



Formulaire CH@WORLD: **A754**

Représentation suisse à / Swiss representation in: DOHA	
Pays / Country: QATAR	Date de la dernière mise à jour / Last update: September 2021

Economic Report Qatar

2020/21

0 Executive summary

Despite a **sensible economic setback** due to the **complete blockade of Qatar by KSA, UAE, Bahrain and Egypt**, initiated on 5 June 2017 and **terminated on 5 January 2021** through the **Al-Ula-Agreement**, the State of Qatar is expected to continue its rapid development path, with **additional steam** in the years ahead. Within thirty years the small Gulf Emirate, located on a peninsula, erupted from an entangled community largely depending on its neighbourly states to a **regional political power with worldwide economic aspirations**. Although Qatar is still heavily dependent on hydrocarbons, mainly gas resources, it aims to turn towards more sustainable sources to boost its economy. The government bullheadedly set its mind on **diversifying into downstream industries** (petrochemicals, aluminium) **and services** (construction, conference, tourism, banking, media, sports, education, research, etc.). However, Liquefied Natural Gas (LNG) is still responsible for more than 50% of Qatar's GDP, one of the highest per capita worldwide. The country continues to invest in infrastructure to heighten its LNG extraction through the USD 30 Bn gas project "North Field" with the aim of increasing the production of liquefied natural gas output by 40% by the year 2026. The revenues of this increase will be used to enhance investments for the benefit of future generations.

Over the past few years Qatar has undertaken a set of **changes to foster economic diversification**. To attract more foreign investment, Qatar has become the first country in the Gulf region to have **100% foreign ownership limit** for all listed companies. This could result in foreign inflows in excess of USD 1.5 Bn which will substantially enhance the weight of listed companies in the global indices and **positively affect liquidity and trading in the market**¹. Furthermore, the country is following a more liberal approach towards land purchasing for foreigners. Property investments of more than USD 200'000 are rewarded with Qatari residency and from USD 1 MM with permanent residency, with benefits including health care and education².

During the ongoing pandemic, the Emirate issued economic measures and policies to contain the virus. **Strict Covid-19-measures** with different stages of lockdowns and travel bans were also used to let unwanted employees permanently go by not letting them re-enter the country. In turn, following government reform efforts supported by International Labour Organization (ILO) and like-minded countries such as Switzerland, **labour laws for the over 2 million migrant workers have substantially improved**. From abolishing the requirement of a Non-Objection Certificate (NOC) which allows migrant workers to terminate a contract and change jobs without requiring permission of their employers, to a newly implemented minimum wage, measures show that **dismantling the widespread traditional kafala system** is taken seriously by Qatar. Other benefits include reduced working hours during the hot summer months and shelters for victims of human trafficking. In the long run the country is eager to **keep experienced workers**, creating a job market less dependent on new recruitments³.

¹ [Gulf Times, last visit: 12.08.2021.](#)

² [Al Jazeera, last visit: 21.12.2020.](#)

³ [ILO Qatar Progress Report October 2020, last visit: 21.12.2020.](#)

Since 2010, Qatar's infrastructure has been quickly developed in view of **hosting the 2022 FIFA World Cup** – the first of its kind in the Middle East. With a bit more than a year to go until the start of the games, the event keeps boosting the economy and is expected to leave a positive, lasting impact on the Emirate. **An abundance of multi-billion-projects with foreign participation in the fields of air, road & public municipal transportation, hospitality & tourism, external & internal security**, etc. have been implemented so far with many more to be finalized at high speed for the kick-off on 21 November 2022.

Qatar's isolation from its traditional key partners KSA and UAE had prompted Doha to **push legislation and huge investment in defence and agriculture** to grow more independent, self-sufficient and to better protect its national sovereignty. Furthermore, Qatar has intensified foreign relations on multiple and sometimes controversial fronts, in particular through strengthening ties with Turkey and Iran. Soft power, which is essential to the small country's geopolitical strategy, has also been fostered, i.a. through strong mediation efforts in the Afghanistan or Sudan context and through bidding for further international sports events such as the recently awarded Asian Games 2030. Qatar, failed candidate for the 2032 Summer Olympics edition, will certainly renew its offer to host it one day. Nonetheless, the so often **proclaimed "blessing in disguise" is a mistaken exaggeration** since it is clear that major economic damage was caused to all the countries involved in the Qatar crisis. Due to political uncertainty and costly economic barriers **Qatar had to disburse hugely**, stepping in with USD 40 Bn of sovereign liquidity injections **and face tough challenges** to attract new partners and investors. Moreover, this dispute has caused long lasting and deep rooted harm to ancient relationships within the brotherly GCC/Gulf-region which will take many years to heal.

The dismantling of the Saudi-led blockade has significantly reduced risks to the Qatari economy and boosted bilateral business opportunities between Qatar and the quartet, as well as improved political and economic co-operation within the GCC. The normalisation of relations has reduced political risk and should make it easier for Qatari companies to borrow at favorable rates. This development also lifted prospects of the financial and insurance sectors and had an immediate positive impact on the Doha stock market. Qatar's interregional travel, tourism and real estate sectors are the ones to benefit the most from the reconciliation. Traditionally, **Saudi visitors accounted for about half of all tourists** to Qatar and an even larger share of tourism revenue. Already in May 2021, visitors from the GCC accounted for 40% of total visitor arrivals. In turn, **foreign companies** established in Doha are best placed to take advantage of the re-opening. Business in Qatar overseen by Swiss firms located in Dubai is also facilitated and **additional market opportunities are expected for exporters from Switzerland** and elsewhere.

1 Economic problems and issues

Over the past few years, Qatar has succeeded in reinforcing its economy through policies adopted by HH the Amir, Tamim bin Hamad Al Thani, and in line with the **Qatar National Vision 2030⁴ which aims at diversifying the economy to become less dependent on oil and gas sectors**. In this context, Qatar has, nonetheless, continued to focus on the **energy sector as the major source of national revenue** while enhancing it by supporting all economic sectors, transforming national industries, trade and service sectors into active partners.

The contribution of the main economic sector to GDP growth, namely the construction sector, has declined **from +28.5% in 2016 to -9.4% in 2020⁵** which is explained by the completion of a number of infrastructure and building projects (multi-billion USD infrastructure investments to build eight stadiums and dozens of premium and other hotels for the FIFA World Cup 2022). However, the service sector stabilized at +0.3% in 2020 and is expected to reach +4.3 % in 2022, assuming that the economy will derive benefits from increased economic activities during FIFA World Cup 2022.

Due to the Covid-19-pandemic, **GDP has declined by 2.6% in 2020⁶, but is expected to reach +2.4% in 2021 due to the rise in oil & gas prices estimated to USD 76.8 per barrel in 2020**. The best rate among GCC countries according to World Bank's forecast⁷.

⁴ [Qatar National Vision 2030](#).

⁵ [Qatar Economic Outlook 2020-2022](#).

⁶ [Seco Fiche pays June 2021](#).

⁷ [World Bank, last visit: 21.06.2021](#).

Impact of Covid-19

Qatar has been struck hard by Covid-19 in the beginning when the virus was **spreading fast among migrant workers in their cramped dwellings**. Since its first case reported on 29 February 2020 consistent **measures and policies** were implemented to contain the virus and its negative repercussions on public health and the economy. Additional healthcare facilities and a comprehensive vaccination policy were keys to master the pandemic in Qatar.

In order to support the economic and financial sectors within the framework of precautionary measures to combat the spread of the virus, the Qatari government decided to **inject QR 75 Bn (USD 20.6 Bn) into the private sector** which represents 10% of its GDP **and QR 10 Bn (USD 2.75 Bn) into the stock market**. The most adversely affected sectors were the two fastest-growing sectors in 2019: transport and hospitality. Financial services have been a notable exception achieving a 4.3% growth in 2020. Small & Medium Enterprises (SMEs) operating in hospitality, tourism, retail sectors and commercial complexes were exempted from paying rents, electricity and water bills and other fees for three months. Logistics parks and industrial zones were exempted from paying rent for a period of six months. In addition, most local banks decided to postpone loan instalments owed by SMEs for a period of three months without any extra charge. A whole array of further measures were taken to support economic actors:

The Qatar Central Bank (QCB) **facilitated transition to electronic banking** by requiring banks and money exchange points to offer electronic money transfers abroad and to facilitate electronic services to migrant workers.

The General Customs Authority (GCA) decided to exempt 905 foods and medical goods from customs duties for a period of six months. The exempted goods vary between basic food items (such as meat, fish, dairy products, oil, baked goods, and juice) and a number of preventative medical supplies for personal and household hygiene (such as facemasks, sanitizers, and soap). As a result, **Swiss companies in the health and food sectors increased their sales since the pandemic started in Qatar**. Nonetheless, they also had to face some challenges, as the Ministry of Public Health (MOPH) planned to take new measures geared to ensure that shipments were not contaminated with Covid-19. Following strong diplomatic interventions based on scientific ground, MOPH ultimately scrapped its decision before implementing it. The General Tax Authority (GTA) extended the period for tax returns by two months to alleviate financial pressure.

In order to facilitate clearance and reduce physical presence in ports and airports, GCA authorized companies to submit their shipment documents with **electronic legalization and digital signature**. Qatar had already launched the **e-government system** in some government bodies years ago after implementing a new strategy in 2013 named "Qatar e-Government 2020", with the main objective to deliver better services online to customers and businesses.

Despite all these State measures and joint public-private efforts, the **Qatari economy has been hit hard by Covid-19**, as Qatar's economy and public finances continue to rely heavily on the oil and gas industries, which still account to almost 85% of its export revenues. Nonetheless, Qatar is expected to see its economy getting back to normal by the fourth quarter of 2021.

2 International and regional economic agreements

2.1 Country's policy and priorities

Systemic reforms of migration and migrant labour governance

Qatar's economy is **heavily dependent on foreign workforce** as around 90% of its population of 2.7 MM are migrant workers. These primarily originate from Asia (India, Bangladesh, Nepal, Philippines, Sri Lanka) with a rapid increase of migration from East Africa. They mostly work in low-skilled sectors, primarily construction, hospitality, transportation, security and domestic services.

As a pioneer throughout the GCC-countries Qatar has since 2018 **enacted wide-ranging and systemic reforms to its migration and migrant labour governance system**. The reforms have been guided and supported by the ILO, which opened a project office in the country in May 2018⁸. Qatar took

⁸ [ILO Qatar Progress Report October 2020, last visit: 21.12.2020.](#)

concerted efforts to dismantle the kafala system, which i.a. restricted foreign workers from exiting the country, resigning or changing jobs. The kafala system, which is still prevalent across the Middle East, is known to increase the risk of abuse and exploitation of workers.

With the implementation of these reforms underway, **Qatar is moving away from a migration governance system that prioritizes international recruitment** and defers responsibility for migrants largely to private employers. Going forward, the Government will play a more active role in managing labour migration. Employers in Qatar will be increasingly able to recruit migrants within the country, benefitting from an internal labour market, fostered through job-matching-platforms.

Main reforms and related measures include:

- The abolishment of the Non-Objection Certificate (NOC), which allows migrant workers to terminate a contract and change jobs upon written notice, but without the formerly required permission of their employers.
- The abolishment of the exit permit for migrant workers, including domestic workers, which allows migrants to leave Qatar without the permission of their employer.
- The establishment and operationalization of dispute resolution committees for migrant workers and of a worker welfare fund to compensate workers when needed.
- The creation of company-based joint committees (management representatives and elected workers' representatives), established with the support of international trade unions.
- Establishment of a job-matching platform, with the Qatar Chamber of Commerce and Industry.
- Establishment of a shelter for victims of trafficking.
- The introduction of a minimum wage of QR 1000 (approx. CHF 250) for all migrant workers, irrespective of their nationality, and allowances of QR 300, QR 500 respectively for food and accommodation expenses.
- Policies improving occupational safety and health, including with regards to heat exposure.
- The establishment of Visa Centres in countries of origin to i.a. ensure electronic signature of the employment contract before arrival and suppress contract deception.

Gulf Cooperation Council (GCC)

Qatar, together with Bahrain, Kuwait, Oman, KSA and the UAE constitute the regional **Gulf Cooperation Council (GCC)**. The GCC member states signed a Unified Economic Agreement (UEA) shortly after its creation in 1981, establishing a free trade area between the six countries, thus liberalizing trade in goods. In 2001, the GCC expanded cooperation by establishing a Customs Union (GCC Customs Union). In 2005, an initiative for a monetary union was launched within the GCC, but has still not been implemented. Disparities within the GCC and imbalances of individual economies appear to have been too important for the introduction of a single currency.

The organization also strives to unify in foreign and security policy and promotes economic and social relations. In 2016 all six member states signed the Common VAT Framework Agreement with a uniform rate of 5% while some items remaining VAT-free, to be introduced swiftly. So far only the UAE, KSA and Bahrain have implemented the text while the other members keep postponing it, gaining trading advantages. **Qatar has recently announced to finally implement the agreement in 2022** after hesitations due to the blockade, which has obviously disrupted the GCC's harmony and delayed further unifying economic policies for the region. Nonetheless Qatar managed to remain an important member of the Council, attending most of the meetings, albeit sometimes at a lower political level. With the Al-Ula-agreement a necessary **new dynamic** within the GCC is expected to materialize.

Pan Arab Free Trade Area (PAFTA)

The Free Trade Area, also known as the Greater Arab Free Trade Area (GAFTA), was founded in 1997 by 14 of the 22 member states of the Arab League at a meeting in Amman and has since been promoted by the Economic and Social Council of the Arab League. Qatar is a founding member.

A key element of the agreement was the continued reduction of tariffs between Arab League countries, with tariffs reduced by 10% annually. **Particular attention was paid to the reduction of tariffs on products originally produced in the Arab world.** Based on PAFTA rules, Qatar grants Sudan and Yemen preferential customs treatment. Imports from these countries are processed duty-free in Qatar. Qatar exports, on the other hand, are subject to customs clearance in Sudan and Yemen. Palestine is

also granted preferential customs treatment. Export products manufactured in Palestine are not subject to customs clearance in Qatar while Qatari exports to Palestine are still subject to customs duties. Ongoing negotiations on trade in services within PAFTA have not yet been concluded. The Qatar crisis has inevitably had a negative impact on the application of PAFTA rules.

Qatar's membership in other regional organisations

OAPEC

Organization of Arab Petroleum Countries

GECF

Gas Exporting Countries Forum, headquartered in Doha and cherished by the Qatari Government.

BADEA

Arab Bank for Economic Development in Africa

FADES

Arab Fund for Economic and Social Development

LAS

League of Arab States

AMF

Arab Monetary Fund

ESCWA

Economic and Social Commission for Western Asia

IDB

Islamic Development Bank

OIC

Organisation of Islamic Cooperation

** **OPEC** On January 2019, Qatar decided to leave the Organization of Petrol Exporting Countries. Observers interpreted Qatar's pull-out as a clear statement of protest addressed to blockade-leader KSA and by the fact that the relative significance of its oil exports as compared to booming LNG have further dwindled in recent years.

Free trade agreement EFTA-GCC

The agreement officially **entered into force on 1 July 2014**. It lifts tariffs on most industrial and agricultural goods. It covers trade in industrial products as well as fish and other marine products, processed agricultural products, trade in services, public procurement and competitiveness. In order to reflect the particularities of agricultural markets and policies of individual EFTA States, trade in unprocessed agricultural products is governed by bilateral additional agreements, which have been concluded by individual EFTA States with the GCC States.

- [Free Trade Agreement between the EFTA States and the GCC Member States](#)
- [Agricultural Agreement between Switzerland and the GCC Member States](#)

Both agreements were signed on 22 June 2009 in Hammar and officially entered into force on 1 July 2014.

Bilateral agreements Switzerland-Qatar

Switzerland and the Emirate of Qatar established diplomatic relations in 1973. The Embassy of Switzerland in the State of Qatar was officially opened in Doha in April 2013. Previously, Qatar was under the auspices of the Swiss Embassy in Kuwait-City through a side accreditation.

- [Double Taxation Agreement](#) (SR 0.672.965.61)
Signed on 24.09.2009 in New York, entered into force on 01.07.2014.
- [Investment Protection Agreement](#) (SR 0.975.265.6)
Signed on 12.11.2001 in Doha, entered into force on 15.07.2004.
- [Memorandum of Understanding](#)
Signed on and entered into force on 20.12.2004 between the Federal Department of Home Affairs and the Ministry of Foreign Affairs of the State of Qatar on science and research.
- [Memorandum of Understanding](#)
Signed on 6.03.2018 between the FDFA and the Attorney General of Qatar in the field of judicial cooperation.

- [Memorandum of Understanding](#)
Signed on 25.09.2018 between SDC and the Ministry of Administrative Development, Labour and Social Affairs on Cooperation in the Field of Labour Migration.
- [Scheduled Air Services Agreement](#) (AS 2005 181)
Signed on 11 July 1995, entered into force on 30.05.2002 relating to airline traffic.

2.2 Outlook for Switzerland (potential for discrimination)

The regional and international agreements listed do not discriminate against Swiss companies. However, the EFTA-GCC Free Trade Agreement has faced initial adjustment problems but is now working rather well.

On the other hand, Swiss companies are still facing challenges, especially when it comes to approaching Qatari customs authorities who have increased administrative burdens and also started to charge fees for certain services outside the agreement.

3 Foreign trade

3.1 Development and general outlook

3.1.1 Trade in goods

Total exports and imports represent 88% of GDP. **Total export of goods in 2020 has declined with a volume of USD 51'504.2 MM comparing to USD 72'935.2 MM in 2019.**

Hydrocarbon still largely represents the most important export which constitutes 87 % in 2019 of total exports despite the ongoing implementation of a strong and costly policy of economic diversification. The Asian market represents 75% of Qatar's gas exports. Japan is ranked first with total exports amounting to USD 7'996 MM followed by China with a total volume of 7'816 MM and India with a total of 7'353 MM.

The United States of America is the largest trading partner of the State of Qatar in terms of imports, **despite the decrement of the total volume from 18.8% in 2019 to 15.9% in 2020.** The majority of these imports are aircraft, machinery, vehicles, optical and medical instruments and agricultural products.

China represents the second trading partner with 15.2%, followed by the United Kingdom, Germany, India, Italy, Turkey, and France with a total of 26.7%. According to Qatari statistics, the total volume of Qatari imports from Switzerland has decreased from **USD 749 MM in 2019 to USD 568 MM, which represents 2.2 %⁹ of total imports¹⁰.**

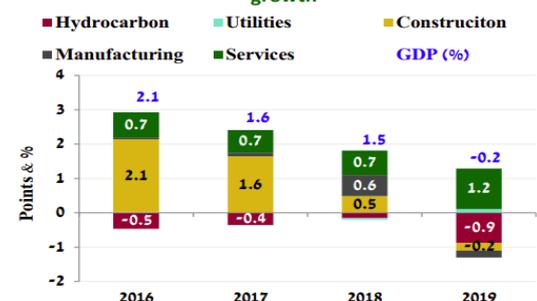
Companies importing to Qatar faced some challenges at the beginning of 2019. The implementation of Law no. 25 of 2018 on Excise Tax obliged certain distributors to cancel their contract with foreign companies as they were not informed about the implementation of the new law.

3.1.2 Trade in services

The service sector has made an annual growth of **2.4% in 2019¹¹, and contributed to the total growth rate of real GDP 0.82% points.** Qatar intends to concentrate on services in the financial, real estate, transportation, communications and tourism sectors.

In the area of **financial services**, Qatar tries to attract foreign companies by offering attractive conditions for their establishment. They report to the Qatar Financial Centre (QFC), which issues its own licenses and also

Figure 2-10: Contributions of the GDP's sectors to its growth



Source: Planning and Statistics Authority

⁹ [Seco Fiche pays June 2021.](#)

¹⁰ [IMF, last visited: 15.08.2021.](#)

¹¹ [Qatar Economic Outlook November 2020-2021.](#)

allows foreign companies to retain **100% ownership, fully expatriate their profits while charging a competitive 10% corporate tax on locally sourced profits**. As a result, a number of Swiss banks and financial services companies are among those having started or increased their onshore activities in Doha. On 31 October 2020 QFC published the news of a non-binding MoU between the Investment Promotion Agency of Qatar (IPA Qatar) and the **Swiss Bank UBS containing an “agreement in principle” to establish significant UBS wealth management activities and collaboration** on future opportunities supporting the development of Doha as a leading financial services hub.

The associated Qatar Financial Centre Authority (QFCA) is entitled to create its own legal framework for this increasingly important sector, based on the Common Law system.

Qatar adopted a new **Civil and Commercial Arbitration Law** (Law no. 2 of 2017) in 2017 with the aim of making the country more attractive to foreign investors, sporting international requirements for litigation before an arbitral tribunal.

Until the outbreak of the pandemic in March 2020, Qatar’s tourism sector has achieved remarkable growth and significant developments in terms of both visitor numbers, development of tourism infrastructure and governance of the tourism sector in order to achieve economic diversification¹².

3.2 Bilateral trade

3.2.1 Trade in goods

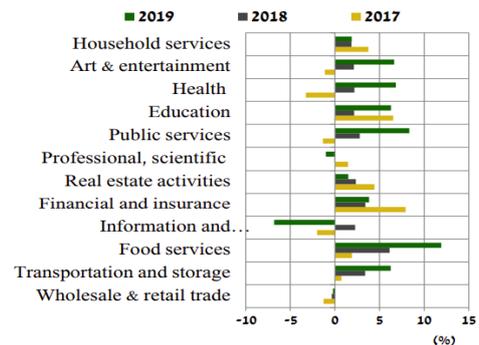
According to Swiss statistics the bilateral trade volume, after falling to CHF 812 MM in 2017, reached **its all-time high of CHF 1’576 MM in 2019**, slightly falling to CHF 1’471 MM in 2020. Although the importance of trade with Qatar is relatively modest compared to Switzerland’s overall foreign trade, **the country regularly ranks 3rd or 4th among MENA-countries**. Regarding Swiss imports from Qatar, the value has remained stable from CHF 424 MM in 2019 to CHF 423 in 2020. Swiss exports to Qatar decreased from CHF 1’153 MM in 2019 to CHF 1’048 MM in 2020. Precious stones, metals, jewellery and watches account for the largest share of both exports and imports.

Swiss companies are top-rated by both governmental organizations and the private sector, in particular when it comes to the **quality** of services and products which traditionally plays a very important role in gaining market access in Qatar. However, over the past few years, other criteria such as **pricing and political considerations** have played a more important role in bidding processes where comparable alternatives exist.

Recent years have been challenging for Swiss exports to Qatar and in particular for Swiss businesses established in the Emirate. As trade figures show (cf. annex 4 below) 2017 has witnessed a sharp decrease of demand for the main export category “watches and jewellery” due to the beginning of the Qatar crisis in June of the same year. In 2018 the market bounced back strongly and has been on a high level since. The FTA between GCC and EFTA, which entered into force in 2014, will definitely have shown economic benefits to certain sectors. However, given the much larger impacts of both the Qatar crisis since June 2017 and the pandemic since March 2020 these effects are likely to be minor and difficult to be singled out.

The **outbreak of the Covid-19-crisis in Qatar**, followed by health and safety measures introduced by the Government to prevent the spread of the virus has resulted in many companies suffering from the economic situation and new working conditions. In order to learn what kind of **repercussions this new situation had on Swiss companies based and operating in Qatar**, the embassy took the initiative in late April 2020 to send out a **questionnaire via the Swiss Business Council Qatar in order to obtain information on their business situation and major concerns. The main findings were as follows:**

Figure 2-11: Rates of change by sub-sector of the service sector



Source: Planning and Statistics Authority

¹² [National Tourism Council](#).

FIFA World Cup Qatar 2022

With the completion of most large infrastructure (stadiums, motorways, metro, desalination plants, etc.) and other major construction projects such as hotels and education venues, the percentage of the construction sector's contribution to GDP has begun to decline in comparison with the services sector. Hundreds of foreign companies abroad and in the country have been competing to offer their **products and services for FIFA World Cup Qatar 2022¹³ and related projects**, be it in security, events organisation, transportation, IT, ticketing, etc. QR 72.1 Bn¹⁴ (CHF 17.7 Mia.) have been allocated for major projects in the 2021 budget alone. **This includes new projects along with on-going development projects in various other sectors** which will pave the way for continued growth well beyond 2022.

Qatar Petroleum's North Field Expansion

Qatar Petroleum's North Field Expansion will continue "full steam ahead," said Saad Sherida Al-Kaabi, Minister of state for energy affairs and President and CEO of Qatar Petroleum in May 2020. The huge project is expected to raise Qatar's LNG production capacity to 126 MM tonnes/year (tpy) by 2027 from 77 MM tpy in 2019. The overall investment shall amount to around CHF 40 Bn for the six planned trains. The Swiss and Swedish embassies in Doha, together with their local business councils, supported by a company sponsor, will organize a webinar in October 2021 presenting **long-term business opportunities directly related to multi-billion development investments as well as indirect downstream opportunities** connected therewith.

Medical Sector

The **medical sector** is considered to be one of the most important for the country with a strong growth. Allocations for healthcare amount to QR 16.5 Bn (CHF 4 Bn) in the 2021 budget, covering additional high priority projects to further promote and expand medical and healthcare facilities. Swiss companies in Qatar and in Switzerland are in a favorable position to participate in some of these projects. **Notably F. Hoffman La Roche Ltd increased their physical presence in Doha** during 2020.

Transit hub for trade in goods

With places like Singapore in mind, Doha not only aims to become a global business center but also an important **transit hub for trade in goods**, creating opportunities for Swiss companies active in the sector. The over 3 ½ years lasting trade blockade against Qatar left the country with no other option than to focus on transit facilities. The extended and upgraded Hamad, Doha and Al Ruwais port facilities use Qatar's central Gulf location to become a growing transit market. Furthermore, Hamad International Airport (HIA) Expansion Project cements Qatar's position as a global aviation hub and will accommodate the growth of Qatar Airways, while affirming its commitment to the environment. By the end of the expansion project, HIA's passenger terminal will be able to accommodate more than 60mn people every year, compared to its original capacity of 28mn. In addition, the upgraded cargo terminal that will be completed by 2023 will be able to handle 5mn tonnes of cargo per year.

3.2.2 Trade in services

Unfortunately, neither Qatar, nor Switzerland keep statistics on bilateral trade in services. However, significant activities are taking place between the two countries, not only in the financial sector but also in engineering, security, higher education and in other services.

¹³ [FIFA World Cup.](#)

¹⁴ [Qatar State Budget 2021.](#)

4 Direct investments

4.1 Development and general outlook

Besides diversifying, the Qatari government is also bound to privatize its economy. Over the past five years, the country was able to attract foreign direct investment (FDI) **of up to USD 4.5 Bn per annum**¹⁵. To increase this sum, the Government has passed several liberalization policies over the past year. Besides major labor law improvements (broadly covered in chapter 2.1) to not only guarantee better workers' rights but also to make investors feel more comfortable about doing business in Qatar, **foreigners are now able to purchase real estate in nine areas of the country** compared to only three before. However, given the already **substantial oversupply of both commercial and residential property** with estimates going up to one third of real estate empty in certain areas, the bursting of a post- World-Cup-bubble in 2023 would not come as a big surprise.

Measures taken by the Government to curb economic and sanitary impacts provoked by the Covid-19 pandemic shed some shifty light on how Qatar treats its foreign workers despite the ongoing largely positive reforms. In the beginning of the pandemic Qatar Airways was majorly involved in repatriation flights around the globe, bringing people home safely. In the shadow of the strictly implemented measures to curb the virus, **ten thousands of Qatar residents were prohibited from re-entering the country or their return was delayed for months**. Many expatriates were only allowed to return slowly while facing heavy salary cuts (30 % in the public sector) or even made redundant by their companies. For a country so heavily dependent on foreign workforce and avidly attracting foreign investment, **this policy hurt the country's image**.

State-owned investment companies

Qatar Investment Authority (QIA) is the nation's State wealth fund established in 2005 with an estimated overall investment of over **USD 300 Bn**¹⁶. QIA is mandated "to invest, diversify and grow the State's sovereign reserves to create value for future generations of Qatari, support Qatar's economy by investing in local companies and provide liquidity when needed." **In 2020 QIA invested USD 3.6 Bn along with others in the Indian e-commerce firm Flipkart's as part of its further diversification strategy**.

Qatari Diar (QD), under the auspices of QIA, was founded in 2004 and invests in real estate worldwide. It serves as a quality control instrument for real estate investments in Qatar, USA, UK, Italy, Oman, Morocco, Egypt, Syria, Sudan and Seychelles.

QD is affiliated and subordinated to **QDHP Swiss Management AG in Zug**, which was also active in the acquisition of five-star-hotels in Switzerland (Schweizerhof Bern, Bürgenstock Hotels & Resort, Royal Savoy Lausanne) and responsible for their lavish renovation with an overall investment of around CHF 1.5 Bn.

Delta Two Ltd. is associated with QIA. No details about its activities are available.

Qatar Holding LLC (QH) was also founded by QIA and represents its holding company for QIA's strategic and direct investments with a diversified portfolio in raw materials, industrial, financial services, retail, real estate, technology, agriculture, etc. QIA and QH share the same infrastructure platform and back office services. QH has established a holding company called **"Qatar Investment Company"**, which in turn has branches abroad:

- Qatar Holding Luxembourg II
- Qatar Holding Netherlands BV
- Al Gharaffa Investment Company, Cayman Islands
- Qatar Holding Gold & Ressources LLC

Hassad Food (HF), founded in 2008, invests in agricultural operations, such as livestock breeding, arable farming and food companies. The aim is to guarantee the country's food security as defined in the Qatar National Vision 2030. Despite investments running into Bns since the beginning of the blockade, Qatar will not be able to achieve a significant degree of self-sufficiency due to the harsh climatic conditions. Nevertheless, thanks to **strategic investment in state-of-the-art industrial**

¹⁵ [Gulf Times, last visit: 21.12.2020.](#)

¹⁶ [Reuters, last visit: 15.08.2021.](#)

farming it was able to strongly increase its self-sufficiency in certain areas such as vegetables, dairy and poultry.

Qatar Sports Investments (QSI), founded in 2005, is a private stock corporation allowed to operate outside QIA. It invests heavily and very visibly in the sports and leisure industries. QSI holds shares of Paris St. Germain, FC Malaga and FC Barcelona (Qatar Foundation jersey sponsor), etc.

4.2 Bilateral investment

According to Swiss National Bank data, the stock of Swiss direct investments in Qatar amounted to CHF 159.90 MM at the end of 2019. The 30 or so Swiss companies present in the country employed 1,019 people in 2019 (compared to 1,139 people in 2018). As for the stock of Qatari direct investments in Switzerland, it almost tripled between 2018 and 2019. In 2019 it was estimated at CHF 565.1 MM, compared to CHF 138.7 MM in 2018 (confidential data which tend not to fully reflect overall Qatari FDI in our country).

QIA is a major shareholder of Credit Suisse (CS) and used to hold through Qatar Holding LLC around 5% of its shares. However, as of July 2021, QIA has lowered its stake to below 5%. Qatar provides CS with around 9% of its mandatory convertible bonds. If CS equity falls below a certain threshold, the bond must be converted into shares. If there were to be an execution option, the participation of Qatar in CS would increase to 21.7%. Jassim Bin Hamad Al Thani, the third son of the former Emir of Qatar, was the Qatari representative in the executive committee of CS but left Credit Suisse's board in 2013.

QIA also holds a 12% stake in commodities trader **Glencore Xstrata International plc**, the second most important company in Switzerland by turnover, headquartered in Zug.

As far as the **hospitality sector** is concerned, QIA through its subsidiary **Katara hospitality** invests exclusively in luxury hotels, located in prime locations in Qatar and around the world. The previously mentioned five-star Schweizerhof in Bern, the Royal Savoy in Lausanne and the Bürgenstock Hotels & Resort, officially opened in September 2018 in the presence of then Federal Councillor and Minister of Economic Affairs Johann Schneider Ammann by the Chairman of the Board of Directors and the then CEO of Katara Hospitality, are part of the **growing Qatari prestige hotel portfolio**. Katara Hospitality remains interested in regional diversification in Switzerland should post-Covid-19-opportunities arise.

5 Trade, economic and tourism promotion („Country advertising“)

5.1 Foreign economic promotion instruments

The **"Swiss Business Hub Middle East" (SBH) maintains an office in Qatar** (50% position), which is integrated into the Swiss Embassy and reports to the SBH Middle East in Dubai. In Doha, the same services are provided as in the regional hub in Dubai: inquiries for market clarifications, legal and financial advice, business partner mediation and marketing advice. The SBH-Qatar offers consulting services to SMEs for order processing, individual projects and company establishment.

In April 2015, the **"Swiss Business Council Qatar" (SwissBCQ)** was founded in Qatar. It is member-based and develops its own activities, some of which in cooperation with the Swiss Embassy. Today, the SwissBCQ has around 60 members, including some Qataris.

The **"Arab-Swiss Chamber of Commerce" (CASCI)** has been in existence in Geneva since 1974. As a chamber of commerce, it promotes economic relations between Switzerland and Middle Eastern countries. CASCI regularly organizes seminars and economic missions with representatives from the private sector.

Since 2002, **"Switzerland Tourism"** has maintained a branch office in Dubai, which markets Switzerland as a tourism, leisure and business destination. The market in Qatar is handled from Dubai. Each February, Switzerland Tourism coordinates a roadshow for Swiss tourist destinations in various GCC countries. The target audience is local multipliers and travel agents.

5.2 The host country's interest in Switzerland

As in the Arab world in general, Switzerland has an excellent reputation in Qatar. The image of small, beautiful, peaceful, neutral and hard-working Switzerland is intact.

Tourism

As for the other Gulf States, **Switzerland is a popular holiday destination** for the Qataris. A top-class and very wealthy social class has been enjoying close relations with our country for decades and visits the country regularly. Foreign executives and the Arab middle class are also increasingly discovering Switzerland for themselves.

The Federal Office of Statistics has only been recording the number of guests from Qatar since 2011. The development of overnight stays is quite positive, as the numbers continue to rise every year. The top destinations are the Zurich region, followed by Geneva and the Bernese Oberland. The latter had recorded a marked increase in the number of guests from Qatar in recent years. The pandemic provoking the halt of the establishment of new and validity of multiple Schengen visa since March 2020 has taken a **huge toll in 2020 with Qatari visitors**. No significant promotion activities were possible so far. Switzerland Tourism and Bürgenstock Selection will launch a number of activities in October and November 2021.

Abstracting from the Covid-19-crisis, the **Swiss hotel industry** is generally challenged to provide a selected audience with a high-price hotel industry that meets the **highest quality standards**. At the same time, however, there are development opportunities for a more affordable but no less high-quality range of hotels (price-performance ratio) for potential guests from medium-sized businesses who pay more attention to price. What is not understood by the Arab clientele is the fact that some hotels in Switzerland do not have air conditioning for the hot summer days. If Swiss hotels want to conquer Arab customers as a market segment, they will have to increasingly address Arab and Islamic traditions. Neither the "burqa ban" imposed in the cantons of St.Gallen and Ticino nor the national ban have resulted in a measurable decline in Qatari tourists.

Institutes & Education

Qatar is working to build a knowledge society within the framework of the Qatar National Vision 2030 and is therefore investing substantial resources in the **expansion of educational institutions** in Doha and its periphery. The state also offers generous scholarships to Qatari citizens to study abroad. Vocational education and training is not known here, but it is highly recommended for achieving the goals of the Vision. In 2017, the "Swiss International School", commissioned by the Emir, opened in Qatar. However, the school is not recognized as a Swiss school under Swiss law as it does not comply with relevant regulations. The Embassy therefore refrains from any contact with this institution.

Medical Tourism

If patients of Qatari nationality cannot be treated with the locally available infrastructure, "Hamad Hospital" as the medical control center sends the affected patients abroad for treatment. Preferred treatment centers are currently located in Germany, England and the USA. As a rule, a cooperation agreement (MoU) is concluded with selected foreign hospitals. There are **still no MoUs with Swiss hospitals** but there are close links between the medical sector in Qatar and the health sector in the cantons of Geneva, Zurich and Nidwalden. The latter is due to the Qatari-owned Bürgenstock Resort.

Interests for Switzerland as an investment location, development potential

Qatar's continued interest in Switzerland as an investment location is currently limited as compared to other traditional (mainly UK, USA, and Germany) and new destinations (Asia, Latin America). SMEs are not (yet) part of the portfolio of QIA and its sub-organisations (cf. section 4.2). QIA has been approached since 2019 by the embassy and will consider concrete investment opportunities in Switzerland brought to its attention on a case by case basis.

Interests for the Swiss financial centre, development potential

The number of foreign banks operating in Switzerland has been halved following the financial crisis of 2008. Only a few Arab banks are still active in Switzerland, concentrating mainly on asset management.

In 2012, Credit Suisse (CS) and Qatar Holding founded Aventicum Capital Management, which is based in Doha.

The following Qatari banking and insurance institutions are present in Switzerland:

- [Aventicum Capital Management, Genf und Zürich](#)
- [Qatar-Re \(Rückversicherung\), Zürich](#)
- [QNB Banque Privée \(Suisse\) SA, Genève](#)

Représentation suisse à / Swiss representation in: DOHA	
Pays / Country: QATAR	Date de la dernière mise à jour / Last update: September 2021

Module CH@WORLD: **A750**Wirtschaftsbericht Katar 2020/21
Economic report Qatar 2020/21

ANHANG 1	Wirtschaftsstruktur
ANNEX 1	Economy structure ¹⁷

A750

Breakdown of real GDP (%)		2013	2018
Primary sector		0.0%	0.0%
	<i>agriculture, fishing*</i>	0.0%	0.0%
Secondary sector		68.4%	64.2%
	<i>mining and quarrying</i>	47.2%	45.6%
	<i>construction</i>	6.5%	7.8%
	<i>manufacturing & industry</i>	14.7%	10.8%
Tertiary sector		30.9%	37.7%
	<i>services</i>	30.9%	37.7%
	<i>public services</i>	<i>n.a.</i>	<i>n.a.</i>
	<i>electricity, water**</i>	<i>n.a.</i>	<i>n.a.</i>
	<i>imputed bank services</i>	<i>n.a.</i>	<i>n.a.</i>
	<i>import duties</i>	<i>n.a.</i>	<i>n.a.</i>

Breakdown of labor force		2013	2018
Primary sector		<i>n.a.</i>	<i>n.a.</i>
Secondary sector		<i>n.a.</i>	<i>n.a.</i>
Tertiary sector		<i>n.a.</i>	<i>n.a.</i>

n.a. not available

Note * Share do not sum 100% as agriculture and indirect taxes are too small to show.

** Rounding errors are attributed to agriculture, imputed bank services, import duties, electricity, and water, which are not shown in figure.

¹⁷ [Economy structure.](#)

ANHANG 2 Wichtigste WirtschaftsdatenANNEX 2 Key Economic Data¹⁸

All data are drawn from IMF and the World Bank reports via the latest SECO Qatar country fact sheet.

	2018	2019	2020	2021	2022
BIP nominal (in USD Mrd.)	183	176	146	166	175
BIP/Einwohner/capita (USD)	66'422	62'919	52'144	59'143	61'963
BIP-Wachstum/Real GDP growth (%)	1.2	0.8	-2.6	2.4	3.6
Inflation rate (%)	0.3	-0.7	-2.7	2.4	2.9
Arbeitslosenrate Unemployment rate (%) ²³	n/a	n/a	n/a	n/a	n/a
Leistungsbilanz Current account (% of BIP)	9.1	2.4	-3.4	7.1	7.9
Haushaltsbilanz / Budget balance sheet (% of BIP)	5.9	4.9	1.3	1.4	7.3
Gesamtverschuldung / Total debt (% of BIP)	52.2	62.3	71.8	59.8	53.9

[] = projections

¹⁸ [Seco Fiche pays June 2021.](#)

ANHANG 3 Handelspartner / Aussenhandel

ANNEX 3 Trade partners / Foreign Trade

Import Partner (2020)				Export Partner (2020)			
<u>Gesamtvolumen</u> Overall trade (in Mio. USD)		25'764	100%	<u>Gesamtvolumen</u> Overall trade (in Mio. USD)		51'504	100%
1	United States	4'108	15.9%	1	Japan	7'996	15.5%
2	China P.R.: Mainland	3'905	15.2%	2	China, P.R.: Mainland	7'816	15.2%
3	United Kingdom	1'855	7.2%	3	India	7'353	14.3%
4	Germany	1'618	6.3%	4	Korea, Rep. of	6'626	12.3%
5	India	1'390	5.4%	5	Singapur	3'443	6.7%
6	Italy	1'165	4.5%	6	Taiwan	1'779	3.4%
7	Turkey	1'121	4.4%	7	Thailand	1'692	3.2%
8	France	874	3.4%	8	Pakistan	1'357	2.6%
9	Japan	854	3.3%	9	United States	1'248	2.4 %
10	Oman	613	2.4%	10	United Kingdom	1'147	2.2%
11	Switzerland	568	2.2%	28	Switzerland	166	0.3%

Notice: Figures compiled by Qatari authorities in the above table (Annex 3) vary substantially from those reproduced from Swiss Customs Administration for the same year (cf. Annex 4) due to different statistical systems.

4 Handelsentwicklung Schweiz-Katar
 ANNEX 4 Trade Development Switzerland - Qatar **A750**

	Exports (CHF MM)	<i>Variation (%)</i>	Imports (CHF MM)	<i>Variation (%)</i>	Balance (CHF MM)	Volume (CHF MM)
2000	110.2	---	1.1	---	109.1	111.3
2005	238.4	---	59.6	---	178.8	298.0
2010	391.8	---	167.6	---	224.2	559.4
2011	385.8	-1.5	132.0	-21.2	253.7	517.8
2012*	707.4	<i>Not comparable *</i>	228.7	<i>Not comparable *</i>	478.7	936.1
2013	560.2	-20.8	153.5	-32.9	406.7	713.7
2014	721.2	+28.7	150.9	-1.7	570.3	872.1
2015	945.1	+31.0	270.1	+78.9	570.3	1'215.2
2016	823.9	-12.8	286.8	+6.2	537.2	1'110.7
2017	677.6	-17.8	134.0	-53.3	543.6	812.5
2018	1'166.3	+72.1	341.5	+154.8	824.9	1'507.8
2019	1'152.7	-1.2	423.6	24.1	729.1	1'576.3
2020	1'048	1.9	423	-0.1	625	1'471
(Total 1)*	880	1.9	423	-0.1	457	1'303

(Total 1): without gold bars and other precious metals, coins, precious stones and gems, works of art and antiques

The Swiss Customs Administration made changes to the way it calculates imports and exports as of 1 January 2012. Since then, comparisons between 2012 and the previous years have no longer been possible.¹⁹

Product categories²⁰

Exports	2018 (% of total)	2019 (% of total)	2020 (% of total)
1. Gemstones, precious metals and jewellery	60.6	64.3	63.7
2. Watches, clocks (Uhrmacherwaren)	18.4	16.9	14.9
3. Pharmaceuticals & Chemicals	6.2	6.0	9.1
4. Machinery (electr. and non electr.)	3.7	3.3	4.3

Imports	2018 (% of total)	2019 (% of total)	2020 (% of total)
1. Gemstones, precious metals and jewellery	82.0	91.9	94.2
2. Watches, clocks (Uhrmacherwaren)	14.0	6.1	3.9
3. Pharmaceuticals & Chemicals	1.5	0.7	0.9
4. Machinery (electr. and non electr.)	0.7	0.3	0.2

¹⁹ [Trade Development Switzerland](#).

²⁰ Ch@world 2021.

ANHANG 5	Principaux pays investisseurs
ANNEX 5	Direct Investments, Main Countries ²¹
	A356

Source: Planning and Statistics Authority of Qatar
Inward Foreign Direct Investment in Bns of USD 2018

Rank	Country	Direct investments (USD, stock)	Share	Variation (stock)	Inflows over past year 2017(USD)
1	Other American Countries	10.85	31.9%	-15.2%	12.80
2	European Union	10.38	30.5%	1.7%	10.21
3	United States of America	7.99	23.5%	-2.3%	8.18
4	Asia(Not including GCC)	2.47	7.3%	41.1%	1.75
5	Other	2.33	6.8%	-2.5%	2.39
	Total	34.02	100 %	-3.7%	35.33

Outward Foreign Direct Investment Bns of USD 2018

Rank	Country	Direct investments (USD, stock)	Share	Variation (stock)	Outflows over past year 2017(USD)
1	European Union	13.7	34.0%	0.8%	13.59
2	GCC	9.67	24.0%	-0.2%	9.69
3	Other Arab Countries	5.63	14.0%	1.1%	5.57
4	Asia(Not including GCC)	3.21	8.0%	-0.9%	3.24
5	Other	8.1	20.1%	4.2%	7.77
	Total	40.3	100 %	1.1%	39.9

²¹ [Direct Investments, Main Countries.](#)

1 USD = 3.64000 QAR/1 QAR = 0.274725 USD