014 to 31 November 2020. They cover, *inter alia*, animal and food products, tyres, cosmetics, tobacco, and electric and electronic equipment. Some WTO Members in the Technical Barriers to Trade (TBT) Committee raised specific trade concerns (STCs) about Qatar's technical regulations on animal products, energy drinks, halal feedstuff, motor vehicles, restrictions on hazardous substances in electrical and electronic equipment, and shelf-life requirements for cheese. During the review period, Qatar implemented several marking and labelling rules, including the Qatari Quality Mark, nutrition information labels, and labels on cosmetics and on motor vehicles.

14. Qatar's sanitary and phytosanitary (SPS) regime has remained largely unchanged since the previous Review. During the review period, Qatar implemented several initiatives aiming to ensure a balance between food safety and trade facilitation. These include an electronically managed food control system, a food registration system, and the Global Partners System (E-Certificate Exchange Program). Qatar made 93 notifications under the SPS Agreement from 2014 to 31 November 2020. They cover, *inter alia*, food products including fruits and vegetables, meat, cereals and pulses, and dairy products. Of these, 74 were joint notifications made with the other GCC member States plus Yemen. In July 2017, at the WTO SPS Committee, one STC was raised concerning a proposed GCC Guide for Control on Imported Foods. In this regard, the GCC announced that the implementation of the Guide was suspended until further notice.

15. Since the previous Review, no change has been made to the legislative or the institutional framework on competition, although the authorities indicate that new laws on competition and on price controls are being prepared. Certain essential goods and services, including milk and dairy products, meat, vegetables, fruits, fish and seafood, vehicles, building materials, clothing and fabrics, restaurant services, and e-marketing service fees and delivery fees, are subject to maximum prices.

16. Qatar notified to the WTO that it does not maintain any state-trading enterprises; however, the State grants exclusive rights to some enterprises to import or export certain products. State-owned enterprises (SOEs) dominate sectors such as oil and gas and minerals, as well as a number of services sectors. Qatar's public procurement regime underwent significant changes during the review period: the new law on public procurement, which entered into force in 2016 and was amended again in 2018, decentralized the tendering process. Domestically produced products qualify for a price preference of 10% in public procurement.

17. Qatar implemented reforms to its IPR protection system with a view to promoting the development of a knowledge economy. It promulgated new legislation on the protection of industrial designs and models in 2020, and launched its online trademark registration service in 2017 as its first step in implementing an online IPR registration system. During the review period, Qatar joined several international agreements and treaties on IPR protection, such as the Budapest Treaty, the Rome Convention, the Marrakesh Treaty, and the Beijing Treaty. However, the number of patent and trademark applications filed by Qatari residents remains low, and the regulation to implement the Copyright Law has not been issued, resulting in the delayed implementation of the Law.

18. Qatar holds the world's third largest reserves of natural gas. A moratorium on the further development of the giant North Field was initiated in 2005 and subsequently extended. However, the North Field Expansion Project announced in September 2018 intends to boost Qatar's capacity to produce LNG from 77 million tonnes per year at present to 126 million tonnes by 2025. The expansion will reinforce Qatar's position as the world's leading exporter of LNG. Qatar left the Organization of the Petroleum Exporting Countries (OPEC) on 1 January 2019, when it accounted for less than 2% of the cartel members' production.

19. The wholly state-owned Qatar Petroleum (QP) is the Government's vehicle to develop Qatar's abundant resources of oil and gas sustainably and ensure the continued growth of the national industry. Its daughter company Qatargas, which includes joint ventures between QP and foreign partners, is the world's largest LNG-producing company. QP also engages in a range of downstream activities domestically through its subsidiaries and joint ventures. In addition, QP is the marketing

agent for the wholly state-owned Qatar Petroleum for the Sale of Petroleum Products Company Ltd., which holds exclusive rights to sell certain petroleum products on behalf of the producing entities to customers outside Qatar. Crude petroleum was added to the list of regulated products with effect from 1 January 2018.

20. The expansion of the services sector is an important part of Qatar's efforts to diversify its economy. The services sector currently accounts for approximately 40% of GDP. The sector remains dominated by several SOEs, e.g. in telecommunications, postal services, and transport services including civil aviation and port management. Qatar's financial services sector is sound, with strong profitability and capital. Under the Qatar Central Bank and Regulation of Financial Institutions Law, foreign bank branches can operate in Qatar after obtaining licences from the Qatar Central Bank. As money and property in Qatar cannot be insured outside the country, insurance services are provided by domestic insurance companies and foreign insurance branches.

21. Qatar has a high level of telecom maturity. Major players in the market are Ooredoo and Vodafone Qatar, which are 70% and 62% owned by the State, respectively. Foreign investment of up to 100% is allowed in telecommunications services. The Telecommunications Law was amended in 2017 to, *inter alia*, strengthen the executive powers of the sectoral regulator – the Communications Regulatory Authority, which is also in charge of competition-related issues in this sector. Postal services are exclusively reserved for Qatar Post, a 100% state-owned company. No specific rules apply to courier services, which are provided by four international operators.

22. Before the outbreak of the COVID-19 pandemic, the civil aviation sector developed quickly, pushed by the robust growth of the economy and diversification efforts. Mail delivered by air almost quadrupled from 2015 to 2019, perhaps reflecting fast-growing online cross-border shopping activities. Foreign equity of up to 49% is allowed in civil aviation services. More than half (88 of 169) of Qatar's air services agreements cover up to the 5th freedom of traffic rights, i.e. the right to fly between two foreign countries on a flight originating or ending in one's own country. Foreign-flagged vessels play an important role in maritime transport, accounting for 52% of vessels and carrying 80% of the total dead-weight tonnage. Gas carriers accounted for more than 90% of commercial vessels.

23. Qatar continued to promote itself as a premium tourism destination. After a sharp decline in tourist arrivals in mid-2017, arrivals started to rise, and in 2019 Qatar welcomed 2.1 million visitors. Qatar continued to promote meetings, incentives, conventions and exhibitions activities; this subsector expanded robustly, with an annual average growth rate of 44% during 2014-19. Qatar was ranked 51st out of 140 countries in the World Economic Forum's 2019 Travel & Tourism Competitiveness Report and was the second-highest-ranked economy in the Middle East. However, following the worldwide outbreak of COVID-19, Qatar's tourism industry was severely affected. In response, the Government launched the Qatar Clean initiative to ensure the highest levels of hygiene and safety in tourist establishments. As such, hotels, restaurants, and other tourist attractions were able to reopen, on a limited basis, to the domestic market (i.e. Qatari residents).

24. The Qatar National Tourism Council, which replaced the Qatar Tourism Authority in 2018, regulates the tourism industry. During the review period, Qatar amended the Tourism Law and issued new legislation on business events. In September 2017, Qatar launched the Next Chapter of the Qatar National Tourism Sector Strategy 2030 for the period 2017-23, aiming to achieve a target of 5.6 million tourist arrivals by 2023 by focusing on, *inter alia*, streamlining regulatory processes; diversifying products, services, and source markets; and promoting investment opportunities. Examples include the e-licensing system, and policies that help enable easy access to Qatar. Reflecting these reform measures, in 2018, the United Nations World Tourism Organization ranked Qatar as the most open country in the Middle East (and 8th in the world). The Government also provides several incentives, including tax exemptions for foreign-invested projects and support for tourism start-ups, SMEs, and entrepreneurs.