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TRADE POLICY REVIEW

REPORT BY

QATAR

Pursuant to the Agreement Establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), the policy statement by Qatar is attached.

Contents

1 THE GENERAL POLICY CONTEXT

1.1 Overview

1.1. Since its last Trade Policy Review, Qatar has had to deal with a continuously evolving economic and political landscape, both at the global and the regional level. Some of these new trends reflect a shift in market fundamentals, including regulatory changes, whilst others are more specific to particular situations that, in some cases, are still unfolding. In response to this, Qatar, under the leadership of H.H. the Amir Sheikh Tamim bin Hamad Al Thani, continued to develop its foreign economic policy, including a realignment of its trade policy framework to the emerging realities on the ground. This included expanding Qatar's export and import markets, establishing new shipping routes, developing domestic markets, implementing further trade facilitation measures, supporting and promoting foreign investment into the country, opening trade offices in the capital cities of key trading partners and continuing to complement the multilateral trading system through regional and bilateral cooperation agreements, amongst other initiatives. In this sense, the various situations faced by Qatar since 2014 (described in Section 1.2) led to the development its policy toolkit in order to meet its strategic development goals as well as its global commitments.

1.2. The events of June 2017 created some challenges in the immediate aftermath. The situation, nonetheless, served to strengthen the authorities' resolve to move forward with Qatar's development agenda. Moreover, as time passed, Qatar's economy, particularly its institutions and policy space, not only weathered the situation but, in fact, came out much stronger because of it. In fact, the challenges fast-tracked change through, revamped and streamlined regulations and oversight practices, created priorities, focused public policy to more actively manage existing resources and—just as importantly—created the need to actively manage and mitigate risk.

1.3. At the same time, Qatar's long-term human, social and economic development goals continued to be firmly grounded in the objectives set forth in the Qatar National Vision 2030 (QNV 2030). This document remains the fundamental policy framework for the country's strategic socioeconomic and human development. It thus provides the guiding principles for all policy initiatives, including trade. The details of QNV 2030 may found in the 2014 TPR government report.[1]

1.2 The Emergence of a New Economic Context

1.4. Several events explain the changes that have taken place in the policy space since 2014. First, the 2015 Paris Agreement, which Qatar ratified on 23 June 2017, included several commitments towards reducing the world's carbon footprint.[2] As a result, and aware of the bridge role that gas plays with renewable energies, Qatar Petroleum (QP) completed several projects such as CO2 reinjection projects at Ras Laffan, recovery of the Jetty Boil-off Gas during LNG loading operations, flare reduction and energy efficiency enhancement projects which are under operation. Moreover, QP is undergoing project to further reduce GHG emissions in the existing as well as new projects such as North Field Expansion Project. QP also entered into a strategic joint venture with companies specialized in renewable energy production to produce around 1,600 megawatts in Qatar. In this sense, Qatar has made gas and its related products the main tool in its strategy to combat the effects of climate change. Consistent with this, analysts continue to expect gas to be the only fossil fuel to grow beyond 2035.[3] QP exports around 77 million tons of LNG per annum.

1.5. Secondly, the UK's 2016 decision to leave the EU, which came into force on 31 January 2020, created some uncertainty to Qatar's trade and investment regime as no legal bilateral investment or trade framework is in force as of December 2020. In effect, on the one hand, it opened the policy space with the UK, one of Qatar's closest trading partners (QAR 10.4 bn in trade flows in 2018), enabling the possibility of extending bilateral trade and investment flows. On the other hand,

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[1] Qatar's 2014 government report. Available from https://www.wto.org. WT/TPR/G/296/Rev.1.

[2] These are: (i) holding the increase in global average temperature to well below 2 C above pre-industrial levels, pursuing the limit of no more than 1.5 C above pre-industrial levels (ii) developing capacities to deal with the adverse consequences of global warming without threatening food production and (iii) financing of low greenhouse-gas emissions and climate-resilient development. Article 2 of the Paris Agreement.

[3] For example, see McKinsey & Co. (2019). Global Gas and LNG Outlook to 2035. Available from https://www.mckinsey.com/industries/oil-and-gas/our-insights/global-gas-and-lng-outlook-to-2035#.

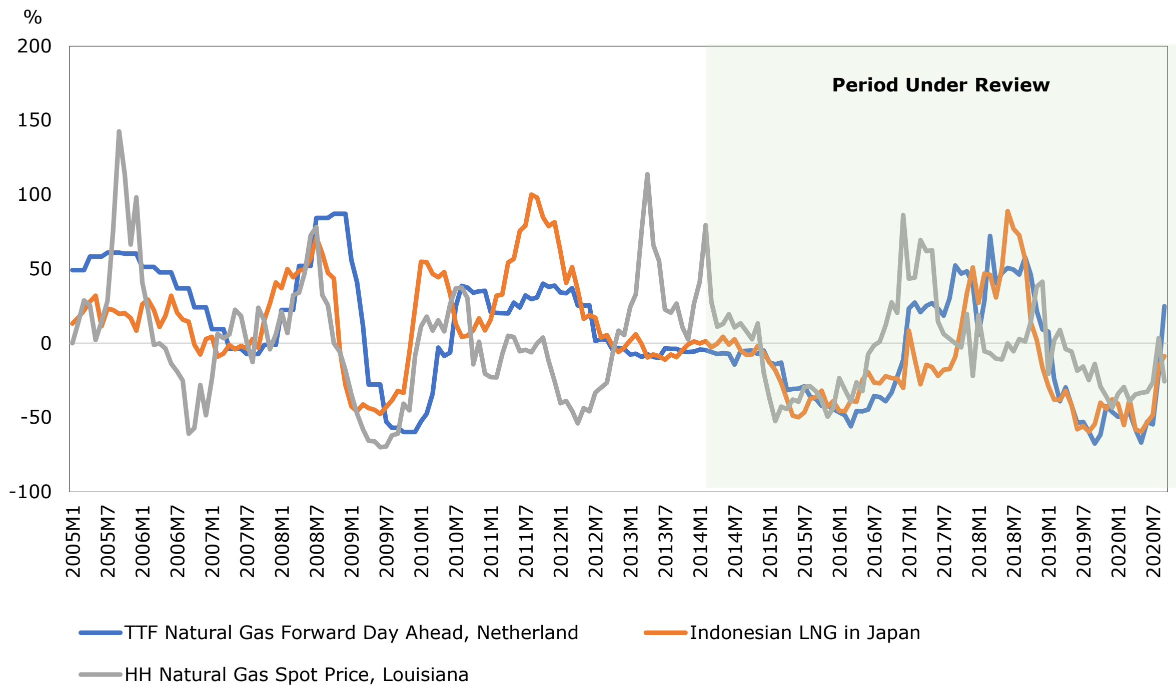
however, as at December 2020, open questions remained regarding the UK's future trade relation with the EU, also one of Qatar's main trade partners.

1.6. Third, on 5 June 2017, a *de-facto* sea, air and land blockade was imposed on Qatar as Qatari-flagged ships and airplanes were banned from using some sea routes and airspace whilst the only land access to Qatar was also shut down. This included attempts to prevent ships carrying Qatari goods from crossing their territorial waters. The trade flows with the blockading countries at the time were significant, totalling QAR 24.9 bn. During this time, Qatar continued to honour its commercial obligations.

1.7. Qatar also left OPEC in January 2019 as part of its strategic repositioning in world energy markets. In effect, international gas markets have also undergone important transformations with two major downturns since 2014 (see graph below) and increasing competition in the Asian markets, Qatar's major export market. For example, Australia more than doubled its natural gas production during the period under review, going from 55.3 bcm in 2014 to 113.9 bcm in 2017. Furthermore, in May 2020 spot LNG prices in Asia reached their lowest level since 1992 (USD 2.03/mmbtu), although they have since recovered. Currently, however, most of Qatar's LNG to Asia is sold on longer-term contracts index linked to the oil price, which fell in 2014 but has been relatively stable since (apart from a temporary collapse induced by the COVID-19 crisis).

Major Natural Gas Reference Prices

Year-on-Year Growth Rate (%)



Source: IMF.

1.3 Qatar's Main Policy Responses

1.3.1 Qatar Second National Development Strategy

1.8. The Qatar Second National Development Strategy 2018 – 2022 (QSNDS) was developed under a markedly different context than the one accompanying the first Qatar National Development Strategy 2011 – 2016. Indeed, whereas the first development strategy was premised against the assumption of an average oil price of USD 86 (the actual average price was USD 88), the QSNDS faced much lower prices.[4] Average oil prices during 2017-2019 were USD 52.8, USD 68.3 and USD 61.4 respectively (USD 40.5 in 2020, up to September). Gas prices experienced a similar

[4] IMF (2017). Qatar. Selected Issues. IMF Country Report No. 17/89.

decline during this period. The situation led to pressures on the government's budget whilst, at the same time, it created the need to develop a policy framework to diversify the sources of fiscal income and incentivise private sector investment.

1.9. In spite of the challenges, Qatar continued its efforts to achieve the objectives contained in the QNV 2030 document around its four themes (human, social, economic and environmental development). Moreover, the QSNDS' objectives were aligned with the goals and targets contained in the UN 2030 Agenda for Sustainable Development, as per each relevant sector. To this effect, the then Ministry of Development Planning and Statistics (precursor to the current Planning and Statistics Authority) published two assessment reviews, one in 2017 and the other in 2018, that contained a review of Qatar's progress in achieving its sustainable development objectives. The QSNDS also served to provide a transparent evaluation of the various ongoing development processes as well as single out the principal shortcomings, at the sector level, in achieving the targets set out the in the first National Development Strategy.

1.10. The Ministry of Development Planning and Statistics led efforts to prepare the QSNDS with the participation of ministries and other government bodies as well as the private sector and civil society and educational institutions. The preparation process was followed by discussions with the cabinet and, ultimately, the country's leadership. The following table provides the main areas contained in the QSNDS.

The Qatar Second National Development Strategy, 2018-2022

Area	Description
Policy Focus	- On people, as all recommendations and objectives were focused on the population, work and sustainable development as one of the pillars of the second strategy. - To determine development priorities and then the programs and projects necessary to achieve them. - Clarity and realism of the strategic results and specific objectives. - Clarity of roles and responsibilities in government bodies responsible for implementing programs and projects. - Closer links between the strategies, plans and budgets available to them. - Establishment of an integrated monitoring and follow-up system to assess the strategy's performance and implementation through indicators so that reports on the progress can be submitted that include lessons learnt. - Modernizing and developing the public administration that bears the burden of implementing the strategy. - Establishment of a clear and comprehensive coordination mechanism within the sector and between the sectors and entities involved in implementing the strategy.
Priorities	- Sustaining economic prosperity through economic infrastructure development, economic diversification, private sector development and natural resource management. - Promoting human development through the provisions of a comprehensive and integrated health care system, quality education and training and an efficient and committed workforce. - Achieving good social development through social protection, public safety and security, cultural enrichment and sporting excellence. - Achieving sustainable development that preserves the environment. - Enhancing global partnerships for development by enhancing Qatar's role at all regional and international levels, scaling up the international partnerships, enhancing Qatar's regional position and contributing effectively to building peace as well as regional and international security.
Success Factors	- Efficient use of natural resources (oil, energy, and water). - Updating and amending legislation to keep up with ongoing needs and developments. - Maximizing the true partnership between the public and private sectors. - Improving the skills of workers in the Qatari labour market. - Financial sustainability, continuing to rationalize expenditures and increase the efficiency of expenditures and revenues towards funding development programs and projects. - Scaling up the coordination and communication among all development partners. - Exerting efforts to build planning capabilities and increase performance quality and achievement by scaling up human and institutional capabilities; developing capabilities of planning and quality departments at the state level in order to improve the level of results and outputs and reduce the possibilities of wasted resources and time. - Optimizing investment to create a catalyst for building and maximizing work and achievement values.

Area	Description
Development Challenges	Modernization and preservation of traditions The needs of this generation and the needs of future generations Managed growth and uncontrolled expansion The size and the quality of the expatriate labour force and the selected path of development Economic growth, social development and environmental management.

Source: PSA, originally published by the Ministry of Development Planning and Statistics in 2018.

1.11. QSNDS also contains sector-specific development strategies, mainly focused on Qatar's critical economic sectors—that is, manufacturing, the professional and scientific services, finance, logistics, tourism and Information Communication Technologies. The document also contains development strategies for security and safety, cultural enrichment, and sporting excellence.

1.3.2 Development of Domestic Markets

1.12. Qatar's initial policy response to the challenges created during the period under review included coordination across sectors and agencies to secure food and water supply, the continuation of major infrastructure projects, including preparations for the 2022 World Cup and, in general, limit the scope of economic disruptions. To this end, Qatar Development Bank (QDB) played a prominent role in providing funding to local companies since 2017, almost of all them to Small and Medium Enterprises (SMEs). Since 2014, QDB disbursed a total of QAR 10.6 billion towards productive activities (49.3% since 2017).

1.13. QDB merged with Enterprise Qatar in 2014 in order to streamline the country's support to local companies and undertook several strategy reviews thereafter. The 2018 strategy review focused its developmental efforts to strengthen local production and encourage import substitution. Its offer currently includes a host of financial and advisory products that are available to all Qatari companies, including those formed through joint ventures with foreign investors.[5] Whilst QDB remains sector agnostic, it has identified 23 strategic sectors to the government, including agriculture, livestock and fisheries, manufacturing (excluding upstream oil and gas), healthcare and services, amongst others.

1.14. Critical to Qatar's policy response was the coordination between QDB and Qatar's Public Works Authority (Ashghal). In effect, since mid-2017 Ashghal began to face serious difficulties importing construction material from all countries as many carriers used ports in neighbouring countries, particularly in the UAE, to tranship cargoes to Qatar. The government took advantage of the fact that Hamad Port had already become operational by this time and thus coordinated the importation of material directly to Qatar. Qatar Port Management Company (Mawani Qatar) launched five direct shipping lines between Hamad Port and the Ports of Sohar and Salalah in Oman, Nava Shiva in India, Izmir in Turkey and Karachi in Pakistan. The total number of shipping routes increased to 23 routes.

1.15. In addition to this, in July 2017, Ashghal launched the Ta'heel program in conjunction with QDB to accredit national companies to provide them with the opportunity to work as a supplier, mostly of construction material, in Ashghal's pipeline of projects. As a result of these initiatives, the following products now supplied by Qatari companies to projects managed by Ashghal include acoustic material, pipes and accessories, ready-mix concrete, air handling units, aluminium profiles, autoclaved aerated concrete, automation and SCADA system integration, blinding wire black annealed, cement, electrical LV panels, gantries and cantilever and steel and stainless-steel fabrications, amongst others.[6]

1.16. Another area of close cooperation involving QDB was with Qatar Rail (QRail) in order to finalize the construction of Doha Metro. In effect, the prohibition on importing materials manufactured in and/or transhipped through some specific countries had an immediate effect on QRail's operations. Indeed, the majority of construction materials and equipment for the Doha Metro and Lusail Tram projects were then being delivered across the Bu Samra land border, many having been previously delivered by ship to the Jebel Ali Port in the UAE. As was the case with Ashghal, close collaboration with QDB led to the development of SMEs that began supplying QRail with construction material, *de facto* substituting for material that was being previously imported. The remaining material was

[5] See https://www.qdb.qa/en/products-services for further details on QDB's products and services.
[6] The complete list of product categories supplied to Ashghal through the Qatari Ta'heel program can be found in http://www.ashghal.gov.qa/en/Services/Pages/ApprovedMaterialHome.aspx.

delivered directly to Qatar (either by sea or by air). The changes proved to be successful as the Metro Doha was delivered on time in May 2019.

1.17. The situation also deepened Qatar's commitment to developing domestic agricultural markets with QDB also playing a central role to this end. In fact, since 2014 QDB has disbursed QAR 135 million towards agricultural and fisheries initiatives (33.7% of these since mid-2017). In addition to this, the Ministry of Municipality and Environment (MME) in coordination with the Ministry of Commerce and Industry (MOCI) launched two programmes to facilitate the distribution of locally produced agricultural products, i.e. the Outstanding Product (launched at the end of 2016) and Qatar Farms (launched in 2018).[7] The first one was developed to facilitate the distribution of domestically produced agricultural produce in coordination with all consumer cooperatives throughout the country. The second programme was set up to encourage high-end agricultural production. The number of Qatari farms that participated in the Outstanding Product programme went from 12 in 2016 to 130 in 2019 with production increasing from 24 tonnes in 2016 to 2,200 tonnes in 2018. Overall, during 2014Q1 – 2019Q2, agricultural value-added (including forestry and fisheries) expanded at a compounded quarterly growth rate of 1.9%.[8] Total production was estimated at around 66,000 tons in mid-2019 (see Section 2.3 for a further description of the initiatives undertaken).[9]

1.18. Qatar also continued to deepen its trade relations in spite of the evident challenges created by the situation—now resolved—thus allowing it to be connected now to more than 90 countries through direct flights whilst hosting a state of the art port (Hamad Port, the largest in the region) and airport (Hamad International). This is complemented by Qatar's strong political and economic ties with a number of countries across the globe, including the United States, the EU, the Russian Federation and China. Moreover, a significant number of companies that had previously served Qatar from regional countries, established Qatari companies to serve Qatar's domestic markets as well as other adjacent markets, such as Iraq.

1.3.3 Investment Policy

1.19. Investment promotion was one of the key policy areas pursued in response to the various events during the period under review. In effect, Qatar's investment regime was amended to make it more attractive across all sectors as was legislation covering special economic zones. Some of the measures introduced included the reduction of rental values by 50% in logistics areas within the Special Economic Zones during 2018-2019 whilst exempting new investors altogether if building permits were obtained before 31 January 2018. Other such measures included deferring industrial loan instalments for a period of 6 months for owners of productive industrial enterprises and requiring ministries and government agencies to buy local products 100% if they comply with approved standards. As at end 2019, the number of existing industrial establishments registered in MOCI's Industrial Register included 862 industrial establishments with a total investment of approximately QAR 295 bn until the end of 2019 (see Sections 1.3.2; 2.3; 2.6; 2.8; 3.7 and 3.8 for a description of the measures undertaken).[10]

1.20. Furthermore, the authorities also sought to deepen investment flows with several countries. For example, a Memorandum on Investment Cooperation and Bilateral Trade Relations was signed with Oman on January 2018, followed by the Qatar-Oman Entrepreneurs Forum held in Doha, on 11 April 2018. Bilateral investments reached QAR 5.5 bn by later 2017, up from QAR 3 bn in 2016. Qatar also helped develop the Port of Swaken in Sudan, at a cost of USD 4 billion, besides promoting agricultural investment in the country as well.

1.21. In addition to this, the Qatar Chamber continues to organize seminars, conferences and meetings to promote and facilitate private sector investment. More than 52 trade delegation visited

[7] Ministry of Municipalities and Environment (2019). Information available from http://www.mme.gov.qa/cui/index.dox?siteID=2.
[8] Planning and Statistics Authority (2020). National Accounts. Available from https://www.psa.gov.qa/en/pages/default.aspx.
[9] Reuters (2019). Available from https://www.reuters.com/article/us-gulf-qatar/with-cows-chickens-and-greenhouses-qatar-takes-on-regional-boycott-idUSKCN1T6165.
[10] Lusail Newspaper (2020). Issue No. 1383 of 13/02/2020.

Doha during this time with ongoing cooperation discussion with Ethiopia, New Zealand, the Kuwait Chamber. Several exhibitions in Doha were lined up for early 2020.

1.3.4 Labour Conditions

1.22. Since 2009 Qatar has made significant efforts to protect expatriate workers from forced labour. To this end, it ratified, through Decree No. (10) of 2009, the UN Convention against Transnational Organised Crime and its Annex on the Protocol to Prevent, Suppress and Punish Trafficking in Persons Especially Women and Children. Pursuant to this, the authorities have signed 36 bilateral agreements and 13 memoranda of understanding with the governments of migrant workers' countries so as to provide them with legal protection before they are recruited. Furthermore, the MADSLA provides the embassies of migrant workers' countries with lists of licensed recruitment agencies in Qatar so that recruitment is carried out according to the stipulations of the law both in Qatar and in the countries of origin. The Ministry also oversees recruitment agencies on behalf of other government entities and inspects them to ensure that the expatriate workers are not exploited. If necessary, the MADSLA can impose penalties that may include closing the office and revoking the license. The ILO has recognised these efforts and thanked the authorities for the measures and procedures taken to protect the rights of the expatriate workers.

1.23. Qatar established Qatar Visa Centres (QVC) with the objective of facilitating visa procedures and implementing best practices (fair employment program) in the countries where most migrant workers come from, so far, covering Sri Lanka, Bangladesh, Pakistan, Nepal, India and the Philippines. New QVCs will be opened in Tunisia, Kenya and Ethiopia. QVCs were established in cooperation with the Ministry of Interior (MoI) to handle recruitment procedures, including fingerprint and medical examination, prior to the arrival of workers in Qatar. The process enables the worker to read the employment contract correctly in his mother tongue and sign it electronically while still in their country prior to his travel. It ensures there is no contradiction between the employment's offer announced by the recruitment agencies in the countries of origin and the legal contract terms. All services provided by the QVCs are electronic and paid for by the employer through bank transfers.

1.24. Qatari statutes contain severe punishments for human trafficking. To this end, Law No. (15) of 2011 includes penalties that start from seven years of imprisonment and a fine of no more than QAR 250,000 to fifteen years of imprisonment and a fine of no more than QAR 300,000 if the victim is either a woman or a child.[11] The National Committee for Combating Human Trafficking (NCCHT), which was established under the Ministerial Decision No. (15) of 2017 to act as the national coordinator to monitor, prevent and combat human trafficking, adopted National Plan for Combating Human Trafficking 2017-2022 in June 2019. Moreover, the authorities have taken a number of measures to prevent and deter human trafficking in cooperation with the U.S. embassy in Qatar, the FBI and the UN Regional Office for Drugs and Crime as well as organised awareness campaigns and distributed literature aimed at migrant workers to inform them about their rights. Qatar also provides shelter to victims of human trafficking under the supervision of the NCCHT.

1.25. The Ministry of Administrative Development, Labour and Social Affairs (MADSLA) raises awareness of workers' rights through different publications, media campaigns, online content and ground activities, amongst others. To this effect, 12 workshops were held in 2018 and 2019 to inform migrant workers and employers of their rights and duties as stipulated by the law. At the same time, training programs have continuously been held for government officers regarding migrant workers' issues. In 2016, the Best Communication Initiative was launched with the aim of providing migrant workers in Qatar with access to internet applications in order to enhance their effective integration into the digital community and become part of the "Smart Qatar" vision. The initiative also aims to facilitate migrant workers' access to information, keep them informed about relevant laws, their rights and responsibilities during their stay in Qatar, enable them to benefit from the e-government services provided by the relevant ministries as well as communicate with their relatives back home.

1.26. Occupational safety and health (OSH) are another priority policy objective. Pursuant to this, the authorities implemented a number of measures to develop internal capabilities including implementing training courses in cooperation with the Administrative Development Institute, the ILO International Training Centre in Turin and international experts. Moreover, Qatar's OSH policies and practices were developed through support from public and semi-public authorities in Qatar and the

[11] Law No. (15) of 2011, Article 15.

UK as well as international technical experts. The process aligned OSH legislation and standards, streamed data collection and provided analysis on accidents and occupational diseases. As at early 2020, Qatar is reviewing the ILO's Convention No. 155 (on Occupational Safety and Health and Work Environment).

1.27. Since 2014, Qatar signed a number of Memoranda of Understanding to enhance cooperation and develop domestic practices aimed at protecting labour standards. The initiatives led to cooperation with the Netherlands in the field of inspection and organising awareness campaigns. With Switzerland, on the other hand, Qatar cooperates in the field of migrant workers whilst doing so with Sweden in the field of inspection and awareness campaigns and social responsibility in the hospitality sector. Furthermore, during 2018-2020, Qatar signed a technical cooperation agreement with the ILO to strengthen national legislation and practices and align them with international labour standards. This has included capacity building with workers and employers to ensure they are aware of their fundamental rights and obligations.

1.28. Labour standards in Qatar improved significantly during the period under review. For example, there is now a four-tier auditing system for companies involved in delivering infrastructure projects related to the 2022 FIFA World Cup. These processes—which will be part of the tournament's legacy once it is concluded—were launched by the Supreme Committee for Delivery & Legacy (SCDL) in 2014, through Edition 1 of its Workers' Welfare Standards (WWS). The SCDL's four-tier auditing system sits at the heart of the WWS and prescribes the following: self-audits by contractors; SCDL inspections and audits; external independent inspections and audits by SCDL's external monitor (Impactt Ltd, which publishes an annual report with its findings) and inspections and audits carried out by the MADLSA. The SCDL audits 100% of all main contractors and other contracted parties, which encompass accommodation and construction site inspections, together with ethical recruitment audits. These contractually binding standards, which are aligned with Qatari labour law and based on more than three years of development and collaboration with local and international stakeholders, are mandatory for all contractors working on 2022 FIFA World Cup projects. The WWS mandate contractors to ensure compliance by their subcontractors as well. The SCDL's WWS are included in all contracts issued by the SCDL.

1.29. The SCDL produced an updated set of standards in 2016, strengthening the requirements based on its experience over the previous two years. This was done in consultation with the business community and numerous civil society groups, including Human Rights Watch, Amnesty International, Building and Wood Workers' International (BWI), Engineers Against Poverty, Humanity United and the International Labour Organisation. In 2018, additional bulletins were included, enhancing the health, working and living conditions for people working on SCDL projects.

1.30. As at February 2020, the SCDL had spent 55,178 hours on 14,210 audits and inspections whilst implementing several measures to enforce its standards, namely: implementation of rectification plans at the contractor's cost, payment suspension, contract termination, reporting to MADLSA and blacklisting whenever required. The SCDL also pre-approves other contracting parties before a main contractor brings them to work on SCDL-projects. At the time, the SCDL had received 890 other contracting parties' requests, approving 675, rejecting 78 and with 23 in process.

1.31. The SCDL's Workers' Welfare programme led to several ground-breaking initiatives designed to improve the workers' living standards, including a Universal Reimbursement Scheme aimed at paying back illegal recruitment fees charged to workers before travelling to Qatar. As at January 2020, 238 contractors had agreed to pay back over USD 30.4 million to 45,594 workers over a 12-36 months period to both SCDL and non-SCDL workers. The government of Qatar has implemented other legislative reforms that have led to safer and fairer standards for workers, including initiatives such as wage protection system, the scrapping of exit permits and an announcement of a minimum wage to be introduced later on in 2020.

1.32. The Workers' Welfare Forums (WWF)—a safe environment in which workers can raise a wide range of issues through their democratically elected representatives—continues to build momentum. The WWFs amplify workers' voices and inform every aspect of workers' welfare improvement efforts to further support the SCDL's four-tier auditing system. All grievances are directed to the SCDL, who ensure rectification by contractors. The WWFs have been highly effective, covering more than 19,000 SCDL workers and 10,000 non-SCDL workers. The MADLSA and the International Labour Organization (ILO) have studied this SCDL model with a view to implementing it across Qatar.

1.33. The SCDL also commissions a survey of its workers' annually, providing approximately 10% of the workforce with a platform to anonymously share facts and opinions on key matters such as contracts, work environment, remittance and pay, life in Qatar, and accommodation amongst others. The surveys are carried out independently by Qatar University's Social and Economic Survey Research Institute (SESRI), a centre dedicated to providing sound and reliable data to guide policy formulation, priority-setting, and evidence-based planning in the social and economic sectors. The surveys are designed and carried out by the SESRI field experts in accordance with the highest scientific and ethical standards, with an assurance provided to respondents that their answers would be confidential and presented in an aggregate format. High-level findings report that workers are generally very satisfied with the SCDL programme, receive adequate training and are satisfied with their rights.

1.34. Health and safety are also key priorities for the SCDL. More than 38,000 workers have so far been registered under an innovative integrated electronic medical records system. This initiative addressed the need for workers to have a single medical record that any health practitioner could access. Moreover, the SCDL mandates annual medical examinations through close collaboration with its contractors whilst delivering comprehensive health checks in partnership with the Qatar Red Crescent across all projects. As at February 2020, the approach had led to comprehensive medical examinations for almost 28,000 workers and will continue until all workers have been assessed. This process is expected to profile the SCDL workers' health needs whilst identifying issues that required further investigation or treatment.

1.35. The SCDL also works with other partners to ensure health and safety, notably Hamad Medical Corporation, Qatar International Safety Centre, Weill Cornell Medicine - Qatar and the global trade union Building and Wood Workers' International (BWI). These collaborations include: (i) partnering to ensure that all SCDL workers receive appropriate training on the skills required to carry out their roles, including behavioural-based safety training, (ii) a pilot nutrition project launched in 2017, where clinical researchers examined workers' health, diets and general awareness of the importance of nutrition, developed an awareness campaign and ultimately provided final recommendations to improve nutrition and menu options on site and in accommodations, (iii) integration of mental health awareness and treatment options, engaging relevant partners in improving accessibility to psychiatric treatment and counselling and (iv) designing a comprehensive pathway for all workers and clinicians on SCDL projects. The SCDL has collaborated with BWI to conduct joint health and safety inspections since 2017 with the SC-BWI Joint Working Group (JWG) managing inspections and reporting obligations. The JWG also facilitates training and reviews the SCDL's grievance mechanisms, including the WWFs. JWG Annual Reports were published in 2018, 2019 and 2020.

1.36. In 2019, the SCDL collaborated in the largest-ever study into the effects and mitigation of heat stress, commissioned by the ILO and MADLSA and carried out by the FAME Lab. The study monitored 125 construction and agricultural workers across 5,500 work hours and two sites, which included the Al Rayyan Stadium. Research found conclusive evidence that when comprehensive mitigation strategies are implemented then occupational heat strain levels in Qatar are low. The SCDL employs such mitigation strategy, which include cooled and shaded rest areas every 100-200m, ventilated and air-conditioned rest areas, water stations with cool water and rehydration salts every 300-400m, mandatory water bottle for each worker, training for workers and medical staff on the effects of heat stress and dehydration, robust medical care plans for all workers, and a strong focus on worker empowerment and self-pacing on site—all managed closely by teams of health and safety professionals on site. In addition to the heat stress study, the SCDL introduced a bespoke range of cooling workwear capable of reducing thermal skin temperature by a maximum of 8 °C. Over 12,000 suits were distributed across five sites during the 2019 summer, with more to follow suit throughout 2020.

1.3.5 Labour Laws

1.37. Since 2014 Qatar introduced significant changes to its labour laws with the aim of improving living standards and the rights of migrant workers in Qatar. Most contractual employment relations are governed under the provisions of Law No. (14) of 2004, as amended (Qatar's Labour Law). The exceptions are basically within the public sector as the law does not apply to public ministries, public institutions and corporations and the companies formed under Qatar Petroleum, amongst others. Law No. (3) of 2014 provides further details on the exemption to the Labour Law, most of which includes publicly-owned companies, in whole or partially.

1.38. Law No. (21) of 2015—which regulates the entry, exit and residence of expatriates in Qatar—abolished the sponsorship system, i.e. the kafala system, and replaced it with a contractual employment relationship system. The aim was to grant legal rights to expatriate workers without discrimination, including the right to change employment, leave the country and the right to reunite with family members, amongst other areas.

1.39. Law No. (13) of 2018, in particular, amended Article 7 of Law No. (21) of 2015 to grant most workers the right to exit Qatar, temporarily or definitively, without an exit visa. The law does grant employers, nonetheless, the right to submit a list to the MADLSA with the names of up to 5% of their workforce requiring them to obtain an exit visa before leaving. In practice, the list typically covers staff with fiduciary responsibilities in publicly-owned companies. In this sense, the MADLSA has published specific criteria on these exemptions, which apply to "CEOs, financial officers, directors responsible for overseeing a company's day-to-day operations and directors of information and communication technologies". Employees not allowed to leave Qatar against their will can bring their dispute to the Expatriate Exit Grievances Committee, an entity within the MoI, which must respond within three working days.

1.40. Confiscation of expatriate workers' passports could lead to sanctions of up to QAR 25,000 (Law No. (21) of 2015). To address the situation, there is effective coordination between the MADLSA and the MoI to ensure that expatriate workers' passports are not confiscated with all complaints in this regard being referred to the Public Prosecution. Some of the investigation undertaken resulted in fines and imprisonment whenever the fines were not paid. Furthermore, a number of companies have been prosecuted for violating the provisions of the Labour Law, including failure to comply with restrictions on working hours, not granting a compulsory day off, or not paying overtime.

1.41. Law No. (18) of 2020 amended Law No. (14) of 2004 to introduce several key changes, including the abolition of the No Objection Certificate. The probation period was set to a one-time maximum of six months for each employment. The new law also sets the procedures to be followed in order to switch jobs in Qatar, including, the requirement of letting the employer know in writing, time for notice periods (one month for employment lasting less than two years, two months otherwise), the compensation to be paid in case a worker changes job during the probation period (the new employer must compensate part of the recruitment costs as well as the air ticket to a maximum of two of the worker's basic wage).

1.42. On the other hand, the Council of Ministers approved a draft law on October 2019 to regulate the minimum wage in Qatar, which will come into force in March 2021. The draft law forces employers to pay a basic minimum wage for workers, provide food and adequate housing, including for the domestic workers. The project also includes the establishment of a minimum wage committee that would propose periodical amendments in line with changes in the cost of living.

1.43. Law No. (1) of 2015 amended certain provisions of the Labour Law and Ministerial Decree No. (4) of 2015 in order to protect the right to be paid for workers covered by the Labour Law (the provisions are known as the wage protection system). In this case, employers are legally required to transfer the wage to the employee's account in one of Qatar's financial institutions. In addition, a mechanism to electronically check compliance with the law was put in place to control for potential violations. Sanctions for delays in the payment of wages can include up to one-month imprisonment and a fine of not less than QAR 2,000 and not more than QAR 6,000 as well as a suspension from all engagements with the MADLSA. In this case, companies would be also prevented from obtaining any new further work permits.

1.44. The law now recognizes the right to reunion with family members by workers covered under the Labour Law. In effect, Article 8 of Law No. (21) of 2015 states that competent authorities can grant residence permits to the spouse of the resident workers and the male children up to 25 years of age that did not complete their university studies as well as their unmarried daughters. The law also allows the competent authority the right to waive the age limitation and grant resident permits to the resident worker´s parents if deemed reasonable. Resident permits may also be granted to the spouse and children of a Qatari married to a foreigner, including the non-Qatari spouse's parents.

1.45. New regulations were introduced to create an expeditious and effective dispute resolution mechanism rather than waiting for the standard legal arbitration process, which typically adheres to established legal procedures and deadlines, often resulting in the worker's return to his or her home country before receiving due payments. To address this, Law No. (13) of 2017 established the Workers' Dispute Settlement Committees whilst Cabinet Resolution No. (6) of 2018 stipulated their operating procedures. In cases of disputes regarding the enforcement of the law or the employment contract, the case must first be presented to the competent department within the MADLSA, in which case, all the necessary measures to resolve the dispute amicably are taken within a period not exceeding seven days. If the parties are satisfied with the decision of the competent department, it is documented and the agreement has executory force. If the dispute is not resolved or the worker or the employer is not satisfied with the resolution of the competent department, the dispute is referred to the Workers' Dispute Settlement Committee, which must then make a decision within a period not exceeding three weeks. The Committee's decision is immediately enforceable.

1.46. A Workers' Support and Insurance Fund was established by Law No. (17) of 2018 to secure workers' financial payments in cases where the company became insolvent and was unable to pay the workers. In this manner, the law now provides for a mechanism to avoid procedures that may take time and affect the workers' payment obligations towards their families or others. It also aims to ensure expedition of payment at the end of worker's service and facilitate the procedures of the workers' return to their home country, as the Fund also serves both private sector workers and domestic workers. If necessary, the Fund has the right to recover any due amount from the employer through legal means. The payments made by the Fund are awarded by Labour Dispute Settlement Committees (also created by Cabinet Resolution No. (6) of 2018), which include a judge appointed by the Supreme Judicial Council and two officials from the MADLSA.

1.47. Ministerial Decision No. (21) of 2019 implemented the provisions of Chapter 13 of the Labour Law, which stipulate that employers and workers are to choose representatives in companies with 30 or more employees. To this end, Joint Labour Committees were established by law in entities covered by the provisions of the Labour Law to include an equal number of representatives from both parties with the objective of organising the work, means of production, training programs, risk prevention, improving compliance with occupational safety and health rules, developing the workers' general culture and considering the individual and group disputes to settle them amicably.

1.48. Qatar's labour laws do not contain any form of sex-based discrimination. In fact, Article 93 of the Labour Law stipulates that "The working women shall be paid equally to men where they perform the same job and shall have the same training and promotion opportunities". The Labour Law has also granted working women the right to maternity leave with full payment for a period of 50 days, without reduction of any other leave to which they are entitled, an hour of breastfeeding every day for a period of one year starting from last day of her maternity leave and prohibits the employment of women in hazardous occupations or forcing them to work in times other than those specified by a decision of the Minister.

1.49. To ensure compliance of employers with working women's rights, Article 98 of the Labour Law also stipulates that the employer may not terminate the employment contract of a female worker due to marriage or maternity leave, and the company may not notify her of the termination of her employment contract during these leaves or send her a notification of the termination of her employment contract during vacation.

1.50. Law No. (15) of 2017 also provides legal protection for domestic workers, especially women domestic workers, in line with the provisions of ILO's Convention No. 189 on decent work for domestic workers. The law prohibits the employment of people under eighteen years of age regardless of gender, sets the maximum daily working hours, and stipulates the worker's right to weekly and annual paid leave, travel tickets, end of service benefits, health care and decent housing, compensation for work-related injuries and allows the worker to terminate the employment contract during its validity in case of abusive treatment by the employer. The law also stipulates that Labour Dispute Settlement Committees are to prioritize quick dispute resolution processes so as to ensure that the employees obtain their rights and dues promptly.

2 MAIN ECONOMIC DEVELOPMENTS

2.1 Overview

2.1. Qatar's economy continued to diversify away from oil and gas with the proportion of non-mining and quarrying activities going from 44% of GDP in 2014Q1 (measured in nominal terms) to 66% in 2020Q1. In 2020, the Covid-19 crisis led to a steep decline of 26.3% in Qatar's international trade flows during the first half of the year, which, not only raised the capture of non-mining and quarrying activities to 76% of GDP by mid-year but also led to the biggest quarterly economic contraction in Qatar´s recorded economic history in 2020Q2. The crisis has so far led to changes in budgetary assumptions as well as the implementation of proactive government policy responses to support private sector companies as well as the resident population. In this sense, the authorities remain committed to undertake further policy measures as needed as well as support the development of a vaccine and "make it affordable in a fair way to the neediest countries".[12]

2.2. The shift experienced throughout the period under review, moreover, was sustained by the combination of persistent multiplier effects stemming from increases in capital expenditure (ongoing since at least 2014), fiscal consolidation, abundant liquidity and increased private sector activity.[13] Since 2014, GDP growth was mainly sustained by non-mining and quarrying activities, which expanded at an average quarterly rate of 4.1% (4.8% prior to the Covid crisis) whilst mining and quarrying activities contracted at a 1.1% rate during the same period. The expansion reflected significant increases in service provision related to accommodation and food, tourism, the completion of major infrastructure projects and an important increase in import-substitution activities after mid-2017, mostly in construction materials and agricultural products. Capital markets also expanded as foreign investors significantly increased their presence in Qatar Financial Centre (QFC). Gas exports, nonetheless, continue to be Qatar's major source of export revenues with ongoing exports to Japan and other Asian countries, which makes up about 30% of the total market share, in addition to recently signed agreements to export gas to Bangladesh, Turkey, Austria and Kuwait.

2.2 Macroeconomic Performance

2.3. Average quarterly GDP growth during 2014Q1-2020Q2 was 1.9% (2.3% before the pandemic) in spite of a consistent slowdown that went from an average of 5.3% in 2014 to 0.8% in 2019. Initially, the local economy was able to absorb the 2014-2016 drop in hydrocarbon prices as well as the first effects of the diplomatic rift in 2017.[14] However, world gas prices deteriorated significantly after that—e.g. the Japan LNG price contracted by 61% between Jan/2018 and Sep/2020—leading to an average quarterly expansion in GDP of 1% during 2018-2019.[15] As a result of this decline (apart from the period between mid-2016 to end-2017) GDP growth was mostly driven by non-export activities—in fact, average quarterly contribution from the mining and quarrying sector during 2014-2019 was -0.4% whilst that of the non-mining and quarrying sector was 2.3% (-0.5% and 2.7% prior to the pandemic respectively).

2.4. In 2019, real GDP growth was held back due to slowdown in the hydrocarbon sector albeit the non-hydrocarbon sector expanded by 1.3% on a year-on-year basis. Within the non-hydrocarbon sector, with the exception of manufacturing, most of the other key sectors registered positive growth. The manufacturing slowdown can be explained in part by the fact that a good part of these activities are derivatives of the hydrocarbon sector. Consumer confidence also retracted by 0.9% in early 2019 as compared to the five-year with authorities expecting a sharp turn around as the effects of the Covid-19 crisis subside. The following table provides Qatar's main macroeconomic indicators.

[12] H.H. the Amir Sheikh Tamim bin Hamad Al Thani (2020). Shura Council Speech. Available from https://www.shura.qa/en/Pages/General-Secretary/Amir-Speeches/49th-Session-Opening.

[13] IMF (2019). Qatar Article IV Consultation.

[14] IMF (2019). Qatar Article IV Consultation.

[15] IMF (2020). Commodity database. Available from http://www.imf.org.

Main Macroeconomic Indicators, 2014-2019

(Real growth rates, unless otherwise indicated)

	2014	2015	2016	2017	2018	2019[a]
GDP, real (100 =2013)	4.0	3.7	2.1	1.6	1.5	-0.2
Private Consumption	8.0	7.6	7.0	4.4	4.6	5.3
Government	8.9	1.5	-10.9	-6.1	5.4	4.6
Gross capital formation	11.3	1.6	22.5	1.3	0.6	-0.3
Stocks	-11.9	193.9	-56.1	-28.3	1312.3	55.8
Exports	0.3	-1.0	-4.2	0.6	4.2	0.5
Imports	6.4	-9.2	4.8	-2.9	3.9	2.5
Mining and Quarrying	-0.6	-0.6	-0.9	-0.7	-0.3	-1.9
Non-Mining and Quarrying	9.8	8.5	5.3	3.8	3.2	1.1
Employment (million)	1.7	2.0	2.1	2.1	2.1	2.1
Unemployment rate (%)	0.19	0.16	0.14	0.13	0.10	0.10
CPI (index, 100 = 2018)	95.3	97.4	99.6	99.9	100.0	99.1
FX (USD/QAR)	3.64	3.64	3.64	3.64	3.64	3.64
Government balance (% of GDP)	14.5	-0.7	-9.2	-6.6	2.2	1.1
Gross government debt (% of GDP)	24.9	35.5	46.7	49.8	48.6	57.0
Public budget (% of GDP)			4.0	3.8	4.2	
Current account balance (% of GDP)	24.0	8.5	-5.5	3.8	8.7	6.8
Additional Items:						
Population ('000)	2,216	2,434	2,618	2,725	2,760	2,799
Average Qatari oil price per barrel (USD)			65.6	65.6	65.6	

a Preliminary.

Source: PSA.

2.5. The impact of the Covid-19 pandemic so far is hard to underestimate, as has been the case across most of the globe. The first two quarters of 2020 saw a drop in real GDP growth of -0.04% and -6.1% respectively, down from a quarterly average of 1.5% in 2019. Moreover, albeit imports experienced an important contraction of 9.7% in nominal terms during the first half of 2020, it has been exports that have taken the brunt of the ongoing crisis. Indeed, these, which had been declining since 2018Q4 when they peaked at QAR 97.1 billion, faced a steep drop in energy prices at the beginning of 2020, mostly associated to a decline in world energy demand and a then oversupply of world oil markets. As a result, Qatar's exports reached QAR 53.5 billion in 2020Q2—a 44.9% contraction since the end of 2018.

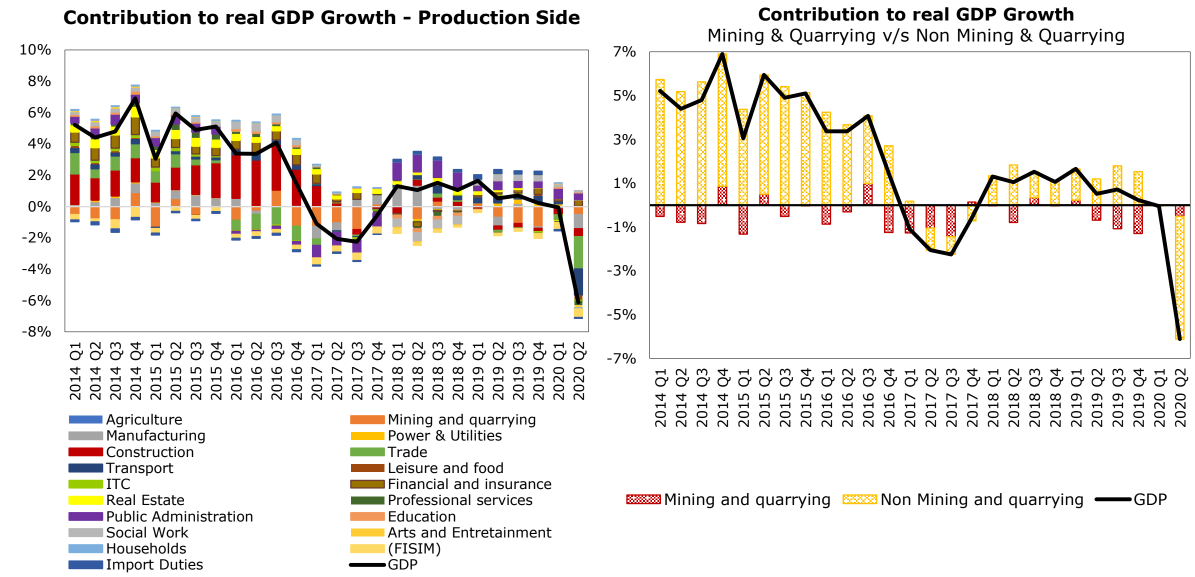
2.6. In spite of all these challenges, past and recent, the authorities continue to pursue macroeconomic stability through a combination of policies designed to mitigate potential risks arising from either oil price fluctuations, volatility in global demand for Qatar's export products and/or increased regional geopolitical risk. These include: (i) the implementation of a value-added tax and amendments to several existing taxes (including the fuel tax), (ii) supporting the Qatari Riyal by ensuring stability of the monetary base, large cash reserves at Qatar Central Bank (QCB) and active risk management of Qatar Investment Authority's (QIA) portfolio, amongst other specific measures, (iii) supervision of domestic banks to ensure compliance with international standards on capital adequacy, liquidity ratios and cash transfers assurance, (iv) ensuring that a healthy level of liquidity in the financial system is maintained (the liquid-asset-to-total-asset ratio was 29.7% as at June 2019)[16], (v) improving coordination between fiscal and monetary authorities, (vi) greater oversight on trade flows, (vii) continuing to improve the domestic business environment, particularly to provide incentives to foreign investment and (viii) continuing to pursue long-term social and economic development goals through ongoing infrastructure development.

2.7. Gross capital formation expanded significantly in 2016 to almost 49% of GDP, up from 37% in 2015, supported by ongoing infrastructure development projects. The expansion resulted on a quarterly average contribution to real GDP growth by the construction sector of 1.7% during 2015 and 2016 (see below). On the other hand, trade's contribution to GDP growth rebounded in 2018 once alternative shipping routes and import markets were found. However, the non-mining and quarrying sector's contribution declined markedly after mid-2017. In effect, it went from a quarterly average of 3.1% to 0.9% after it notwithstanding the continuation of major construction projects,

[16] IMF (2019). Qatar Article IV Consultation.

whilst mining and quarrying's contribution remained subdued throughout almost the entire period under review.

Sector Contribution to Real GDP Growth



Source: PSA.

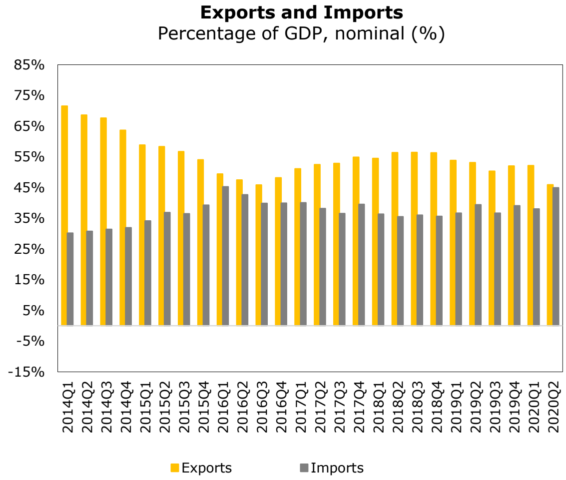
2.8. The regional situation also led to a downgrade of Qatar's credit rating to AA-/Aa3 by all three rating agencies and placing it on the credit watch list with a negative outlook. This, in turn, immediately increased the cost of insurance on Qatari sovereign debt although the negative status was reversed to stable in 2018, after the government's general policy shift allowed the Qatari economy to overcome the initial shock.[17] This was accompanied by increased government spending and the withdrawal of part of its deposits abroad to support the local banking system. In this line, QCB supported the banking system with an estimated USD 38.5 billion (23% of GDP) to compensate for the USD 30 billion associated to capital flight and investors exiting Qatar in the first two months of the crisis.

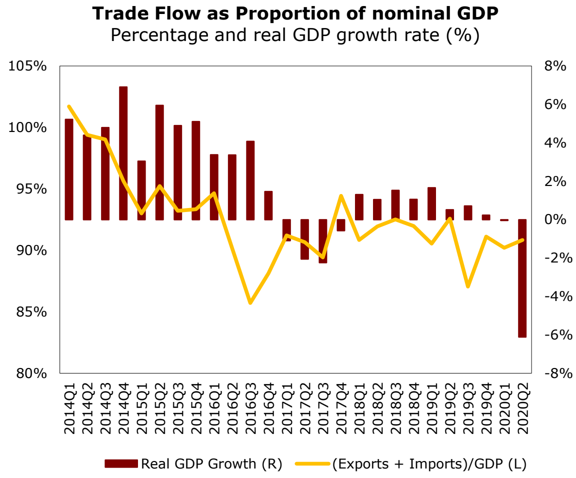
2.9. Monetary authorities responded decisively and proactively to ensure that any potential risks stemming from the regional challenges were effectively contained. As a result, the balance sheet of the banking sector recorded a compounded annual growth rate of around 9% during 2014-2019, supported by annual average growth of close to 10% in credit. The banking sector also remained well capitalized during the period with ample liquidity. Moreover, loan delinquency remained one of the lowest amongst its GCC peers and profitability has been healthy. The capital market has also turned the corner, barring for the initial reaction to regional challenges in 2017.

2.10. Qatar's overall trade flows were also disrupted temporarily it was estimated that both exports and imports did contract for two straight quarters whilst substitute routes and imports markets were found. The break in normal trade flows around 2017 was reflected in the current account with a surplus of 3.8% of nominal GDP in 2017 after a deficit of -5.5% in 2016. The surplus continued in 2018 (8.7% of GDP) and was expected to decline slightly in 2019 (to 6.8%) as the effect of import substitution policies gained traction. Going forward, the authorities expect the current account balance to reach 5.1% and 5.7% in 2020 and 2021, respectively, although these estimates may be affected by the ongoing Covid crisis.

[17] Moody's (2018). Available from https://www.moodys.com/research/Moodys-changes-outlook-to-stable-from-negative-on-ratings-of--PR_386630.

Trade Flows and Real GDP





Source: PSA.

2.3 Agriculture and Food Security

2.11. Qatar´s agricultural sector was at the centre of the initial response to the challenges of 2017. In effect, several policy initiatives were undertaken to support the private sector in its efforts to ensure the continuity of country's food supply at the time. None of these, however, led to amendments or changes to the sector's core legal framework. In this sense, the sector's legal arrangement continues to be based on Laws No. (4), (1), (1), (1), (4), (8), (14), (24), (24) and (25) of 1983, 1985, 1988, 1993, 1994, 1995, 2003, 2005, 2006 and 2010, respectively.[18] The framework also includes the Implementation Rules of Laws No. 4 of 1983 as well as No. 1 of 1985.

2.12. Several technical regulations were enacted during the period under review. The main ones were: Guidelines for the Production of Organic Foods, Materials to Be Used as Soil Conditioners, The General Mechanism for Licensing Vegetable, Animal and Fish Production Projects and The Mechanism for Using Farms for Commercial Activities. An additional directive was also enacted to streamline and facilitate the electronic exchange of documentation between the Ministry of Municipality and Environment (MME) and food producers. The MME is the sector's regulator and agricultural policy coordinator. In 2019, it created the Food Security Department to oversee and regulate the implementation of the government's food security strategy (see below).

2.13. Qatar's agricultural strategy seeks to increase agricultural production in areas that meet three conditions: (i) Qatar has comparative advantages in their production, (ii) their output is not appropriate for long-term storage and (iii) production does not deplete the country's groundwater sources. As a result, the country's supply of goods not meeting all three conditions has been ensured through the development of strategic inventories built through imports. This includes wheat, rice, corn sugar and frozen poultry, amongst others.

2.14. As was the case in other areas of the economy, policy initiatives allowed Qatar to overcome the significant initial difficulties of 2017, which included lack of animal feed and materials used in agricultural production. The MME implemented an emergency plan that included coordination with Qatari companies and farms to incentivise them to increase domestic production. The consultations undertaken led to several positive outcomes for the sector, including a reduction in import competition (e.g. chilled broiler chicken and dairy products), an increase in consumer demand for national products and the expansion in domestic production of agricultural products.

Annual Agricultural Production in Qatar

Produce	Pre-2017		Post-2017	
	Domestic Production (000 tonnes)	Sufficiency Ratio	Domestic Production (000 tonnes)	Sufficiency Ratio
Vegetables	55	20%	74	27%
Dates	28	84%	30	86%
Animal Feed	95	44%	115	54%
Dairy Products	60	28%	230	106%
Fresh Chicken	11	50%	28	124%
Red Meat	8	13%	10	18%
Table Eggs	4	14%	9	28%

Source: MME.

2.15. The difficulties faced by the private sector also led to a renewed effort to address the longer-term challenges to ensure food supply in Qatar. To this end, the MME led a cross governmental effort that culminated in a comprehensive policy, i.e. Qatar National Food Security Strategy 2019–2023.[19] The strategy rests on the fulfilment of four strategic pillars, i.e.:

- **International trade and logistics**. The aim, in this case, is to ensure that "trade routes are diversified so risk-exposure is limited" and that contingency plans exist for alternative routes in case of need;

- **Domestic self-sufficiency**. The aim in this area is to develop an efficient agricultural production based in Qatar and to develop a regulatory framework to provide incentives for investment in agricultural production;

- **Strategic reserves**. The objective is to develop an "adequate but sensible" food reserve capacity that can act as a buffer in times of crisis that includes both inputs and outputs;

- **Domestic markets**. The aim is to be create the conditions, including the necessary regulations, to move food around the country as efficiently as possible and with minimal waste.

2.16. Several food-security projects were launched for private sector investors that included the supply of rented farmland for an annual feed QAR 2,000 per hectare. Some of the initiatives to be made available for investors are: 10 projects for the production of vegetables in greenhouses with an annual production capacity 21,000 tonnes for the ten projects, 4 projects for the production of green fodder with wastewater treatment with an annual production capacity around 17,000 tonnes for the four projects, 2 projects for the production of organic fertilizers with an annual production capacity around 12,000 tonnes per year for the two projects, 2 projects for the production of concentrated fodder with an annual production capacity around 50,000 tonnes per year for the two projects, 2 projects for the production of camel milk with an annual production capacity around 3,000 tonnes per year for the two projects, 2 projects for fish farming with floating cages with a production capacity around 2,000 tonnes per year for the two projects and a shrimp farming project with an annual production capacity around 1,000 tonnes per year.

2.4 Fiscal Policy

2.17. The Ministry of Finance (MoF), which manages fiscal policy on behalf of the Government, underwent an important restructure during the period under analysis. Amiri Decree No. (77) of 2018, in recognition of the growing importance of non-oil revenues for Qatar, including the Value-Added Tax (VAT), transformed the MoF's Tax Department into the General Tax Authority (GTA), a separate legal entity dependent on the MoF (Article 2). The Decree also established the GTA's mandate, specifically, tasking it with implementing the provisions of all tax-related laws, regulations and decisions, propose draft legislation as needed and undertake research on tax related issues in Qatar.[20] Furthermore, Amiri Decree No. (10) of 2019, on the other hand, also introduced organization

[18] The English version of all of these laws can be found in Al Meezan at https://www.almeezan.qa/default.aspx?language=en.
[19] MME (2020). Available from: http://www.mme.gov.qa/pdocs/cview?siteID=2&docID=19772&year=2020.
[20] For further details, see https://gta.gov.qa.

changes to the MoF, including the allocation of further responsibilities over Qatar's domestic economic activities.

2.18. Three additional tax-related regulations came into force during the period under review. Law No. (24) of 2018 provides new exemptions from corporate tax—which remains at 10%—for activities in key economic sectors and special economic zones. It also introduces a number of administrative amendments to support taxpayers in managing their tax affairs. Law No. (25) of 2018, on the other hand, introduced a selective tax, i.e. an excise tax, on some health-damaging products, including a 100% tax on tobacco and its derivatives as well as on energy drinks and a 50% tax on sugary drinks. The law on the Value-Added Tax (VAT) was also drafted but has not come into force yet as the authorities continue to evaluate the optimal market conditions for its introduction. In any case, the authorities foresee that the VAT, which is expected to be set at 5%, will have a minimal role in financing the budget.

2.19. During this time, the MoF also continued to develop the country's capital markets. To this end, Qatar enhanced its already strong financial position by tapping the international bond market in April 2020, the first country in the region to do so since the outbreak of the Covid crisis and the slide in oil prices. In fact, it issued public debt for USD 10 billion, which had an over 4x oversubscription, with a geographically diversified investor's base, highlighting the market's confidence in Qatar's credit profile.

2.20. The aforementioned mentioned issuance was part of larger strategy developed by the MoF to manage public debt and underpinned by several factors. First, the state's debt issuances are used as benchmarks by local State-Owned Enterprises and the private sector that serve to anchor prices, something that is particularly important for QP, which is currently undertaking a massive expansion. Second, budget surpluses get dispersed between the two state reserve vehicles – the central bank and the QIA. As the proceeds of the issuances are considered cashflow surplus, and not budget surplus, they are kept with the MoF's Treasury and not transferred to the reserve vehicles. Therefore, cashflow surpluses from issuances provide the MoF with funds for contingency spending – which the MoF prefers to have regardless of the cost. Finally, historically, Qatar issued bonds even during periods of massive surpluses, not just during periods of stress, with the intention of making its paper know to investors. In general, the MoF—which intends to maintain the current debt management strategy—monitors debt markets for opportunistic issuances, especially during periods of low interest rate environment.

2.21. The development of an active domestic debt market in Qatar is expected to have far-reaching benefits for the country's capital markets infrastructure. It will help to attract institutional investors as well as encourage local investors to better manage their asset allocation process, thus, providing an incentive to retain capital in the country. A well-developed debt market will also allow companies to diversify their sources of funding and reduce the cost of borrowing. Moreover, the authorities expect that by developing the local capital market monetary policy transmission will be facilitated thus supporting the local financial market's development. The lengthening of the maturity profile of Qatar's debt issuance will also encourage the emergence of a risk-free yield curve across the term structure. In turn, the risk-free benchmark rate will help in the pricing of other financial instruments.

2.22. On the other hand, Qatar's fiscal accounts remained under control during the period under review despite the decline in energy price experienced during 2014-2015 and the effects of the regional rift since mid-2017. In fact, the situation did not affect the MoF's strategic plans or goals for economic growth and diversification. Indeed, prior to the onset of the Covid crisis in early 2020, analysists were of the view that the government's fiscal position had continued to strengthen based on expenditure consolidation and higher energy prices, starting in 2016.[21] The expenditure consolidation efforts, in particular, led to more streamlined and efficient outlays as well as tighter control over the government's finances.

2.23. Since 2014 the authorities faced repeated challenges from the revenues side as declining energy prices led to fiscal deficits in 2015, 2016 and 2017—e.g. 6.6% of GDP in 2017.[22] To address this, various measures were implemented including the reduction and reprioritization of public expenditure as well as increasing efficiency in public spending. At the same time, the MoF took several steps to enhance non-oil revenues—which started increasing in 2017—thus contributing to

[21] IMF (2019). Article IV Consultation. Washington, DC.
[22] IMF (2019). Article IV Consultation. Washington, DC.

the expansion in the government's fiscal space. The remaining deficit was financed using buffers available with the MoF's Treasury and debt tools.

2.24. Qatar remains committed to further fiscal consolidation and is working to implement several initiatives to this end. These include constrained expenditure (in response to low energy prices), contained growth of public sector payroll, rationalization of pubic investment, continued growth of non-hydrocarbon revenues, which includes the introduction of excise taxes, streamlining both capital and current public expenses, mobilising non-oil and gas revenues via improving the tax administration system, streamlining and upgrading tax regulations, and facilitating and easing tax procedures and management. As at end 2020, the process had succeeded in meeting its stated purpose.

2.25. Going forward, Qatar is well placed to respond effectively to the lower oil price environment, a position underpinned by three current factors: the ongoing fiscal consolidation process, the decline in the publicly-financed CAPEX spending as major projects for World Cup 2022 have either finalized or are about to finish and the combination of a strong market appetite for Qatar's credit profile with opportunistic debt market issuances. As a result, the fiscal balance is expected to record larger surpluses over the medium term as spending on major projects is anticipated to decline gradually and hydrocarbon revenues are expected to remain steady as output remain relatively constant. Public subsides remain in place and, thus, continue to be part of current public expenses. Post 2024, as the first phase of the North Field LNG production expansion comes online and public expenditure stabilizes, the fiscal balance is expected to improve significantly. To achieve fiscal sustainability Qatar is reviewing the possibility of adopting and developing fiscal management tools through which it can identify and reap fiscal benefits and justify the resources it would invest in a systematic way.

2.26. The assumptions underlying Qatar's 2020 budget, however, had to be reviewed in light of the combination of the current oversupply of oil (October 2020) and the plunge in demand due to Covid-19 crisis. To this end, the price of crude oil assumed for 2020's budget was revised to USD 40 per barrel, down from the original assumption of USD 55 per barrel (same as 2019).[23] This is expected to put some strain on the fiscal account, particularly, in light of Qatar's decisive response to the Covid crisis. Indeed, the response includes comprehensive fiscal and monetary measures to support the affected sectors (including hospitality, tourism, retail, commercial complexes, logistics) as well as to enhance liquidity of the banking sector. The following measures were implemented:

1. Postpone QAR30 billion (USD 8.24 billion) in unawarded contracts on capital expenditure projects.

2. Allocate QAR 3 billion (USD 0.82 billion) in guarantees to local banks to provide soft loans (without commission and fees) for affected companies to support salaries and rents.

3. Roll out a stimulus package of QAR 75 billion (USD 20.6 billion) to the private sector to support and provide financial and economic incentives.

4. QCB to implement measures to encourage banks to postpone private sector loan instalments and obligations for six months.

5. Direct QDB to postpone instalments of all borrowers for six months.

6. Ask public Qatari entities to increase their investments in the stock exchange by QAR 10 billion (USD 2.7 billion) to support Qatar's capital markets.

2.5 Monetary Policy

2.27. QCB, which has supervisory and monetary policy responsibilities in Qatar, was established by Amiri Decree No. (15) of 1993 and its activities are mainly regulated by Law No. (13) of 2012. Since 2014, QCB's Financial Stability and Risk Control Committee (FSRCC) became fully operational and is assisted by two sub-committees, one focused on financial stability and the other one on supervisory issues. The Committee coordinates macroprudential monitoring activities and assessments undertaken by the relevant departments. Further, to facilitate the safekeeping and

[23] Shura Council (2020). See https://www.shura.qa/en/Pages/General-Secretary/Amir-Speeches/49th-Session-Opening.

management of securities and other financial instruments, the Qatar Central Securities Depository (QCSD) was established in 2014.

2.28. QCB also established a new unit focusing on FinTech and a new department focusing on cybersecurity in response to the economy's growing reliance on E-commerce and financial technological innovation. It created a new financial inclusion committee as well, an idea that was highlighted at the Council of Arab Central Bank Governors' Meeting in April 2016. The growing importance of data management also meant an increasing focus on this aspect and following a thorough internal assessment, a department on data management was established in 2019. At the same time, recognizing the important of human resource as a key ingredient of central bank operations, the human resource department was reoriented to ensure a dedicated and active focus on the issue.

2.29. QCB's de facto monetary policy objective is to keep the value of the Qatari Riyal stable against the US dollar (fixed since 2001 at QAR 3.64 per one US dollar). To this end, the use of the QCB lending rate has served effectively to manage monetary policy whilst the required reserve ration remained fixed at 4.5% throughout the period under reviewed. In a wider sense, QCB maintained an active policy stance during the period under review. During 2014-2017 QCB issued many regulations to banks to adopt -Basel III- guidelines, which include, capital adequacy with all its pillars, liquidity coverage ratio, net stable funding ratio, and leverage ratio. Furthermore, it also provided support to domestic systematically important banks requiring capital buffers, and recovery plans. During 2017, instructions were issued to banks to update the framework of measuring and controlling large exposures as per the latest Basel guidelines. In late 2017, it launched in coordination with Qatar's other financial regulatory authorities, the Second Strategic Plan for Financial Sector Regulation (SSP2). During 2017-2018 QCB also issued guidelines to conventional banks and Islamic banks to implement the new accounting standards, IFRS 9 and AAOIFI 30 starting from the beginning of the financial year 2018. In December 2019, it announced the adoption of the implementing regulations to Law No. 20 of 2019 on Anti-Money Laundering and Combating Terrorism Financing.

2.30. The development of the bond market is one of the key strategic objectives for QCB. In effect, the secondary bond market is developing over time through short- and long-term instruments, which in turn, has ensured better transmission of monetary policy, and in the process, strengthened the mechanism of coordination between monetary and fiscal policies. It has also supported the banking and financial system by enhancing domestic banks' balance sheet liquidity position, in line with international best practices.

2.31. QCB responded actively to the political regional challenges of 2017. To this end, it moved to ensure that an adequate level of liquidity was preserved in the financial system at all times, maintained close and continuous monitoring to address any potential financial disruption and kept the market informed of all QCB actions. It was subsequently found that both the banks and the financial markets responded successfully to these challenges. The IMF reaffirmed this as it highlighted the economy's successful absorption of the negative shocks created by the 2014-2016 decline in oil prices and the adverse regional landscape.[24] In particular, the Committee for Crisis Management, which operates within QCB, was instrumental in providing guidance to the financial sector as economic and financial situations evolved at the time. In-depth discussions with financial sector participants were frequently undertaken to ensure a close and continuous assessment of their strengths and weaknesses in order to address any potential financial stability concerns. At the same time, the launch of the SSP2 in November 2017 also represented an integral part of the authorities' long-term strategic realignment. To this end, it explicitly included maintaining financial integrity as a strategic goal (which previously had been considered under other objectives) as well as promoting financial inclusion and financial literacy.

2.32. In 2020, the authorities announced an economic package of QAR 75 billion for the private sector in response to the evolving Covid-19 pandemic. Consistent with this and to safeguard financial stability, QCB also undertook several key policy measures such as lowering its key policy rates, providing additional liquidity to all banks operating in Qatar at a zero cost. QAR 3 billion in guarantees were also allocated to local banks to mitigate the impact of the most critical short-term payment obligations by the private sector. The postponement of repayment of loan instalments, including from QDB, due as well as the interest/return on those loans for the affected sectors, and cancellation

[24] IMF (2019). Article IV Consultation. Washington, DC.

of POS fees and ATM withdrawal fees, amongst others. Relevant guidelines were also issued for non-banking entities such as finance and investment companies, consultancy companies and exchange houses. The instructions were placed on the QCB website for wider public dissemination.

2.33. Several milestones were achieved during the period under review. Besides the development of the FSRCC's capabilities—in line with international best practices—QCB established the Renminbi Clearing and Settlement Centre in 2015, the first of its kind in the Middle East, as a hub for settlement and clearing transactions. On the other hand, the publication of the SSP2 highlighted the close cooperation with other domestic financial regulators. Other important developments included the enactment of the revised Anti-Money Laundering and Combating Terrorism Financing law (AML/CFT) and the accreditation to the Qatar Credit Bureau as an accredited local operating unit by the Global Legal Entity Identifier Foundation (see Section 2.8.1 for further details on the AML/CFT). Another important landmark was the launch of the Qatar Interbank Offered Rate, thus meeting a long-standing market need by providing a reference point for banks borrowing unsecured funds in the local wholesale banking market and promoting a more active interbank market in the country. The gradual development of the bond markets since 2014 has been an important development as well as it has served to transmit signal and enhance the effectiveness of monetary policy. Qatar Stock Exchange (QSE) also upgraded from frontier to emerging market status by MSCI, Standard and Poor's and Dow Jones (S&P) and FTSE Russell since 2014. Recently QCB launched the Qatar Mobile Payment System (QMP) and issued Rule Book/Guidelines containing Mobile Payment Instructions in 2020.

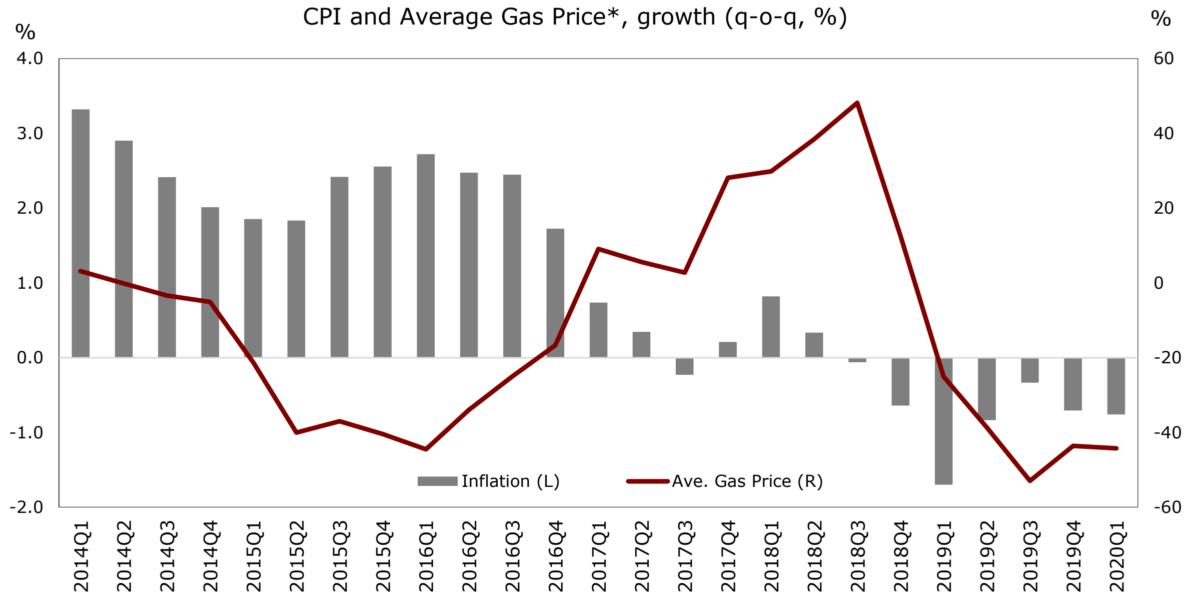
2.34. In 2019, the Qatar Credit Bureau was accredited by the Global legal Entity Identifier Foundation as an authorized Local Operating Unit for the local allocation of legal entity identifiers. This is expected to further enhance transparency in the financial sector by allowing stakeholders to clearly identify each entity in financial markets and enable better assessment of macroprudential risks. Two other developments are important in this regard. First, the Credit Bureau initiated issuance of credit reports with FICO credit scores. Second, keeping in view of the economy's changing dynamics, the Credit Bureau also added members from the telecom and automobile financing sectors. In term of international raking, Credit Bureau expanded its credit coverage during the recent past, including more companies' information which led to increase the credit coverage scoring in the Doing Business report (World Bank, 2020). It also deepened the availability of credit information. Going forward, QCB is working towards a strategic expansion of the Credit Bureau's activities, exploring the introduction of credit scores for the SME sector.

2.5.1 Inflation

2.35. Qatar's inflation dynamics during the period under review were largely dominated by international hydrocarbon prices—gas prices in particular—and some domestic price imbalances. In fact, as average gas prices declined during 2014Q2 and 2016Q4—at a compound quarterly growth rate of -7.6%—inflation followed suit, going from 2.9% to 1.7% in the same period.[25] After that, the synchronicity was lost as domestic price considerations overtook inflationary pressures. Ample availability of Commercial Real Estate and housing space, coupled with a decline in the cost of international tourist packages and airfares, triggered an adjustment process starting in 2017 that, coupled with declines in transport and communications, put downward pressure on the CPI. Whilst the real estate adjustment is still ongoing, the authorities expect the CPI to expand slightly to 2.1% in 2020 and 2021.

[25] Average international gas prices were calculated by the Amsterdam TTF, Indonesian LNG and Henry Hub prices.

Quarterly Inflation and International Gas Prices



*: Includes Netherlands TTF, Indonesian LNG and HH

Source: PSA, IMF.

2.6 Foreign Direct Investment

2.36. Qatar's net foreign direct investment (FDI) flows (inward minus outward flows) remained significantly negative at a quarterly average of QAR 4.5 billion (USD 1.2 billion) during 2014Q1 – 2019Q4. In effect, average quarterly outward flow outstripped average quarterly inward flows by an average multiple of 5.3, thus leading to a total of QAR 103.2 billion (USD 28.4 billion) in outward flows during the period under review with a total of QAR 4.1 billion (USD 1.1 billion) in inward flows during the same period.[26] Interestingly, outward FDI flows were in tune with GDP's cycle for most of the period under review, particularly after 2017 (correlation index of 0.63), whereas inward FDI flows were not. In effect, most of the inward flows are associated to ongoing construction activities and, thus, not linked to the economy's cycle.

2.37. QIA continued to build its investment portfolio during the period under review. In doing so it continued to diversify risk in different markets, sectors and types of activities, basically covering the entirety of the investment spectrum. QIA also has exposure in Qatar through investment in companies operating in QFC (see Section 2.8 for further details on QFC).

2.38. The authorities noted that they continue to monitor the impact of Brexit on the UK economy. QIA continued to invest in the UK as it still believes that the UK remains an attractive destination for long-term investment. In consequence, it continues to seek new opportunities in several sectors including infrastructure, technology and energy.

2.7 Preparations for the 2022 FIFA World Cup

2.7.1 Sports Facilities

2.39. The SCDL is responsible for delivering the sporting facilities for the 2022 FIFA World Cup. Its board, which was restructured in 2018 through Amiri Decision No. (2) of 2018, is led by H.H. the Emir Sheikh Tamim bin Hamad Al Thani, H.H. the Personal Representative of the Emir, H.E. Sheikh Joaan bin Hamad Al Thani, H.E. Sheikh Mohamed bin Hamad Al Thani (its Managing Director) and H.E. the Prime Minister, Sheikh Khalid bin Khalifa Al Thani. The board also includes the Ministers of Finance, Culture and Sports, Development Planning and Statistics, Transport and Communication,

[26] QCB (2020). Foreign Direct Investment Flows Report.

Municipality and Environment and the President of Qatar Football Association. Moreover, the core senior management remains largely unchanged since 2010—in fact, a number of the most senior people on the team were part of Qatar's successful bid in 2010. The development of young talent also remains a focus as Qatar ensures the tournament leaves a legacy.

2.40. The SCDL's strategic plans are supported and aligned with those of other governmental entities responsible for infrastructure development in Qatar. Because of this, the immediate adverse impact of the regional challenges was quickly overcome as the authorities encouraged domestic production of construction material whilst actively seeking for alternative import markets (see Section 1.3.2 for further details). The Government's efforts to successfully and quickly establish new shipping and air routes also helped to limit long-term impacts or delays in any of the delivery timelines. In this sense—and in spite of the situation—Qatar remains committed to delivering a FIFA World Cup that is truly regional in nature.

2.41. All eight tournament venues will be ready by 2021 as the projects continue to progress on schedule and budget with of them having already been completed. In effect, the first venue to be inaugurated was Khalifa International Stadium, which opened its doors in May 2017 five and a half years ahead of the tournament's kick-off. After that, the Al Janoub and Education City Stadiums were completed in April and December 2019 respectively. By the end of 2020, Qatar will have six tournament-ready venues, with Al Rayyan, Al Bayt and Al Thumama Stadiums all being completed. None of these stadiums will be located more than 75 km from each other. Also, in a first for a FIFA stadium, Qatar's 40,000-seat Ras Abu Aboud Stadium will be completely dismantled following the tournament. This is possible thanks to the venue's unique construction, using shipping containers and modular seating. These and other constituent parts of the stadium will then be used in other sporting or non-sporting venues. Most venues also feature modular designs to allow excess seating to be removed and donated post-2022.

2.42. In fact, Qatar's sporting infrastructure is already widely used by communities in the country. Each venue has tailored legacy plans that suit the local communities to ensure they are used long after the tournament. The legacy plans for each venue were developed after thorough consultation with the local community, ensuring they met the needs of those that will use the venues before and after the tournament. Many venues include both sporting and non-sporting facilities in legacy-mode, with some including schools, mosques, wedding halls and retail spaces within the stadium and their surrounding precincts post 2022.

2.43. Qatar is also working towards a Global Sustainability Assessment System (GSAS) certification for all stadiums to ensure that the most environmentally friendly practices and materials are used. To this end, Qatar launched a joint sustainability strategy with FIFA and will be the first to host a fully carbon neutral tournament. As part of the initiative, the stadiums' designs were developed to reduce both the waste generated during production of stadium components and that created onsite during construction. Renewable and low-energy solutions are also incorporated wherever possible, making stadiums energy self-sufficient and even powering other facilities.

2.44. The venues have been undergoing strict technical and operational preparedness testing as well. On the one hand, several tournaments have already been successfully hosted as trial-runs, e.g. the 2019 Arabian Gulf Cup and 2019 FIFA Club World Cup, whilst evaluations are underway. These include certifying that stringent standards, built into the contracts, have been met prior to handover, testing the stadiums' preparedness through matches at various capacities, that appropriate materials were used to meet sustainability criteria, that health and safety plans are in place and tested and that structures are compliant with civil defence standards. The authorities expect that all unfinished and/or missing work will be addressed as testing progresses.

2.45. Procurement is still ongoing, mostly focused on the final stages of delivery.[27]

2.7.2 Infrastructure

2.46. Qatar's preparations for the FIFA World Cup moved forward in spite of the events that marked the period under review. To this end, Ashghal continued to develop Qatar's core infrastructure, i.e. expressways, local roads, public buildings and flood prevention infrastructure as well as the

[27] Further information can be found from https://www.qatar2022.qa/en/opportunities/procurement.

Intelligent Transportation System and the Public Realm Beautification programme. The agency also built bus stations, depots and the park & ride sites that will complement the Doha Metro whilst completing the "cool paving" pilot road project in 2019—an initiative to reduce solar radiation from the asphalt through the use of cryogenic material. In fact, since 2014, Ashghal completed 771 km of the new roads network, 151 new or upgraded interchanges, 200 bridges and underpasses, 853 km of footpath, cycle ways and shared paths, 3,400 km of foul sewer projects, 6,700 km of new local roads and 5,100 km in drainage projects.

Ashghal's Completed Projects and Obligations in 2019

	Type of Project	Number of Projects Completed	Total Value (QAR billion)
Completed Projects	Roads and Infrastructure	34	4.2
	Buildings	18	5.3
Obligations	Roads and Infrastructure	44	9.9
	Buildings	4	0.12

Source: Ashghal.

2.47. Ashghal has a number of signed obligations for 2020, totalling QAR 32.8 billion in roads and infrastructure projects and QAR 4.8 billion in building projects. Since 2014, the agency revamped its project management capabilities whilst streamlining its procurement process (see Section 3.13 for further details on its procurement practices). Furthermore, it adjusted its strategy to ensure that the circumstances witnessed in mid-2017 are not repeated. This included collaboration with other agencies to encourage local companies to become suppliers of construction material (see Section 1.3.2 for further details) as well as reaching out to institutions and private sectors in previously untapped import markets to ensure a steady flow of imported construction materials. The case of bitumen is a case in sample as new import markets were sought and found.

2.7.3 Doha Metro

2.48. The Doha Metro came into service for the public in May 2019 and, as at early 2020, it covered around 100 km through three lines and 27 stations spanning from Al Wakrah to Lusail. Ridership at this time was around 150,000 per day with over 13 million having travelled since opening day. The delivery of this first phase, moreover, was done on time and on budget. Phase two of the network's development will introduce a fourth line and extensions to the current lines that will include 60 additional stations. QRail, the agency tasked with the delivery of the Doha Metro, is also responsible for two other major projects, i.e. the Lusail Tram and the Long-Distance Rail.

2.49. QRail's strategic guidelines are provided by the Ministry of Transportation and Communication (MoTC)—created through Amiri Decree No. (16) of 2014—with operational decision-making kept within the company. Its board is chaired by the Prime Minister, H.E. Sheikh Khalid bin Khalifa Al Thani and includes, amongst others, QRail's Managing Director and CEO H.E. Eng. Abdulla Abdulaziz Turki Al Subaie, Ashgal's president H.E. Dr. Eng. Saad Ahmed Al Muhannadi and the Secretary General of SCDL, H.E. Hassan Abdulla Hassan Al Thawadi. QRail's strategic goals include the cost efficient and timely delivery of the railway programme, following international best practices for safety, security and health. To this end, construction standards, rules and regulations for Doha Metro are on European and U.S. Standards.

2.50. The regional challenges created some minor initial disruption as the majority of the construction materials and equipment for the Doha Metro and Lusail Tram projects were being delivered across the land border, much of it after having been delivered by ship to the Jebel Ali Port. The principal impact on the Doha Metro was on fitouts and mechanical escalators. However, the core infrastructure for the phase one delivery of the project was already in the country. Furthermore, materials began to be delivered directly to Qatar as QRail worked with its contractors to identify and overcome potential delays. Some of the solutions included sourcing alternative suppliers (many from China and Iran), finding alternative supply routes, and expediting shipments. Measures taken also include the following:

- The creation of a task force to quickly identify and resolve bottle necks in the supply chain;
- QRail stepped into the Supply chain to contact multinational suppliers working across all lines, e.g. Siemens, Schneider, NAFFCO, to obtain commitments to support the schedule;

- Promotion of import substitution through BACS equipment assembly, GRG panel fabrication and steel manufacture;
- Fast Track approvals - Face to face workshops enabling subsequent Qatar Civil Defense approvals for alternative materials;
- Air freight were used for critical materials to maintain the schedule on critical pilot stations;
- Control rooms were established to provide visibility of blockages in the supply chain and, thus, prepare timely corrective measures to protect the schedule;
- Project management consultants were brough on board to gather accurate data to re-sequence work to absorb delays and to support the design and build contractors and subcontractors;
- Specific customs clearance support was established in Oman through Al Milaha.

2.51. QRail also implemented ad-hoc procurement procedures to allow for quick deployment of resources to the key areas of the supply chain (further details can be found in Section 3.11).

2.52. Doha Metro's success so far depends primarily on its integration into the overall public transport landscape in Qatar. In fact, at the end of last year, Doha Metro demonstrated its capabilities during the Arabian Gulf Cup and the FIFA Club World Cup by transporting around one third of the spectators—peaking on Qatar National Day when more than 330,000 people chose to travel through the Metro system. Going forward, QRail expects to continue to grow ridership further when integration with other modes is further improved.

2.8 Capital Markets

2.53. Qatar Financial Centre Regulatory Authority (QFCRA) regulates and provide oversight over Qatar's onshore financial centre—i.e. QFC. To this end, QFCRA and QFCA continuously updated their legal and regulatory environment since 2014 to ensure adherence to global best practices.

QFCRA and QFCA Main Legal Provisions – 2014-2020[a]

Year	Rules and Regulations	Amendments
2014	- Interpretation and Application Rules - Banking and Business Prudential Rules - Principles Rulebook - Asset Rules	- General Rules - AML/CFT Rules - Collective Investment Scheme Rules - Insurance Mediation Business Rules
2015	- Islamic Banking Business Prudential Rules - Conduct of Business Rules - Insurance Mediation Business Rules	- General Rules - Company Regulations - Company Rules - Captive Insurance Business Rules
2016	- Foundation Regulations - Investment Club Regulations	- Collective Investment Scheme Rules
2017		- QFCA Tax Regulations and Tax Rules - QFCA Trust Regulations - Insolvency Rules - Tax Rules
2018		- Banking Business Prudential (Liquidity Risk and Miscellaneous) Rules - Individuals (Assessment, Trading and Competency) Rules - Islamic Banking Business Prudential Rules - Interpretation and Applications Rules

Year	Rules and Regulations	Amendments
2019	- Investment Management and Advisory Rules - Customer and Investor Protection Rules - Customer Dispute Resolution Scheme Rules - Collective Investments Schemes Rules	- General Rules - Captive Insurance Business Rules - Insurance Business Rules - Insurance Mediation Business Rules
2020		- QFCA Rules

a All QFC norms can be found in https://www.qfc.qa/en/Pages/default.aspx.

Source: QFCRA and QFCA.

2.54. Two other regulators—QCB and Qatar Financial Markets Regulator (QFMA)—also oversee and provide legal norms for activities carried out by QFC-registered entities. QFMA, in particular, provides oversight and regulatory guidance to capital markets and securities trading in Qatar.[28] To avoid inconsistencies, the authorities work in coordination to ensure that all three regulatory frameworks are consistent between each other. Since 2014, the following decrees, issued by QCB and QFMA, directly affected companies operating from the QFC.

Main QCB-QFMA Norms Affecting QFC Entities – 2014-2020[a]

Year	QCB	QFMA
2014		- Rules of Licensing and Regulating Depository - Mergers and Acquisitions Rules - Selling Rights Issue Rules - Margin Trading Rules
2015	- Corporate Governance Guidelines - Controls on Banks Marketing Insurance Products Provided by Insurance Companies - Over-the-Counter (OTC) Derivatives Contracts - Corporate Governance Guidelines	- Listing Rules for Real Estate Investment Funds' Units - Capital Adequacy Standards for Financial Services Companies - Ownership of Shares in Listed Companies on OSE
2016	- Increase of QMR - Implementation Regulations on the Ceilings and Conditions of Ownership of Banks' Shares listed in the QSE - Squaring Positions for Foreign Currencies	
2017	- Granting Credit Facilities in Foreign Currency Inside and Outside Qatar - Implementation of UN Security Council Resolution on AML/CFT Regarding Freezing Funds - Banks' Borrowing from Local and International Markets - Liquidity Provider and Market Maker Activity	- Rules of Companies' Conversion into Public Shareholding Ones for Listing in the Financial Market - Market Maker Rules - Operational Procedures of Exchange-Trade Funds (ETS) [Covered Short Selling Procedures (CSSP)] - Rules of the Employees' Incentive Shares Scheme in Listed Shareholding Companies Through Owning Shares in the Listed Company
2018	- Executive Regulations to Measure and Control Large Exposures - Fixed Assets Revaluation - Trading in Bitcoin	- Omnibus Code for Lusted Funds
2019		- Listing Rules for Funds' Units - Governance Code for Listed Funds - Financial Services Rulebook - Margin Trading Rules

a All QCB and QFMA regulations can be found in http://www.qcb.gov.qa/English/Pages/Default.aspx and https://www.qfma.org.qa/english/Pages/default.aspx respectively.

Source: QCB and QFMA.

2.55. QFC was directly affected by the regional challenges as financial companies and institutions from some countries were ordered to withdraw their funds from Qatar. As a result, non-resident

[28] QFMA (2020). Information available from https://www.qfma.org.qa/english/Pages/default.aspx.

deposits declined significantly, thus creating funding challenges that, fortunately, did not lead to banking liquidity drying out thanks to other QFC financial institutions filling the void. Furthermore, QFC censured some financial institutions involved in attempting to manipulate the Qatari Riyal off-shore exchange rate. Successful court rulings and the effective exit of some financial institutions from QFC's platform removed the dangers posed by these actions. As at early 2020, leading Qatari companies continued to conduct most of their financial transactions through the QFC, ensuring continued stability, at the same time, reducing their investments' exposure to geopolitical risk. The Covid-19 pandemic is expected to have a minor short-term impact on Qatar's capital markets although long-term trends will likely unfold for the next few years.[29]

2.56. QFCA announced a new corporate strategy at the beginning of 2019 with a new focus on New Emerging Belt Initiative (NEBI) countries, i.e. strategic partners geographically close to Qatar and with good government-to-government relations. These included Kuwait, Oman, Turkey, Pakistan and India. Promotional activities and partnerships with other finance-related institutions led to an increase in the number of companies investing in Qatar. QFC also expanded its marketing efforts to attract investment from new sectors, such as: FinTech, asset management, capital markets and Islamic finance. These combined efforts led to a significant increase in the number of firms operating in QFC (more than 30% growth in 2019), of which 5 FinTech companies were licensed in 2019.

2.57. Moreover, since the formal establishment of QFC's Financial Sector Office in 2018 through the end of 2019, 8 regulated asset management and investment services firms came onboard QFC's platform. In total, 10 new asset management companies and one bank (CQUR Bank) came onto QFC's platform since 2014. None of these companies are listed, and nearly all of them being asset management firms. Epicure Investment Management, in particular, established itself with an initial capital of QAR 1.8 million in 2018 and it is now slated to manage QAR 25.5 billion by the end of 2020. Just as importantly, the overall number of firms operating in QFC increased from 170 at the end of 2014 to 816 as at end of 2019.

2.58. QFC has also extended its approved activities beyond the financial sector. For example, FIFA chose QFC as its establishment platform for its local organizing committee for the 2022 World Cup, a fact that will see much of the organization of the tournament being carried out from the QFC. The authorities are also currently reviewing the QFC Law to extend the QFC Court's jurisdiction to non-QFC entities wishing to use the court, particularly for dispute resolution processes. This is particularly the case for companies operating in Qatar's free zones.

2.59. Since its last review, Qatar moved to allow Real Estate Investment Trusts (REITs) to operate in the country as regulated QFC firms. However, provisions are still being arranged between QFC and the Ministry of Justice to enable foreign investors to own real estate in non-designated zones in Qatar (see Section 3.7 for further details on the foreign investment law). It is expected that the arrangement will facilitate the development of QFC's REITs regime in Qatar, thus leading to an increase in liquidity going into the Qatari real estate market. The authorities expect that this change in the law will posit an expansion in demand that can support the absorption of Qatar's current supply of space across all real estate asset types.

2.60. The authorities expect that Brexit will prove beneficial for QFC as UK-based investors seek the benefits of its on-shore taxation regime, amongst other things.

2.8.1 Anti-Money Laundering and Combating the Financing of Terrorism

2.61. Qatar updated and expanded its AML/CFT legislation since its last review. Law No. (20) of 2019, which replaced Law No. (4) of 2010, expanded the definition of possible offences with a more general approach rather than listing specific breaches. In particular, the Law now does not make a distinction between foreign, domestic and international organizational politically exposed persons (PEP). The new framework was the outcome of a review undertaken by Qatar's National Anti-Money Laundering and Terrorist Financing Committee, led by QCB, with the aim of bringing domestic legislation in line with global practices, including standards set forth by the Financial Actional Task Force (FATF).

[29] KPMG (2020). Potential impact of Covid-19 on the Qatar economy. Doha.

2.62. Law No. (20) applies to both financial institutions and designated non-financial businesses and professions (DNFBP). However, financial institutions and DNFBP operating within QFC, whose oversight falls under the authority of QFC Regulatory Authority (QFCRA), remain subject to the QFCRA's AML/CFT Rules 2010. These rules, which were drafted in accordance with the principles and practices normed by Law No. (4) of 2010, were also updated to bring them into line with FATF global recommendations and standards.

2.63. One of the important changes introduced by Law No. (20) is the requirement for all financial institutions and DNFBP to implement a risk-based approach to AML/CFT risks and to carry out risk assessments. The risk-based approach can be applied to customer due diligence and systems and controls but does not apply to maintenance of records and reporting of suspicious transactions. Furthermore, the law requires customer due diligence to be undertaken in certain circumstances, including when business relationships are stablished. To this end, Article 11 of the Law requires proper identification of the customer and any person acting on behalf of the customer, identification of the beneficial owner, obtaining information and understanding the nature of the business relationships and/or transactions and obtaining information and understanding the ownership and control structure of corporate clients. Article 13 requires an enhanced customer due diligence investigation in the case where there is an elevated risk of money laundering and/or terrorism financing and/or a transaction involving PEP or customers residents in, or incorporated in, higher risk jurisdictions.

2.64. The new stature also requires financial institutions and DNFBP to develop their own internal risk assessments and risk-based internal policies, procedures and controls, proportionate with their risk profile based on country, client and transactional risks. Transactions and attempted transactions that might reasonably be deemed suspicious must be reported to Qatar's Financial Information Unit within three days. Moreover, records are to be kept for at least 10 years. QFCRA's AML/CFT rules will be amended in the near future to reflect the new extended period of record keeping. The Law stipulates that breaches of the law can carry financial sanctions that may be as high as QAR 100 million.

2.65. QCB announced in December 2019 that it had adopted the implementing regulations of Law No. (20).

2.9 Tourism

2.66. Qatar received 2.1 million visitors in 2019, a 17% increase compared to 2018. In fact, visitor arrivals increased most significantly among European nationals (by 29%) nationals of the Americas (by 27%) and nationals from other Arab countries (by 21%). GCC nationals, on the other hand, also increased, by 17%, whilst those coming from other Asian countries, including Oceania, increased by 8%. African nationals visiting Qatar increased by 1%. According to the UN World Tourism Organization, visitor expenditure in Qatar during 2014-2018 increased at a compound annual growth rate of 4%, reaching USD 5.6 billion in 2018.[30]

2.67. At the end of 2019, the tourism sector had over 27,000 keys, roughly equivalent to 32,000 rooms (room key supply having expanded by 5% during 2019-2018). Despite the increase in room supply, however, demand also expanded substantially (up by 15%), resulting in a 9% increase in occupancy rate. Whilst average room rate was down by 2% across all hotels and hotel apartments, revenue per available room did increase by 7% in 2019, compared to 2018. Moreover, the sector's infrastructure development, which includes another 13,000 keys by 2022, has led the authorities to expect that there will be enough hotel space for everyone attending the 2022 FIFA World Cup, regardless of income.

2.68. The Covid-19 pandemic had a severe impact on Qatar's tourism as air travelling came to a near halt during the first six months of the pandemic and countries put measures to curb the spread of the virus. The economic impact on the sector is hard to quantify yet but initial estimates suggest significant pressures on recurrent revenues as occupancy rates plummeted.[31]

2.69. The sector's regulatory framework was overhauled in 2018. Amiri Decree No. (74) of 2018, which replaced Amiri Decree No. (36) of 2014, established the National Tourism Council (NTC),

[30] UNWTO (2020). Available from https://www.unwto.org/country-profile-inbound-tourism.
[31] KPMG (2020). Potential impact of Covid-19 on the Qatar economy. Doha.

created on the recommendations of the new Qatar National Tourism Sector Strategy (QNTSS) 2017-2023, approved by the Supreme Council of Economic Affairs in the second half of 2017. Article 3 of the said Decree states that the NTC's objectives are: (i) the implementation of the National Tourism Strategy in a manner that promotes the potential of Qatar's tourism sector, including regulations and promotion both in Qatar and elsewhere; (ii) improve the tourism experience in Qatar and (iii) show the "civilizational, cultural, artistic and touristic" characteristics of Qatar. The Law also tasks the NTC to develop public policy for the tourism sector as well as supervise and monitor activities, promote the development of private-public partnerships, develop the criteria used for the promotion of events in Qatar, establish companies or investment projects to participate in existing companies or project (inside and outside Qatar), enter into Memorandums of Understandings with any legal entity, issue the directives related to the development of the touristic experience, coordinate policy initiatives with other Ministries and propose draft legislation and express opinions on tourism issues as required, amongst others.[32] The authorities established three companies under the umbrella of the NTC to implement the sector's strategic objectives—i.e. Qatar Tourism Promotion Company, the Qatar Tourism Development Company and the Qatar Business Events Company—but they are not operational yet. The authorities expect the sector's total economic impact—i.e. direct, indirect and induce contributions—to be equivalent to 7.9% of headline GDP by 2025 (11.4% to non-mining GDP by the same year).

2.70. The NTC's board is chaired by the Prime Minister, H.E. Sheikh Khalid bin Khalifa Al Thani and it includes the Secretary General of NTC, the Ministers of Culture and Sports, Transport and Communication and Commerce and Industry as well as the Chairman of Katara Hospitality, the Secretary General of the SCDL, a representative of Qatar Museums and the Director of Qatar's Government Communications Office. Amongst other things, it is tasked with regulatory responsibilities for the sector and the NTC, including alignment with the general economic development guidelines set forth by the QNV 2030 and QSNDS.[33]

2.71. The different challenges experienced during the period under review fast-tracked existing strategic plans but did not alter them. The QNTSS was launched in 2014 which, amongst other things, sought to diversify the country's tourism offering and increase the sector's contribution to GDP by 2030 by working with public and private stakeholders in planning, regulating and promoting a sustainable and diverse tourism industry. To this effect, QBIC Tourism, i.e. an incubator specialized in the tourism sector, was launched in coordination with QDB to support local start-ups focused on tourism.[34] The New QNTSS was set forth in 2017, thus establishing the general guidelines for the sector's development. To this end, the blueprint guiding the country's tourism sector development during 2018-2023 identified six geographic zones across the country, tying each to product themes based on geographic characteristics. These are: urban and family entertainment, business events, culture and heritage tourism, coastal and dessert tourism and sports and recreation tourism. The strategy's main objective is diversification of products, services and of source markets in order to support the sector's sustainability and continued growth. The strategy goes through periodic reviews to adapt it to emerging realities on the ground.

2.72. The sector's principal regulations are as follows:

Tourism's Core Regulations

Regulation	Description
Amiri Decree No. (74) of 2018	Replaces Amiri Decree No. (36) of 2014 and establishes the National Tourism Council
Amiri Decree No. (75) of 2018	Establishes membership in the NTC's board. Complemented by Amiri Decree No. (3) of 2019.
Law No. (20) of 2018	Repeals Law No. (6) of 2012 and establishes a new regulatory framework for the tourism sector. In particular, it expands oversight to festivals and tour operators, focuses regulatory oversight on the tourism experience and on development of tourist areas. It also provides incentives to investment in those areas.

[32] Law No. (74) of 2018. Article 3
[33] Law No. (74) of 2018. Article 6
[34] Further information on Qatar Business Incubator Centre—QBIC—can be found in https://www.qbic.qa/en/

Regulation	Description
Law No. (21) of 2018	Regulates business events. The law expands the oversight of tourism activities to business visits by licensing exhibitions and conferences as well as the organizers of exhibitions and conferences. The law also focuses on the business tourism experience and grants incentives to attract investment to this niche.
MOCI Decision No. (380) of 2018	Establishes the Qatar Business Events Company. It tasks the company with the responsibility of managing government-owned exhibition and conference centres and overseeing their development. The law puts in charge of providing incentives to attract international exhibitions and conferences as well.
MOCI Decision No. (381) of 2018	Establishes the Qatar Tourism Promotion Company. The company, a private Qatari joint stock company, is tasked with managing the country's destination marketing and promotional operations abroad, including opening branches of the company in the main markets.
MOCI Decision No. (382) of 2018	Establishes the Qatar Tourism Development Company. The company is tasked with developing areas of land designated for tourism activities and marketing them to the private sector for investment. The company is also tasked with undertaking tourism projects that are not profitable for the private sector but that may be important for the development of Qatar's tourism asset portfolio.

Source: NTC.

2.73. A revised grading and classification system for hospitality establishments was introduced in 2016. The updated system ensures enhanced consistency in the application of—and adherence to—quality standards. It also incorporates present-day practice standards, such as service levels and sustainability. The authorities expect that the revamped system leads to the emergence of a more diverse, service-oriented, sustainable and environmentally friendly hospitality sector. Moreover, an electronic licensing system was introduced in 2017 to streamline processes for hotel establishments that included the application of licenses and license renewals. The e-licensing system was expanded a year later to include other tourism facilities, business event organizing offices, tourism activities and events, tour guides and tourism transportation. Currently, the system allows establishments to complete procedures required to apply, amend, renew or cancel a tourism licence whilst permitting more efficient monitoring and evaluation by the authorities.

2.74. Another policy initiative aimed at supporting the development of Qatar's tourism sector was the introduction in 2016 of a free 96-hour transit visa, thus, doubling the amount of time available for passengers on a stopover. The online platform to process and issue the e-visas was launched in 2017 through the coordination of NTC (then Qatar Tourism Authority), Qatar Airways, the MoI and VFS Global. So far, the system has greatly eased visitor access to Qatar with a more efficient and transparent visa application system with standardized fees. Furthermore, visa waiver policies were introduced in 2017 that, by 2020, covered nationals from more than 90 countries.

2.75. During 2018-2019, six representative offices were opened in three of the world's largest visitor source markets—China, India and Russian Federation. The NTC now has offices in a total of 10 markets, including Turkey, SE Asia and China (Beijing, Shanghai), Hong Kong, China, the United States, Italy, Germany, France and the United Kingdom. The move was part of the authorities' efforts to expand and diversify Qatar's traditional source visitor markets after 2017.

2.76. The tourism sector has had a number of successes since 2014. Chiefly amongst these are:

- Significant increases in visitor arrivals, particularly amongst European nationals (up 56% since 2014) and nationals of the Americas (up 41% during the same period);

- In September 2018, the World Tourism Organization ranked Qatar the most open country in the Middle-East (8th in the world) in terms of visa facilitation according to its visa openness rankings. This marked a 71% improvement since 2014, when it ranked 177th;

- +Qatar, a unique program that enables airline passenger to experience Qatar with a one-night stopover when transiting through Doha, was launched in 2017. Amongst other things, the program avails Qatar Airways transit passenger with a free 96-hour transit visit and a one-night hotel stay for USD 28 at a 5-star hotel (USD 23 for a 4-star one). In 2019, nearly 80,000 people had participated in the +Qatar program;

- Cruise tourism has gained traction since the inauguration of Doha Port in 2017. The 2018-2019 cruise season experienced a 105% growth in the number of cruise ships and a 121% growth in the number of visitors. The 2019-2020 season saw over 60 cruise ships and 207,000 visitors;

- The Business Events subsector expanded robustly with an annual average of rate of 44% during 2014-2019. Over this period, Qatar hosted 545 international conferences and events (148 in 2019 alone);

- NTC joined UFI's (the Global Association of the Exhibition Industry) roster of Diamond Sponsors in 2018 and signed an accompanying five-year framework agreement with regional exclusivity aimed at developing the exhibition industry in Qatar and connecting it to the industry's fastest growing markets;

- Sports tourism also gained traction during the period under review. In effect, Qatar hosted close to 80 sporting events and world-level competition across disciplines per year. This includes, the World Championships in Athletics (2019), the first ANOC World Beach Games (2019), the FIFA World Cup (2022) and the FINA World Swimming Championships (2023).

3 TRADE POLICY REGIME

3.1 Overview

3.1. Since its last Trade Policy Review Qatar continued to make important strides to deepen its participation in the multilateral trading system whilst maintaining its obligations to the World Trade Organization (WTO). The authorities' response to the different challenges faced during the period under review made extensive use of the WTO's institutions, legal mechanisms, practices and disciplines. Trade facilitation, diversifying import markets, streamlining process, making use of dispute resolution mechanisms and enhancing transparency and predictability of its foreign investment regime became crucial policy objectives. In this sense, the difficulties faced by Qatar since 2014, rather than choking the local economy, acted as policy catalyst that served to push through institutional and policy change. Ultimately, most of the initiatives undertaken by the government to provide continuity and mitigate risk ended up advancing the country's economic development and diversification agenda as set forth in QNV 2030 and QSNDS.

3.2. The Covid-19 pandemic created the need to develop time-sensitive responses. To this end, the authorities enacted several measures and allocated funds to ensure continuity of food security, health provision and consumer protection (see Section 3.2). Most of these measures are expected to remain in place until the effects of the pandemic subside.

3.3. During this time, authorities also developed investment promotion capabilities and sought to import substitute some key products, mainly construction materials and agricultural goods, as part of Qatar's larger development agenda. In effect, as per H.E. Ali bin Ahmed Al Kuwari, Minister of Commerce and Industry, "Qatar is reviewing its policies and developing laws to protect intellectual property rights and facilitate trademark and patent registration. Through these policies, the government seeks to empower local manufacturing companies that employ IT tools, biotechnology and artificial intelligence in production". Furthermore, "Qatar has also opened its real estate sector to foreign investors by easing restriction on property ownership", whilst bringing legal certainty to its private public partnership (PPP) regime.[35] The MOCI also launched an initiative to create a unified definition of SME in Qatar through which it seeks to facilitate economic policy formulation. In this manner, the authorities continue to place trade policy at the core of Qatar's overall economic development agenda, a view reaffirmed by the events of the last three years.

3.2 Trade Policy Objectives

3.4. Qatar's main trade policy objectives are to enhance trade facilitation, foreign investment and export promotion. In effect, they envision these goals as necessary complements to the country's economic development and diversification objectives, as envisioned in the QNV 2030 and QSNDS documents. Pursuant to this, "significant measures to attract foreign investment" were taken during the period under review as were various initiatives to update the customs regime.[36] Authorities also sought to promote diversification by continuing to invest in human resource development, PPP and streamlining legal procedures. QDB also continued to provide support for local SMEs including its various export promotion programs. These actions and initiatives are seen as enabling policies for the country's economic diversification efforts, to be financed in part through its export revenues.[37]

3.5. Qatar's National Food Security Strategy also envisions trade policy as one of its strategic pillars.[38] In effect, the strategy seeks to ensure that Qatar's "food import strategy is resilient against potential trade shocks and disruptions and that Qatar can quickly react to the loss of trade partners or a drop in self-sufficiency".[39] The strategy has the goal of establishing three to five substitute

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[35] H.E. Ali bin Ahmed Al Kuwari (2020), Interview with Oxford Business Group. Available from https://oxfordbusinessgroup.com/interview/game-plan-ali-bin-ahmed-al-kuwari-minister-commerce-and-industry-transformative-initiatives-bolster.

[36] Government Communication Office (2020). Economic Policy. Available from https://www.gco.gov.qa/en/focus/economic-policy/.

[37] H.E. Ali bin Ahmad Al Kuwairi, Minister of Commerce and Industry, as found in GCO's economic policy statement. Available from https://www.gco.gov.qa/en/focus/economic-policy/.

[38] Ministry of Municipality and Environment (2020). Food Security Department. Qatar National Food Security Strategy 2018–2023. Available from http://www.mme.gov.qa/pdocs/cview?siteID=2&docID=19772&year=2020.

[39] Qatar National Food Security Strategy 2018 – 2023.

import market for each commodity by 2023, with the share of top 2 import partners covering around 50% (in the case of achieving five import partners) to 70% (in the case of three partners).

3.6. Qatar enacted temporary trade-related measures to mitigate the effects of the Covid-19 pandemic as well.[40] Specifically, measures regarding trade in goods included: (i) custom duty exemption on food and medical supplies for a period of six months, provided that the savings were passed onto local consumers, (ii) ongoing inspection campaigns to control prices and prevent monopolistic practices and (iii) measures to restrict hoarding of surgical masks and other medical supplies, including rationing and price controls. Measures affecting trade in services included: (i) closure of educational institutions and implementation of online classes, (ii) change in working hours, including retail shops and (iii) closure of non-essential businesses. The authorities also implemented an economic stimulus package through the Central Bank, Qatar Development Bank and the Ministry of Finance (see Section 2.5 for further details).

3.7. The government has also expressed concerning regarding trade-deterring measures as of result of the pandemic, particularly, regarding the use of safeguard measures, increase in tariffs, shipping costs and supply-chain disruptions. The MOCI was working to on an economic impact assessment of the Covid-19 pandemic in Qatar and its effects on the country's strategic development goals as stated in the QNV 2030. The report is expected to be published soon.

3.8. Qatar is at the beginning of the process to develop a formal trade policy framework through the engagement of international consultants. The authorities also continued to develop their institutional capacity, particularly at the MOCI, throughout the period under review.

3.3 The General Authority of Customs

3.9. Since Qatar's last review, The General Authority of Customs (GAC) was established as an independent legal entity through Amiri Decree No. (37) of 2014 to replace the General Directorate of Customs. The Authority has 16 administrative units, including departments specialized in the application of customs policies and systems, several tasked with overseeing cross border flow of goods into Qatar and logistical matters. In particular, the restructure included the creation of three key departments: (i) The Department of Planning and Quality, (ii) The Department of Operations and Risk Analysis and (iii) the Department of Anti-Smuggling and Customs Security.[41]

3.10. The GAC's predecessor had created a strategic plan for the agency covering the 2013-2016 period that had been aligned with the strategic goals contained in QNV 2030 and, specially, with those of QNDS 2011-2016. The agency restructure in 2014, coupled with the ongoing work to support the development of the QSNDS 2018-2022, led GAC to update their strategic plan. In the new plan, key performance indicators were introduced within the context of specific time periods with emphasis placed on improving efficiency in the use of overall resources, developing academic and administrative capabilities and improving human resources. The GAC's strategic goals are: (i) to develop institutional capabilities, including its human resources; (ii) to protect societal and environmental security whilst reducing customs fraud; (iii) to follow the latest global practices to meet customers' needs and (iv) to become a core factor in the creation of a catalyst investment environment.[42]

3.4 Customs Procedures

3.11. Qatar's general customs law, i.e. Law No. (40) of 2002, was not amended during the period under review and, thus, continued to follow GCC Customs Law. However, a revised draft law is being prepared to meet Qatar's commitments to the provisions of the WTO Trade Facilitation Agreement. In addition to this, the GAC, in coordination with other agencies, enacted a number of regulations aimed at facilitating its procedures. The main decrees were:

- **Chairman's Decision No. (12) of 2015**. The measure updates operational aspects of the process of customs valuation of imported goods contained in Qatar´s Customs Law (Law

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[40] MOCI (2021). *The Efforts of the State of Qatar in Facing the Effects of Covid -19 on the Qatari Economy*. Doha.
[41] For further details, see http://www.customs.gov.qa/eng/index.php.
[42] General Authority of Customs (2020). See http://www.customs.gov.qa.

No. (40) of 2002, as amended) such as procedures, time limits and disputes, amongst other areas;

- **Administrative Circular No. (76) of 2015**. The regulation describes the procedures to apply the international export-import document, i.e. ATA Carnet;
- **Chairman's Decision No. (7) of 2016**. The Decision covers the terms and conditions of practicing the profession of customs clearance;
- **Chairman's Decision No. (8) of 2016**. The regulation describes the operations of customs warehouses for vehicles;
- **The Minister of Finance's Decision No. (9) of 2017**. This Decision establishes the charges on customs services provided by the GAC;
- **Executive Order No. (1) of 2018**. This measure disciplines the controls and procedures applied on goods imported to be re-exported;
- **Administrative Circular No. (3) of 2019**. The regulation describes the procedures to apply the international Road Transport Card (TIR Carnet);
- **Administrative Circular No. (75) of 2019**. The measure regulates the acceptance of commercial invoices issued by non-export or production country without need to provide a proof of relationship between the seller and producer of goods.

3.12. Furthermore, the Authority also created a green list of Qatari importers, i.e. a list of importing companies that are subject to only around 30% to 40% of their imported goods. The companies on the list are those that have not been red flagged for major concerns. The rest of companies' imports are subject to comprehensive checks. In general, all merchandise coming into Qatari ports, airports and land ports are subject to inspection regardless of the port of origin.

3.4.1 Changes in Export and Import Procedures

3.13. The regional situation created several challenges for the GAC. Indeed, the rapid shift to new import markets meant that the volume of goods passing through air and sea ports increased significantly as the land crossing was closed. To handle the increase in imports, the GAC implemented several temporary measures to facilitate importation and the cost of clearance for imported goods. For example, requiring original documentation only, including health certificates, was relaxed. Rather, importers were allowed to submit paper or electronic copies, even after the deadlines establish by existing regulations. Non-significant differences in shipment documentation were also dismissed, e.g. the importer's name, the source's name, the port of loading, arrival, amongst others. Strategic goods, including raw materials and food, were also granted special procedures until the situation is normalized.

3.14. There were no changes to export procedures during the period under review.

3.4.2 Trade Facilitation Measures

3.15. The GAC concluded several Service Level Agreements (SLA) with other governmental agencies to streamline the issuing of technical, health and environmental approvals on imported goods.[43] The collaborative efforts are aimed at improving services provided at customs ports, reducing release time and the cost of importing and exporting. The Authority also developed processes to handle the submission of documentation over the internet such as a programme to collect financial claims from customers electronically. It now also accepts electronic certificates of origin and import invoices originated in countries with which Qatar does not have preferential agreements.

3.16. The GAC is also working to develop other customs programmes and procedures on an ongoing basis to facilitate processes and encourage investment. These include: (i) an import to re-export system; (ii) acceptance of electronic certificates of origin and electronic certification of invoices

[43] The principal institutions were the Ministries of Public Health, Municipality and Environment and the General Authority of Specifications and Standardizations.

associated with imports; (iii) accepting commercial invoices issued from a non-export or production country; (iv) the use of private customs warehouses; (v) updating the customs refund process; (vi) the use of the ATA Carnet; (vii) the implementation of a new risk management system; (viii) industrial exemptions; (ix) the implementation of pre-clearance of shipments and (x) the use of authorised economic operators.

3.17. The Qatar Customs Clearance Single Window, known as Al Nadeeb, was aligned to respond to the various challenges and shifts in strategic directions undertaken by the GAC during the period under review.[44] The single window coordinates services with shipping lines and agents, government entities to exchange information, courier and post services, airport operators and vehicle dealers. The system, which is the GAC's main gateway for importers and exports, can be reached directly through the GAC's website or the Government's e-government platform, Al Hukoomi.[45]

3.4.3 Anti-Smuggling and Customs Security

3.18. The GAC developed working protocols with the Public Prosecutor's Office with the aim of requesting that criminal proceedings be initiated in cases of smuggling in order to ensure accuracy and speed of transfer of information between the parties on possible offences. The Authority also signed two Memorandums of Understanding, with Qatar Charitable Foundation and the Qatar Financial Centre, to streamline Qatar's anti money-laundering and terrorism finance efforts. Furthermore, an electronic program—called Iqrar—was also launched to collect information provided by travellers going through customs ports regarding money transferred in their possession. The aim of the program is to register, document and transmit that information to the Financial Information Unit, Qatar's agency in charge of receiving, analysing and disseminating information to combat anti money-laundering and terrorism finance (see Section 2.9 for further details on Qatar's AML/CTF policies).[46]

3.4.4 Customs Valuation

3.19. The customs valuation methodology did not change during the period under review and continues to depend on the customs assessment methods contained in the WTO Customs Valuation Agreement (implementation of Article VII of the GATT).

3.4.5 Valuation Dispute Resolution

3.20. The valuation dispute resolution process did not change during the period under review. To this effect, importers continue to have the right to appeals decisions made by the GAC at two levels. The first one is the administrative objection within the GAC, including the competent departments, the committee for determining value or the GAC Chairman). The second level of appeal is through an independent judiciary body, i.e. courts of law (see the Government's 2014 TPR report for further details).

3.4.6 Customs Agreements

3.21. The GAC signed several customs agreements since 2014. These are:

Countries with which Qatar has signed customs agreements with since 2014

Agreement	Date	Legal Instrument
Istanbul Convention on Temporary Admission (A), (B1)	2015	Decree No. (12) of 2015
International Road Transport Agreement 1975	2018	Decree No. (12) of 2018
WTO Trade Facilitation Agreement	2017	Decree No. (81) of 2017
Unified Arab Customs Cooperation Agreement		
Agreement on Cooperation and Mutual Assistance in Customs Affairs Between the Government of the State of Qatar and the Government of the Republic of Turkey	2016	
Agreement on Cooperation and Mutual Assistance in Customs Affairs Between the Government of the State of Qatar and the Government of the Republic of India		

[44] For access to Al Nadeeb, see http://www.customs.gov.qa/eng/QCCSW.php.
[45] For access to Al Hukoomi, see https://portal.www.gov.qa/wps/portal/homepage.
[46] For further details, see http://www.qfiu.gov.qa/.

Agreement	Date	Legal Instrument
MoU in the Field of Professional Re-Training and Professional Skills Development Between the General Authority of Customs in Qatar and the Customs Committee in the Republic of Azerbaijan		Memorandum of Understanding

Source: The General Authority of Customs.

3.5 Rules of Origin

3.22. Qatar continued to apply the processes stipulated in Decision No. (21) of 2011 during the period under review. In this sense, the regional challenges did not lead to changes in the rules applied.

3.6 Trade Remedies

3.23. The General Secretariat of the Gulf Cooperation Council (GCC) notified the WTO of the issuance of the unified anti-dumping and compensatory measures for GCC countries. The measures were implemented in Qatar through Law No. (10) of 2013 on Anti-Dumping and Compensatory and Preventive Measures for the Countries of the GCC.

3.24. Law No. (10) of 2013 was not amended during the period under review.

3.7 Foreign Investment

3.25. Qatar amended its foreign investment law in 2019 to enhance foreign participation and bring transparency and predictability to its existing procedures. To this end, Law No. (1) of 2019, whose executive regulations are set by Ministerial Resolution No. (44) of 2020, repealed and replaced Law No. (13) of 2000 to, amongst other things, extend foreign participation to all sectors—except banks and insurance companies (apart from cases allowed by the Council of Ministers) and commercial agencies—as well as provide assurances in all processes and make investment incentives available to foreign investors. The new law, in particular, brings legal certainty to dispute resolution processes and the application of permits.

3.26. As a general rule, foreign investors can undertake any activity in Qatar subject to them doing so in partnership with at least one Qatari person or legal entity and that they do not own more than 49% of the share capital incorporated in Qatar. However, exceptions to the 49% limit may be obtained from the MOCI that can lead up to 100% foreign-ownership of the shared capital of a Qatari company. In some cases, licenses from other government agencies may be required as well. The new law also allows foreign companies to register a branch in Qatar for the purpose of undertaking contracts concluded with a Ministry, government authority, public body or institution, or private company in which the states owns a share. Foreign companies can also establish trade representation offices without a Qatari partner for the purpose of promoting activities and introducing new products and services to the domestic market.

3.27. A foreign investor can apply for more than 49% ownership through the Invest in Qatar centre at the MOCI; this can be done either online or in paper. This one-stop window then forwards the application to the relevant departments, after which the law stipulates that the MOCI has 15 days to issue a response. Applicants are required to submit, amongst other documentation, a business plan proving that the added-value and knowledge transfer contained in the prospective investment. Preference is given to investments that add value to the local economy, that are aligned with the objectives stated in QNV 2030, introduce new technologies and that provide training for Qatari nationals.

3.28. The new investment law, moreover, does not override other special laws and regulations on foreign investment in Qatar. As a way of example, Law No. (19) of 2005, which regulates the practice of the engineering in Qatar, continues to require that Qatari shareholders own at least 51% of the shared capital in local engineering consultancy companies. However, an engineering company licensed to provide services outside its own country can establish a branch in Qatar without a Qatari partner, provided that it meets all relevant legal requirements. Article 25 of Law No. (1), moreover, states that the provisions of the law do not apply to companies engaged in the extraction, utilization or management of natural resources under a concession or a special contract nor companies licensed by Qatar Petroleum nor, in general, companies owned by the State of Qatar or a public authority.

Furthermore, the stipulations protecting foreign investment in Qatar through ratified bilateral investment treaties will also prevail over the provisions contained in Law No (1) of 2019.

3.29. Qatar's foreign investment regime also includes investment in QFC (see Section 2.8 for further details on QFC's regulatory framework). Foreign investment in QFC is allowed for both regulated activities, i.e. financial services requiring close supervision to ensure prudential soundness and proper conduct of business, and non-regulated ones—for example, consulting, IT, legal and media services, amongst others. Foreign ownership of investments in QFC may be up to 100% as well.

3.30. Qatar's foreign investment regime now also allows for non-Qataris persons and legal entities to own real estate in Qatar, including land, buildings, structures, residential units and detached units in residential complexes. Indeed, Law No. (16) of 2018 states that non-Qataris may have freehold ownership and usufruct rights (leasehold rights for 99 years) in designated areas in Qatar, approved by the Council of Ministers upon recommendations from the Ministry of Justice's Committee for the Regulation and Use of Non-Qatari Ownership. Freehold ownership areas for non-Qataris include West Bay Lagoon, The Pearl Qatar, Al-Khor Resort, Rawdat Al Jahaniyah, Al Qassar, Al Dafna, Onaiza, Al Wasail and Jabal Theyleeb. Areas where non-Qataris can lease real estate for 99 years include Msheireb, Fereej Abdelaziz, Doha Al Jadeed, New Al Ghanim, Al Rifaa, Old Al Hitmi, Aslata, Fereej Bin Mahmoud, Rawdat Al Khail, Mansoura, Fereej Bin Dirham, Najma, Umm Guwailina, Al Khulaifa, Al Sadd, Al Mirqab Al Jadeed, Fereej Al Nasr and the Doha International Airport area.

3.31. Law No. (1) also provides a series of incentives to foreign investors. The main ones are:

- Tax exemptions. A five-year exemption on corporate income tax for foreign-owned companies deriving income from sources in Qatar may be granted by the Ministry of Finance as per Article 36 of Law No. (1) (the tax is currently set at 10% by Law No. (24) of 2018). An extension of the initial period may be granted by the Council of Ministers. The Council may also, upon the Ministry of Finance's recommendation, grant preferential tax rates for specific sectors and activities. Article 4 of Law No. (24) of 2018 also grants tax exemptions to foreign investors' profit shares in listed companies, investments with units listed in financial markets and derived from trading securities;

- Customs duty exemptions. Foreign investors are exempted from customs duties on imported machinery and equipment necessary for the establishment of their project. Raw and semi-manufactured materials that are necessary for industrial production but not available in the domestic market are also exempted from customs duties;

- Allocation of land. Article 8 of Law No. (1) states that land may be allocated to foreign investors through lease or usufruct, in accordance with Law No. (16) of 2018 on foreign ownership of real estate in Qatar;

- Favourable remittance conditions. Foreign investors can make transfers pertaining to their investments, including investment revenues, proceeds from the sale or liquidation of investments Dundas awarded as the result of investment disputes and compensation resulting from expropriation;

- Right to transfer shares. A foreign investor can transfer the ownership to any other investor, Qatari or otherwise, or assign ownership to a national partner in the case of partnerships. In such cases, Law No. (1) stipulates that the transferred investment would continue to be treated under the same stipulation of Law No. (1). Except for general partners, new investors' financial liability extends only to the amount that they have invested in the company (Law No (11) of 2015, Qatar's Commercial Company Law). General partners, however, are jointly and personally liable, along with the other general partners, for all of the company's debts, irrespective of when the debts were incurred;

- Due process in the case of expropriation and compensations. Article 13 of Law No. (1) stipulates that foreign-owned investments in Qatar shall not be subject to expropriation, either directly or indirectly, unless it is in the public's interest, implemented in a non-discriminatory manner and in return for a prompt and reasonable compensation in accordance with the same legal procedures that would apply to the case of Qatari citizens and companies.

3.32. The Council of Ministers may, upon recommendation from the MOCI, grant investment incentives and benefits beyond those contained in Law No. (1).

3.33. Law No. (1) also stipulates that a foreign investor can own up to 49% of the share capital of Qatari joint stock company listed in the Qatar Stock Exchange subject to the MOCI's approval (Article 7). This limit can be extended upon a recommendation by the MOCI and approval by the Council of Ministers.

3.34. Law No. (1) also provides legal certainty in the case of disputes by granting foreign investors the right to agree to settle disputes through arbitration in all cases other than labour disputes (in the case of labour disputes, the process is disciplined as per the specifications of Law No. (13) of 2017, as amended). Qatar ratified the UN Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention) in 2003. Furthermore, Qatar has been a member of the International Centre for the Settlement of Investment Disputes since 2011 and, by extension, enforces international arbitration in disputes between an investor and the State. To this end, Article 34(1) of Law No. (2) of 2017 (on the Issuance of the Arbitration Law in Civil and Commercial Matters) stipulates that "an arbitration award, irrespective of the country in which it was issued, shall acquire the status of *res judicata* and be enforceable according to the provisions of this Law".

3.35. Foreign investors may also choose to invest in Qatar through PPP, whose legal framework is regulated through Law No. (12) of 2020. The terms and conditions of such contracts are determined by the stipulations of this law and all other Qatari laws, with the exception of the State Financial Systems and the Public Procurement Laws. In consequence, foreign investors would need to enter a partnership with a Qatari person or legal entity in accordance with the provisions of Law No. (1) of 2019.

3.36. Law No. (12), notwithstanding the above, seeks to encourage competition, increase private sector participation in major infrastructure projects and encourage the public sector to adapt new strategies that decrease public expenditure whilst increasing efficiency in project delivery and management. The law foresees six modalities: (i) allocation of land to be developed by the private sector through a lease or granting usufruct rights, (ii) build-operation-transfer, (iii) build-transfer-operation, (iv) build-own-operate-transfer, (v) operation and maintenance and (vi) any other arrangement as determined by the Council of Ministers.

3.37. The law stipulates that each PPP will require the formation of a Project Committee that will include representatives from the contracting authority, i.e. any public agency wishing to use any of the PPP modalities, representatives of the State Audit Bureau and a special PPP unit from the MOCI. Winning bids will depend on the Project Committee's recommendation and final approval by the Prime Minister. In general, Qatar's foreign investment regime is already aligned to this type of contract as similar investment modalities have been used by Kahramaa (Qatar Electricity and Water Authority) and Ashghal.

3.8 Investment Promotion

3.38. Since 2014 Qatar has expanded its trade promotion presence and activities. To this end, commercial attaché offices were opened in London, Paris and Washington, DC with the operations of Qatar's representative office to the WTO in Geneva being revamped as well. The attachés' activities are actively coordinated with the MOCI and Qatar's main investment promotion agencies. The Investment Promotion Agency Qatar (IPA), in particular, partly implements its own promotion strategy through the attachés' offices.

3.39. In general, Qatar is being promoted as a regional distribution hub from which markets of sizeable internal demand can be supplied from. This relies, in part, on Qatar's fluent and positive relationships with several countries located in surrounding regional markets, in and outside the GCC, as well as its state-of-the-art port and airport infrastructure, safety and investment-friendly regulatory framework. In fact, in 2019, the World Economic Forum ranked Qatar 29 in the world in terms of competitiveness.[47] The primary sectors targeted for promotion in Qatar are services, industrial and logistics although the authorities' efforts are not limited to these. The attachés' offices

[47] WEF (2019). The Global Competitiveness Report 2019. Geneva.

also work to ease Qatari investment abroad whenever it is required, particularly at the initial stages of the investment cycle.

3.40. During the period under review, Qatar's Commercial Register Law (Law No. (25) of 2005) was also amended to facilitate registration and renewal. The Commercial Registration Department at the MOCI is required to respond to the applicant's request for registration on the same date of registration, subject to all the required documentation having been properly submitted.

3.8.1 Investment Promotion Agency Qatar

3.41. The IPA is the government's main foreign investment promotion agency in Qatar. It was launched in July 2019 following a decision from the Supreme Council of Economic Affairs—in May 2019—having been incorporated in Qatar Financial Centre. The agency thus operates through QFC laws and regulations (see Section 2.7 for further details on QFC's regulatory framework).[48]

3.42. IPA's board includes representatives from several ministries and agencies, including the Prime Minister's Office, the MOCI, the Ministry of Finance, Qatar Free Zone Authority (QFZA), the Ministerial Group for the Promotion of the Private Sector, Media City, QFC and QSTP. IPA coordinates its offering and strategy with the Ministry of Finance for budget matters (both for internal operations and incentives available to prospective investors) as well as the MOCI, QFC, QFZA, QSTP and Media City with regard to licencing of companies.

3.43. IPA's vision is to secure sustainable investments into Qatar to drive the country's knowledge economy and its process of diversification. Its mission includes the promotion and marketing of Qatar as an investment destination, in line with QNV 2030 and QSNDS' goals of attracting and facilitating investments that posit the development of home-grown skilled labour with high value-added impact on the economy.

3.44. IPA's strategy rests on three pillars. At the sector level, it seeks to attract investments into tourism, advanced manufacturing (including chemicals and electronics), infrastructure (including Public Private Partnerships and real estate), agriculture and technology development. A second sector focus includes financial and professional services, entertainment (including sports) and logistics. In terms of regions, IPA's promotion efforts are geared towards the United States, China, France, Germany, Russian Federation and Turkey as a primary focus with Canada, India, Italy, Japan, Singapore, Republic of Korea, United Kingdom and Malaysia as a secondary target. Finally, the profile of investors sought is primarily mid to large investors with a secondary emphasis on SMEs. Both Tier 1 and 2 investors are targeted with an equal focus on both new and existing investors. By 2026, IPA expects to achieve an FDI stock (measured as a proportion of GDP) in line with international benchmarks.

3.45. The 2022 World Cup has also been incorporated in IPA's overall promotion strategy. In fact, IPA hosted a delegation of potential Pakistani investors in early 2020 that included the official manufacturer of Adidas' footballs. IPA has also engaged Russian companies involved in the 2018 World Cup that are seeking to expand their operations into the 2022 event in Qatar.

3.46. IPA's institutional strategy is based on Qatar's evolving value proposition, its areas of sustainable growth and long-term investment trends, thus, coordinating Qatar's offer for potential foreign investors, including both financial and fiscal incentives (namely on corporate tax rates). This includes access to development funding and support from Qatar Development Bank if done through a majority Qatari-owned company. So far, three companies have invested in Qatar through interaction with IPA—these are, Unilever, Dogus Group and IQ Capital.

3.47. Since its inception in mid-2019, IPA has achieved several milestones. In particular, it is now fully operational (e.g. key personnel in place with main processes and tools completed). It has also followed over 200 investor leads, having signed three Memorandums of Understanding with the above-mentioned investors, and continuing to facilitate interaction between domestic stakeholders and potential investors. In November 2020, it signed an additional MoU with UBS to establish a wealth management operation in QFC. In terms of marketing, IPA now has an operating brand

[48] For further details on QFC's regulatory framework, refer to http://www.complinet.com/qfcra/display/index.html.

platform and complete communication playbook and has participated in 11 major events, including promotional activities in Malaysia, Turkey, Russian Federation and Switzerland, France and Kuwait.

3.48. In addition to facilitating investments and providing business intelligence data, IPA supports investors with Qatar's incentives regime available through various business and licensing platforms. In this sense, the incentives landscape spans four synergistic categories, i.e. regulatory, support, fiscal, and financial. Amongst the principal incentives are (see Sections 3.7, 1.3.3 and 1.3.4 for further details):

- Double Taxation treaties with 60+ countries;
- No restrictions on capital repatriation;
- No quantitative quotas on imports;
- No income tax on salaries;
- Open immigration and employment rules to support the importation of labour;
- Minimum wage and wage protections laws;
- Strong financial and banking sector to support transactions;
- Access to most public business and administrative services via e-Government platform (Al Hukoomi).

3.49. IPA has signed tree bilateral investment promotion agreements. These are, with the Malaysian Investment Development Agency, with the Turkish Investment Office and the Russian Investment Agency. It also has an additional agreement under consideration with Business France.

3.8.2 Qatar Free Zones

3.50. QFZA administers two Free Zones (FZ) in Qatar, i.e. Ras Bufontas (a 400 hectares sight next to Hamad International Airport) and Umm Al Houl (a 3,000 hectares area next to Hamad Port). These Free Zones are regulated by Law No. (34) of 2005, as amended by Decree Law No. (21) of 2017. These amendments included several key changes; in particular, the law:

- Established QFZA as a financial and administrative independent authority that reports directly to the Council of Ministers;
- Established the QFZA Board and related Governance Board;
- Introduced a new definition of FZ, consistent with the definition used by the World Customs Organization (revised Kyoto Convention Specific, Annex-D);
- Stipulates the provisions under which the QFZA can register and license companies within the FZ without restrictions on foreign ownership percentage or foreign currency transfer inside and outside Qatar (subject to compliance with QCB regulations);
- Introduced provisions under which QFZA can regulate employment within the FZ subject to compliance with minimum requirements provided by the State Labour Law and related international conventions;
- Introduced petition and dispute resolution mechanisms brought against QFZA's decisions to suspend or cancel licences;
- Stipulated a list of goods prohibited from entering FZ aligned with Law No. (40) of 2002 (Customs Law);
- Placed regulatory oversight with QCB regarding banking and financial activities in the FZ;
- Reinstates tax and customs duty exemptions for companies operating in the FZ.

3.51. QFZA's board is chaired by H.E. Ahmad Bin Mohammed Al Sayad and includes representatives from QFC, Qatar Petrochemical Company, QInvest, QP, the MoI, CRA, Al Khalij Commercial Bank and AKCB Finance Ltd. The Board is responsible for developing, regulating and managing the FZ under its jurisdiction. QFZA's strategy seeks three goals—i.e. pursue partnerships with promising companies of all shapes and sizes, with a particular focus on those operating in key sectors where Qatar has a strong value proposition, offer top-of-the line infrastructure, a range of globally competitive incentives, and lands right next to the airport and seaport and serve as a one-stop shop for companies setting up in Qatar.

3.52. The FZ are open to any type of economic activity, subject to regulatory compliance, with special emphasis on high-value added manufacturing. So far, companies from the following sectors have been approved by the QFZA to start operations: ICT, logistics and warehousing, energy and environmental technologies, industrial products and services, automotive and transport equipment, marine activities & services, aerospace and aviation activities, food and beverages, pharmaceuticals and medical devices and professional and business services. Retailing activities will be included in the future.

3.53. Branches and limited liability companies incorporated under QFZA's jurisdictional law can operate in the FZ. Moreover, whilst branches continue to operate under their original companies' management rules, management of those incorporated under QFZA's legal framework are regulated by QFZA's Company Regulations(2018).[49] The criteria considered by the authorities in the approval process include their contribution securing supply (including the local market), the skilled to unskilled labour ratio, the operation's anchor value, the degree of innovation undertaken by the company, the company's operational soundness with export-orientation being a plus. Amongst other benefits, all QFZA-approved companies enjoy 0% corporate tax for renewable 20-year periods and 100% foreign ownership with full capital repatriation.

3.54. Licensing procedures for companies operating within QFZA'a jurisdiction are also being streamlined. The law also states that appeals may be filed within 15 days of notification in cases where QFZA where licenses have been suspended or terminated. In that case, the governance board has a month to provide a justified response. If no response is provided after one month then the appeal is to be considered as accepted and the company may resort to a dispute resolution centre within three months. As at April 2020, the jurisdiction of the Qatar International Court and Dispute Resolution Centre (QICDRC), which operates within the QFC, had been extended to companies operating under the QFZA. This is based on an agreement between QFZA and QFC—with full legal certainty pending legal approval by the authorities—in order to grant the same access to the court to all of Qatar's preferential zones. Procedures within QICDRC are conducted in English and enforceable within the state of Qatar.

3.55. QFZA has so far approved around 100 projects from different companies, including global brands and anchor companies. Almost half of these have completed registration and licensing requirements with the remaining still ongoing through the process. As at April 2020, companies licensed for manufacturing projects have not started their operations yet but are actively working towards operationalizing their activities.

3.56. Qatar has two additional FZ, i.e. QFC and the Science and Technology and Technology Park (see Section 2.7 for further details on QFC). The Science and Technology and Technology Park, which operates under Qatar Foundation, signed a Memorandum of Understanding with QFZA "to oversee, regulate and support the research development and entrepreneurship efforts to foster the establishment of a sustainable knowledge-based economy in Qatar".[50] The collaborated is to focus on supporting research, development, innovation and entrepreneurship based on common areas of interest, particularly the ICT sector. The initiative includes training programs, information sharing and joint promotion events.

3.8.3 Media City

3.57. Media City (MC), which was established under Law No. (13) of 2019, is being developed for all types of media to operate in an ecosystem crafted for the creative industry. Global brands in

[49] Company Regulations (2018) may be downloaded from https://fza.gov.qa/wp-content/uploads/2019/08/FZA-Companies-Regulations.pdf.
[50] QFZA (2020). Available from https://fza.gov.qa/.

media and related technologies are incentivised to make Qatar their destination of choice for local and regional activities. Covering a wide spectrum of media players including television, print, film, social media, music, radio, out-of-home and applicable technologies, MC builds on Qatar's well-known footprint in news, sport and entertainment. The resulting creative cluster will enhance the local industry creating employment and business growth. Moreover, MC will provide a competitive licencing regime for companies and individuals, within a tailored platform that provides—proactively—access to local and regional markets. MC will incubate technologies through investments that enable and accelerate the local and regional media industry. In this sense, MC is positioned to attract aspiring talent, inspiring storytelling, prominent content providers, advanced technologies and ambitious businesses to prosper in the region.

3.58. The law allows MC the right to grand licenses, permits and approvals to individuals, companies and other entities, regulate business and activities inside MC, conduct research and consultancy work to support regulations and promotion of the media, provide administrative, logistic and technical services to licensed companies, establish business incubators and establish a media investment fund.

3.59. Companies and individuals licensed under MC are offered competitive incentives tailored to the media industry. Primarily, an ecosystem of creative freedom within ethical guidelines will allow media brands to operate to their maximum potential. Secondly, competitive Free Zone benefits including 0% corporate tax for 20 years with renewability, 100% foreign ownership and full capital repatriation will be provided. The activities expected to be carried in MC, as prescribed by the law (Article 5), include commissioning and production of digital media content, provision of technologies for production, data management and revenue generation, developing and maintaining digital platforms, issuing, publishing and distributing print media and use of online platforms to both develop and distribute media and use of social media.

3.8.4 Higher Education

3.60. Qatar has invested heavily to develop its national educational system since the 2002 education reform. Since then, authorities have sought to develop education as one of the country's core pillars of socioeconomic development, in line with QNV 2030 and QSNDS. To this end, the role of foreign educational institutions has been—and continues to be—key for the establishment of Qatar's overall knowledge base.

3.61. Eight foreign universities have campuses located in the Education City campus, which falls under the administration of Qatar Foundation. These are: Carnegie Mellon University in Qatar, Georgetown University in Qatar, Northwestern University in Qatar, Texas A&M University at Qatar, University College London Qatar and Virginia Commonwealth University School of the Arts in Qatar, Weill Cornel Medicine-Qatar and HEC Paris in Qatar. The institutions, which must be registered in Qatar's Commercial Registry, offer around 350 academic programs at different levels and are overseen by the Ministry of Education and Higher Education (MEHE), which was created through Ameri Decree No (9) of 2016. Other primary and secondary educational institutions complement the educational offer at Education City. Collectively these institutions offer 168 undergraduate programs and 131 postgraduate programs, including 95 masters and 36 doctoral programs.

3.62. Investors seeking to establish a higher education institution in Qatar must, in partnership with a foreign university, approach the MEHE. The approval for licensing and accreditation from the State of Qatar is conditioned on several factors, including the university's ranking in any of the major global ranking systems of higher education and a feasibility study justifying the need for the proposed academic offer in Qatar. Furthermore, the institution to be set up in Qatar must be a branch of an accredited university and "apply the methods of review and self-evaluation to its resources and educational programs" as well as be "subject to the same procedures and academic accreditation system as its parent company".[51] Licenses must be renewed every three years and includes, amongst other things, on campus visits and self-study reports used to determine the degree of compliance with standards and conditions. A bank guarantee of QAR 100,000 must also be submitted to the MEHE throughout the licensing period.

[51] Ministry of Education and Higher Education (2011). Procedures for Licensing and Accreditation of Private Higher Education Institutions in the State of Qatar.

3.9 Export Promotion

3.63. Since 2014, Tasdeer, QDB's export support programme, expanded its offer to export-oriented companies. In effect, besides its existing export finance and insurance programs (see Qatar's 2014 TPR Government report for further details), it now includes a development program called Tasdeer Development. Through it, companies have access to several publications, i.e. trade report, export and free trade agreements guides and market studies, as well as workshops, export readiness and matchmaking programs as well as Enterprise Europe Network (EEN). The export readiness program, in particular, was set up to fill knowledge gaps within non-hydrocarbon SMEs seeking to export goods and services whilst the EEN gives local companies access to distribution networks in more than 65 countries.[52]

3.64. Tasdeer continues to organize exhibitions and activities aimed at export-oriented Qatari companies as well as facilitates access to the International Trade Centre's (ITC) tools, such as the agency's Trade Map and its global trade helpdesk. Access to these tools has proven valuable to local companies as it has facilitated their understanding of technical requirements, customs duties and market intelligence, amongst others. Moreover, as part of its e-commerce initiative, Tasdeer also trains companies to position and market their products on international e-commerce platforms.

3.65. Since Qatar's last TPR, a total of 348 Qatari companies benefited from Tasdeer's overall support activities. Of these, 36 did so through export finance, 52 through export insurance with all Qatari companies going through Tasdeer's development initiatives. Tasdeer's portfolio of export-oriented companies includes more than 350 companies who are already exporting or on a position to start exporting immediately.

3.66. Historically, the GCC markets have been the Qatari SMEs' default export markets. During the period under review, however, Tasdeer realigned its strategic goals to include other target markets in North and East Africa as well as East Asia in order to allow domestic export-oriented manufacturing companies to maintain their level of production. Furthermore, Tasdeer also started to promote service-providing SMEs in foreign high-tech exhibitions and fairs. To further enable export activities, it deepened its institutional channels of cooperation with other Qatari agencies in charge of overseeing export activities such as the Customs Authority, the Qatar Chamber of Commerce and Industry and freight forwarders.

3.67. Tasdeer also continued its close cooperation with the ITC during the period under review. To this effect, according to the ITC, the impact of Tasdeer's activities was estimated at USD 150 per every USD 1 spent, a figure higher than the global average of USD 87. This was also reflected in Qatar's general export numbers, e.g. growth of non-hydrocarbon exports for the period 2011-2018 was 19%, on a compound annual growth rate base, whilst the number of regular exporters increased from 42 in 2011 to 112 in 2018. Moreover, Tasdeer was recognized as the 2018 Best Trade Promotion Organization by ITC under the category of Best Use of the Partnership.[53]

3.10 Double Taxation Treaties

3.68. Qatar continued to negotiate bilateral double-taxation agreements with countries around the world. The following provides a list of those that were either signed since 2014 or than came into force since 2014.

Countries with which Qatar has signed double taxation treaties with since 2014

Country	Date of Signature	Entry into Force
Portugal	12/12/2011	4/4/2014
Bermuda	10/5/2012	10/5/2017
Brunei	17/1/2012	26/8/2016
Fiji	17/6/2013	1/1/2014
Kazakhstan	19/1/2014	5/4/2015
The Gambia	18/11/2014	-
Ecuador	22/10/2014	1/11/2016
Kyrgyz Republic	1/6/2014	4/5/2015

[52] For further details, see https://www.qdb.qa/en/Pages/Tasdeer-Development.aspx.
[53] See http://www.intracen.org/news/Winners-of-2018-World-Trade-Promotion-Organization-Awards-Ghana-Nigeria-Qatar/.

Country	Date of Signature	Entry into Force
Nigeria	28/2/2014	8/3/2016
Latvia	26/9/2014	1/6/2015
Kenya	23/4/2014	25/6/2015
Paraguay	11/2/2018	-
Ukraine	20/3/2018	-
Argentina	19/4/2018	-
Ghana	13/11/2018	-
Somalia	13/12/2018	-
Turkey	18/12/2016	31/12/2016
Spain	10/9/2015	6/2/2018
South Africa	6/3/2015	2/12/2015
Japan	20/2/2015	30/12/2015

Source: MOCI.

3.11 Intellectual Property

3.69. Qatar's legal framework on intellectual property (IP) covers almost all the fundamental areas of IP protection. This includes trademarks, patents, copyrights, trade names, geographical indications and industrial designs and models, protection of trade secrets and layout designs for integrated circuits. In addition, Law No. (17) of 2011, prohibits the entrance into Qatar of products that violate IP rights protected by Qatari law. To this end, the law entrusts the GAC to take all necessary measures to prevent the entrance of such products. The law also protects the rights of IP rights holders in Qatar, establishes procedures and appropriate instances for dispute resolutions, transit goods, parallel imports and products received from countries with which Qatar forms a customs union (in practice, the GCC only). The law also allows rights holders to register all data related to his/her rights with the GAC.

3.70. Qatar's efforts to develop its knowledge-based economy have included the development of the necessary institutional and legal framework to encourage innovative activities. To this end, the MOCI is responsible for implementing Law No. (17) as well as enforcing Qatar's intellectual property laws, including regulations on trademarks, patents and copyrights. It is also tasked with coordinating Qatar's commitments with both the WTO and the World Intellectual Property Organization (WIPO).

3.71. Law No. (9) of 2002 protects trade indications, trade names, geographical and industrial designs and templates. The provides the basic legal framework for trademark protection, including registration procedure, duration and renewal of protection, transfer of ownership of a registered trademark, nullifications, cancellation and renunciations as well as collective trademarks, amongst other aspects. Geographical indications are protected by law even if they are not registered in Qatar.

3.72. Law No. (7) of 2014, on GCC trademark protection, repealed and replaced Law No. (18) of 2007. The new law maintains the principles and guidelines contained on trademark protection at the GCC level and includes general procedural aspects on trademark registration in Qatar—which can be done electronically through the MOCI's website—as well as provides operational definitions.[54] In particular, Law No. (7) covers registration procedures, trademark protection, transfer of ownership, cancellation of a trademark registration, licensing contracts, collective and control trademarks, stipulations on rights enforcement and sanctions to infringements of the law.

3.73. Qatar ratified the Patent Cooperation Treaty (PCT)—through Decree No. (36) of 2011—whilst providing legal protection to patents through Law No. (30) of 2006. Efforts were made since 2014 to streamline the process of patent registration resulting in an electronic registration process through MOCI's single window service website since 2017.[55] Through it, applicants can file the documentation under either the PCT or the Paris Convention for the Protection of Industrial Property. A full description of the patent registration process can be obtained from the MOCI.

3.74. Qatar is a signatory to the Berne Convention for the Protection of Literary and Artistic Protection (Paris Acts of 1971) since 2000. In Qatar, copywrite and neighbouring rights are protected by Law No. (7) of 2002. The law permits the use of protected works for the purpose of teaching as long as it is not for profit and all sources, and creators, are quoted. Furthermore, moral rights for Qatari protected work are "imprescriptible and perpetual" with the creator's association with a work

[54] Law No. (7) of 2014. Article 1, Issuance Articles
[55] For further details see https://services.mec.gov.qa.

considered by law to be sustained forever even if the author sold the rights to a work. The law protects areas such as architectural works constructed in Qatar, artistic work incorporated in a building constructed in Qatar, audio-visual work whose producer is headquartered in Qatar, national folklore, photography, Qatari authors published inside or outside Qatar and works delivered orally such as sermons, lectures, addresses or hymns.[56]

3.75. Law No. (6) of 2005 provides legal protection for integrated circuit designs. The law stipulates the conditions under which designs are protected in Qatar, the conditions for registration with the MOCI and procedures for dispute resolutions regarding infringements of the law.

3.12 Competition Policy

3.76. Qatar's competition law continues to be regulated by Law No. (19) of 2006 (Competition and Anti-Monopoly Law) and MOCI Decision No. (61) of 2008, which provides details and clarification on the Law (see Qatar's 2014 TPR Government Report for further description of Law No. (19)). Additional provisions regarding Qatar's competition framework and merges and acquisitions for any company operating in Qatar are stipulated by Law No. (11) of 2015 (Commercial Companies Law), Law No. (1) of 2019 (Foreign Investment Law) whilst Qatar Financial Markets Authority's Merger and Acquisition Rule 2014 provides guidance in the case of the financial sector (see Section 3.7 for further details on Qatar's Foreign Investment Law).

3.77. Oversight and enforcement Law No. (19) are undertaken by MOCI's Competition and Antimonopoly Committee. The Committee is tasked with maintaining databases and integrated information about economic activity, receiving reports on potential violations of the law, coordination with similar authorities in other countries concerning matters of mutual concern, issuing a periodic bulletin containing the Committee's resolutions, recommendations, procedures and measures, preparing an annual report on the Committee's activities and future plans and proposals and expressing its view on draft laws and regulations pertaining to competition and prevention of monopolistic matters in Qatar.[57]

3.78. Law No. (19) is quite general in scope and provides core legal guidelines, including procedural, covering all economic activities in Qatar. Because of this, some areas have not been specified as legal provisions yet, e.g. jurisdictional thresholds, whilst in other cases, supporting measures define the rules and processes involved, e.g., market thresholds in the case of an acquisition of 40% or more are covered by Article 288 of the Commercial Companies Law.

3.79. The main substantive criteria considered by the authorities in the case of transactions is that of market control or influence, for which economic tests on the desirability of the transaction are considered. A request for approval for a transaction to acquire assets, equities or usufructs, shares or mergers and/or acquisitions in a manner that may create market control or influence has to be lodged with the MOCI. The law provides a time frame of 90 days for the authorities to respond, after which if no response is provided, it will be deemed as approved (Article 10, Law No. (19)). Decisions can be appealed within 60 days in the appropriate Administrative Court.

3.80. Law No. (19) is currently operational with 68 cases having been processed under the law during 2014-2020. A case in point is that of the after-sales service market in the automobile sector. The Committee undertook an investigation into potential anti-competitive practices after receiving information regarding common market practices. The ensuing investigation found that these practices violated competitive practices in the meaning of Articles (3) and (4) of the Competition and Anti-Monopoly Law. Nine corrective measures were published by the Committee intended to introduce competitive practices and, in some instances, break-up *de-facto* monopolies.

3.81. Qatar also has a sector-specific competition framework for the ITC sector. In effect, in response to the stipulations of Law No. (34) of 2006 (Chapter 9 of the Telecommunications Law) and the Policy Statement of June 2014, the Communications Regulatory Authority developed a competition framework for the sector. The framework includes, a statement of competition policy, an explanatory document, a market definition and dominance designation for ex-post competition

[56] Law No. (7) of 2002. Article 2.
[57] Law No. (19) of 2006. Article 8.

policy investigation and a description on how complaints are processed.[58] The general principles and definitions used in this framework are broadly aligned with those of Law No. (19), including, but not being limited to, the definition of anti-competitive practices, abuse of dominant position, mergers and transfer control and remedies for infringements of the law. In some areas, the ITC competitive framework is much more specific than is Law No. (19), specifically, in the areas of abuse of dominant position, the type of agreements that may be deemed as limiting competition (horizontal/vertical agreements) and procedural aspects of the investigations carried out.

3.13 Procurement

3.82. Qatar reorganized its general procurement framework in 2015 with the objective of introducing greater efficiency to the process. In effect, Law No. (24) of 2015 (Tenders and Auctions Law) superseded Law No. (26) of 2006 and with it, several legal measures were enacted to implement the law. Amongst the key ones are, Council of Ministers Resolutions 22 of 2016, 18 of 2018 (which amends Article 8 of Law No. (24) on the tendering method to be used in the case of emergencies), 16 of 2019 (Executive Regulations of Tender and Auctions Law), 22 of 2019 (on the ceiling value of contracting by practice or direct award without submission). The law applies to all government entities except Qatar Petroleum, QIA, the armed forces, the police and other entities in the case of confidential contracts.

3.83. The main changes introduced by Law No. (24) were: (i) the abolition of the Central Tenders Committee (CTC) and, consequently, the decentralisation of the tendering process, (ii) streamlining the process to resolve tender disputes, (iii) permitting the use of two-stage tendering and (iv) exempting SMEs from the performance bonds requirements and payment guarantees. Under the previous law, tenders below QAR 5 million were administered by Tender Committees within each governmental entity; everything else was handled by the CTC. Under the new law, on the other hand, each regulated government entity is allowed to create its own tender committee, whose members must include representatives from the Ministry of Finance and the State Audit Bureau. By doing this, the authorities expect to introduce efficiencies in the handling of specialist subject matters. On the other hand, the law allows the Ministry of Finance to set up as many dispute resolution committees as necessary to address all disputes as long as each committee is presided by a judge.

3.84. The introduction of a two-stage tendering processes also represents a significant departure from the previous regime. In effect, besides the other 4 methods permitted by the law, i.e. limited tender, practice, competition and direct contract (Article 2 of the Tenders and Auctions Law), the two-stage approach allows closer collaboration with the contraction/supplier in the definition of the scope of work as well as the beginning of the service provision whilst the details of the scope are fully worked out. The authorities expect that by involving contractors/suppliers from an early stage, they can better understand the project's refinements and scope before going into the brunt of the work to be delivered. The law also seeks to increase SME participation in the domestic procurement market by fully (or partially) waving the formal requirements on performance bonds and payment guarantees, subject to the tender committee's approval and a commitment by QDB on financial assurances on behalf of the tendering SME.

3.85. The cases of Ashghal and QRail are two cases in point. Ashghal developed its own de-facto practices to separate their procurement market by size of projects with the aim of providing access to local companies. This included breaking up big procurements packages into smaller ones that could be provided by local companies. The procurement process has three steps—first (pre-tender and preparation of documentation), second (research and award) and third (preparation and signing of contract). Two types of tenders are used, i.e. public tenders, which includes advertisement, and limited tender, i.e. by invitation. Direct commissioning is also used to purchase materials or to carry out initial service work, as well as in cases of monopoly of supply, technology or licensing. Bids are evaluated using one of two methods: either the bids' financial value is divided by the number of technical points or, alternatively, technical and financial points are allocated with a possible maximum of 70 (for the technical part) and 30 (for the financial part). The final stipulations of the contracts undergo a final round of documentation and negotiations verification to ensure the contract's validity.

[58] CRA (2020). Documents Related to CRA's Competition Framework. Available from https://cra.gov.qa/en/document/documents-related-to-cra-competition-framework.

3.86. QRail, on the other hand, selected a design and build procurement model based on an amended form of the 1999 FIDIC Yellow Book. Bidding was based on invitation due to time considerations and to focus the search only those bidders that were most capable and most likely to successfully deliver the project on time. The process went through four stages: (i) shortlisting through expressions of interest and pre-qualification, (ii) release of formal tender documentation to selected bidders, followed by clarification and submission of tenders, (iii) tender evaluation, recommendations to and approval by the General Tender Committee and (iv) final negotiation and award. Foreign bidders were usually (but not always) required to achieve a minimum level of local participation in their joint ventures with the amount of local participation varying between packages.

3.87. In order to remain on target with existing deadlines, QRail also used a fast-track approval process to tender their work. The contractors first identified all materials manufactured in countries with standing export prohibitions to Qatar and proposed alternatives. This exercise was completed in a matter of weeks. The proposed alternatives were assessed by a dedicated QRail task force against QRail's functional and technical requirements. Additional resources were applied to reduce review and assessment periods from 28 days to 5 days. In some cases, special teams were deployed to the manufacturing sites to assess them for suitability, also within a matter of days and weeks. Expedited transportation and customs clearance measures were introduced to reduce lead times for alternative materials.

3.14 Electronic Commerce

3.88. Electronic commerce in Qatar is regulated through Law No. (16) of 2010, which stipulates, amongst other things, the conditions under which agreements are to be concluded electronically, including the technical procedures to be followed, electronic signatures, the need to obtain customer consent for electronic marketing material to be distributed and procedures to safeguard signatories' information. Enforcement and oversight of the law is the responsibility of the MoTC.

3.89. Since 2014, the E-commerce market continued to expand in Qatar with estimated B2C and B2B markets of USD 1.2 and USD 1.43 billion respectively in 2015. To support the sector's development, the MoTC published in 2015 the Qatar National E-Commerce Roadmap 2015, a national policy document that was subsequently updated in 2017, that serves as a policy guideline for the sector.[59] Furthermore, postal services were liberalized in 2016 to improve the last-mile delivery in the E-commerce value-chain. By 2017, the cost of implementation of a digital payment gateway had halved with the introduction of local and regional Payment Service Provides in the local market. In that same year, the MoTC launched Qatar's E-Commerce Information Portal (http://www.ecommerceqatar.qa/) to facilitate information to both businesses and consumers.

3.90. The authorities published E-Commerce Guidelines in 2018, focusing on technical aspects, security, user experience, website design and terms and conditions. In order to further create the necessary conditions for E-Commerce to expand in Qatar, the MoTC also launched Qatar's E-Commerce Trustmark (Theqa) in 2019. The Theqa trust programme seeks to boost confidence in the local E-commerce ecosystem by certifying the legitimacy of websites against criteria set by the MoTC, thus, bringing transparency to E-commerce activities in Qatar.

[59] Ministry of Transport and Communications (2000). Available from http://www.ecommerceqatar.qa/assets/ecommerce-2017-en.pdf.

4 TRADE AGREEMENTS

4.1 Bilateral Trade-Related Agreements

4.1. Qatar does not have formal bilateral trade agreements. Instead, it has two types of trade-related agreements, i.e. the Reciprocal Promotion and Protection of Investments (RPPI) Agreements and the Economic, Commercial and Technical Cooperation (ECTC) Agreements (see Qatar's 2014 Government Report for a detailed description on what these agreements cover, Section 4.1). The following table lists the RPPI Agreements signed by Qatar during the period under review.

RPPI Agreements Signed by Qatar Since 2014

Country	Date of Signature	Entry into Force
Angola	08/09/2019	-
Benin	05/05/2018	-
Uganda	01/05/2018	-
Togo	30/04/2018	-
Ukraine	20/03/2018	Not in force
Paraguay	11/02/2018	Not in force
Sierra Leone	05/02/2018	-
Guinea Conakry	21/12/2017	-
Ethiopia	14/11/2017	-
Singapore	17/10/2017	In force
Argentina	11/07/2016	Not in force
Kyrgyz Republic	08/12/2014	Not in force
Gabon	05/11/2014	-
Liberia	21/05/2014	-
Kenya	23/04/2014	Not in force

Source: MOCI

4.2. The ECTC Agreements signed by Qatar since 2014 are as follows:

ECTC Agreements Signed by Qatar Since 2014

Country	Date of Signature	Entry into Force
Angola	08/09/2019	-
Zimbabwe	08/05/2018	-
Benin	05/05/2018	-
Poland	05/05/2018	-
Uganda	01/05/2018	-
Togo	03/04/2018	-
Sierra Leone	05/02/2018	-
Guinea Conakry	21/12/2017	-
Ethiopia	14/11/2017	-
Mexico	24/11/2015	-
Gabon	05/11/2014	-
Kyrgyz Republic	03/06/2014	-
Liberia	21/05/2014	-
Kenya	23/04/2014	-

Source: MOCI

4.3. Consultations are ongoing with the UK to put in place a legal framework to substitute the legal mechanisms in place under EU law.

4.2 The Gulf Cooperation Council

4.4. Qatar maintained an active participation in the activities of the Gulf Cooperation Council (GCC) during the period under review. The MOCI worked to support three key initiatives at GCC level:

- **To finalize the requirements of the GCC Customs Union**. The MOCI worked in coordination with the relevant authorities to implement all decisions issued within the framework of the Cooperation Council for the Arab States of the Gulf, by activating all joint work mechanisms and operationalizing them with the objective of removing all obstacles to complete the Customs Union;

- **To complete the Gulf Common Market**. The initiative, which was launched at the Doha Summit 2008, has been actively supported by Qatar both before and after its announcement. To this end, the MOCI continued to work to create the required regulatory framework and establish coordination channels amongst the concerned authorities. Moreover, it worked to facilitate economic activities undertaken by the citizens of the Cooperation Council countries and ensure good conduct of procedures in this regard;

- **To establish a unified food security network in the GCC States**. The initiative, which was launched by the GCC's Trade Cooperation Committee, is actively supported by Qatar. In this regard, the MOCI worked in coordination with the concerned parties to identify views and opinions on the extent of the possibility of achieving the goals set forth by the initiative—these are, to create an integrated food security system between the states of the Council and to secure adequate food stocks in times of crisis. The issue is still being studied by the competent technical committees within the framework of the Cooperation Council.

4.5. The MOCI also participated in the extraordinary meetings held within the framework of the Cooperation Council for the Arab States of the Gulf to discuss the economic effects of the spread of the Covid-19 in the GCC. The meetings, which were held through visual communication technology, were used to review the efforts of Cooperation Council Member States to address the pandemic and the precautionary actions and measures that they have taken so far. The events in which the MOCI participated were: (i) participation in the first and second extraordinary meetings of the Trade Cooperation Committee (held on April 2 and April 16, 2020 respectively), (ii) participation in the meeting of the commodity flow team (held on April 20, 2020), (iii) submission of a report to the Council of Ministers on the meetings' outcome (iv) report to the General Secretariat of the Cooperation Council for the Arab Gulf States on the economic and commercial initiatives undertaken by the State of Qatar in response to the challenges associated to the spread of the Covid-19.

4.6. The following table describes Qatar's participation during 2017-2020 in the framework of the Cooperation Council for the Arab States of the Gulf. To this effect, Qatar has participated in the periodic Ministerial Committees meetings on Trade and Industrial Cooperation, the preparatory meetings of the Committee of Trade and Industry Agents in the Gulf states as well as the specialized technical committees.

Qatar's Participation in GCC Meetings

Year	Meeting
2017	- Second meeting of the Technical Committee for Intellectual Property, held during 18-19 December, in Riyadh.
2018	- Meeting (56) of the Trade Cooperation Committee, held on November 21, in Kuwait. - Meeting (17) to discuss the unified competition law project in the GCC states, held during 3-4 October in Kuwait. - The meeting of the unified trade law project, held during 8-10 October in Kuwait. - The first meeting of the Committee on Combating Commercial Fraud to discuss the executive regulations of the Law (Regulation) to Combat Commercial Fraud, held during 15-16 October, in Kuwait. - Meeting (24) of the Gulf Common Market Committee, held during 17-18 September, in Kuwait. - The second dialogue on trade and investment between the GCC and the EU, held on June 29, in Brussels.

Year	Meeting
2019	- Meeting of the Committee on Trade (57) and Industrial (45) Cooperation held on May 1, in Muscat. - Meeting of the Committee on Trade (58) and Industrial (46) Cooperation held on November 14, in Muscat. - The preparatory meeting for the Undersecretaries of the Ministries of Commerce (48) and Industry (37), held on April 30, in Muscat. - The preparatory meeting for the Undersecretaries of the Ministries of Commerce (49) and Industry (38), held on October 31, in Riyadh - The meeting (18) to study the unified competition law project in the GCC states, held during 18-19 March, in Riyadh. - The third meeting of the e-services task force, held from 25-27 August, in Riyadh. - Meeting (19) to study the unified competition law project in the states of the Council, held during 15-16 September, in Riyadh. - The second meeting of the Committee on Combating Commercial Fraud, held during 15-17 October, in Riyadh. - The first meeting of the e-commerce task force, held during 1-2 April, in Riyadh. - The meeting of the Gulf Common Market Committee (25), held during 13-14 March 2019, in Riyadh. - The meeting of the Gulf Common Market Committee (26), held on June 16, 2019. - The meeting of the Gulf Common Market Committee (27), held during 8-9 September, in Muscat. - The first meeting of the working group to study the amendment of the patent law, held from 15-17 July, in Kuwait. - The second meeting of the working group to study the amendment of the patent law, held during 26-28 August, in Riyadh. - The sixth meeting of the committee responsible for entrepreneurs and innovation for small and medium enterprises, held during 17-18 September, in Riyadh. - The meeting of the task force in charge of reviewing the unified laws and regulations, held during 9-11 April, in Riyadh. - The joint meeting of the task force in charge of reviewing the laws and regulations in the GCC states to review the unified law for consumer protection in the GCC countries, held during 26-28 March, in Riyadh. - The first meeting of the e-commerce task force, held from 1-2 April, in Riyadh. - The first meeting of the task force in charge of studying the situation of the Gulf Organization for Industrial Consulting, held during 12-13 June, in Muscat. - The second meeting of the task force in charge of studying the situation of the Gulf Organization for Industrial Consulting, held during 22-23 September, in Muscat. - The first meeting of the Executive Office of the Gulf Organization for Industrial Consulting, held on 25 December in Muscat.
2020	- The second meeting of the Executive Office of the Gulf Organization for Industrial Consulting, held on 30 January. - The third meeting of the Executive Office of the Gulf Organization for Industrial Consulting, held on 2 April, in Muscat. - The (77th) meeting of the Customs Union Committee, held from 22-23 January, in Riyadh. - The second meeting of the working group on studying aspects related to E-commerce, held during 26-27 January, in Riyadh. - The (21st) Meeting of the trade law commission to complete the study of the unified competition bill (system) in the Council Countries, held during 17-19 February, in Riyadh. - The meeting of the Gulf Common Market Committee (28), held during 5-6 February in Riyadh. - The first meeting to study the commercial mortgage (system) bill, held during 2-3 March, in Riyadh.

Source: MOCI.

4.3 The World Trade Organization

4.7. Qatar seeks to continue to deepen its engagement with the WTO. To this effect, it continues to actively participate in several areas of discussions since 2014. Concretely, it expressed views on the future functioning of the WTO Appellate Body (AB) regarding Rule 15, the 90 days deadline to complete its review, the meaning of municipal law as a matter of fact under international law, the limits of provisions 17.2 and 17.3 to provide the AB with the right to engage in advisory opinions, the use of adopted panel and AB reports in creating precedent as well as the need for WTO Membership to exert supervision on the limitations of the AB's functions. Qatar also joined other WTO members in the proposal to launch a selection process of the Appellate Body members.[60]

[60] WTO (2021). Document WT/DSB/W/609/Rev.19.

4.8. Qatar participated in several plurilateral initiatives such as the friends of e-commerce, micro medium and small enterprises and the joint initiative on services domestic regulation. Qatar also participated in discussion within the TRIPs Council (public-private collaborations in innovation – IP Commercialization, (IP/C/W/657)) and the General Council (on a decision to establish procedural guidelines for WTO Councils and Committees addressing trade concerns, (WT/GC/W/777/Rev.5)). Qatar also supported the proposal for Disciplines on Export Prohibitions and Restrictions in the Post-Bali Work Programme (JOB/AG/41).

4.9. On the work concerning investment facilitation for development, Qatar stated its full support for the WTO Structured Discussion on Investment Facilitation for Development.[61] Moreover. it views the Streamlined Text to be the appropriate framework to further develop the required disciplines in the multilateral framework. It also views the establishment of rights and obligations under a special and differential treatment regime for least-developed and developing countries as key to establishing such framework. Furthermore, Qatar is of the opinion that agreeing on the scope of an Agreement on Investment Facilitation for Development in order to avoid unnecessary burdens of other investment related matters and that disciplines are developed in order to safeguard transparency and ensure streamlined and rapid administration of all investment procedures. Qatar also stated that it favours a one-stop window approach to provide domestic coordination as well as establishing a Committee on Investment Facilitation as a platform for sharing experiences and lessons learnt in implementing the future Agreement.

4.10. Since the onset of the Covid-19 pandemic, Qatar has also actively participated in various initiatives to tackle this challenge. In particular, it participated in the discussions on the joint ministerial statement regarding the role that the multilateral trading system can play in combating the pandemic, particularly in maintaining the focus, transparency and temporary nature of potentially trade restrictive measures aimed at protecting health as well as ensuring that global agricultural supply chains continue to function normally.[62] Qatar also stated the view that the international trading system will be key to the post-pandemic economic recovery. Qatar also joined a group of Member States in calling to maintain a free and stable trade in agricultural and food products in the context of measures to combat the Covid-19 pandemic as well as a call to not impose export prohibitions or restrictions on food stuffs purchased through the UN's World Food Programme.[63]

4.3.1 Disputes

4.11. Since 2014 Qatar participated in 14 disputes either as a third party or a respondent, some of which are still ongoing, whilst in four cases it requested consultations as a complainant. In January 2021, Qatar asked the Dispute Settlement Body to halt work in accordance with Article 12.12 of the DSU in regards to one of these consultations.[64]

[61] WTO (2021). Document INF/IFD/RD/51.
[62] WTO (2021). Document WT/GC/212/Rev.2.
[63] WTO (2021). Documents WT/GC/208/Rev.1, WT/GC/208/Rev.2, G/AG/30/Rev.1, G/AG/30/Rev.2, WT/GC/W/810/Rev.3 and TN/AG/46/Rev.3.
[64] WTO (2021). Document WT/DS526/6.

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