

ANNUAL REPORT

20
22

Table of contents

Chairman's Welcome	04
CEO Foreword	06
About IPA Qatar	09
Vision, Mission and Values	10
Advisory Board	12
Year at a Glance	14
FIFA World Cup Qatar 2022™	16
Promoting Qatar as an attractive destination for FDI	18
Key Events	20
Our engagements	22
Activities with regards to partner countries	24
Key Projects	25
Hear from some of our investors	26
Working with international partners	28
Developing thought leadership in investment	30
Our initiatives	31
Special Editorial: UNCTAD	32
Macroeconomic Outlook	34
Global Developments and Outlook	34
GCC Economies	36
Qatar's economy	36
Global FDI Statistics	41
Qatar's FDI Statistics	42
Looking forward: FDI prospects in 2023	47
Contact Us	48

CHAIRMAN'S WELCOME

Together, we are forging ahead to a bright future rich in opportunities for businesses and jointly shaping a new legacy.

I am delighted to conclude a year of great achievements and substantial growth for Qatar and the Investment Promotion Agency Qatar (IPA Qatar). In the years and decades to come, our country's hosting of the biggest sporting event in the world will remain a catalyst for continued growth. An incomparable achievement, the FIFA World Cup 2022™ has driven economic growth and recovery in the lead-up to and during 2022. Its socio-economic legacy will continue to shape our future. It has further reinforced Qatar's reputation as an enterprising nation, capable of undertaking projects of a global scale.

Against this remarkable backdrop, 2022 saw us forge ahead on multiple fronts and across sectors and geographies. It has demonstrated the resilience of the country's economy, established through a long-term strategy and decades of prudent investments. This year also offered invaluable opportunities for us to spotlight Qatar's unceasing potential as an investment destination of choice and to further our engagement with partners and stakeholders worldwide.

In 2022, we had a successful year in attracting foreign investments to Qatar with 135 new projects and over 13,972 new jobs, resulting in USD 29.78 bn in FDI capital expenditure. This includes two landmark deals with Iberdrola Group and Microsoft, which will advance digital utility and support Qatar's digital transformation agenda. We achieved this by leveraging opportunities to establish new partnerships, launch innovative projects and initiate crucial talks, which have placed Qatar within the highest tier of FDI investment destinations.

The dynamic economic landscape of Qatar continues to thrive with the country's steadfast efforts resulting in a surge of FDI projects. The estimated USD 1.09 bn worth of projects in 2021 has continued to increase in 2022, recording FDI capital expenditure worth USD 29.78 bn.

IPA Qatar's mission is tied to the immense FDI opportunities offered by the country, driven by an economic engine that is gaining in speed due to the government's wise and sustained development efforts. Qatar's GDP is expanding rapidly, jumping from USD 125.12 bn in 2010 to USD 237.79 bn in 2022. With advanced infrastructure, excellent connectivity, an optimised regulatory and tax framework, and a highly skilled human capital base, Qatar is an excellent springboard for businesses.

As Qatar's lead investment promotion entity, we will continue in our efforts to pave the way for greater FDI influx to the country, while we strengthen the alliance between government entities and domestic and international stakeholders to ensure steady economic progress.



H.E. Sheikh Mohammed Bin Hamad Bin Qassim Al-Thani

Minister of Commerce and Industry,
and Chairman of the Board

CEO FOREWORD

Concluding 2022 on a high note, this year was a solid steppingstone for IPA Qatar, as we recorded substantial growth, deepened our engagement with the international investment community, and partnered with key businesses from across the world.

Our second Annual Report is a showcase of our team's sustained efforts in creating synergies that build long-term, sustainable structures for the attraction of FDI. Our mission to create a conducive environment for foreign investors in the country was spurred by a booming economy and sectoral tailwinds this year.

We continue to improve and develop our services to make the Invest Qatar brand an embodiment of excellence and a long-term partner for investors, whom we are prepared to guide through the full investment process—from conception to implementation.

In 2022, we welcomed new partners and contributed to the launch and expansion of numerous businesses in the country. Spanning different sectors, the partnerships complement the national economic diversification efforts. This year, we inked collaborative agreements with Iberdrola, Microsoft, Green Boom and Amazon Web Services (AWS), to name a few. Additionally, IPA Qatar produced several reports on key sectors – products of in-depth research aimed at assisting foreign investors in undertaking due diligence and analysing the local investment ecosystem. Our reports on 'Qatar's Real Estate Market Outlook', 'Road to ESG Investing', 'Circular Economy' and 'Qatar's Startup Ecosystem' provide valuable data and inputs that will guide investment practices for years to come.

Driven by our commitment to promote Qatar's value proposition and offer investors access to lucrative, multi-sectoral opportunities in the country, we launched the 'Guide to Investment', a multilingual resource that is available in nine languages, including Arabic, English, Chinese (Mandarin), French, German, Italian, Japanese, Russian and Spanish.

We also launched into the production of 12 sectoral studies outlining market opportunities, value chains, value propositions and trends in key industries with highly promising investment opportunities. In 2022 alone, we have released studies on 3D printing, e-commerce, electric vehicle industry, growing perishable crops, and waste management.

Furthermore, we published several how-to guides, from 'Setting up your business in Qatar' to 'Hiring in Qatar' and 'Living in Qatar', to help businesses and entrepreneurs settle in the country as they navigate the local taxation, banking, hiring, housing, healthcare, and commercial structures.

Building on our success in 2022, I am confident that prospective investors in Qatar will benefit from a growing number of opportunities in the year ahead. IPA Qatar occupies a strategic front seat at major international business events such as the Hannover Messe 2022, the World Association of Investment Promotion Agencies (WAIPA) and the Qatar Economic Forum, Powered by Bloomberg, carving out a crucial position for our stakeholders in Qatar and globally.

In 2023, IPA Qatar will keep leveraging factors that make our country a lucrative investment hub, assist investors in navigating the requirements of licensing authorities and national entities, and invest in the development of our human capital. Together, we can step into a promising future and solidify IPA Qatar's role as the primary gateway to unique investor success.



Sheikh Ali Alwaleed Al-Thani

Chief Executive Officer
Investment Promotion Agency Qatar



ABOUT IPA QATAR

IPA Qatar supports investors throughout their investment journey, from exploration and setup to expansion.

Established in 2019, the Investment Promotion Agency Qatar (IPA Qatar) oversees investment promotion activities under the Invest Qatar brand and acts as a concierge for entrepreneurs and businesses interested in investing in Qatar. By leveraging an integrated ecosystem of businesses and business licensing platforms, IPA Qatar supports investors throughout their investment journey, from exploration and setup to expansion, in a way that is tailored to their unique goals and ambitions to ensure long-term success.

As the national Investment Promotion Agency, IPA Qatar's primary responsibilities are to:

- ▶ Raise the profile of Qatar as an investment destination
- ▶ Coordinate a unified coherent national message
- ▶ Drive the adoption of a unified national brand
- ▶ Generate leads
- ▶ Provide facilitation and aftercare services and ensure a seamless investor experience
- ▶ Advocate for pro-FDI related policies
- ▶ Produce research and insights that contribute to enhancing Qatar's FDI ecosystem
- ▶ Effectively and efficiently execute the national financial incentives framework
- ▶ Establish an institutional and standardised data, analytics and reporting environment

VISION, MISSION AND VALUES

▾ Vision

To secure quality investments into Qatar that drive our knowledge economy and diversification.

▾ Mission



Promote and market Qatar as an ideal investment destination



Attract and facilitate investments through investor engagement, sector development and policy advocacy, contributing to economic development, high skilled labour and sustainable GDP impact



Coordinate activities among local business platforms, including promotion and attraction efforts, economic research and business intelligence

▾ Values

IPA Qatar abides by five key values which are aligned with its identity:



Partnership: Inspiring collaboration across the FDI ecosystem, and approaching each investment as a partnership that creates mutual value to investors and Qatar



Sustainability: Attracting quality investments that adhere to high ESG standards, with a lasting impact on the diversification and resilience of Qatar's economy



Excellence: Committing to the delivery of promotional services at a world-class standard and being regarded as a leading investment promotion agency



Integrity: Maintaining strong integrity and transparency, and inspiring trust when interacting with FDI ecosystem stakeholders and investor



Innovation: Encouraging the development of emerging sectors, pursuit of innovative opportunities and openness to new ideas

ADVISORY BOARD



**H.E. Sheikh Mohammed Bin Hamad
Bin Qassim Al-Thani**
Minister of Commerce and Industry,
Chairman of the Board



Mr. Saleh Majid Al-Khulaifi
Undersecretary for Industry and
Business Development Affairs
Ministry of Commerce and Industry



Mr. Saud Bin Abdullah Al Attiyah
Deputy Undersecretary for
Economic Affairs
Ministry of Finance



Mr. Abdulla Hamad Al-Misnad
Head of the Executive Office
of H.E. The Prime Minister



Mr. Yousuf Mohammed Al-Jaida
Chief Executive Officer
Qatar Financial Centre Authority



**H. E. Sheikh Mohammed bin Hamad
bin Faisal Al-Thani**
Chief Executive Officer
Qatar Free Zones Authority



**Mr. Yosouf Abdulrahman
Saleh Al-Salehi**
Executive Director,
Qatar Science & Technology Park



**H.E. Sheikh Ali bin Abdulla
bin Khalifa Al-Thani**
Chief Executive Officer
Media City (Qatar)

YEAR AT A GLANCE

13,972

estimated jobs created

29.78Bn

FDI Projects Recorded (USD)

Source: fDi Intelligence fDi Markets



200K+

engagements at

85+

events



800+

new commercial establishments
across business licensing platforms*



135

new FDI projects



3.9BN+

impressions via Invest Qatar marketing
and communication activities

*Commercial establishments with majority foreign ownership

FIFA WORLD CUP QATAR 2022™

Capitalising on opportunities provided by Qatar's hosting of the first FIFA World Cup in the region, IPA Qatar implemented a series of creative campaigns in Qatar and key global markets. An omni-channel approach was implemented, utilising digital channels and traditional ad placements to engage our target audience.

29

out of home advertising placements
(Footfall of approximately 1.5 million)



Digital & Social Media Advertising:



212.2M impressions
9M video views



Digital

52.6M impressions
517K video views



LinkedIn

6.5M impressions
2.1M video views



Meta (Facebook Instagram)

150M impressions
803K video views



Twitter

3.1M impressions



YouTube

81.4K impressions
5.6M video views



109% increase in
social media followers
during the FIFA
World Cup™ period

Top 5 website visitors during FIFA World Cup™



UK



France



Spain



United States



Qatar

PROMOTING QATAR AS AN ATTRACTIVE DESTINATION FOR FDI

Events (hosted,
co-hosted
& participated)

85+

200,000+
Event engagements

Online
Engagement

258,000+

Impressions

3.9Bn+



1450+

Media mentions

Social media followers

100,000+



35,000+ Facebook

Instagram

6,500+



6,500+

Twitter

LinkedIn

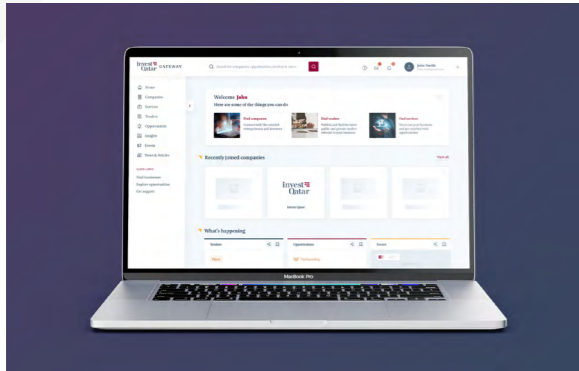
16,000+



194,000+

Website

KEY EVENTS



Invest Qatar Gateway

The Invest Qatar Gateway was launched to support foreign investors and companies in Qatar to establish long-term business relationships and find business opportunities. The platform enables businesses to create a profile; browse and follow companies they are interested in; search and connect with business service providers; explore tenders, opportunities, events and add their own; and get direct support from IPA Qatar’s Investor Relations team.



Launch of new Guide to Investment, How to Guides and Sectoral Studies

IPA Qatar launched a new multilingual ‘Guide to Investment’ in Arabic, English, Chinese (Mandarin), French, German, Italian, Japanese, and Spanish as well as three ‘How to Guides’ on Setting up Business, Hiring and Living in Qatar. Additionally, 12 new sectoral studies were published, detailing key sectors that hold promising growth opportunities for investments.



Qatar Economic Forum, Powered by Bloomberg

As one of the underwriters of the Qatar Economic Forum, Powered by Bloomberg event, the IPA Qatar team coordinated with key Qatari entities and licensing platforms to create a series of insightful marketing content. In addition, Sheikh Ali Alwaleed Al-Thani, CEO, IPA Qatar, participated with other key speakers such as H.E. Ambassador Bader Omar Al Dafa, Special Envoy for Climate Change and Sustainability, Ministry of Foreign Affairs, State of Qatar, and Ali Al-Shabibi, Partner – Advisory and ESG Co-Leader, KPMG, in a panel session entitled ‘ESG 2.0: Ensuring Sustainability in an Evolving World’.



Hannover Messe 2022

IPA Qatar led a series of strategic business engagements during its participation at Hannover Messe 2022, one of the largest trade fairs in the world, as part of Qatar’s State delegation. IPA Qatar hosted in-person meetings with German and foreign investors, as well as an Invest Qatar seminar, which showcased different areas of business and investment growth potential between Qatar and Germany.



WAIPA World Investment Conference 2022

Held under the theme “IPAs shaping the future of FDI”, the 26th edition of the World Investment Conference, hosted by the World Association of Investment Promotion Agencies (WAIPA), convened investment promotion agencies, alongside high-level business and political representatives from more than 100 countries. The conference addressed current economic and social issues that may affect global investment flows and policy considerations. IPA Qatar’s senior delegation also joined the “High-level Working Group for Global Startup Support Pillars”.



Singapore Week of Innovation and Technology 2022

IPA Qatar hosted a panel discussion and an interactive booth, in collaboration with Qatar Free Zones Authority and Media City Qatar, highlighting the central role of Qatari business and licensing platforms in supporting companies within the country’s growing business ecosystem. Singapore Week of Innovation and Technology (SWITCH) is a leading tech festival for the Global-Asia Innovation Ecosystem.

OUR ENGAGEMENTS

Memorandum of Understanding signing ceremonies between IPA Qatar and:



25

Agreements signed
(MoU's & NDA's)



800

New companies
registered*



20

Visits & business delegations**
(fact finding trips)



556

Business
leaders meet

*Commercial businesses with majority foreign ownership

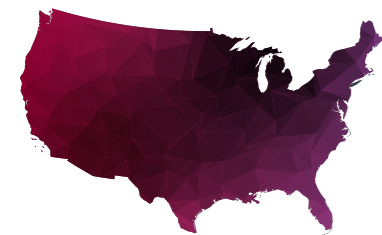
**Trips organised to support market entry for potential investors with respective stakeholders

Activities with regards to partner countries

THE TOP THREE COUNTRIES: USA, UK AND TURKEY

The listed countries are based on IPA Qatar's engagements and the number of companies registered.

Summary of the activities



USA **51** Leads generated

- Over 101 meetings with potential American investors and multipliers
- Three key in-market investor roadshows, two on the West Coast, and one on the East Coast
- Bay Area/San Francisco investor outreach event in partnership with the US Qatar Business Council (USQBC)
- Washington D.C. investor outreach event in partnership with USQBC
- Multiple meetings with key partners and multipliers, including, among others, USQBC, the American Chamber of Commerce (in Qatar), the US Commercial Services, The Bay Area Council/Economic Institute, and The State International Development Organizations, Inc. (SIDO)



UK **15** Leads generated

- 40 meetings with potential UK investors and multipliers
- MoU signing in London with Department for International Trade (DIT) during UK-Qatar JETCO
- CEO of IPA Qatar visited London to meet with business leaders
- Host of UK DIT Trade & Investment Mission for creative companies
- Participation in London Tech Week 2022
- IPA Qatar team hosted a UK Roundtable with UK companies based in Qatar to discuss current operation and further growth in the country



TURKEY **12** Leads generated

- In collaboration with the Embassy of Turkey, IPA Qatar hosted a webinar on "Doing Business in Qatar: Investment Opportunities and Legal Obligations"
- Over 55 one-on-one meeting with potential investors
- Organised a roundtable meeting with Turkish companies based in Qatar to collect input for IPA Qatar's policy advocacy function

KEY PROJECTS



In August 2022, building on its strong existing investment in and partnership with the country, Microsoft announced the launch of its new datacentre region in Qatar, marking a major milestone as the first hyperscale cloud provider to deliver enterprise-grade services in the country. The continued investment is in response to Qatar's growing demand for high performance computing, and fast and reliable access to Microsoft services. The new datacentre region will play a pivotal role in providing access to scalable, highly available and resilient cloud services to accelerate the digital transformation and advance intelligent cloud adoption of businesses, customers and partners across Qatar. This key strategic investment is underpinned by IPA Qatar's signing of an MoU with Microsoft, which reinforces the mutual commitment of both organisations towards the development of an innovation-driven digital sector in Qatar.



IPA Qatar and Iberdrola Group entered into a new partnership in 2022 to establish a world-leading innovation centre to advance digital utility in Qatar. The partnership will expand the Spanish group's research, development and innovation activities through the Doha-based Iberdrola Innovation Middle East. The collaboration aims to advance the digital utility industry by unlocking the growth potential of the RDI ecosystem in Qatar. The partnership also sets the framework to develop local talent through Iberdrola's skills development and training programmes as well as to share knowledge and intellectual property with relevant educational and industrial institutions.



IPA Qatar has built a strong relationship with Green Boom to support them in their investment plans in Qatar and connect them with pertinent stakeholders in the Qatari market. Green Boom plans to establish a factory to produce oil absorbent products available as pillows, socks, booms, and loose absorbents while using zero polypropylene and biomass only, completely hydrophobic, and absorbs oil only and water repellent. The factory is the first of its kind in Qatar and the GCC area to serve the oil and gas sector as well as other sectors such as aviation.

HEAR FROM SOME OF OUR INVESTORS



"We thank IPA Qatar for supporting the AWS team and connecting us with several entities in Qatar, especially Quest eSports and Media City Qatar, which align with Qatar's National Vision 2030 of being a digital hub for the region. It is always a pleasure to work with the IPA Qatar team, and we were delighted to sign an MOU with the Ministry of Communications and Information Technology (MCIT) and IPA Qatar during the Qatar Economic Forum. This would not have been possible without IPA Qatar's support."

Mohammed Afifi

GCC and Levant Sales Lead, Worldwide Public Sector, Amazon Web Services

PLUGANDPLAY

"As Plug and Play continues to expand in the region, IPA Qatar has been a critical resource in supporting our market assessment to expand into the Qatar market in 2023. We look forward to engaging with key local corporations and government bodies to engage with Plug and Play as a key innovation partner while also investing in the next generation of Qatari entrepreneurs."

Omeed Mehrinfar

Managing Partner, Europe, Middle East and Africa, Plug and Play



"Green Boom is excited to take this step towards creating a presence in the Middle East where our innovative products will make a meaningful impact in protecting the environment. The support of IPA Qatar is crucial to our plans, and we thank Sheikh Ali and the many members of the IPA Qatar staff who have supported and continue to support us in our efforts here."

Sudhir Sharma PhD

Co-Founder and CEO, Green Boom



"Tarik Budak Group of Companies, a leading high-voltage electrical networks contractor in Turkey since 1970, has started operating in the software services sector in 2019. As we had intended to extend our software business outside Turkey, the IPA Qatar team not only revealed the market opportunities in Qatar in line with its digital transformation vision, but also connected us with the correct entity to establish our operations. Thanks to IPA Qatar's enormous support, we have established Tbmsoft Digital Technology Services as a Qatar Free Zone entity."

Mirsan Budak

Founder, Tbmsoft Digital Technology Services



"Our partnership with IPA Qatar will enable FLYR Labs to take advantage of its established presence in Qatar and to support expansion into markets such as rail, cargo, public transport, and shipping. As part of our partnership, we have agreed to invest our resources towards the recruitment and training of A.I. and engineering talent in Doha, boosting the city's development in this sector and the employment prospects of Qatari citizens."

Alex Mans

Founder and CEO, FLYR Labs



"Frankly, working with IPA Qatar has been an absolute pleasure. The support from Sheikh Ali, Hamad, and the entire IPA Qatar team has been sensational and unwavering. I do not think we would be anywhere close to having Starlink licensed in Qatar without IPA Qatar's support. The biggest areas of help were introductions to influential stakeholders, working alongside us to establish our entity under favourable terms for our business and, most recently, in supporting SpaceX to establish a pop-up location in Doha for the World Cup."

Ryan Goodnight

Market Access Director, SpaceX

WORKING WITH INTERNATIONAL PARTNERS



The Ministry of Commerce and Industry signed a strategic partnership agreement with the German Federal Association for Small and Medium-sized Businesses BVMW, to establish a representative office in Qatar, creating the BVMW's first ever headquarters in the Gulf region. The signing of this agreement builds on the November 2021 MoU between IPA Qatar and BVMW, which targets the joint advancement of Qatari-German economic and commercial cooperation and identifies new opportunities within the SME sector.

The establishment of BVMW's office in Doha will contribute to stronger Qatari-German business relations, by connecting BVMW members with Qatari counterparts. It will also serve as a hub for expanding opportunities to link German businesses with potential partners across the region.



Extending the investment and trade relations between the State of Qatar and France, IPA Qatar and its French counterpart- "Business France" have signed a letter of intent. The Letter of Intent was shortly followed by signing an MoU in 2022 to deepen the relationship. The development of a collaboration framework between the two entities entails the exchange of data, best practices and expertise.



Department for International Trade

UK companies are partners in every area of the Qatari economy, including industry, trade, tourism and financial services with more than 1000 British companies registered in Qatar, including representative offices, fully owned British companies and Qatar-British joint ventures. IPA Qatar and the United Kingdom's Department for International Trade (DIT) signed an MoU in 2022 to increase collaboration and expand investment flows between the two countries at the UK – Qatar Joint Economic Trade Committee (JETCO). This MoU will further strengthen the bilateral investment between the UK and Qatar.



There are currently more than 6,000 Indian companies operating in Qatar in various sectors, including ICT, energy and construction. IPA Qatar has always recognised the importance of attracting Indian companies of all sizes in Qatar. More specifically, IPA Qatar, Invest India and Confederation of Indian Industry are planning to sign an MoU, which was announced during the India-Qatar Business Forum in June 2022. The agreement will encompass the launch of the India-Qatar Startup Bridge, linking start-ups in both countries for knowledge-sharing and the exchange of best practices, as well as networking opportunities and joint programmes in the field of start-ups developments.



Qatar and KOTRA have a strategic cooperation to harness the potential of increasing bilateral investments and sharing of market information to improve the performance of FDI-related investments in both countries. To this end, IPA Qatar participated in the 2022 Korea-Qatar Business Forum organised by KOTRA in October, with the participation of officials from various stakeholders in Qatar. With the purpose of collecting input for the policy advocacy function of IPA Qatar, a roundtable session was also held after the forum with current investors from Korea to exchange feedback on the business environment in Qatar.



IPA Qatar has been working with Kazakh Invest to attract Kazakhstan-based companies to Qatar. The cooperation between IPA Qatar and Kazakh Invest has widened to several areas, including the coordination of incoming and outgoing trade delegations to and from Qatar, referrals of Kazakhstani companies to IPA Qatar, as well as the participation in IPA Qatar programmes and events. Through this cooperation, IPA Qatar aims to provide Kazakhstan-based companies with a seamless experience and investment journey in Qatar by extending all readily available assistance.



IPA Qatar and NZTE work collectively to promote the investment opportunities in Qatar to investors from New Zealand. As a result of this cooperation, an MoU is planned to be signed by IPA Qatar and NZTE. IPA Qatar has also been working with NZTE with regards to a business delegation to Qatar.

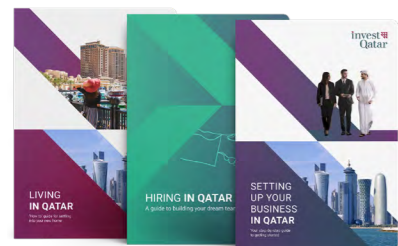
DEVELOPING THOUGHT LEADERSHIP IN INVESTMENT

IPA Qatar conducts macro-related research, produces data-driven analysis and insights, and monitors the existing investment climate. These evidence-based research and studies enable IPA Qatar to engage in policy advocacy activities to shape and enhance Qatar's investment ecosystem. IPA Qatar also monitors global trends, provides sector insights, accurate and timely data and statistics, as well as periodic updates on global and regional developments, and identifies and responds to business and investor inquiries.



1. Periodicals

Weekly, monthly and quarterly reports from IPA Qatar kept internal and external stakeholders up to date on local, regional and global developments. These reports provided up-to-date analysis on international trends, as well as global and local economic activity.



2. Reference Studies

IPA Qatar developed guides to address frequently asked questions from investors and to provide the information investors need to make informed decisions and navigate their investment journey. These guides include Guide to Investment, Setting Up Your Business in Qatar, Hiring in Qatar, Living in Qatar, investment brochures, sectoral studies and value propositions.



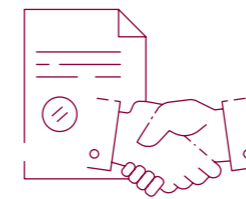
3. Policy Advocacy Studies

IPA Qatar's policy advocacy engagements and studies examined the business environment and developed evidence-based policy recommendations to address business environment enhancements. IPA Qatar leveraged several tools including stakeholder discussions and consultations, research and benchmarking analysis to produce policy studies on business simplification, investment facilitation, and investor services.



4. Business Intelligence and Sectoral Insights

IPA Qatar provided business intelligence insights that addressed identified information gaps, requests, and validations received from various stakeholders. Sectoral insights were also developed to provide further information about investment opportunities in niche sectors.



58

Policy Advocacy Studies
and Engagements



112

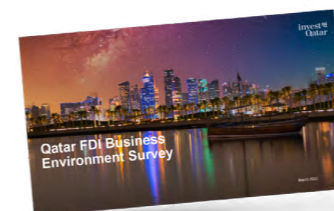
Research
and Analysis

OUR INITIATIVES



Annual Business Environment Letter:

After reviewing improvements from last year's letter, IPA Qatar prepared the second edition in 2022. This edition further assesses the investment climate, identifies priority areas and provides actionable policy.



Business Environment Survey:

The Qatar Business Environment Survey, the first of its kind, was conducted by IPA Qatar to get feedback from potential and current investors. The survey was comprehensive in terms of coverage, targeting different types of businesses operating in various sectors. The results are used to inform policymakers in developing effective measures and policies.



Qatar's Competitiveness Report:

IPA Qatar examined, grouped and benchmarked indicators, analysed Qatar's performance, identified areas of strength and development, and proposed policy recommendations to develop and improve Qatar's business competitiveness globally.

Special Editorial

THE EVOLVING ROLE OF IPAs AS PROMOTERS AND FACILITATORS OF INVESTMENT

Foreign direct investment (FDI) is seen as an important driver for economic growth and development, and this has led to competition between countries and considerable involvement of governments in the promotion and facilitation of investment.

This engagement did not happen overnight. It was back in the 1970s and 80s that countries started to open up and liberalise their investment regimes. This was followed in the 1990s with a boom of investment promotion agencies (IPAs) established to help countries market themselves and attract investment. During this period, UNCTAD started to assist IPAs from developing countries through training and institution building. It was also at that time that the World Association of Investment Promotion Agencies was established at UNCTAD to encourage the exchange of best practices.

Over the years, IPAs have earned recognition as important players in attracting the investments sought by governments. They have also carved out a role as intermediaries between foreign and domestic business communities and as partners of national and regional institutions that promote and facilitate investment and trade, including export promotion agencies, special economic zones, and organisations that support small and medium-sized enterprises.



UNCTAD

provides assistance to IPAs to gear their focus to the promotion and facilitation of investment that helps achieve their Sustainable Development Goals.

IPAs have transformed from agencies that market a location to becoming service providers and advocates of investors. Their critical role was again demonstrated during the COVID-19 pandemic, when they were swift in their response to the rapidly changing needs of foreign and domestic companies, providing aftercare support. With lockdowns and travel restrictions in place, IPAs shifted their services online to better serve their clients, a move that has accelerated the digitisation of investment promotion and facilitation.

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States and the related Sustainable Development Goals (SDGs) is a major challenge, particularly for developing countries. In 2014, UNCTAD projected that the realisation of the SDGs by 2030 would leave an investment gap of 2.5 trillion US dollars annually for developing countries alone. It is now estimated that the impact of the COVID-19 pandemic increased this gap to 4.2 trillion US dollars per year.

FDI can be an important source of finance for the SDGs and many IPAs responded to the call of their governments to seek investment in SDG-related projects. This involved a change in operations by IPAs throughout the investment promotion cycle, as well as in their relationships with entities within. UNCTAD provides assistance to IPAs to make these changes and to gear their focus to the promotion and facilitation of investment that helps achieve the SDGs. By sharing experiences, IPAs from developed and emerging economies can also contribute and support their colleagues' efforts in more vulnerable economies to attract investment that brings growth as well as sustainable development to their countries.

Paul Wessendorp

Chief, Investment Promotion Section
Division on Investment and Enterprise
UNCTAD









The views expressed in this editorial are those of the author and do not necessarily reflect the views of the United Nations Secretariat

MACROECONOMIC OUTLOOK

Global developments and outlook

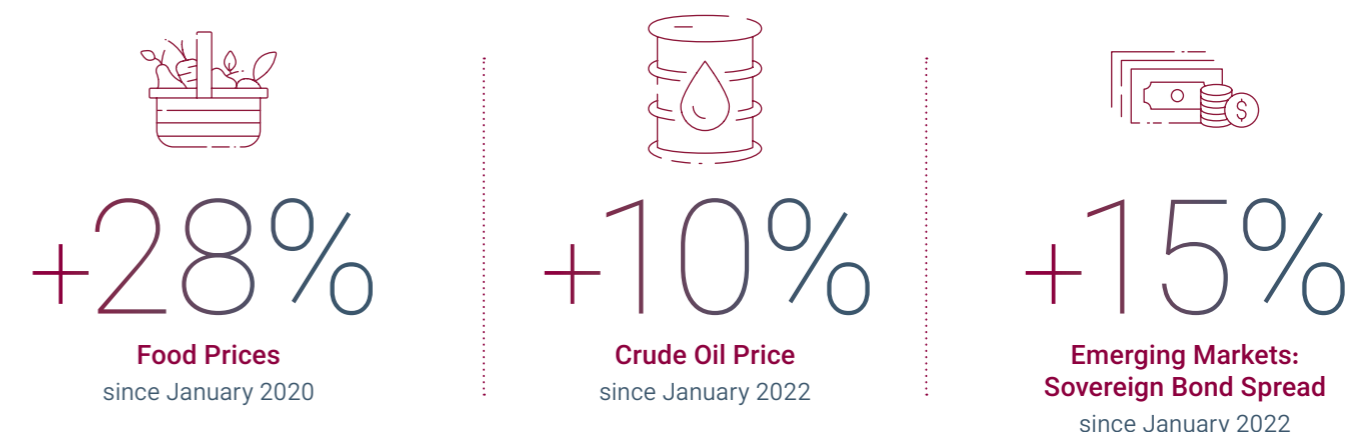
Despite significant advances in immunisation and the lifting of stringent restrictions around the world, global economic activity stagnated in 2022 due to heightened tensions and the lingering effects of the pandemic on businesses. Lockdowns in China to contain COVID-19 outbreaks harmed growth and put additional strain on international supply chains. The widespread tightening of monetary policy in response to persistently rising inflation fuelled pessimism about economic activity. Capital outflows from emerging and developing economies triggered by the strengthening of the dollar and higher interest rates put additional strain on countries with sizable dollar-denominated debts. According to the World Bank's most recent Global Economic Prospects, global growth is anticipated to slow to 1.7% in 2023, down from its previous 3% forecast in June 2022. This would be the third weakest growth in nearly three decades.

Real GDP Forecasts (%) World Bank Global Economic Prospects (January 2023)

World		Advanced Economies	
	2023 1.7%		2024 2.7%
	2023 3.4%		2024 1.6%
	2023 3.7%		2024 4.1%
	2023 3.4%		2024 2.9%

Source: World Bank

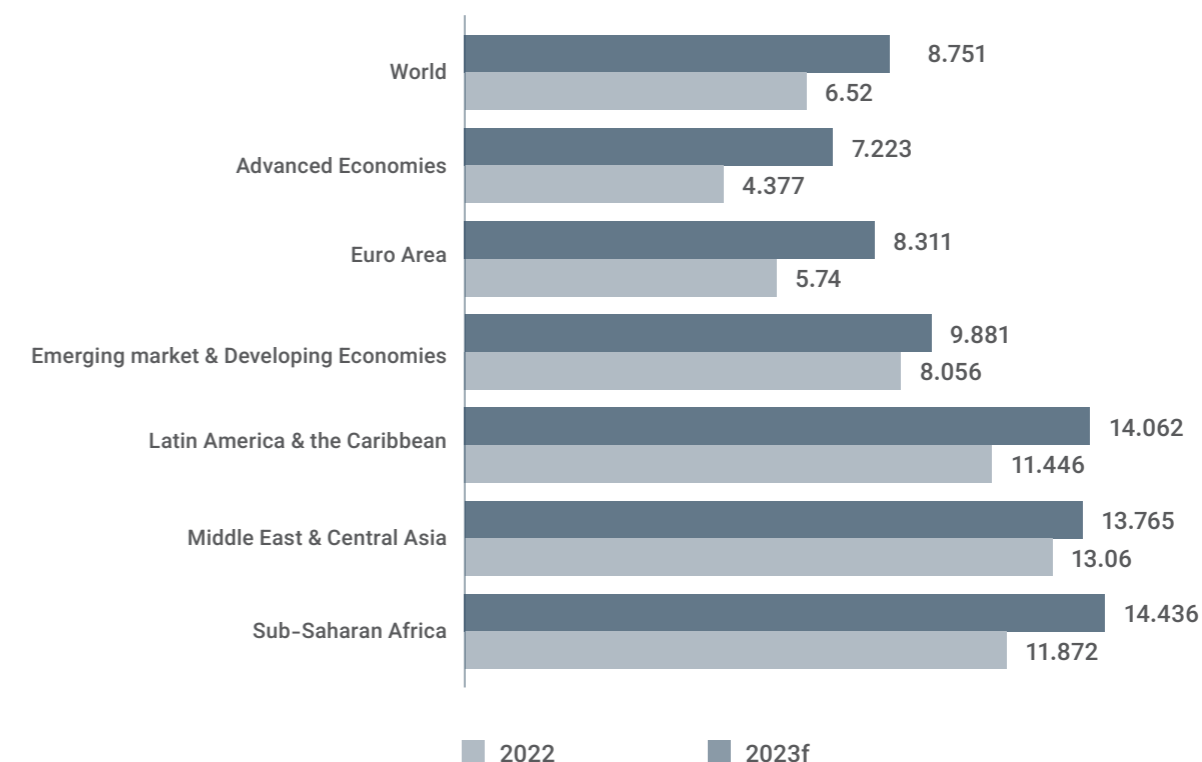
The war in Ukraine has exacerbated existing vulnerabilities and added significant pressure to commodity markets, including energy and food.



Source: UNCTAD

Inflation has also risen and become more persistent, affecting particularly emerging and low-income countries where food costs account for a significant portion of the consumer basket. Global financial conditions have tightened as central banks around the world raised interest rates to combat persistent inflation. Financial tightening has a greater impact on emerging and developing markets, where weaker currencies and higher borrowing costs lead to higher import costs and less investment.

Global Inflation (% change)

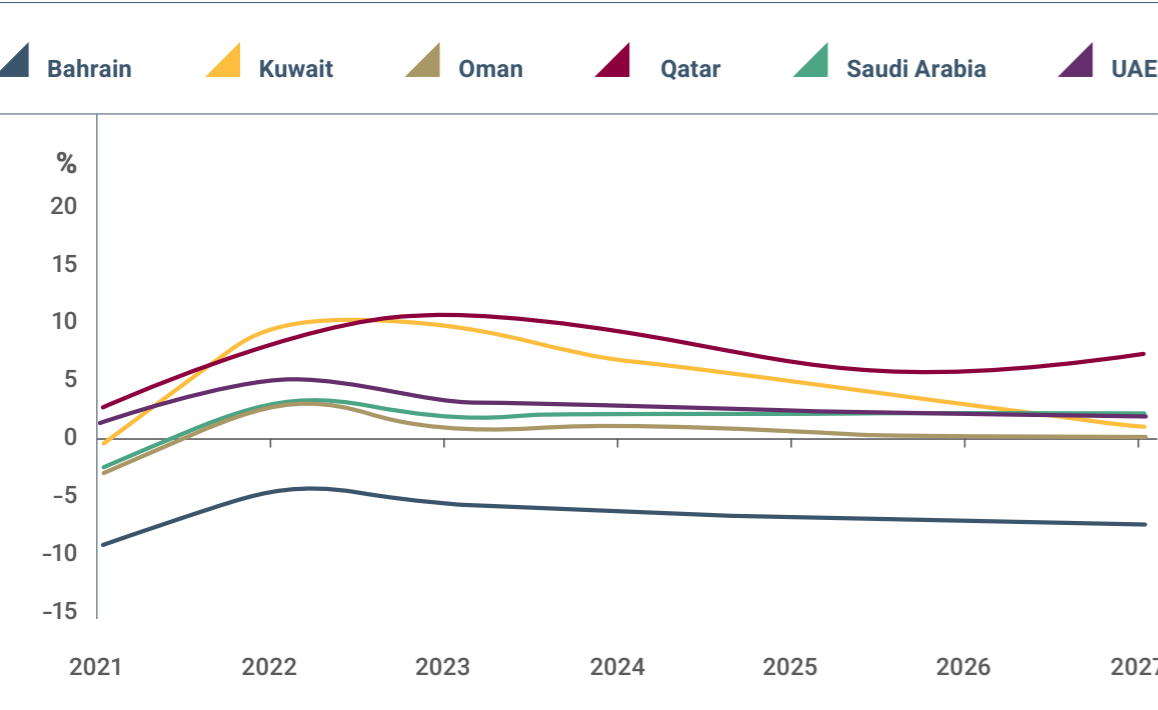


Source: IMF

GCC economies

The outlook for GCC countries is positive, owing to rising commodity prices, ongoing diversification efforts and comparatively well-managed inflationary pressures. Budgetary balances have significantly improved as oil and gas prices have risen and the negative effects of the pandemic have subsided. Furthermore, challenges related to the war in Ukraine and tightening financial conditions are expected to have little impact on the region.

GCC Fiscal Balance Forecast (%GDP)



Sources: IMF & WBG

Qatar's economy

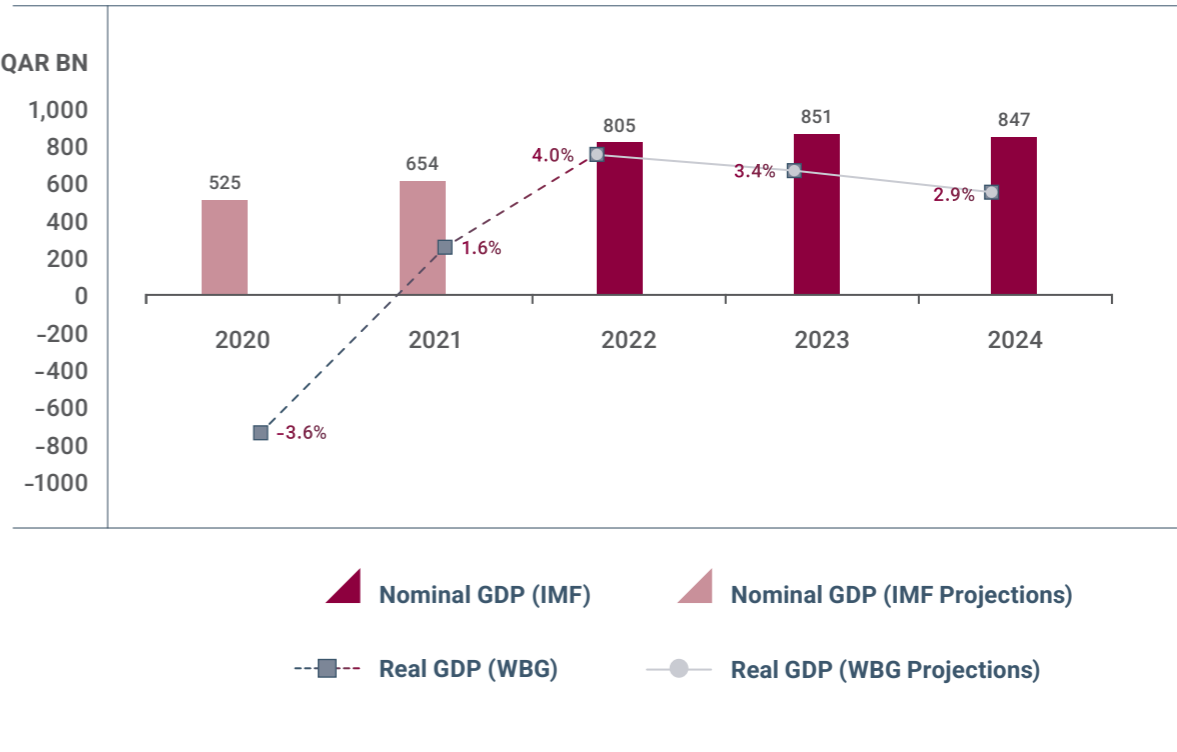
Qatar has had a successful year, culminating in the recently concluded FIFA World Cup 2022™. Leading up to the tournament, the country has successfully managed the COVID-19 crisis and the accompanying socioeconomic challenges. Higher energy prices cushioned the economy and strengthened trade and fiscal balances, which are expected to benefit the economy in the coming years. The country's future looks bright, with the North Field set to make Qatar the world's largest producer of LNG by mid-decade.

Qatar is ranked 3rd in the world for natural gas reserves, and it is the world's largest LNG exporter, with production

soaring from 0.5 million tonnes in 1997 to over 77 million tonnes in 2021, with planned expansion of 110 million tonnes by 2026 and 126 million tonnes by 2027.

Qatar's real GDP is expected to rise to 4.0% in 2022, with non-hydrocarbon sector growth accelerating. The latest GDP estimates from the Planning and Statistics Authority for the third quarter of 2022 show solid growth of 4.3% year-on-year, owing to strong non-hydrocarbon sector growth of 5.3% year-on-year, namely in construction, trade, transportation and real estate. CPI inflation (consumer prices) concluded 2022 with 5.93%, 0.5% point lower than in 2021.

Qatar GDP Growth and Forecast



Sources: IMF & WBG

Both the current account and fiscal balance surpluses are expected to widen significantly in 2023 on the back of elevated hydrocarbon prices. Moreover, despite global trade turning negative in the second half of 2022, Qatar maintains a superior merchandise trade balance with a surplus of QAR 355.2 Bn in 2022, an increase of 65% compared to 2021.

Qatar's merchandise trade performance in 2022



Source: PSA

Highlighting Qatar’s strong economic performance , in November 2022, credit rating agency S&P raised Qatar’s long-term sovereign credit rating to “AA” from “AA-”, while Moody’s upgraded Qatar’s credit outlook from “stable” to “positive” and reaffirmed its rating as Aa3. Both upgrades were attributed to the government’s improved performance of public debt management and fiscal position as the economy continues to record a fiscal surplus, reaching QAR 89 Bn in the fiscal year 2022.

Qatar’s Credit Ratings Outlook



Source: PSA

Fiscal Surplus



Source: Ministry of Finance

As Qatar moves toward economic diversification goals, many opportunities for investors, particularly in non-hydrocarbon sectors, become available. The country implements legislative reforms to create a world-class business and investment climate. The following are recent policy reforms and initiatives aimed at improving the business climate:

Developments of reforms for Business Environment

2019

- A new investment law provides for the establishment of **100%** foreign-owned companies in all sectors except a few strategic sectors.

2020

- The government introduces new property ownership reforms that provide non-Qataris the eligibility to own property and invest in the real estate sector. Residents investing a minimum of **\$1 million** in real estate are granted permanent residency, which provides benefits such as free health care, education/tuition, and the ability to invest in certain commercial activities. Residents investing a minimum of \$200,000 are granted a 5-year renewable residency permit.
- Labour market reforms launch and effectively dismantle the kafala sponsorship system and implement a minimum wage for all employees.

2021

- The government approves increasing non-Qatari investors' ownership percentage up to 100% for some listed companies on the stock exchange.

2022

- The Ministry of Finance announces certain amendments to the Executive Regulation of Qatar Law No. 24 of 2015 Regulating Tenders and Auction.
- MOCI in collaboration with MOI and MOL launches a service to issue a provisional commercial license for all commercial activities.
- The Cabinet approves a draft Amiri Resolution to establish the Real Estate Regulatory Authority, which will be responsible for organising and stimulating the real estate sector.
- The Ministry of Labour launches new e-services package offering 50 electronic services, in line with the Ministry’s plan to digitalise all services.
- MOCI launches an industrial services platform with an electronic interface that provides investors with e-services throughout each stage of industrial projects.

Qatar’s Competitiveness at a Glance:

Reasons to Invest



A stable and resilient economy



4th wealthiest country in the world on a GDP (PPP) per capita basis



4% projected GDP growth in 2022 and 3.4% GDP growth in 2023



2nd most competitive economy in the Arab world



Pro-business climate



2nd for economic freedom in the Arab world



8th most attractive global destination for foreign talent



1st safest country globally



Unparalleled market access and connectivity



2 billion people worth \$6 trillion in combined GDP within 3000 km radius



7.5 Mn container capacity. Hamad Port currently captures 27% of trade in the Middle East



1st globally in air transport connectivity. Connected to 160+ international destinations.



Vibrant knowledge ecosystem and rich culture



1st in the world and the region for entrepreneurial employee activity



1st in the region for higher education



Home to one of the world’s largest collections of Islamic Art

Global FDI Statistics

Global FDI returned to pre-pandemic levels in 2021 with FDI flows reaching USD1.58 trillion, 64% up from the low levels in 2020. However, with the outbreak of the war in Ukraine, the global business conditions changed dramatically in 2022. Rising oil and food prices are reducing earnings and aggravating the debt burden. Investor uncertainty and risk aversion put downward pressure on global FDI.

UNCTAD data shows a weakening of global FDI momentum in 2022, with downward pressure projects following the first quarter. Tightening financial conditions, rising interest rates and growing market uncertainty all had an impact on project finance and mergers and acquisitions. Preliminary data on greenfield projects in 2022, on the other hand, shows 6% growth due to steady growth throughout the first half. UCTAD expects global FDI to decline in 2023.

FDI trends in certain economies and regions show the importance of M&A projects—which account a large share of FDI inflows. In Europe, greenfield projects declined by 12%, a common trend across most of the EU economies. In ASEAN economies, despite lower M&As deals, greenfield projects grew by 21% in 2022.

The sectoral distribution of global greenfield projects in 2022 reveals interesting trends as well. In reaction to worldwide semiconductor shortages and trends in supply chain restructuring, three of the top ten project announcements involved semiconductor manufacturing. Also, six out of the top project announcements were in renewables, indicating a growing interest in clean energy transition.

Announced Greenfield Projects (Project numbers)

Region/economy	2021	2022	Growth Growth Rate 2021-22 (%)
World	15243	16095	6
Developed Economies	10286	9862	-4
Europe	7442	6533	-12
North America	2067	2431	18
Developing Economies	4957	6233	26
Africa	547	745	36
Asia	3181	4198	32
Latin America & the Caribbean	1227	1286	5

The decline in global FDI will have a significant impact on future development prospects. Investments in the Sustainable Development Goals (SDGs), productive capacity and climate change adaptation are all urgently needed.

Qatar's FDI

In 2022, Qatar recorded a large number of FDI projects, putting the country at the forefront of FDI attraction both globally and regionally. fDi Markets forecast USD 29.78 billion in projects for 2022, almost 25 times the value of FDI projects from the year before (USD 1.15 billion worth of projects in 2021). In Q2 2022, Qatar's exceptional growth in FDI accounted for a whopping 71% of investments into the Middle East. Furthermore, Qatar topped the FDI Standout Watchlist, a study conducted by fDi Intelligence that evaluated the macroeconomic and foreign direct investment (FDI) trajectory of the world's top 50 FDI destinations using data from the IMF and foreign investment monitor fDi Markets. This truly demonstrates the country's robust business environment and abundance of opportunities for aspiring investors and entrepreneurs.

2022 Qatar FDI in numbers and key highlights



135

Total FDI Projects



\$29.78 Bn

Total Capex



133

Total Companies



13,972

Total Jobs

Source: Financial Times fDi Intelligence

FDI Standout Watchlist 2023

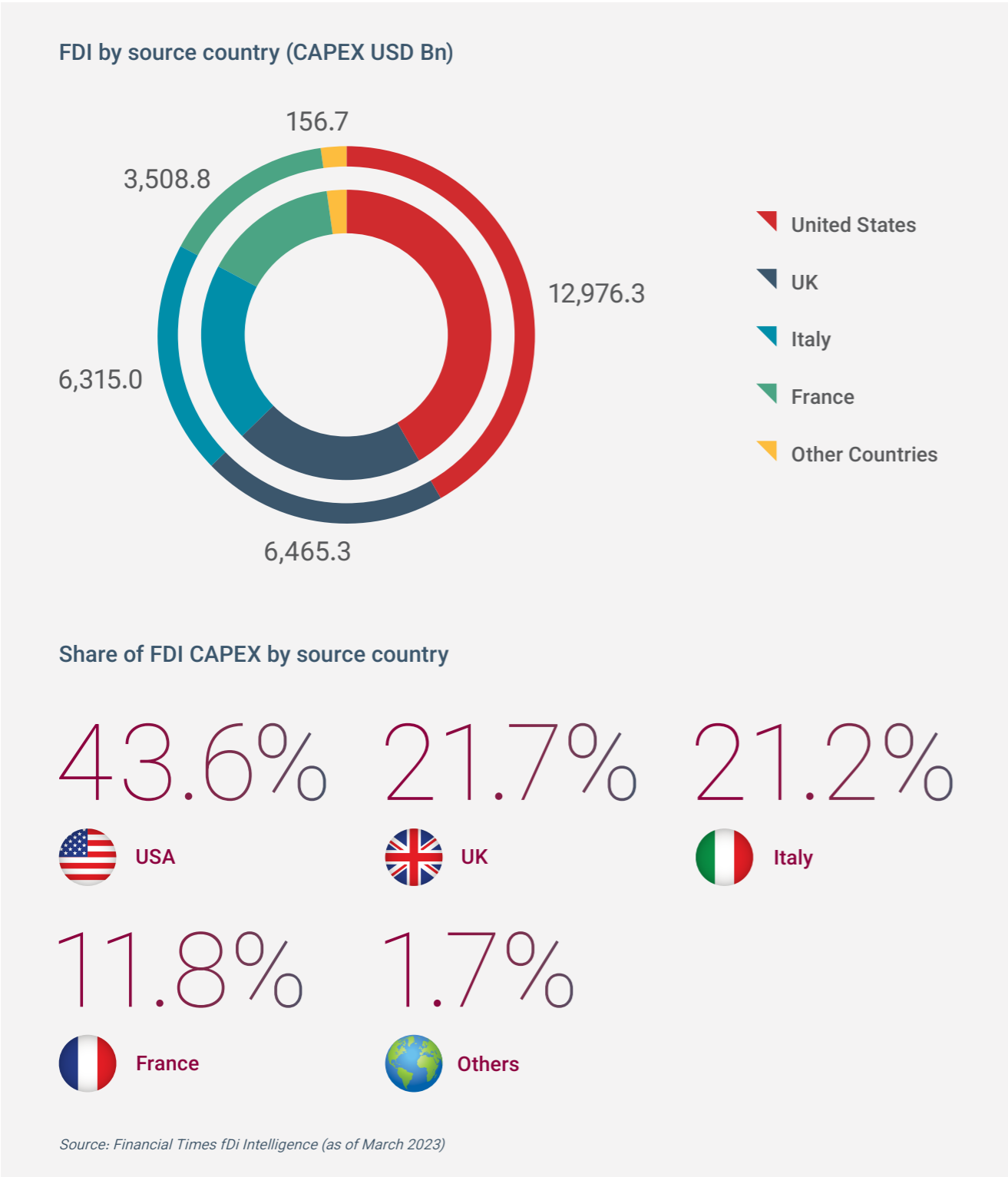
Country	Investment Momentum Score*
Qatar	87.64
India	86.20
Morocco	82.46
Oman	81.14
Ireland	80.61
Saudi Arabia	78.74
Egypt	78.22
Singapore	77.81
Greece	75.42
UAE	74.86

*Momentum Score: fDi estimates based on economic and FDI data (as of March 2023)



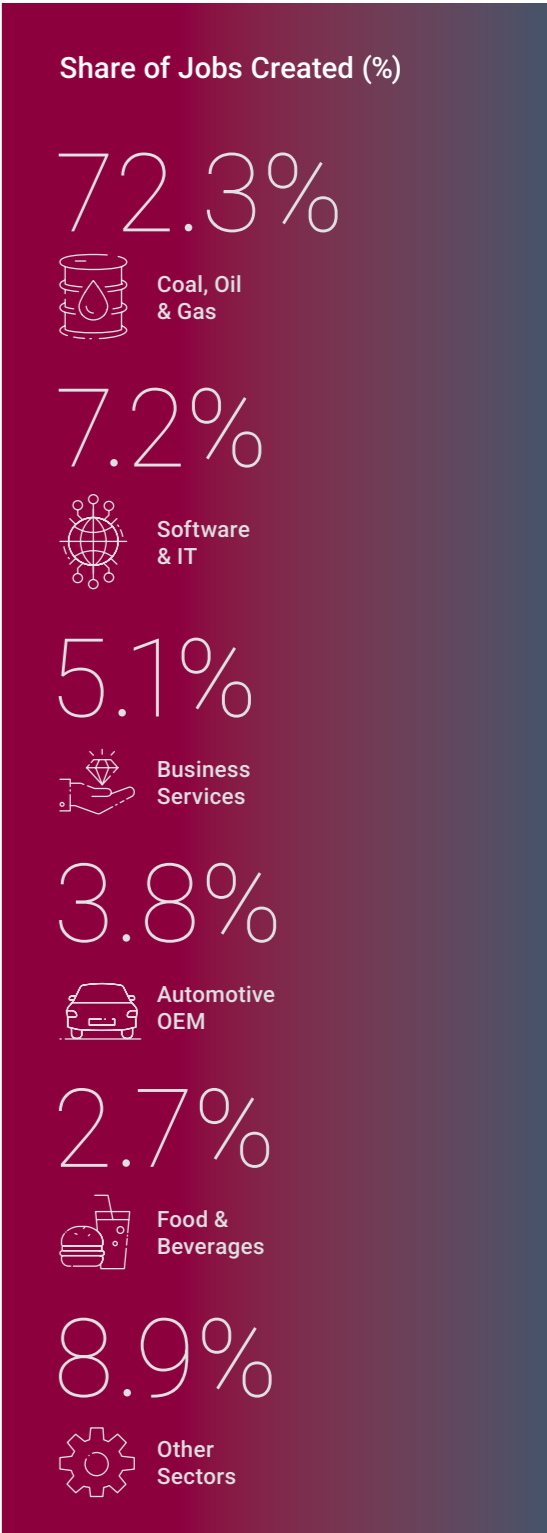
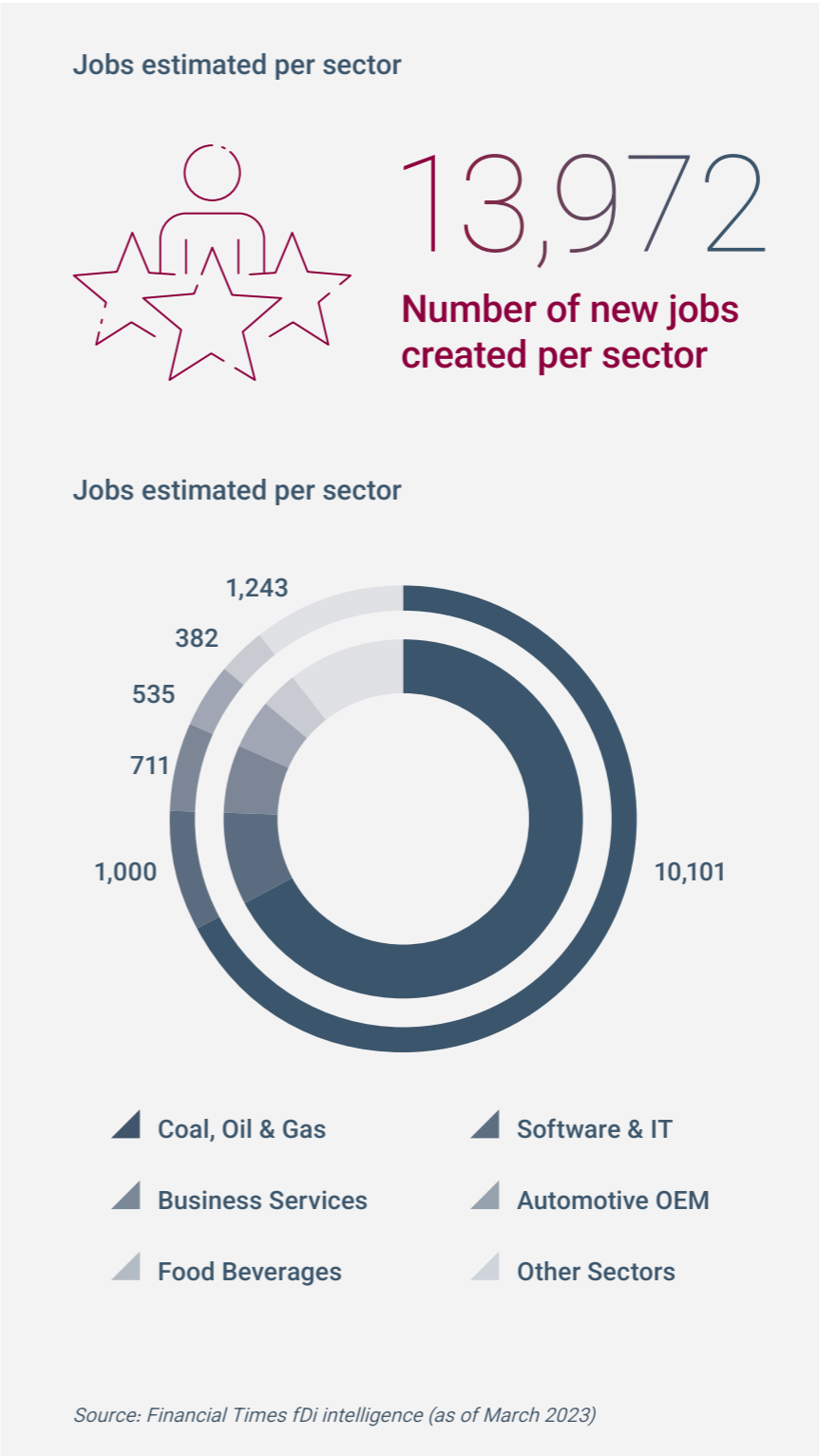
Country partner/source country

Investments originating from the USA accounted for almost 44% of the total FDI projects recorded in 2022, with projects worth close to \$13 bn. Following that were FDI projects from the United Kingdom, Italy and France, with each country accounting for 21.7%, 21.2% and 11.8%, respectively. In 2022, projects from these four countries accounted for nearly 98% of total FDI projects recorded.



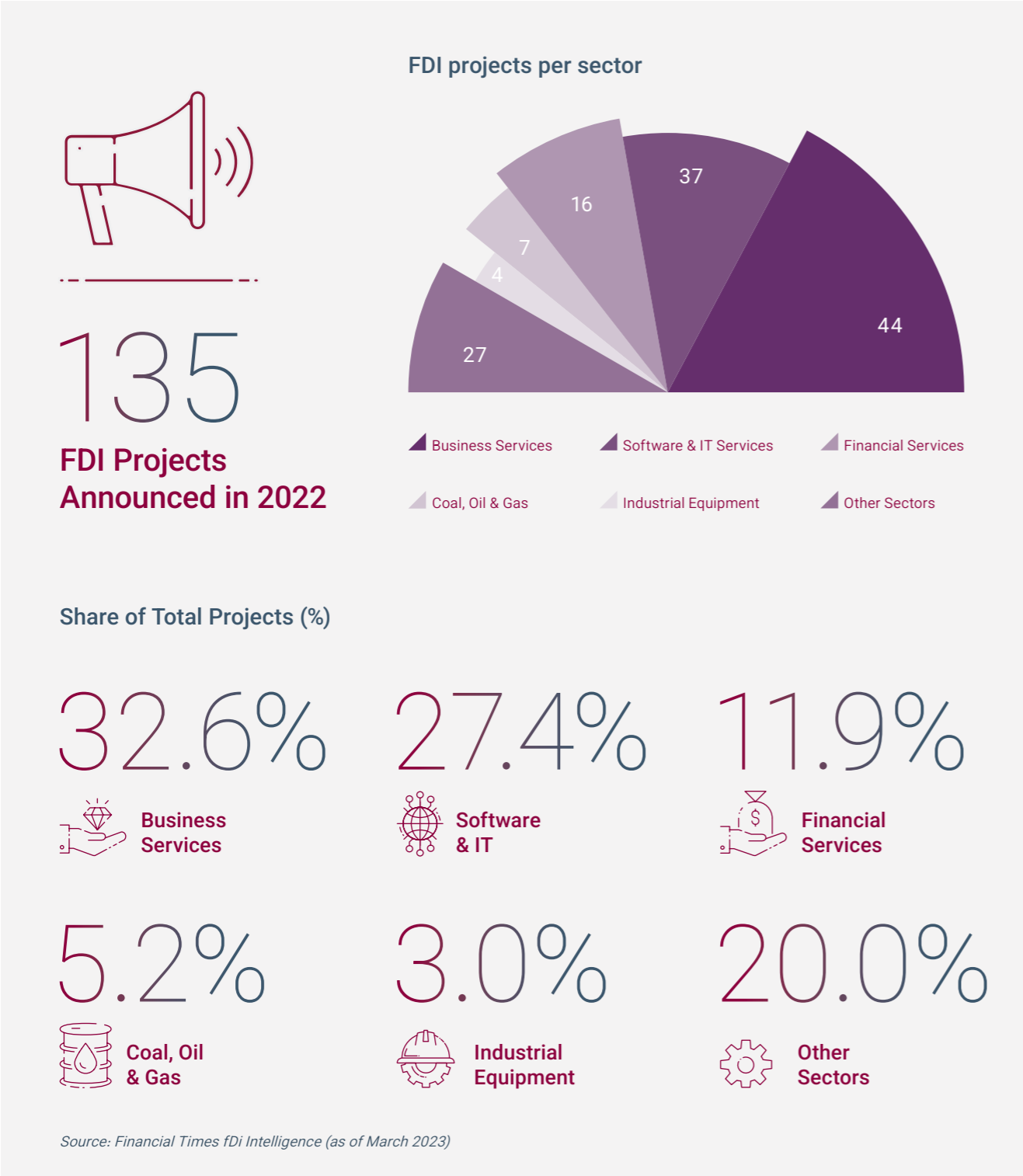
Numbers of jobs created

FDI projects are estimated to have created a total of 13,972 jobs in 2022. This is more than twice the number of jobs created in the year before. This year, close to two-thirds of the new jobs were created in the coal, as well as the oil and gas sectors. Software & IT, Business Services and automotive OEM industries also contributed to job creation.



Number of projects

A total of 135 FDI projects were announced in 2022, increasing from 82 projects in the previous year. Business services accounted for almost one-third of the total projects. Software & IT services and financial services followed with each attracting 27% and 12% of the total projects, respectively. Coal and oil & gas was also among the top sectors that attracted FDI projects. This is mostly due to the global energy crisis aggravated by the war in Ukraine.



LOOKING FORWARD:

FDI prospects in 2023

The geopolitical crisis of escalated conflicts and soaring protectionism is fuelling uncertainty about overseas investments and worsening the outlook for global FDI in 2023. Despite this bleak outlook, some regions are expected to see FDI growth in 2023. According to fDi Intelligence's "FDI Standouts Watchlist 2023," Middle Eastern and North African (MENA) countries, as well as Asia's rising economic powerhouse, India, are expected to carry the strongest economic and investment momentum into 2023. Rising commodity prices in some regions and a robust reform cycle in others are driving factors.

Countries with robust growth drivers, such as a strong digital infrastructure and ecosystem, as well as free and open markets, will benefit the most from diverging direct investment. Other pull factors play an important role in attracting FDI during a global slowdown. These include strong investment protection, intellectual property rights, easy credit, and a consumer population that is adaptable to new technology and foreign products.

The impact of a global minimum tax, which is expected to go into effect this year, also raises concerns about direct investments. The global minimum tax framework, also known as BEPS, is built on two pillars. Pillar I aims to better align multinational enterprises' (MNE) profit reporting with value creation. Pillar II proposes a 15%

global minimum tax on MNE profits. It applies to multinational corporations with revenues of at least €750 million. The OECD Economic Impact Assessment (EIA) thoroughly researched and assessed global minimum tax reform and its potential impact on international investment. According to the EIA, the proposed reforms will have only a minor negative impact on global investment, since they primarily target large multinational corporations, which are less sensitive to changes in tax rates. According to the EIA, the small potential drop in investment caused by higher tax rates is likely to be offset by the positive effect of other less quantifiable but significant channels, such as increased tax certainty for investors.

Lastly, another major trend that is crucial both for both investors and policymakers is the evolving global sustainability standards. In recent years, there has been a growing recognition of the significance of sustainability reporting and disclosure standards. With the widespread adoption of global sustainability standards, it is essential for policymakers to comply with these standards by enacting regulations and policies that mitigate environmental and social risks. Conversely, investors and businesses that overlook these sustainability standards run the risk of falling behind in a dynamic and competitive global market.



Investment Promotion Agency Qatar

Tornado Tower, 13th Floor
P.O. Box 11381, Doha, Qatar

For more information, please contact us at info@invest.qa
www.invest.qa

All Rights Reserved © Investment Promotion Agency LLC

Disclaimer: Reproduction of this document, whether in whole or in part, is only permissible with the prior written authorisation of Investment Promotion Agency LLC. This document is to be used for information purposes only and Investment Promotion Agency LLC accepts no liability that may arise as a result of any errors, omissions or inaccuracies contained within it.