



Economic Report 2023/2024

QATAR

08. September 2024

Executive Summary

After a sensible economic setback due to the complete blockade of Qatar by KSA, UAE, Bahrain and Egypt from June 2017 to January 2021, and the subsequent COVID pandemic, Qatar's economy has recovered and is expected to continue its rapid development path with additional steam in the years ahead. The small Gulf Emirate, one of the richest countries in the world with abundant gas, was largely depending on its neighbors' states especially on its imports such as agricultural products, manufactured goods, and food. Despite this, Qatar managed to recover by developing robust new international partnerships. Also, the preparation of the FIFA World Cup Qatar 2022™ also helped to increase local production and accelerate the growth of infrastructure. Although Qatar is still heavily dependent on hydrocarbons, mainly gas resources, it aims to further diversify its economy and boost sustainability. The Post world cup has transformed Qatar to focus into a knowledge-based economy increasing the quality of its skilled workforce and advancing sectors such as education, technology, and finance.

Qatar adopted in 2008 the Qatar National vision 2030, which aims to transform the country into an advanced society capable to achieving sustainable development by 2030. In line with its strategy, Qatar has undertaken a series of reforms to diversify its economy and attract more foreign investment. Various sectors have experienced growth such as industry, hospitality, agriculture, IT, healthcare, research and innovation. This is creating opportunities for Swiss companies. Furthermore, Qatar focuses on improving the situation of migrant workers and promoting human development.

In 2022, the FIFA World Cup contributed to growth by creating more opportunities for tourism and related industries. Hence, the economy expanded by 3.4% compared to 1.4% of GDP growth in 2021 with an inflation that reached its highest from 2.27% in 2021 to 4.94 % in 2022.

In 2023, the economy has stabilized to normal from the previous year. This reduced cost pressure significantly on consumers' incomes as well as corporate margins. With lower prices for natural gas and some regional challenges, Qatar's government budget took a small hit. But it still anticipates achieving a sound financial surplus of about 15.8% in 2024.

Qatar is an attractive market offering many opportunities in information technology, renewable energy, as well as waste management and among others. The presence of Swiss companies already operating in Qatar clearly shows the opportunities that a small and rich country can offer. Focusing in innovation and research, Qatar is keen to extend its collaboration and drive its economic growth.

This report includes an analysis of Qatar's macroeconomic situation showing changes in GDP growth rates, inflation rates and budget performance. It also looks at ongoing efforts by Qatar to transform its economy and attract foreign investors with some specific investment opportunities for Swiss businesses. Lastly, it examines trade relations between Switzerland and Qatar emphasizing areas

where there are strong linkages in terms of trade as well as issues that would lead to future cooperation.

Contents

1	ECONOMIC OUTLOOK AND ECONOMIC POLICY DEVELOPMENTS	4
2	PRIORITY SECTORS AND OPPORTUNITIES FOR SWISS COMPANIES	5
3	FOREIGN ECONOMIC POLICY	8
3.1	Host country's policy and priorities	8
4	FOREIGN TRADE	9
4.1	Developments and general outlook	9
4.1.1	<i>Trade in goods</i>	9
4.1.2	<i>Trade in services</i>	10
4.2	Bilateral trade	10
4.2.1	<i>Trade in goods</i>	10
4.2.2	<i>Trade in services</i>	10
5	DIRECT INVESTMENTS	11
5.1	Developments and general outlook	11
5.2	Bilateral investment	11
6	ECONOMIC AND TOURISM PROMOTION	11
6.1	Swiss foreign economic promotion instruments	11
6.2	Qatar's interest in Switzerland	12
	ANNEX 1 – Economic structure	13
	ANNEX 2 – Main economic data	14
	ANNEX 3 – Trade partners	15
	ANNEX 4 – Bilateral trade	16
	ANNEX 5 – Main investing countries	17

1 ECONOMIC OUTLOOK AND ECONOMIC POLICY DEVELOPMENTS

A yet influential country in the Middle East, Qatar is noted for its huge reserves of natural gas and strategic economic policies. Over the past few decades, Qatar has turned into a global energy giant, contributing significantly to the world's energy supply through liquid natural gas (LNG) exports. Consequently, Qatar has pursued ambitious development goals using this new found wealth on top of diversifying its economy and setting itself up as heavyweight player internationally.

Building on its energy sector success, Qatar registered a significant increase in **GDP** reaching USD 232'258 billion¹ in 2022, with a growth rate of 3.4% thanks in large part to the outsized impact of the FIFA World Cup Qatar 2022TM. In fact, the event contributed to the high performance 6% of the growth of the non-hydrocarbon sectors such as hospitality, tourism, travel. In 2023, Qatar's economy stabilized, registering a GDP growth of 2.4% and is projected to continue into 2024 with a growth rate at 1.73 %. However, growth is expected to rebound to 2.81% in 2025 driven by the expansion of the North Field gas project, which will significantly increase liquefied natural gas (LNG) production. **Inflation** rose to 4.96% in 2022 due to high commodity prices and it eased to 3.08% in 2023.

In addition, and subsequent to the invasion of Ukraine, hydrocarbons prices have started affecting **the current account** of Qatar in a favorable manner increasing from 14.64% of GDP in 2021 to 26.71% in 2022. This upward trend is projected to continue despite a slight decline in the coming years from 18.72% in 2023 to 15.8% in 2024 affected by hydrocarbon prices that may decline in the medium term. However, Qatar's LNG production expansion will further strengthen the current account surplus due to the high demand for hydrocarbons from Asia and Europe. With this favorable surplus, Qatar has progressively reduced its **gross external debt** from 185.0% of GDP in 2020 to 116.0% in 2022. According to IMF statistics, it will reach 112.7% in 2023 largely due to the debt repayments.

Nevertheless, while the world energy prices are expected to decrease, the country will still continue to make financial surpluses. The international reserves of Qatar Central Bank is projected to register a modest increase of USD 54.6 billion in 2024 compared to its current account surplus of USD 51 billion in 2023. This growth reflects Qatar Central Bank fiscal strategy to channel a large part from the hydrocarbons revenue export into foreign asset held by the **Qatar Investment Authority (QIA)**. This strategy aims to generate additional revenue, reduce the country's dependence on volatile energy markets, and ensure that Qatar continues to have financial resources when its primary revenue from oil and gas exports declines. QIA assets had reached 177.2% of GDP at the end of 2022, and together with QCB reserves, represented 197.3% of GDP.

The authorities recognize the need to increase non-hydrocarbon revenues and by implementing a VAT will help to generate revenue sources beyond hydrocarbons. However, the government prefers to introduce the VAT later when domestic and global growth is more robust. To this end, Qatar has implemented provisions in the Income Tax Law introducing a minimum tax of 15% on Qatari entities that are in scope of the Global Minimum Tax initiative². In November 2023, Qatar Central Bank launched the third **Financial Sector Strategy** plan to enhance innovation and diversification to position Qatar as advanced global center in financial services.

Qatar's economy has demonstrated resilience and continues to grow steadily. Following the successful completion of the first two pillars of the Qatar National Vision 2030³, Qatar established a series of reforms based on the third National Development Strategy (NDS3) to further boosting and diversifying the economy. These reforms focus on attracting foreign investors, strengthening the labor market, and nationalizing jobs in the private sector.

Foreign investment reforms: In 2018, Qatar introduced new rules to attract foreign and private investment through the Foreign Investment Law (No.1 of 2019), which allows foreigners to own up

¹ Qatar 2023 Article IV Consultation – Press Release and Staff Report

² Global Minimum Tax Initiative

³ Qatar National Vision 2030

to 100% of businesses in sectors such as agriculture, business consulting, education, health, and tourism, with some exceptions for banking and insurance. This led to a significant increase in foreign direct investment, reaching USD 29.78 billion across 135 projects in 2022. The United States have the largest investor share of FDI with 44%, followed by United Kingdom, Italy, and France. In addition, Qatar implemented a Private-Public Partnership law in 2020⁴ to encourage privatization and enhance collaboration with the private sector. Also, it offers investors the opportunity to finance, develop and manage projects across multiple sectors such as food security, sports, tourism, health, education and logistics.

In order to attract more investors and strengthen the rule of law, Qatar introduced the Investment and Trade Court law⁵ to help the investors as well as business owners to have access to a specialized court in investment and trade in case of commercial disputes.

In 2024, the Ministry of Commerce and Industry announced the implementation of new instructions to reduce business registration fees by up to 90%⁶ (commercial registration, commercial permit, commercial agents registry and services, etc.), aiming to stimulate new business establishment and attract further investment.

Strengthening the labour market: Qatar's economy relies heavily on foreign workers, who constitute over 80% of the population. To improve their conditions, Qatar has collaborated with the International Labor Organization (ILO) to make the sponsorship system (kafala) more flexible and introduce a minimum wage. In 2019, the Ministry of Interior established Qatar Visa Center in India, Pakistan, Bangladesh, Nepal, The Philippines and Sri Lanka, to simplify residency procedures for foreign workers and facilitate necessary paperwork before entering Qatar. Switzerland also contributed to this effort through a Memorandum of Understanding (MoU) on cooperation in the field of labour migration that was signed in 2022 with Qatar Ministry of Administrative Development, Labor and Social Affairs⁷.

The Qatarization of jobs in the private sector⁸: The government has recently approved a draft law⁹ on nationalizing jobs in certain domains of private sector to develop Qatar citizens' talent and enhance their skills. However, this law will impose financial charges on companies in private sector. But Qatar is committed to empowering its people and ensuring they play a leading role in the development of the country. Also, measures have been taken to integrate women into the workforce and help to strengthen the status of women in Qatar.

2 PRIORITY SECTORS AND OPPORTUNITIES FOR SWISS COMPANIES

The Qatar market offers a number of opportunities for Swiss companies in different sectors. In line with its strategy to diversify its economy and keep pace with the progress being made in other countries around the world.

2.1 Information Technology:

Qatar continues to invest heavily in ICT sector, mainly in infrastructure, skills development, technology products and services, and digitization, impacting all sectors of the economy. The ICT market in Qatar has experienced a rapid expansion, with expenditures expected to reach USD 5.8 billion in 2024 and

⁴ Private-Public Partnership law in 2020

⁵ The Insurance of Law No. 21 of 2021

⁶ New reforms: reduction of selected service fees

⁷ Qatar issued Law No. 17 of 2020 setting a minimum wage for employees and domestic workers ("Minimum Wage Law").

In addition, Law no 25 of 2020 has been introduced setting the minimum wage payable to a worker or domestic worker at 1,000 QAR per month. In addition, if an employer does not provide housing or food for an employee or domestic worker, a minimum housing allowance of QAR 500 per month and a minimum food allowance of QAR 300 per month shall also be paid to the worker.

⁸ Cabinet approves determining ratio of Qataris to Non-Qataris working in private sector

projected to grow to USD 6.3 billion by 2027¹⁰. To capitalize on this growth, Qatar launched the Digital Agenda 2030¹¹. This initiative aims to adopt the latest digital technologies, including 5G networks, artificial intelligence, cloud computing, and big data. Swiss companies can take advantage of this progress to engage in business and collaborate with both private and government entities in area such as:

- **Cybersecurity:** Qatar has allocated a budget of USD 1.64 billion to enhance its cybersecurity and avoid cyber threats. Swiss companies are taking the opportunity to participate in Milipol Qatar to promote their software and services.
- **Data Centers:** The market has reached USD 418 million in 2023. Qatar is building new data centers due to rising demand for cloud computing, big data analytics, and information technology.
- **E-commerce and E-banking:** The sector is also experiencing rapid growth due to changing consumer behavior.
- **Artificial Intelligence (AI):** The market in Qatar is estimated to reach USD 58.8 million by 2026¹². The government intends to introduce AI in healthcare, education, and finance sectors.

In 2024, Qatar hosted the first Web Summit in the region, attracting over 15,000 participants from 118 countries, including 1,043 startups, and participation from 401 investors. Qatar has announced to allocate USD 1 billion investment in startups at the Web summit. 13 Swiss startups were present showcasing their technologies and exploring collaborative opportunities.

2.2 Energy:

- LNG

The energy sector, particularly oil and gas production, continues to offer important opportunities for Swiss companies. With the expansion of Qatar's Northern Field, worth USD 29 billion in LNG, the project is expected to increase natural gas production by 64%, from 77 million tons per annum (mtpa) to 126 mtpa by 2028. The first phase involves the development of four trains with a total capacity of 32 mtpa per year. In June 2022, Qatar Energy announced partnerships with TotalEnergies (6.25%), Shell (6.25%), ExxonMobil (6.25%), ConocoPhillips (3.125%), Eni (3.125%), Sinopec (1.25%), and CNPC (1.25%)¹³, marking an important milestone with global impact as global demand for natural gas increases. Swiss companies are seizing this opportunity, especially in drone, robot inspection, pipes, etc.

- Green Energy:

- Qatar is investing in the development of new low-carbon businesses and solutions that can help reduce carbon emissions across value chains, as reflected in QNV 2030 and the National Climate Change Action Plan (NCCAP). The use of carbon capture, utilization, and storage (CCUS) to capture CO₂ emissions associated with LNG production.
- Qatar Energy plans to open the world's largest blue ammonia plant by 2026, producing 1.2 million tons per year. This plant is expected to support Qatar's efforts to develop carbon capture and storage facilities to isolate up to 11 million mtpa of carbon dioxide per year by 2035. Qatar is also growing its solar energy capacity. Al Kharsaah Solar PV Power Plant will supply clean energy to 200'000 homes, and aims to expand its solar capacity to over 5 gigawatts (GW) by 2035. In the aviation sector, Qatar Airways is

¹⁰ The Peninsula News December 2023

¹¹ Digital Agenda 2030

¹² Microsoft Qatar News

¹³<https://www.offshore-energy.biz/new-partner-comes-aboard-28-75-billion-first-expansion-phase-of-worlds-biggest-single-non-associated-gas-field/>

committed to achieving net zero carbon emissions by 2050, with initiatives to increase the use of sustainable aviation fuel to 10% by 2030¹⁴.

- **Waste management¹⁵:**

- Qatar is tackling its large waste problem (around 8 million tonnes per year) with a program to divert 95% of waste from landfills and sort 75% of it by 2030. Construction waste makes up about 80% of this. With nine facilities handling 1,500 tonnes daily, Qatar is finding it hard to meet its goals. The country has sought solutions in Switzerland and was the first in the GCC to start a waste-to-energy program, generating over 30 MW of electricity. However, the facility does not recycle plastic waste and falls short of handling the 1,200 tonnes of daily household waste.

2.3 Research & Innovation:

Qatar is dedicated to nurturing a robust innovation and research ecosystem in the region. It has established various institutions, universities, and laboratories with the goal of becoming a leading hub for research and business. Swiss startups are already engaged with these institutions:

- **Qatar Research and Innovation Development Council (QRDI):** Established in 2018, QRDI funds research initiatives in energy, health, resource sustainability, society, and digital technology and manages strategy. Startups from different countries can apply for grants to conduct projects in Qatar.
- **Qatar Biomedical Research Institute and Sidra Medicine:** Specialized in precision medicine and genomics.
- **Qatar Foundation:** Supports research centers, universities, and startups to foster collaboration with international institutions. H.H. Sheikha Moza bint Nasser, the mother of the Emir of Qatar and Chairperson of Qatar Foundation, launched a new center for rare diseases.

Qatar also provides niche areas for collaboration and potential growth that are well-aligned to global interests, such as collaborative training and education in science, technology, engineering, art, maths, and medicine. This leads to the result that Qatar ranks 50 among 132 countries on the Global Innovation Index 2023¹⁶ and 28th out of 184 countries on the latest Index of Economic Freedom.

The infrastructure sector remained a primary growth driver of the economy in 2023¹⁷. The growth will be achieved by increased construction activity in various sectors, including commercial, residential, industrial, transport, and infrastructure, as well as energy and utilities. In 2022, the transportation master plan of the Ministry of Transport for Qatar 2050 is anticipated 22 projects worth USD 2.7 billion¹⁸. By 2030, the market is projected to reach USD 123.1 billion.

There are great opportunities in Qatar for Swiss businesses within their various sectors. Among them ICT infrastructure, cybersecurity, and data centers can be highlighted. The energy sector, which will gain from the higher production of LNG, will also benefit from Swiss technology and innovation. Moreover, Qatar's commitment to green energy and waste management avails additional opportunities for companies connected to Switzerland with expertise in issues of sustainability and environmental solutions.

¹⁴ Climate & Energy | Qatar Airways

¹⁵ Qatar was the first country in the Gulf Co-operation Council (GCC) to implement a waste-to-energy program and currently generates more than 30MW of electricity from its domestic solid waste management centre (DSWMC) located at Mesaieed (Doha).

¹⁶ The Global Innovation Index 2023

¹⁷ Future projects in infrastructure for 2023

¹⁸ Transportation Master Plan 2050

3 FOREIGN ECONOMIC POLICY

3.1 Host country's policy and priorities

Qatar has been actively seeking to diversify its economic partnerships beyond its traditional allies. Thanks to its geographical position in the Gulf region and as major exporter of LNG, Qatar is constantly forging new markets. In 2023, Qatar increased its business trade with countries in Asia such as China, Singapore, and India, and it is also expanding into Africa and Latin America. Qatar has made many long-term agreements "sales and purchase" in gas industry with European¹⁹ and Asian²⁰ countries. These include deals with China Petrochemical Corporation (Sinopec), Shell, Total energies, Eni and China National Petroleum Corporation.

In 2016, the GCC member states signed the **Common VAT Framework Agreement with a uniform rate of 5%**. So far, only the KSA, UAE, Oman, and Bahrain have implemented the Agreement while Qatar and Kuwait keep postponing it and taking a competitive advantage. In January 2021, a "Solidarity and Stability" agreement was signed during the Al Ula summit, putting an end to the blockade imposed to Qatar by Saudi Arabia, UAE, Bahrain and Egypt. In 2023, Saudi Arabia and Qatar signed several agreements and memorandums of understanding covering investment, trade, industry, finance, digital governance, culture, sports and youth during the Saudi Crown Prince's visit to Doha. These agreements represent an important step towards improving relations between the two countries, and demonstrate their desire to work together and promote trade, investment and tourism. Confirming Qatar's intention to support and participate in Saudi eco-nomic development, Qatar Airways has launched a direct flight to Neom, "the city of the future" to enhance connectivity and supporting tourism and business opportunities.

Qatar's membership in other regional organizations

- Gas Exporting Countries Forum, headquartered in Doha and cherished by the Qatari Government
- Arab Bank for Economic Development in Africa
- Arab Fund for Economic and Social Development
- League of Arab States
- Arab Monetary Fund
- Economic and Social Commission for Western Asia
- Islamic Development Bank
- Organization of Islamic Cooperation
- Unified Economic Agreement (UEA)
- The Pan Arab Free Trade Area

3.2 Outlook for Switzerland

Bilateral agreements Switzerland-Qatar

Qatar presents an interesting market for Swiss companies. The evolving framework of economy, trade, and research supported by bilateral agreements and collaborations between both countries offers numerous opportunities for the Swiss companies to engage and expand in the market. Below are key agreements that facilitate closer cooperation and growth.

- The elimination of tariffs on category b products officially came into force in 2019

¹⁹ QatarEnergy and Shell have signed two long-term LNG sales and purchase agreements. These agreements will supply 3.5 MTPA of LNG to the Netherlands.

QatarEnergy and Total Energies have signed two long-term LNG sales and purchase agreements to supply 3.5 MTPA of LNG to France. Delivery will begin in 2026.

QatarEnergy and Eni signed a long-term LNG sales and purchase agreement to supply 1 MTPA of LNG to Italy.

²⁰ Singapore-Qatar MoU on liquefied natural gas and low-carbon technologies.

- QatarEnergy and China Petrochemical Corporation (Sinopec) signed a partnership agreement for the North Field South expansion project. They have also signed an LNG sales and purchase agreement for the delivery of 3 million tonnes per annum (MTPA) for 27 years. This is the second partnership between the two companies.

- Free trade agreement (FTA) between EFTA and GCC countries officially came into force in 2014
- Double taxation agreement
Signed on 24.09.2009 in New York, entered into force on 01.07.2014.
- Investment protection agreement
Signed on 12.11.2001 in Doha, entered into force on 15.07.2004.
- Memorandum of understanding on science and research
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.
- Memorandum of understanding in the field of judicial cooperation
Signed on 6.03.2018 between the FDFA and the attorney general of Qatar in the field of judicial cooperation.
- Air services agreement
Signed on 11.07.1995, entered into force on 30.05.2002 relating to airline traffic.
- Memorandum of understanding to form a joint commission on financial and economic areas signed on 22.03.2022 between the federal department of finance and the Qatari ministry of finance.
- Memorandum of understanding in the field of labor migration
Renewed on 24.03.2022 between SDC and the ministry of administrative development, labor and social affairs on cooperation.

4 FOREIGN TRADE

4.1 Developments and general outlook

Qatar's foreign trade accounts for 47.6% of its GDP (World Bank, 2023). The merchandise trade balance in Qatar has registered an increase of USD 97'485 million. Exports are dominated by fuels and mining products which accounts for 87.2% in 2022. Therefore, natural gas is the largest contributor to export value at USD 85'403 million followed by oil, crude and other crude at USD 28'917 million, while fertilizers, polymers of ethylene and primary forms together represent an additional USD 6'418 million to value of export.

4.1.1 Trade in goods²¹

The value of Qatar's merchandise imports increased to reach USD 32'558 million in 2022, comparing to USD 27'984 million in 2021. China remains the largest trading partner of Qatar with a total import of 16.7%, followed by United States of America at 15.05%, and India at 6.23%. Import from the European Union saw also an increase from USD 6'825.48 million in 2021 to USD 7'379.77 million in 2022.

Within the GCC, imports increased significantly from USD 921.9 million in 2021 to USD 1'786.9 million in 2022. Oman is the largest partner of Qatar, with a total trade import of USD1'011 million representing 65.7%, followed by UAE at USD 442.0 million. The increase in import in 2022 can be attributed to the requirements of the world cup which required a large substantial import of materials, primarily machinery, transport equipment, and various manufactured articles.

The value of Qatar's merchandise exports increased by 50.2 percent to reach USD 130'964 million in 2022. Asia is the largest export partners of Qatar. China, India, Korea Rep and Japan are classified within the first Qatar exporter with a total export of USD 62'779.33 million. The export to the European Union also increased, rising from USD 5'252 million in 2021 to USD 21'184.33 million in 2022. In 2023, however, Qatar's exports to its neighbor countries saw a slight decline dropping to USD 7'415.2 million comparing to USD 8'922.1 million in 2022, a variation of -16.9%. Saudi Arabia registered an increase in imports from Qatar, rising from USD 507.1 million in 2022 to USD 609.2 million in 2023, a 20.1% increase.

²¹ UNCTADSTAT 2022

4.1.2 Trade in services²²

Qatar has made considerable progress in liberalizing and expanding its services sector both regionally and internationally. The trade in services accounted for USD 37'455 million in imports and USD 29'800 million in exports in 2022. The transport represents 62.7% of total services, followed by travel at 23.6 %, and other services at 13.7%. The service sector in Qatar is diversified, covering financial services, business services, information technology, education, and tourism. Qatar recently acceded to the Agreement on the Liberalization of Trade in Services among Arab Countries.

Products	Value (Mil.US\$)			
	Exports		Imports	
	2021	2022	2021	2022
Commercial Services	17 677.75	29 799.73	32 896.98	37 454.82
Telecommunications, Computer, and Information Services	888.74	1 139.56	2 186.81	1 864.56
Personal, cultural, and recreational services	203.57	292.58	2 173.35	2 882.97
Transport	11 293.96	19 268.41	13 193.96	13 535.86
Travel	4 263.46	7 262.36	10 036.54	12 259.89
Insurance and Pension Services	1 028.02	1 836.81	3 094.78	4 235.17

Sources: WTO, WB, IMF

4.2 Bilateral trade

Switzerland and Qatar maintain a robust economic partnership. Swiss companies, based in Qatar and in Switzerland, have contributed to Qatar's economic diversification efforts. The trade between the two countries is flourishing with significant export growth projected for 2024. In the first semester of 2024, total exports have already reached CHF 579.26 million predicting an increase from 2023.

4.2.1 Trade in goods

In 2022, the FIFA World Cup Qatar 2022™ event contributed to an unusual growth in total export from Switzerland to reach CHF 1'906.87 million mainly due to the increase of precious stones, precious metals, jewellery that represent CHF 498.89 million, watches CH 288.55 million, and pharmaceutical products CH 105.09 million. Another unusual category, art objects and antiques contributed significantly to total exports with a value of CHF 608.94 million. In 2023, the total export returned to its usual figures, reaching CHF 796.45 million. Switzerland's main exports are precious stones, metals, jewellery, and watches, representing a total of CHF 532.82 million followed by pharmaceutical products with CHF 105.05 million, and machinery adds CHF 55.86 million.

However, the trade volume came to the normal volume range in 2023 from CHF 1528.09 million in 2022 to CHF 513.79 million in 2023. The export from Switzerland to Qatar has reached CHF 796.45.47 million, while imports from Qatar reached CHF 282.66 million, representing 58.2% of the trade balance. Despite this slight decline, the trade figures are considered stable when compared to previous years.

Imports, however, are expected to drop significantly from CHF 378.79 million in 2022 to CHF 282.66 million in 2023, a decrease of 25.4%. Despite this overall decline, some sectors are growing. Imports of vehicles and airplanes have risen from CHF 2.19 million in 2022 to CHF 8.93 million in 2023. Pharmaceutical imports also increased to CHF 19.86 million.

4.2.2 Trade in services

Unfortunately, neither Qatar nor Switzerland publishes statistics on bilateral trade in services.

²² World Bank Data

5 DIRECT INVESTMENTS

5.1 Developments and general outlook

Qatar is making substantial efforts to diversify its economy and improve its investment climate through legal and regulatory reforms, but it faces challenges in attracting consistent positive FDI flows. Thus, the government established the Investment Promotion Agency (IPA) on 7 July 2019 to attract FDI in the country's priority sectors such as tourism, information technology, food industry, and financial services. Qatar has invested massively in infrastructure projects to support the growth of these sectors, notably Hamad International Airport, Doha Metro, and Qatar Free Zone. The tourism sector, for example, has seen a growth thanks to the international events such as FIFA World Cup Qatar 2022™, Formula1, 2019 World Athletics Championships, International Horticultural Expo 2023, Geneva Motor Show 2023, Arab Cup, Asian Cup, and many others. This has opened opportunities for investors to invest in hotels, event services, and other tourism businesses. The introduction of tax exemptions simplified business setup procedures, and the creation of free zone areas like Qatar Science Technology Park, Qatar Financial Center, and Qatar Free Zone demonstrate Qatar's commitment to create favorable investment environment. Qatar has attracted international IT and financial companies that have participated in the diversification of the economy include Microsoft, Cisco, Google, UBS, Julius Baer, BNP, Hilti, and many others.

Despite these efforts, Qatar experienced a negative FDI inflow of USD 474 billion in 2023 after a positive inflow of USD 76 billion in 2022, according to UNCTAD's World Investment Report 2024. The stock of FDI was estimated at USD 27.1 billion, approximately 11.6% of the country's GDP. The largest contributors to FDI inflows are the United States, Japan, South Korea, and Singapore, while the main sectors attracting foreign investment are oil and gas, construction, public works, and financial services. The negative inflow can be explained by the global economic situation and the high competition from its neighbor Saudi Arabia, and it is expected to increase as Qatar focuses on implementing future new reforms to enhance the direct investment.

5.2 Bilateral investment

No figures are available related to the bilateral investment between Qatar and Switzerland. However, number of Swiss companies is increasing progressively mainly due to the business opportunities that Qatar market is offering. Qatar Investment Authority (QIA), the wealth fund with an estimated foreign and domestic investment of over USD 475 billion²³, is mainly active in hospitality sector. Burgenstock Hotel, Royal Savoy Lausanne and Hotel Schweizerhof are part of their investment. In addition, QIA holds a 12% stake in commodities trader **Glencore Xstrata International plc**, in Zug. On June 12, 2023, UBS completed the acquisition of Credit Suisse AG. The combined entity operates as a consolidated banking group²⁴. In 2022, Qatar started expanding its investment portfolio in SMEs and startups by exploring new market such as Asia and Latin America.

6 ECONOMIC AND TOURISM PROMOTION

6.1 Swiss foreign economic promotion instruments

In addition to the Embassy of Switzerland in Qatar, Switzerland Global Enterprise (S-GE), the official Swiss organization for export and investment promotion of SMEs in Switzerland, maintains a presence in different countries through the Swiss Business Hubs. The Swiss Business Hub Middle East Qatar, headquartered in Dubai, has an office at the Embassy in Doha. S-GE regularly organizes conferences and seminars on various topics and in different sectors for Swiss SMEs based in Switzerland. With the support of SBH Qatar, S-GE arranges business trips to Qatar for Swiss companies, whether in group or

²³ [Reuters, last visit: 15.08.2021.](#)

²⁴ [News Release UBS 12.06.2023](#)

as individuals, with the main objective to find potential partners, explore the Qatari market, and studying the business opportunities.

In April 2015, the **"Swiss Business Council Qatar" (SwissBCQ) was founded in Doha in collaboration with the Embassy of Switzerland**. SwissBCQ serves as a platform for Swiss businesses to come together, share experiences, and work collectively to improve the business environment in Qatar. They develop their own activities, some of which in cooperation with the Swiss Embassy, to share market insights, regulatory updates, and business opportunities in Qatar. Today, the SwissBCQ has around 60 members, including some Qatari companies.

The **"Arab-Swiss Chamber of Commerce" (CASCI) has been located 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" (ST) maintains a branch office in Dubai**, which markets Switzerland as a tourism, leisure and business destination. The market in Qatar therefore is handled from Dubai. In 2023, ST organized a promotional event for Swiss tourist destinations at the Swiss pavilion in Expo Doha 2023 targeting local influencers and travel agents. In the same year, ST hosted a networking event at the Swiss residence for a delegation of Swiss private clinics to attract more Qatari clients.

6.2 Qatar's interest in Switzerland

Switzerland has an excellent reputation in Qatar. The image of a small, beautiful, peaceful, neutral and hard-working country is intact. Tourism: As for the other Gulf States, Switzerland is a popular holiday destination for the Qataris and foreign executives. In 2023, the total night spending has reached 94'074 in 2023 comparing to 81'776 in 2022. In addition to relaxation, sightseeing tours and business, guests also come to Switzerland for medical treatment.

Qatar's interests in Switzerland have expanded to include not only medical tourism, education and training, but also the strengthening of ties and collaboration in the fields of research and innovation, precision medicine, and the sharing of expertise in waste industrial recycling.

Swiss businesses would largely benefit from regular high-level visits to Qatar. In July 2021, former Federal Councilor Ueli Maurer visited Qatar, accompanied by a delegation of major banks' CEOs. They were received by the Emir, Sheikh Tamim bin Hamad al-Thani, Finance Minister Ali bin Ahmed Al Kuwari, Central Bank Governor Sheikh Abdulla Bin Saoud Al Thani and the CEO of the Qatar Financial Center, Mr. Yousuf Mohamed al-Jaida. Talks focused on bilateral relations in the financial sector and framework conditions for investments. In March 2022, former FC Maurer, accompanied by a Swiss banking delegation, visited Doha for a second time to establish a more formal bilateral cooperation in the fields of trade and finance. A MoU between the Federal Department of Finance and the Qatari Ministry of Finance to form a joint Commission on financial and economic areas was signed, and the first Economic and Finance Dialog has successfully taken place in September 2022 in Switzerland. The last visit from the former Federal Councilor Ueli Maurer to Qatar was in November 2022.

On February 7-8, 2024, Federal Councillor Guy Parmelin (FCGP), accompanied by approximately 30 representatives from various economic sectors in Switzerland, led an economic mission in Qatar. The visit aimed to facilitate in-depth discussions with ministries and government institutions in the fields of investment, tourism, finance, taxes, and the environment. The economic mission explored commercial opportunities for Swiss companies in various sectors, aiming to contribute to the implementation of Qatar's National Vision 2030; particularly in the field of transportation, electricity, healthcare, industry, wastewater treatment, infrastructure, and recycling processes. The second session of the financial and economic joint commission between SECO, SIF, and the Qatari Ministry of Finance took place during this visit. The discussions focused on a set of proposals and visions to enhance economic, financial and investment cooperation in the fields of digital and sustainable financing, technology, and food

security. During discussions with the Ministry of Commerce and Industry, investment opportunities in pharmaceutical industries, food manufacturing, innovation, and technology to address the needs of the Qatari market were highlighted. The trip also included a visit to the Doha Jewellery & Watches Exhibition and Expo 2023 Doha, where FCGP participated in an event focused on food and innovation organized by the Embassy of Switzerland in Qatar and the Swiss Food & Nutrition Valley, featuring six Swiss start-ups.

ANNEX 1 – Economic structure

Economic structure of Qatar²⁵

Breakdown of real GDP (%)	2019	2021
Primary sector	0.2%	0.3%
<i>agriculture, fishing*</i>	<i>0.0%</i>	<i>0.3%</i>
Secondary sector	59.9%	60.0%
<i>mining and quarrying</i>	<i>n.a.</i>	<i>n.a.</i>
<i>construction</i>	<i>n.a.</i>	<i>n.a.</i>
<i>manufacturing & industry</i>		
Tertiary sector	46.7%	44.7%
<i>services</i>		
<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>

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.

Source(s): Seco, fact sheet November 2022

²⁵ World Bank

ANNEX 2 – Main economic data

Qatar's main economic data

	2021	2022	2023	2024
GDP (USD bn)*	179.732	236.258	234.218	244'686
GDP per capita (USD)*	65'400	80'572	78'696	81'399
Growth rate (% of GDP)*	1.6	3.4	2.4	1.732
Inflation rate (%)*	2.27	4.96	3.08	2.058
Unemployment rate (%)*	n.a	n.a	n.a	n.a
Fiscal balance (% of GDP)*	4.4	12.5	16.0	11.3
Current account balance (% of GDP)*	14.64	26.71	18.72	15.56
Total external debt (% of GDP)**	116.0	112.7	107.3	42.35

*Source: SECO country fact sheet December 2023

**Source: [IMF, World Economic Outlook database: April 2024](#)

ANNEX 3 – Trade partners

Trade partners of Qatar Year: 2022

Rank	Country	Exports (USD million)	Share	Var	Rank	Country	Imports (USD million)	Share	Var
1	China.P.R.:Mainland	20'782.19	15.87%	54.25%	1	China.P.R.:Mainland	5'438.55	16.70%	20%
2	India	15'148.18	11.57%	35.29%	2	United States	4'900.82	15.05%	48%
3	Korea.Rep.of	14'278.86	10.91%	27.58%	3	India	2'069.71	6.23%	16.45%
4	Japan	12'570.1	9.60%	6.13%	4	Italy	1'905.69	5.85%	35.67%
5	United Kigdom	8'556.73	6.54%	192.73%	5	Germany	1'661.58	5.10%	3%
6	Belgium	7'161.18	5.47%	1449.80%	6	Turkey	1'454.62	4.47%	33.00%
7	Singapore	6'664.59	5.09%	24.66%	7	United Kingdom	1'322.83	4.06%	-16%
23	Switzerland	666.44	0.51%	110.59%	8	Switzerland	1'063.88	0.032	0.01
	EU	21'184.33	37%	63.00%		EU	7379.77	113%	13%
	Total	130'920.56	100%	50.14%		Total	32'558.79	100%	20.18%

Source(s): IMF, [Direction of Trade Statistics \(DOTS\)](#)

ANNEX 4 – Bilateral trade

Bilateral trade between Switzerland and Qatar

	Export (CHF million)	<i>Change</i> (%)	Import (CHF million)	<i>Change</i> (%)	Balance (in million)	Volume (in million)
2018	1'166	72.1	341	154.8	825	1'1508
2019	1'153	-1.2	424	24.1	729	1'576
2020	1'048	-9.1	423	-0.1	625	1'471
2021	670	-36.1	37	-91.2	633	707
2022	1'906.87	284.6	378.79	924.3	2'285.49	1'528.09
2023	796.45	-58.2	282.66	-25.4	1'079.11	513.79
2023 (Total 1) *	523.36	-55.0	70.77	-81.2	594.14	453.59

*) 'Economic' total (total 1): not including gold bars and other precious metals, currencies, previous stones and gems, works of art and antiques

**) Change (%) from the previous year

<https://www.gate.ezv.admin.ch/swissimpex/public/bereiche/waren/result.xhtml>

Imports	2022 (% of total)	2023 (% of total)
1. Precious stones, precious metals, jewellery	91.4	75.0
2. Vehicles, aeroplanes	0.6	3.2
3. Pharmaceutical & Chemical products	0.9	7.8
4. Machinery Elect & Non-Elect	1.6	1.4

Exports	2022 (% of total)	2023 (% of total)
1. Precious stones, precious metals, jewellery	26.7	34.0
2. Watches	14.4	32.9
3. Pharmaceutical & Chemical products	3.4	13.2
4. Machinery Elect & Non-Elect	1.1	7.2

Source: Federal Office for Customs and Border Security

ANNEX 5 – Main investing countries

FDI flows between 2019–2022 (Millions of dollars)

FDI inflows				FDI outflows			
2019	2020	2021	2022	2019	2020	2021	2022
-2813	-2434	-1093	76	4450	2730	160	2384

[Source: UNCTD: World Investment Report](#)