



Politics

20

OCT

11:05 UTC

Qatar Analysis: Qatar's recent foreign, economic, domestic policies underscore government's efforts to boost global standing

Executive Summary

- Over recent years, Qatar has undertaken various approaches within the realm of its domestic, foreign, and economic policies to fulfill its strategic objective of elevating Doha's global standing.
- Qatar has attempted to bolster its role as a key mediator in the Middle East, which has allowed it to strengthen its partnerships with multiple actors, especially the US. This has been most evident in Doha's recent role in facilitating negotiations between the West and the Taliban, as well as the evacuation of foreign citizens in Afghanistan since August.
- In the economic arena, Doha has leveraged its hydrocarbon resources to expand its global trade relations and carve out a significant market share in the global Liquefied Natural Gas (LNG) sector. Qatar has also invested in developing other sectors, including infrastructure and construction, transportation and tourism, media. Taken together, attempts to strengthen its status as a major LNG player as well as the diversification of its economy are likely to aid Qatar's objective of being a financial powerhouse over the coming years.
- Domestically, the government has enacted reforms to showcase the country as a liberal and commercially competitive destination for non-Qataris. The October 2 Shura Council elections are a prime example of this strategy. Labor reforms and a crackdown on corruption have also been implemented to mitigate international criticism against Qatar's policies ahead of the FIFA World Cup 2022.
- **Overall, these factors highlight that Qatar is shaping itself as an attractive option for new businesses and investors to expand their operations in the Middle East. Travel to Qatar may continue as normal while adhering to cultural norms and avoiding making any statements critical of the Qatari Emir and government officials.**

Current Situation

International Developments:

- Qatar's Emir Sheikh Tamim bin Hamad Al Thani met with US Secretary of State Antony Blinken and Secretary of Defense Lloyd Austin in Doha on September 6 to discuss Afghanistan among other bilateral issues. Blinken thanked Qatar for its "extraordinary support" during [Afghanistan](#)
- On October 9, US officials met with Taliban's representatives in Doha, the first such meeting since Washington's withdrawal from Afghanistan.
- On September 12, Qatar's Foreign Minister Sheikh Mohammed bin Abdulrahman Al-Thani visited Kabul to conduct a meeting with the Taliban's interim government's acting Prime Minister, Mullah Muhammad Hasan Akhund.
- On September 15, Qatar and Egypt reached an agreement on several bilateral issues including the

strengthening of cooperation in aviation and postal services.

- Qatar's Emir Sheikh Tamim bin Hamad al-Thani urged nations at the UN General Assembly (UNGA) to engage with Afghanistan's Taliban-led government on September 21.

Domestic Developments:

- On May 6, authorities ordered the arrest of Finance Minister Ali Shareef Al-Emadi for crimes related to "damage to public funds, abuse of public office, and abuse of power". Al-Emadi has served as Finance Minister since 2013. He is also a board member of the state-owned Qatar Investment Authority (QIA), with reported assets valued at nearly 300 billion USD.
- On August 18, the cabinet approved a draft law allowing non-Qataris to own 100 percent capital in four banks, which include both public and privately owned banks. Non-Qataris were previously only allowed to hold 49 percent of capital at these banks.
- On October 2, Qatar held its Shura Council elections to vote for 30 out of the 45-member body, which recorded a voter turnout of 63.5 percent. Qatar's Emir, Sheikh Tamim bin Hamad al-Thani, will appoint the remaining members. At least 26 out of the 233 candidates on the ballot were women. However, none of them won a seat on the council.
- On October 14, Emir Sheikh Tamim bin Hamad Al Thani appointed the remaining 15 members out of 45-member Shura Council. He also finalized the appointment of two women on the Shura Council as no women were elected to the council during the October 2 legislative elections.


Assessments & Forecast:

Qatar's status as interlocutor between West, Taliban to strengthen its image as regional mediator

1. Over recent years, Qatar has attempted to fulfill its strategic vision of pursuing an independent foreign policy and elevating its global standing within the international arena through various means. Acting as a third-party mediator in regional conflicts has been a core pillar of Qatar's foreign policy approach as it has allowed Doha to present itself as a neutral player that aims to further peace efforts in the Middle East region by facilitating overt as well as back-channel talks between hostile parties. For instance, in January, Qatar's Deputy Foreign Minister Lolwah al-Khater expressed the country's willingness to mediate between Iran and Gulf states to stabilize regional tensions. Qatar has also actively negotiated with the Israeli government to allow for Qatari humanitarian assistance to Gaza. Lebanese authorities too, over recent years, have approached Doha for political, economic, and humanitarian assistance. **FORECAST:** This diplomatic posturing is part of the government's long-term goals to boost Qatar's profile on the global platform, which will likely be leveraged by Doha to form strategic partnerships across public and private sectors in the coming years.
2. With regards to Afghanistan, Qatar is known to have maintained cordial relations with the Taliban from 1996-2001 as well as in the subsequent years but did not wield deep influence with the Taliban. Nonetheless, following President Barack Obama-led administration's announcement in 2011 that the US intends to eventually withdraw its troops from Afghanistan, Qatar emerged as a regional mediator between the Afghanistan government, the US, and the Taliban to negotiate a peace agreement. Qatar's role in facilitating the negotiations can partly be attributed to the Taliban's perception of the former as a relatively impartial actor as opposed to other countries like Saudi Arabia, a US ally, and Turkey, which was considered to have cordial relations with the then Afghan government. Following this, Qatar became the only country in the world to have opened a political office for the Taliban in Doha on June 18, 2013 to facilitate negotiations. This allowed the Taliban to have a known address and authorized representatives who can openly meet international leaders and travel to different countries for negotiations, which essentially provided

the armed group a political arm. This overall cemented Qatar's position as a conduit for the Taliban and the rest of the world.

3. Amid the Taliban's [complete takeover](#) of Afghanistan on August 15, Qatar served as a mediator and a channel of communication between the group and the West. Doha also assisted in the evacuation of citizens from other countries and humanitarian aid workers, which allowed the Qatari leadership to further bolster its standing among Western powers. Qatar's strategic role was further evidenced by Foreign Minister Mohammed bin Abdulrahman al-Thani's bilateral meeting with Mullah Mohammad Hassan Akhund, Afghanistan's interim government's acting Prime Minister from the Taliban, on September 12, wherein they discussed issues surrounding humanitarian assistance and Qatar's support in getting international recognition to the Taliban.
4. **FORECAST:** Although Qatar has not yet recognized the Taliban as Afghanistan's official government, it will aim to facilitate continued engagement between world powers, including the US, and the Taliban's new administration to address the ongoing administrative and humanitarian issues in Afghanistan. Doha will also use its status as a key negotiator, which has already earned significant praise from high-ranking officials in US President Joe Biden's administration, to bolster its ties and seek enhanced security, political and economic cooperation with Washington. This will elevate Qatar's international reputation, which will allow it to fulfill its other strategic goals as the strong US-Qatar ties will be viewed favorably by many global actors. As a result, Qatar will be able to seek out new and independent political and economic partnerships. Therefore, Qatar will aim to strengthen its position as an interlocutor between the West, primarily the US, and the Taliban over the coming months. The holding of the first US-Taliban face-to-face meeting in Doha on October 9, since Washington's withdrawal from Afghanistan, bolsters this assessment.

 We emphasize the importance of the continued support of the international community to the Afghan people at this critical stage, and to separate between humanitarian aid and political differences. It is also important to continue dialogue with the Taliban. Boycotting them will only lead to polarization and reactions, whereas [dialogue](#) could be fruitful.

Emir of Qatar Sheikh Tamim bin Hamad Al-Thani at
UN General Assembly 2021

Doha to leverage its position as major LNG player to boost economic partnerships, diversify economy

1. Alongside strengthening its role as an international mediator, over recent years, Qatar has also attempted to further its economic standing and business competitiveness to turn itself into a global financial powerhouse. While some of the measures taken by Qatar in the economic domain were in response to the attempts at diplomatic isolation by its Gulf neighbors, other were carefully calculated steps to leverage its hydrocarbon resources to emerge as a key player in the global energy sector.
2. The fact that Qatar was largely successful in its efforts to circumvent the land, air, and sea blockade, and diplomatic isolation by the Saudi-led bloc in 2017 bolsters the first part of the aforementioned assessment. Its rift with Saudi Arabia, Bahrain, UAE, and Egypt primarily stemmed from allegations that Doha extends support to "extremist" elements in the Middle East, its state-funded news agency covers Gulf nations in a negative light, and that the country maintains close ties with Iran. Following this, the blockade was lifted in January 2021 with the signing of the [Al-Ula](#)

[declaration](#), when Qatar and the Saudi-led bloc reached certain understandings. During and after the blockade, Qatar undertook several economic measures to mitigate its financial impact and consequentially reduce Doha's reliance on the GCC trade bloc. The Qatari government achieved this by actively seeking out alternative trading partners and by fostering its diplomatic ties with Asian and Western countries.

3. Qatar's energy sector, primarily its Liquefied Natural Gas (LNG) production, has played a significant role in aiding the country to maintain a steady economy in recent years. Qatar is one of the world's largest producers and exporters of LNG, with regular exports to countries such as China, Japan, India, South Korea, UAE, and Oman. This range of countries including from within the Middle East and Asia, as well various other partnerships with Western countries in the energy domain shows Qatar's reach as a key global supplier of natural gas.
4. The country's North Field Expansion Project (NFE), which aims to develop and expand Doha's offshore natural gas field, has further facilitated global agreements spanning from infrastructure development to logistics and production. Although Doha had imposed a self-ban on the expansion of the LNG field, it was lifted in 2017 to allow for new developments. Following the resumption of NFE projects, various global industries and nations have started bidding to acquire contracts and projects from the Qatari government. For example, six major Western energy companies, including those from the US and France, submitted bids for the NFE expansion projects in June. In August, Qatar Energy awarded an engineering, procurement, and construction (EPC) contract to a Spanish company as part of the NFE projects. Similarly, Qatar also invited international shipowners to bid in the country's LNG shipping sector in March 2021. This indicates that Qatar's LNG-production capabilities are internationally perceived to hold lucrative business opportunities. These projects have allowed the Qatari government to generate ample revenue despite the Saudi-led bloc's blockade between 2017-2021 and showcase the government's efforts to open its domestic markets to global economies. This further highlights its efforts to capitalize on its LNG production capabilities as evidenced by Doha's decision to increase LNG production by more than 50 percent to achieve more global market share. This will allow Qatar to set lower prices compared to other gas exporters and effectively undercut competitors.
5. Along with boosting its gas revenues and LNG partnerships, Qatar has also focused on strengthening other sectors of the economy over recent years. This is bolstered by reports indicating that Qatar's economy grew by four percent in the second quarter of 2021, a sharp rebound from the 2.2 percent contraction in the same quarter of 2020. This was attributed to the expansion of projects in transportation, infrastructure, finance, food, storage, accommodation, and non-mining sectors. This non-hydrocarbon sector-based growth showcases the government's efforts to strategically utilize a significant part of its revenues to develop the other important sectors to effectively diversify Qatar's economy. This falls in line with the country's National Vision 2030 that aims to reduce complete dependence on the country's oil and gas exports along with adopting sustainable development goals.

QATAR'S RECENT PARTNERSHIPS ACROSS VARIOUS SECTORS

ENERGY SECTOR



15-year agreement to supply more Liquefied Natural Gas (LNG) to **China** from January 2022



Agreement until 2028 to export LNG to **India**



Agreement with **Dutch energy company** to regularly supply LNG to Bangladesh in February



MoU to explore Qatari investments in Ukraine's gas sector and future deliveries of LNG to **Ukraine** in April

TRANSPORTATION AND TOURISM



Air transport agreement signed with **EU** on October 18



Inter-airline agreement with **South African** airways subsidiary on January 28



Ground cargo handling agreement with **Saudi Arabia** on October 18



Agreement with LATAM Airlines **Brazil** to expand connectivity to South America on January 4

SPORTS AND MEDIA



Agreement with **Spain** to promote mutual growth in sports sector on February 11



Agreement with **pan-Europe news network** to establish regional offices and media academy in Doha on February 8



Agreement with **top Indian firm** to build sports infrastructure for 2022 FIFA World Cup on January 2

INFRASTRUCTURE



Agreement with **UK real estate developer** to build healthcare facilities and private schools on September 29



Joint Engineering, Procurement, Construction and Commissioning agreements with **Japanese and French firms** for Qatar's North Field East Project (NFEP) on February 9



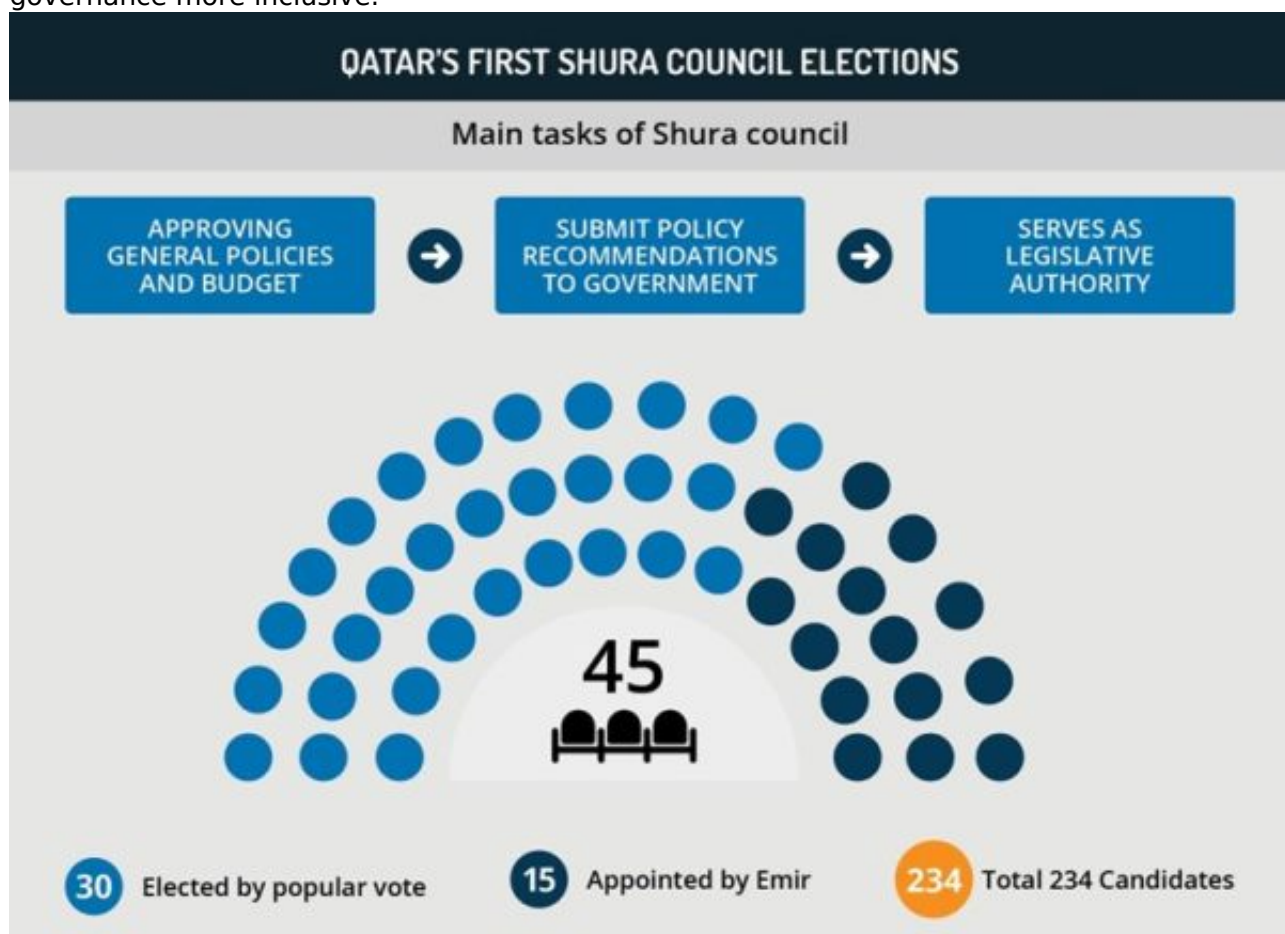
- 6. FORECAST:** Over the coming months and years, Qatar will continue to develop its own LNG production and export capabilities in a bid to maximize its status as a top energy supplier. For this, the country will seek out new economic partnerships and collaborate with capable foreign public and private companies, which will overall aid in expanding Doha's international trade alliances. Qatar will also invest a large portion of its revenues derived from LNG exports to develop its other sectors like infrastructure, transportation and tourism, media, sports industry, and healthcare among others. This highlights the scope for new businesses and investors to expand their operations in Qatar over the coming months and years. Combined, these measures will help Qatar achieve its objective of becoming a strong economic power in the Middle East and the world.

Domestic reforms aimed at elevating Doha's attractiveness to non-Qataris for tourism, business

- Another way in which Qatar has attempted to elevate its global image is by showcasing itself as a more progressive country that is an attractive destination for tourism and commercial purposes. The Qatari government has done this by periodically passing legislation to liberalize the economy to encourage expatriates and foreign investors to conduct their business operations in the country. For instance, the cabinet approved a draft law in April, allowing global investors to own up to 100 percent of listed companies to attract overseas cash inflows. Similarly, in October 2020, the government issued a decision allowing non-Qataris to own and use real estate in nine areas in the country, including in The Pearl, West Bay Lagoon, Lusail, and Al-Khor. This highlights a trend of progressive economic reforms to make the country's environment more conducive for businesses

and facilitate the expansion of Qatar's private sector as part of its economic vision to move away from its dependence of energy revenues.

2. On October 2, elections were held for the Shura Council, Qatar's 45-member legislative body, which garnered a 63.5 percent turnout. This indicates a relatively large acceptance of the electoral process among locals. **FORECAST:** While this election is unlikely to yield a profound change in Qatar's political landscape, the country's leadership will leverage the very occurrence of democratic elections to project their acceptance of democratic principles and bolster their standing among Western powers. This is evidenced by the fact that several countries, including the US and UK, lauded the elections. This indicates Doha's relative success in achieving this goal. That said, the elections were largely symbolic in nature, as the Shura Council has no control over economic, foreign, defense, and investment policy and can be overruled by the Emir. **FORECAST:** Therefore, ultimate decision-making powers will remain in the hands of the Emir, which indicated that the overall political environment in Qatar will continue to remain stable. Regardless, Qatari authorities will likely use the election to showcase Qatar's efforts to make its system of governance more inclusive.



3. **FORECAST:** Qatar is set to host the FIFA World Cup in 2022. Doha will leverage the timing of the recent elections to further bolster its image ahead of the global sporting event. Qatari authorities have undertaken various infrastructure projects and actively sought global partnerships in preparation for the event. This played a key role in driving Foreign Direct Investments (FDI) into the country. This is evidenced by Qatar's 135 million USD deal with a major Indian multinational company to build Al Rayyan stadium for the World Cup events. Similarly, a UK-based engineering and construction firm was awarded the contract for engineering design at Education city stadium, which will also serve as a FIFA venue in alORayyan. Moreover, Qatar Sports Investment also acquired the Paris-based football club Paris Saint-Germain. Doha is also set to host its first F1 Grand Prix (GP) on November 21 at Losail International Circuit, 20 km north of Doha. These steps highlight Qatar's broad efforts to expand into the sports industry and are likely part of the country's strategy to gradually cement its position as a "sports superpower" and maintain the

influx of FDI. This further reiterates the country's economic vision to diversify into non-oil-based sectors.

4. Qatari authorities have also passed several reforms in recent months, including the introduction of minimum wages in August 2020, in order to improve the working conditions of migrant laborers involved in the construction projects for the World Cup 2022. This is because migrant workers have periodically conducted strikes and demonstrations against authorities for their alleged mistreatment of the former. Thus, this highlights the strategic importance of the World Cup to the Qatari authorities and showcases the latter's willingness to undertake serious legislative reforms to contain any international criticism of the country's labor practices. Moreover, following various corruption and bribery allegations involving Qatar during the bidding for FIFA World Cup 2022, Doha has adopted an extensive domestic anti-corruption campaign to project the allegations as baseless and solidify its own image as a country that is intolerant towards corruption. This was also showcased by the arrest of Finance Minister Ali Shareef al-Emadi on corruption allegations in May.
5. **FORECAST:** The Qatari government is expecting to record a significant inflow of tourism during the World Cup, which will provide a further boost to the country's economy. This will occur alongside the lifting of travel restrictions worldwide amid the global COVID-19 vaccination campaign. Qatar will project its position as the first Gulf nation to host the FIFA World Cup to further help the country in establishing an international presence in the coming months and years.

Recommendations

1. Travel to Doha may continue as normal while adhering to security precautions and cultural norms.
2. Refrain from making any statements critical of the Qatari Emir, government officials, Islam, religious or traditional customs, or any of Qatar's national symbols, such as its flag or currency while engaging with the local populace or on social media due to the risk of possible detention.
3. Refrain from filming or taking photographs of working and/or housing facilities of migrant laborers, particularly those linked to international projects such as the FIFA World Cup 2022, as such actions may result in confiscation of equipment by security forces or possible detainment.
4. Remain abreast of potential tensions between Qatar and countries that are politically aligned with Saudi Arabia. Particularly during times of diplomatic escalation, expressing opposition to Qatari policy and/or support for the Saudi-led bloc is liable to result in punitive measures or increased scrutiny of individuals as well as detainment and interrogation.
5. Maintain vigilance for online scams by avoiding clicking on suspicious links or opening emails from unidentified senders and confirming with the relevant authorities before paying for online government services or sharing personal details.
6. Maintain vigilance in the vicinity of protests staged by migrant workers involved in construction for the FIFA World Cup in 2022 due to the slightly heightened risk of localized unrest.