



Annual Report 2021

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Chairman's Message

We look forward to connecting more international investors to lucrative business opportunities in our fast-growing economy that brings mutual benefit to them and to our nation's economic development and diversification goals across sectors and geographies.



As we start the year 2022 and reflect on the growth we have witnessed in 2021, we see the great potential that lies before us in 2022 and the opportunities that present themselves to us and our country, Qatar, in the coming year.

Approaching this threshold, we prepare for a strong start of the new year with a meticulously charted strategic approach that aims to harness increasing FDI to deliver growth; create more international partnerships, especially in the areas of trade and finance; boost technology transfer; increase the focus on human capital development; and encourage competition.

With our position as the lead investment promotion entity in Qatar, we will continue to be at the forefront to support our country as it prepares for a year of accelerated growth and promotional exposure through close cooperation and operating in sync with government and key domestic stakeholders.

Qatar's stable economy and dedication to push the envelope will continue to make our country a truly attractive destination for foreign businesses, companies, and individuals. We look forward to connecting more international investors to lucrative business opportunities in our fast-growing economy that brings mutual benefit to them and to our nation's economic development and diversification goals across sectors and geographies.

This annual report provides a thorough overview on the business and investment developments during the last year, offering valuable insights and data. It also provides an economic and investment outlook for the coming year, that could offer a great boon to investors who seek a clear image of the country's booming growth.

Our country continues to transform into a better home for international companies and investors alike. With increased flexibility on ownership, a competitive tax system and world-class infrastructure, as well as a diverse talent pool, expanding global reach, and rapidly growing array of social and cultural options, Qatar is sparing no effort to position itself as a regional and global investment hub offering an unprecedented value proposition.

So, let's look forward to another year of growth and prosperity for Qatar and our investment promotion agency.

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

CEO Foreword

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



I am delighted to be introducing the first edition of the Investment Promotion Agency Qatar's Annual Report. This report draws on our accomplishments, challenges, and milestones throughout 2021, which was an eventful year for the State of Qatar, and for IPA Qatar specifically. We could even define it as the year of evolution towards a stronger business identity and flourishing investment environment.

For IPA Qatar, this has meant a multi-year focus on deepening and diversifying our strategic engagements and partnerships with stakeholders from across the world, while expanding our support in offering them access to emerging opportunities in different sectors.

This was evidenced by the significant strides to widen our collaborations with other investment promotion agencies, government entities, companies, and other international organisations in China, Germany, Russia and the USA, among others. Also, the year 2021 marked a continuation of our journey of substantial growth over the last two years, in which we achieved significant milestones, such as the formation of the

Business Development and Marketing working groups, development and ongoing management of a national financial incentives framework, and the creation of the Economic Research and Policy Advocacy department. Additionally, it saw our efforts in leveraging advances in the macro-related research, insights, data, and policy advocacy to help shape Qatar's investment climate.

Looking forward, through our strategic role as the custodian of the Invest Qatar brand, we continue to accelerate efforts to unify and harmonise the nation's investment attraction brand and communication to global audiences in coordination with national partners.

Positioning IPA Qatar as the key gateway to investors' success in Qatar also remains a top priority, as we enhance our services and expand our support with regards to the facilitation of lead conversion, guidance of investors in navigating the different licensing platforms in Qatar, and the provision of a seamless investor experience through aftercare services. We also continue to maintain our commitment to generating relevant and informative research and insights for investors and establishing a standardised environment for data, analytics and reporting on business and macro topics.

Given the momentum we will be seeing in Qatar in 2022, we need to keep delivering on our promises, alongside all national organisations, to complement the significant transition of our nation into an investment hub and a second home for ambitious investors. Together, we are forging ahead to a bright future rich in opportunity for businesses and jointly shaping a new legacy.

Sheikh Ali Bin Alwaleed Al-Thani
Chief Executive Officer
Investment Promotion Agency Qatar

About IPA Qatar

Established in July 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. Through leveraging an integrated ecosystem of business and 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:

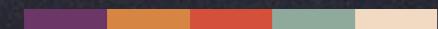
- Raise the profile of Qatar as an investment destination
- Coordinate a unified coherent national message
- Drive the adoption of a unified national brand
- Generate leads
- Provide facilitation and aftercare services and ensure a seamless investor experience
- Advocate for pro-FDI related policies
- 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



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



**Knowledge.
Economy.
Diversification.**



Vision

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

Mission



Promote and market Qatar as an investment destination



Attract and facilitate investments that contribute to the economic plan, including high-skilled jobs and sustainable GDP impact



Coordinate promotional activities and incentives among local business and licensing platform

Our Values



Investor First: ensuring that investment attraction activities create value for investors, which in turn leads to spillovers for Qatar's economy.



Sustainability: ensuring that investment promotion focuses on investment that can have a lasting impact on Qatar.



Quality: prioritising high-quality investments that have a tangible link to advancing Qatar, diversifying the economy, and creating high-skilled jobs.



Excellence: committing to delivering world-class promotional services and being a leading investment promotion agency.



Integrity: maintaining integrity and transparency when interacting and dealing with all stakeholders and investors alike.

Advisory Board



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



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



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



Mr. Yosouf A. Saleh Al-Salehi
Executive Director
Qatar Science & Technology Park



Mr. Abdulla Hamad Al-Misnad
Deputy Chief Executive Officer
Qatar Free Zones Authority



H.E. Saleh Majid Al-Khulaifi
Undersecretary for Commerce Affairs
Ministry of Commerce and Industry



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

Year at a Glance

4,200 +
Estimated jobs created

QAR 4 BN+
FDI into Qatar

117
Investment Project commitments

1100+
New commercial establishments across business licensing platforms

390+
Formal meetings with investors, trade delegations, stakeholders

82
New FDI projects

Reached
179m+
people via Invest Qatar marketing and communication activities

65K
Engagements

61
Events



Promoting Qatar as an attractive destination for FDI

61

Events (Hosted,
co-hosted and
participated)



65,000+

Engagements

1050+

Media
Mentions



179M

Media
Reach



6,000+

Social Media
Followers

Online Engagements

33,000+



2,500+
Instagram



2,000+
Facebook



18,000+
Website



3,000+
LinkedIn



7,500+
Twitter

Key Events



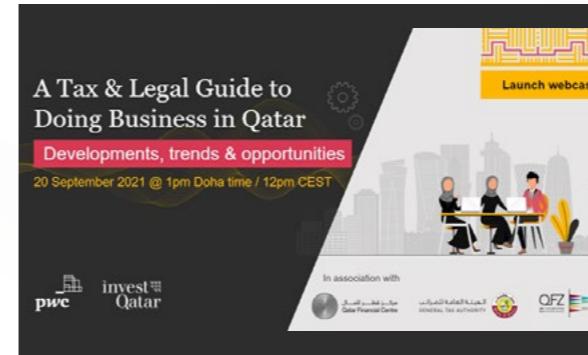
24th St. Petersburg International Economic Forum (SPIEF '21)

Held from 2-5 June 2021 in Russia, IPA Qatar joined the senior delegation of Qatar to SPIEF '21, and took part in a series of business engagements, including hosting the Invest Qatar session titled 'Russia-Qatar Business Dialogue: Emerging Investment and Trade Opportunities between Qatar and Russia', in addition to holding B2B meetings and signing Memoranda of Understanding with Bi.Zone, Accord Pitch and WadiWater.



Qatar Economic Forum

As one of the underwriters of the Qatar Economic Forum, the IPA Qatar coordinated with key Qatari entities and licensing platforms to create a series of insightful marketing content. In addition, Sheikh Ali Bin Alwaleed Al- Thani, the CEO of IPA Qatar, was among other key speakers such as Lord Gerald Grimstone, Minister for Investment, Department for International Trade and the Department for Business, Energy & Industrial Strategy in the UK, in a panel session entitled 'Investing Across Borders'.



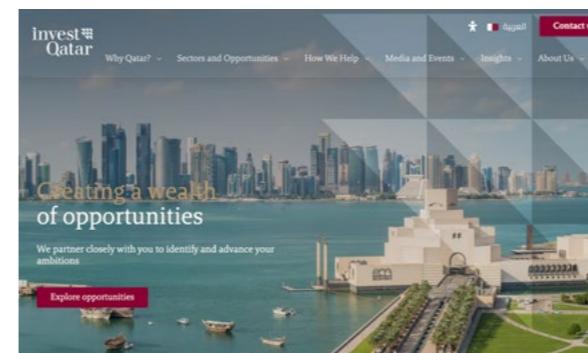
IPA Qatar-PwC's launch of 'Tax and Legal Guide to Doing Business in Qatar'

In a joint virtual event, IPA Qatar unveiled its 'Tax and Legal Guide to Doing Business in Qatar', in collaboration with PwC, and supported by Qatar General Tax Authority (GTA), Qatar Financial Centre (QFC) and Qatar Free Zones Authority (QFZA). The webinar was joined by 100+ attendees.



4th Edition of the China International Import Expo

Invest Qatar hosted a virtual Qatar Pavilion via an online exhibition on the official website of the 4th China International Import Expo (CIIE). The Qatar pavilion, which was the first of its kind for Qatar at the annual exhibition presented the State's fertile business landscape and the services of its licensing platforms to international companies and entities from around the globe.



Launch of New Invest Qatar Website

Serving as the gateway to investment information, solutions, and opportunities in Qatar, the revamped Invest Qatar website offers an intuitive user experience with new information resources to assist investors to establish or expand their business into the Qatar market.

Our Engagement with Investors and Partners

Memorandum of Understanding signing ceremony between IPA Qatar and



*Foreign ownership irrespective of the percentage share of ownership.

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

Activities with regards to partner countries

The top three countries Turkey, USA and China

The countries represented are based on IPA Qatar's engagements and number of companies registered



Summary of the activities

Turkey:

- In cooperation with the Investment Office of Turkey, IPA Qatar released a joint FDI report.
- Over 50 business-to-business meetings with potential investors.
- Cooperation MOU to be updated and re-signed in Q4 2021.

USA:

- Multiple meetings with the US-Qatar Business Council and the US Commercial services
- Over 30 meetings with potential American investors and multipliers
- CEO of IPA Qatar visited New York to meet with business leaders

China:

- Participation in the 2021 China International Import Expo (CIIE), November, 5-10, with a Virtual Invest Qatar Pavilion
- Ongoing collaboration with Huawei, the Bank of China and the Chinese Embassy in Doha
- Meeting with the Sino-European Manufacturing Club

Key Projects

UBS

UBS plans to establish a Business Solutions Hub in Qatar, in addition to the newly created UBS Wealth Management Office in Doha.

This serves UBS's expansion strategy in the Middle East through providing a centralised data and solution platform for regional clients' services and products.

The launch of a Business Solutions Hub contributes to advancing financial digitisation in Qatar, while supporting the local talent development, as up to 200 digital experts will be employed over the next few years.

Intesa Sanpaolo

Intesa Sanpaolo (ISP) is expanding its presence in Qatar and increasing their corporate and investment banking activities in the country.

The collaboration entails sizing up ISP's banking team in Qatar and establishing a local booking centre. This centre will allow the Italian banking group to offer a wider range of products and services to corporations, as well as to a growing numbers of government projects.

Huawei

IPA Qatar has built a strong relationship with Huawei in Qatar with desire for collaborations and mutual support in digital transformation. Through this partnership, IPA Qatar aims to attract Chinese companies and facilitate Huawei's communications and contact with relevant public bodies in Qatar.

Huawei has been in Qatar for over 20 years with a strong presence in the market and support for Qatar's talent development. It is one of the first companies with 100% foreign ownership in Qatar, has created over 1,000 jobs since formation, developed over 2,500 ICT talents in the past 3 years, and aims to cultivate 10,000 ICT talents in the next 3 years.



Hear from some of our Investors

Testimonials



Hoopoe Advisors

Hoopoe is an ethical global financial institution that deploys the wealth of diverse communities to benefit real economies and fuel meaningful values in the world. The IPA Qatar team has supported us and connected us with the right entities to setup our international headquarters in Qatar, to service the country and the broader region.

Jamal Khatib
Senior Executive of the Qatar Rep Office



Unilever Qatar

As one of the largest FMCGs globally, with brands such as Lipton, Lifebuoy, Omo that are household names, we are always keen on expanding our manufacturing and distribution footprint. Thanks to Qatar's extensive infrastructure along with the continued support received from the IPA Qatar team, the setting up and management of our operations has been seamless. We remain committed to delighting our consumers in the region with quality products and look forward to a long presence in the country.

Arif Guldogan
General Manager



OE Solutions

Qatar is the best place in terms of reliable tax policy and high standard of living. Indeed, the country's IT sector is filled with opportunities for growth and innovation. We received incredible support from the IPA Qatar team to establish the company in Qatar which we chose as the new destination to expand our global business footprint.

Orhan Ergun
Managing Partner



Intesa Sanpaolo

Opening a branch in Qatar in 2016 proved to be the right decision. Based on the excellent results, we plan to enhance our operations and have found in QFC a conducive environment, and in IPA Qatar a cooperative partner. Personally, I have lived here since 2016: this is the 8th country I have been posted and settling in Doha with my family was easy and straight forward.

Daniele Fanin
General Manager, Intesa Sanpaolo QFC Branch



UBS

Our collaboration with IPA Qatar has been crucial in establishing our local presence, and we are looking forward to supporting the acceleration of financial digitisation and talent development locally.

Tarek Eido
Head of Wealth Management at UBS (Qatar)



Microsoft

As Qatar accelerates its visionary agenda with Qatar vision 2030 to become a sustainable diversified digital economy, we see exponential opportunities driven by megaprojects in digital transformation across industries. To position Qatar as a major digital hub for the region, Microsoft continues to grow its team and investments in the country. Soon we'll launch our new cloud data center to further empower businesses to compete, grow and succeed on a global scale and empower the people of Qatar to achieve more. This is the time to make the move. This is the time to invest in Qatar.

Lana Khalaif
Country Manager at Microsoft Qatar.

Working with international partners



US – Qatar
Business Council
(USQBC)

IPA Qatar and USQBC work collectively in promoting the wide array of investment opportunities in Qatar to American investors. In October 2020, as part of this strategic cooperation, the two entities cohosted a webinar titled "Qatar's Value Proposition & Resiliency: Why Qatar Remains a Primary Investment Destination for US Companies". The virtual event showcased Qatar's thriving investment landscape and provided a deep dive into a range of opportunities emerging across the economic sectors in the country. IPA Qatar is also working with USQBC on developing a U.S Roadshow event, to be launched in 2022.



Malaysian
Investment
Development
Authority (MIDA)

Shortly after its inception in 2019, IPA Qatar signed a strategic cooperation agreement with the Malaysian Investment Development Authority (MIDA) that comprised sharing of best practices, capacity development, and exchange of knowledge. In addition, IPA Qatar recently participated in the Familiarisation of Investment Promotion Agencies program organised by MIDA, with the participation of government officials from various investment promotion agencies and free trade zone authorities around the world.



BUSINESS
FRANCE

As part of extending the already existing 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 in February, 2020. The Letter of Intent was shortly followed by the development of a collaboration framework between the two entities which entails the sharing of data, best practices, and exchange of expertise.



Investment
Office Presidency
Turkey (IOPT)

In collaboration with Presidency of the Republic of Turkey Investment Office, IPA Qatar released a joint FDI report titled "Qatar & Turkey: Unlocking sustainable investment opportunities across the economic spectrum". The joint report, which was released in early 2021, reflects the strategic relationship between IPA QATAR and IOPT that showcases the two countries' resiliency, business-friendly environment, and sector-diverse opportunities that Qatar presents to Turkish investors and vice versa. The strategic cooperation between the two entities aims to further harness the potential of the increasing bilateral investments and sharing of market information as a strategic tool to improve the performance of FDI related investments in the two countries.



UK DIT

UK companies are partners in every area of the 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) are cooperating on formalising a new partnership to increase collaboration and expand investment flows between the two countries.

Developing thought leadership in investment



Publications

Through its newly established Economic Research and Policy Advocacy Department (ERPA), Investment Promotion Agency Qatar conducts macro-related research, produces data driven analysis and insights, and identifies existing investment climate challenges. The evidence-based research and studies enables IPA Qatar to engage in policy advocacy activities to shape and enhance Qatar's investment ecosystem. Additionally, IPA Qatar monitors global trends and provides sector insights, accurate and timely data and statistics, and periodic updates on global and regional developments.



1. Periodicals

IPA Qatar produces weekly, monthly, and quarterly reports that keep internal stakeholders well informed of local, regional, and global developments. These reports provide up-to-date analysis on international trends, global and local economic activity.



2. Research Papers

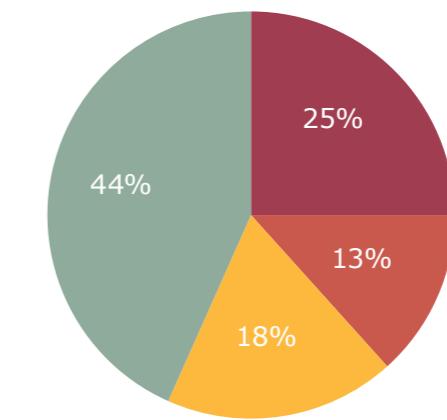
IPA Qatar research papers provide in-depth analysis of a particular study area, industry, or subject. In the past year, IPA Qatar prepared several geographic insights that provided an overview of the trade and investment relationship between Qatar and some of its key partners, including China, USA, Russia, and Turkey. These studies aim to highlight the country's value proposition and identify potential investment opportunities.



3. Policy Papers

IPA Qatar Policy papers explore the development areas and stimulate policy discussions on various areas related to foreign investment. Through this analysis, IPA has developed policy recommendations on critical areas such as the cost of doing business and the start-up ecosystem.

IPA Qatar Publications



■ Economic Research ■ Policy Advocacy
■ Monthly Economic Report ■ Weekly Digest Reports



Information Sharing

IPA Qatar organised information sessions on critical trending developments which aimed to address global trends and best practices in the areas of research and policy advocacy. Our participation and representation amongst global platforms and engagement with global leaders led to the understating of frameworks and exchange of information which were in turn leveraged to identify new areas of research and policy ideas.

Information Sessions

The information sessions enable IPA Qatar to discuss, share and identify new areas of developments. The key findings are analysed and shared with respective stakeholders. Feedbacks have been received to support further studies. Some of the key information sessions convened include:



Global Minimum Tax: The global minimum tax developments and the potential impact of global tax reforms on investment strategies and business operations in Qatar and the GCC.



Benchmarking Analysis: Study and presentation improving Qatar's investment climate through global indices. Key areas, where Qatar needs to improve the most, were identified and best practice guidelines from other countries were provided as a sample for effective policy formulation.



Costs of Doing Business: An evidence based research study on the cost of doing business in Qatar and identified areas to improve on cost competitiveness.

Collaboration with International Stakeholders

Collaborative partnerships enable IPA Qatar to enhance internal capabilities, identify opportunities across the value chain, build a network with teams from respected institutions and peer organisations, and identify the economic trends and developments worldwide shaping business investments. Over the last year, IPA Qatar has collaborated with several renowned international organisations on different issues and topics pertinent to IPA Qatar's strategy. Some of the organisations that IPA Qatar established cooperation with include:



Together with UNCTAD, IPA Qatar planned a tailored training program and explored other collaborative areas aimed at enhancing internal capabilities and establishing a cooperative environment with key stakeholders



IPA Qatar explored collaboration with the OECD on investment policies and national statistics reviews with the aim of improving the framework conditions for investment and highlighting challenges and opportunities for further policy reforms.



IPA Qatar is a member of the Future of Investment Platform under the World Economic Forum (WEF). Collaborating and engaging with the WEF platform and the participants has enabled IPA Qatar to derive lessons on trending factors that would influence the foreign investments.



IPA Qatar has also closely followed the studies of World Bank Group (WBG) through inter-ministerial working groups on the enhancement of the investment climate in Qatar. IPA Qatar is exchanging information with WBG specialists for potential study areas.

Special Editorial

The importance of IPAs in FDI attraction and retention and the role of WAIPA



World Association of
Investment Promotion
Agencies

Nearly all economies consider foreign direct investment (FDI) as a crucial element of their economic development as FDI can be a powerful tool to spur growth, expand productive capacities and diversify economies. To attract and facilitate these investments, investment promotion agencies (IPAs) play an essential role in supporting their governments seeking to increase investments, as well as to promote economic and social development.

However, the ongoing global pandemic not only caused global FDI flows to fall considerably but it also triggered a strong disruption of the global value chains. Inevitably, these unprecedented disruptions also affected the work of IPAs. Yet still due to the close relationship with their respective governments and profound knowledge of local businesses and markets, IPAs have been playing an important role in alleviating the impact of COVID-19 on their local economies by providing support to existing businesses.

As such, while traditionally IPAs were generally established to first and foremost promote investment opportunities in their respective locations, nowadays they perform a myriad of functions to meet their governments objectives for attracting

and facilitating as well as retaining investments. Thus, IPAs are critical players in not only creating positive images about their locations whether these would be a country, region, or city, they also provide the potential and existing investors with valuable first-hand information for their decision-making process. Additionally, IPAs support investors in the entry and establishment of operation as well as linking them with local suppliers etc. Finally, they also perform aftercare services and help to improve the business ecosystem that eventually often can create further opportunities for investments of existing investors. These lastly mentioned services, to improve the business climate, are as global investor surveys show, generally the number one factor that investors expect from IPAs.

These extensive set of services require however a broad set of skills and as mentioned a deep expertise and understanding of the realities and expectations of their governments and the business sector, as well as upcoming trends and future opportunities. This makes IPAs critical service providers to both their respective governmental stakeholders as well as to potential and existing investors. Hence, the World Association of Investment Promotion Agencies (WAIPA), as umbrella organisation for IPAs was established in 1995 under the auspices of the United Nations Conference on Trade and Development (UNCTAD), to act as a forum to promote and develop understanding amongst IPAs, to also provide them with technical assistance and capacity building, as well as to encourage networking and exchange of best practices in investment promotion, to support IPAs and to equip them with the skillset to provide excellent services and explore innovative approaches. Moreover, WAIPA actively encourages a closer cooperation between IPAs and the private sector with its newly established Business Advisory Board, which aims to bring a private sector voice to advise investment promotion agencies and policymakers on international best practice and standards in investment promotion, facilitation, and aftercare as well as foreign direct investment.

Consequently, while IPAs have shown prior to and especially during the pandemic that they are critical actors to support their governments to create jobs and opportunities, they will also play an increasingly important role in shaping the premise of a sustainable future. The global 2030 agenda creates tremendous opportunities for governments and the private sector alike, and the role of IPAs will be that of an essential partner in facilitating those.

Mr. İsmail Ersahin
Executive Director a.i.

Global Events Attended

IPA Qatar participated and attended various global events that were organised by supranational entities. The forums and events addressed recent strategies for global challenges, economic recovery, trends and importance of policy advocacy and various measures to be adopted in attracting FDIs.



World Economic Forum Sustainable Summit 2021

WEF Sustainable Summit event focused on accelerating the economic recovery from the global pandemic.



World Investment Forum

The UNCTAD World Investment Forum is the pre-eminent global platform for investment and development. It is an opportunity to learn more about the factors shaping the global investment environment and build cooperative networks with other IPA networks.



6th OECD IPA Network Meeting

The meeting focused on promoting and facilitating investment in a digital world and how to tap into FDI opportunities in the digital economy. The session discussed the challenges and opportunities related to promoting and facilitating investment in a digital world, and implications for economic recovery efforts. Evidence and experiences from peer institutions and countries were shared.

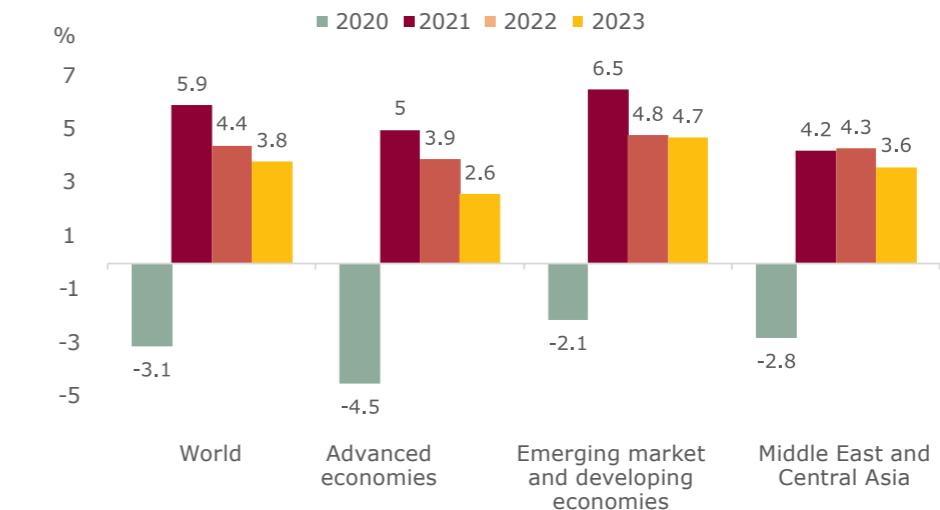
Macroeconomic Outlook

Qatar as a Resilient Economy

It is fair to say that the global economic slowdown, brought about by COVID-19 pandemic was sharp and sudden, and led to an unprecedented 2020 global recession. According to the International Monetary Fund (IMF), the global economy contracted more than 3 percent in 2020. Despite this, the global economy has since experienced a sharp recovery fueled by accumulated savings supporting extraordinary demand in specific sectors. As the world eyes post-pandemic recovery, economic prospects diverge across countries and regions. Fiscal support during the pandemic and inoculation progress have emerged as the main factors influencing the pace, size, and shape of the economic recovery across sectors and countries. The global economy grew 5.9 percent in 2021 and will moderate to 4.4 percent in 2022, according to IMF's January 2022 World Economic Outlook report. Emerging markets and developing economies saw an above-average growth of 6.5 percent in 2021, followed by a 4.8 percent growth in 2022. The Middle East and Central Asia economies experienced a below-average recovery of 4.2 percent in 2021, with a similar 4.3 percent growth projection in 2022.

The continued strength of the global post-pandemic recovery ultimately depends on several factors including the effectiveness of the policy support provided and the pace of the vaccination rollout in different markets. It will take international coordination, equitable vaccine distribution, and careful macroeconomic stewardship to end the pandemic worldwide.

Global Real GDP Growth Forecasts

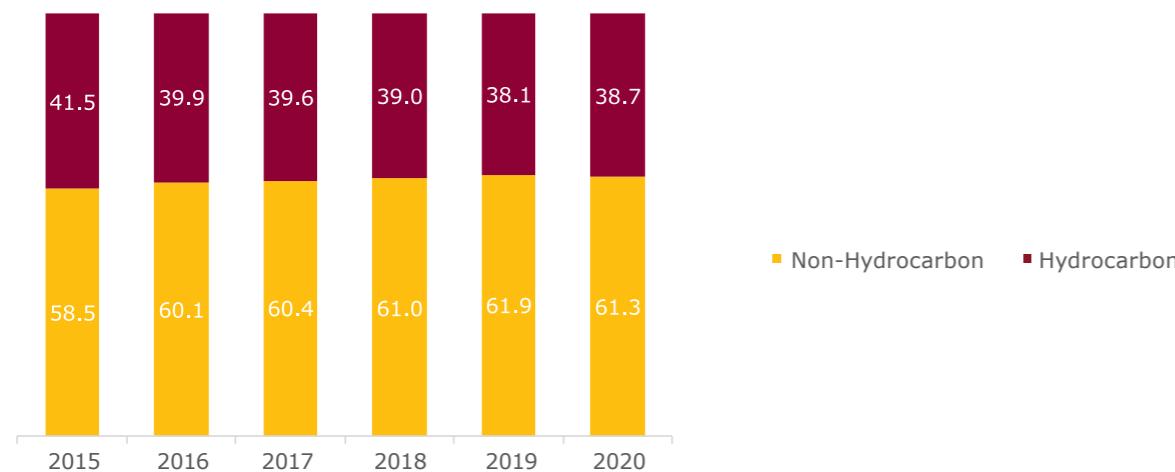


Source: IMF World Economic Outlook January 2022

Since the onset of the pandemic, Qatar faced a number of challenges, but—thanks to prudent and timely social and economic measures taken—it has shown resilience and is emerging stronger from the aftermath of the pandemic. A rapid and equitable vaccination rollout in tandem with social distancing measures has brought the spread of the virus under control. Economic activities have gradually recovered in 2021.

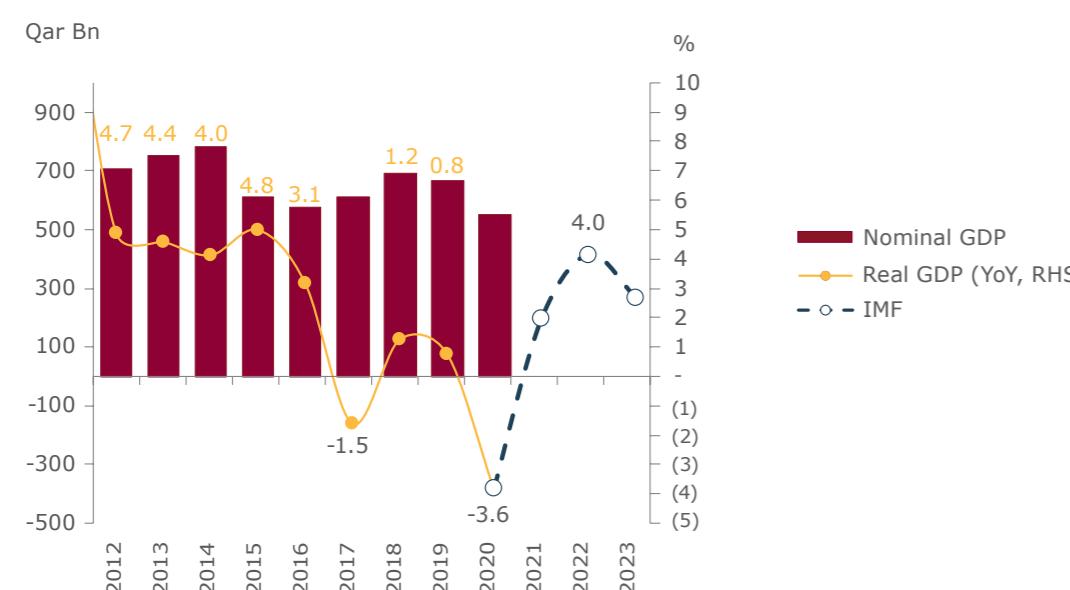
Moreover, leading forecasts show the economy is poised for a solid and robust recovery in 2022. In January's world economic outlook update, the IMF stated its expectations of Qatar's economy to rebound strongly and grow by 4.0% in 2022.

Qatar GDP Breakdown



Source: IMF

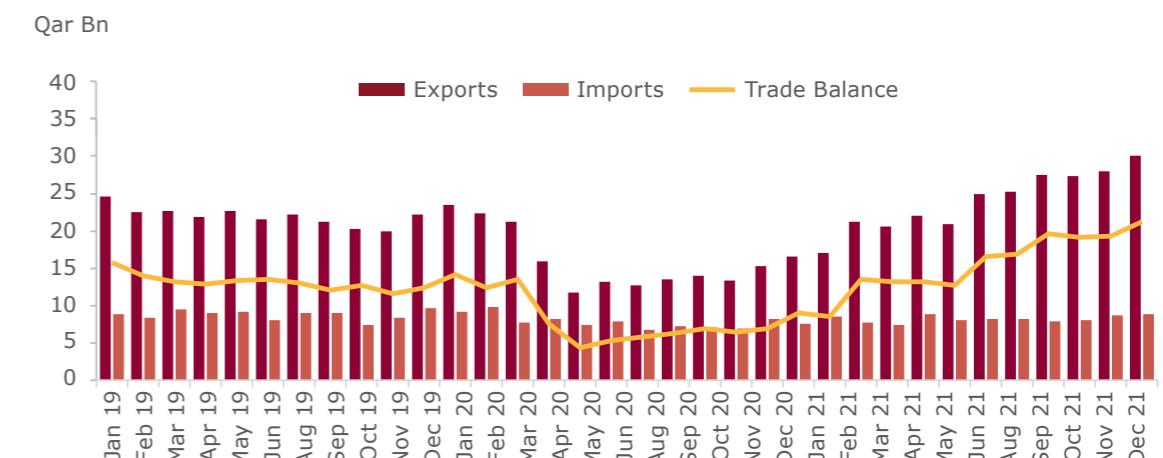
Qatar GDP Growth and Forecast



Source: PSA and IMF

Qatar's growing economy offers investors lucrative opportunities while bringing progress to development and diversification goals across sectors and geographies. As the country continues to pursue its economic diversification objectives, many opportunities—especially in the non-hydrocarbon sector—have become available for investors.

Qatar Foreign Trade

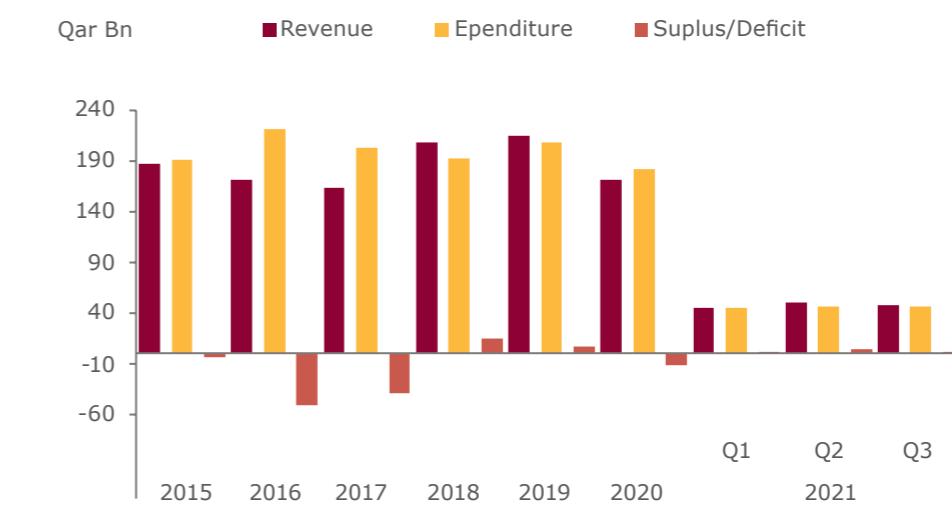


Source: PSA

According to the World Trade Organization (WTO), merchandise trade was severely impacted by the pandemic and declined 7.4% in 2020, representing the biggest annual decline since the financial crisis in 2009. In 2021, global merchandise trade recovered fast and increased 22.4% in value, exceeding its pre-crisis level and reaching an all-time high. The strong recovery, according to UNCTAD, largely resulted from the easing of the pandemic restrictions, but also from economic stimulus packages and sharp increases in the price of raw materials. Trade in services, however, still remains below the pre-pandemic levels despite a growth of 13.6% in 2021. The global trade outlook for 2022 remains uncertain due to the continuing COVID-19 disruptions and inflationary pressures, among other challenges.

Thanks to the reopening of global economies, restored energy demand, and the surge in energy prices, Qatar's exports have also increased back to pre-pandemic levels, and goods imports have remained stable, resulting in a strong recovery in Qatar's trade surplus. As a result, Qatar's trade balance increased from a monthly average of QAR 7.8 billion (\$2.1 billion) in 2020 to QAR 17.9 billion (\$4.9 billion) in 2021. Moreover, Qatar's already robust external balances are expected to be much stronger, with LNG production increasing by about 64% to 126 million tons annually (approximately 3.1 million barrels per day of oil equivalent) from year-end 2025 through 2027.

Qatar Fiscal Balance



Source: PSA

Supported by strong export receipts, the general government balance was positive in the first three quarters of the year and is expected to generate surpluses in subsequent years. Equally, the IMF projections show that Qatar has the most robust fiscal balance (%GDP) prospects in the GCC.

Qatar's Credit Ratings



The positive macroeconomic outlook reflects the country's strong credit ratings. All three international rating agencies which confirmed Qatar's strong credit outlook referred to a stable economic outlook, high level of per-capita income, strong net asset position, and an established track record of macroeconomic policy effectiveness.

Qatar's effective economic management during the pandemic and future growth projections are also evidenced in its FDI flows. During the height of the crisis, while FDI flows fell in most countries, Qatar demonstrated resilience, and FDI flows in Qatar recovered in the last quarter of 2020 and the first quarter of 2021.



Qatar Business Environment



Business Climate Developments 2021

Qatar is a rapidly developing and high-income country strategically located at the crossroads between East and West. Qatar is also one of the most stable, resilient, and competitive economies in the world - powered by a rigorous diversification agenda, a vibrant environment for innovation, and a business-friendly ecosystem. It boasts a world-class climate for business and investment.

Qatar's Competitiveness at a Glance:

Reasons to Invest in Qatar



A stable and resilient economy



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



4.8% and **4.9%** GDP growth projections for 2022 and 2023



2nd most competitive economy in the Arab World



Pro-business climate



2nd most committed country to economic freedom in the Arab World



4th most attractive global destination for talent



1st safest country globally



Unparalleled market access and connectivity



7.5MN container capacity Hamad Port currently captures



27% of trade in the Middle East



2nd most network-ready in the Middle East



Connected to **160** international destinations



Vibrant knowledge eco-system and rich culture



1st in Gulf Region in Global Entrepreneurship Index



Highly educated – **5th** education system ranking globally



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

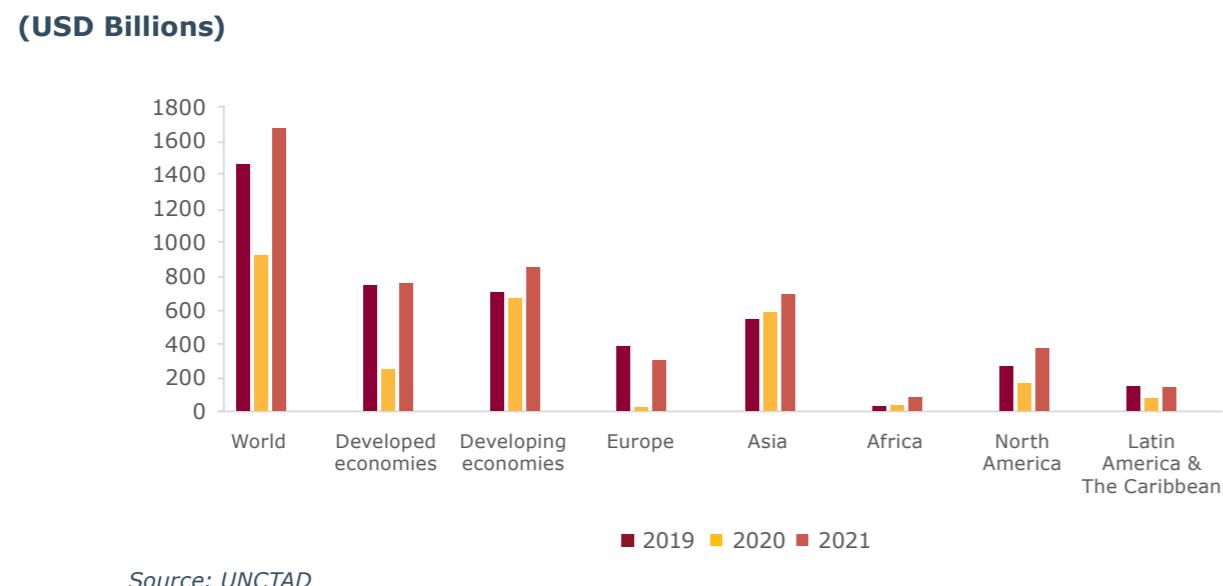
Through legislative reforms, Qatar continues to improve its conducive business environment to facilitate new businesses and attract talent to new sectors. In 2021, Qatar made substantial progress in labor reforms. In landmark legislation unique to the region, Qatar became the first country to introduce a non-discriminatory minimum wage. The non-discriminatory minimum wage applies to all workers, of all nationalities, in all sectors, including domestic workers. The General Secretary of the International Trade Union Confederation (ITUC) expressed the significance of this historic move and urged other countries in the region to follow Qatar's example. Qatar has also taken significant steps in other areas, including labor inspections, occupational health safety systems, and the removal of exit permits.

FDI Statistics

Global FDI

The COVID-19 pandemic drastically impacted global FDI flows. According to the World Investment Report 2021, global FDI dropped by 37% in 2020, the worst drop in the last decade. Developed economies bore the brunt of the FDI decline, where FDI fell by 65%. In contrast, the developing world recorded a moderate decline of just 8 percent, thanks to resilient flows in Asia. As a result, FDI flows into the developing world accounted for two thirds of the global FDI in 2020, up from around 5 percent in 2019.

FDI inflows and cross-border M&A 2019-21



According to UNCTAD, the impact on global FDI also varies depending on the type of investment. Greenfield projects and project finance transactions—an important source of infrastructure financing—dropped significantly in the developing world, declining 42% and 14%, respectively. This compares to a 19% decline in greenfield investment and an 8% increase in international project finance in developed economies.

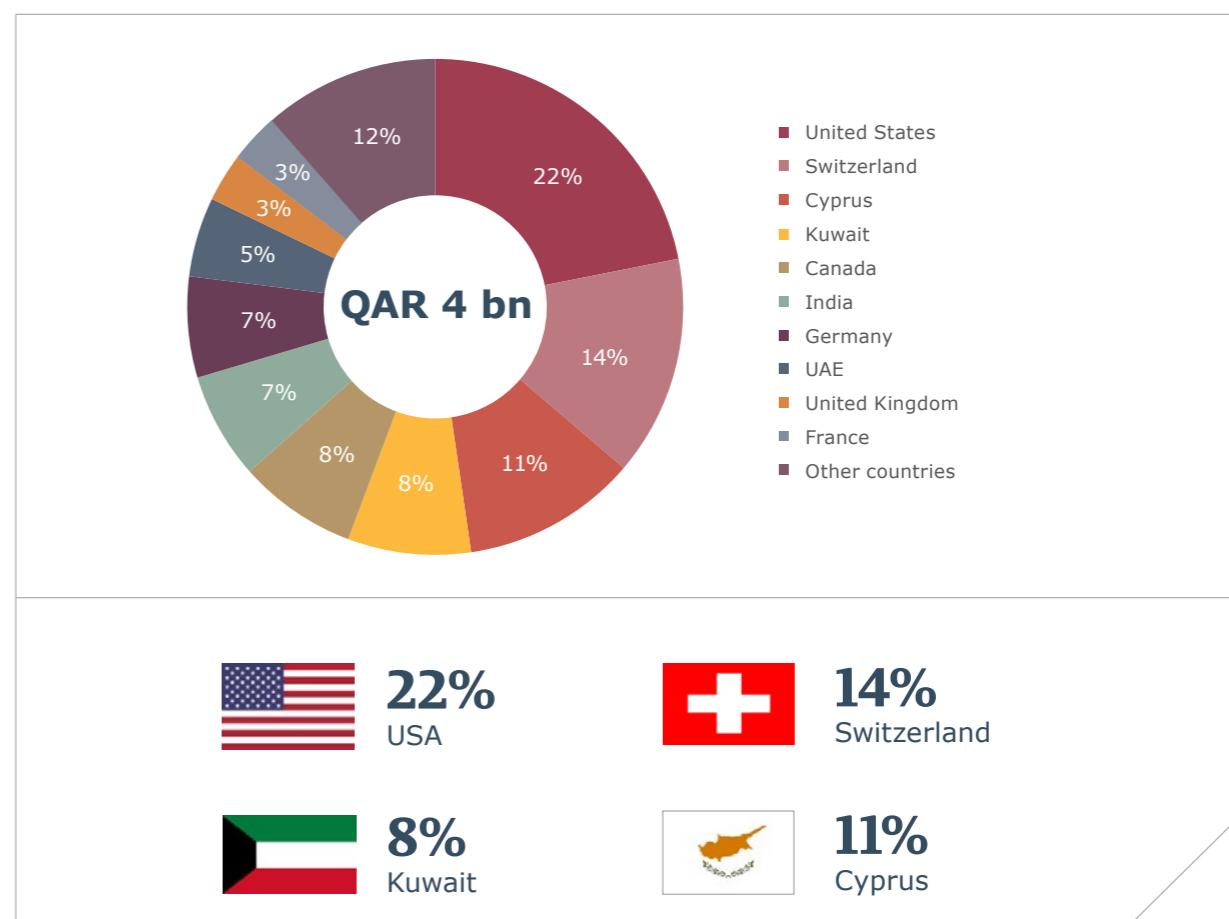
As the world emerges from the pandemic, economic indicators show signs of strong recovery, albeit uneven across continents and regions. According to UNCTAD, global foreign investment flows showed a strong rebound in 2021, up 77% to an estimated \$1.65 trillion, from \$929 billion in 2020, surpassing their pre-Covid-19 level. Developed economies witnessed the biggest rise, capturing more than 80% of the total FDI increase. Conversely, FDI inflows in the developing economies increased by 30%, with a growth acceleration in East and South-East Asia, and a recovery above the pre-pandemic levels in Latin-America & Caribbean. FDI inflows in the Middle East are still below the pre-pandemic levels. However, Qatar's FDI flow recovered in the first quarter of 2021, demonstrating the resilience of its economy.

Qatar FDI

Country partner / source country

In 2021, most of the foreign investments originated from the United States (22%), with a total investment of QAR 895 mn. Switzerland accounted for 14% of the total FDI flow, followed by Cyprus and Kuwait. Other countries that invested in Qatar include India, Germany, Canada, UK, France, and UAE among others

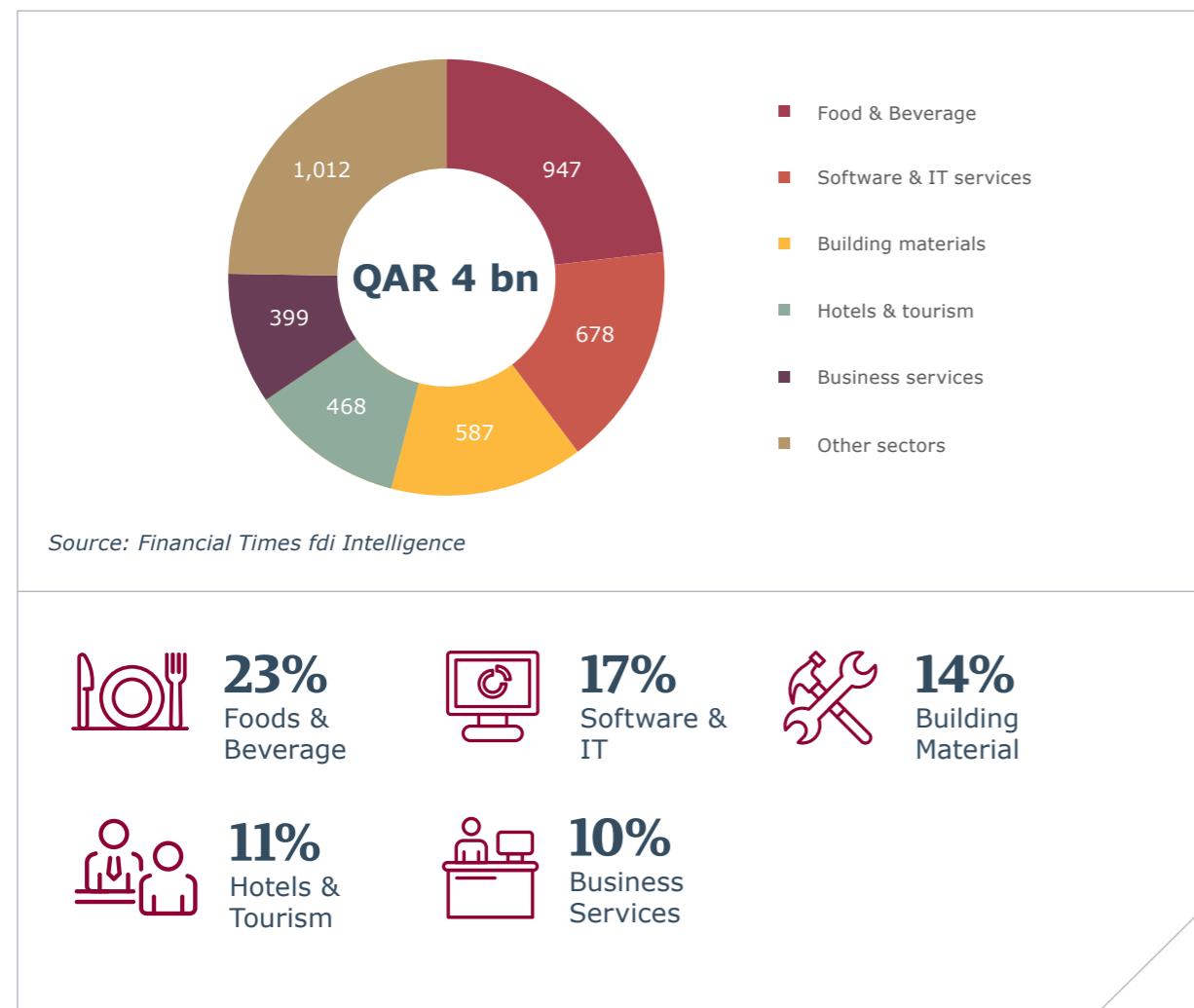
Capex Source Country



Economic activity / industries

In 2021, food and beverage was the top business activity in terms of capex, accounting for 23% of the FDI net inflows. Total investment in this sector reached QAR 946 mn. Software & IT, building material, and hotel & tourism sectors followed, with each capturing 17%, 14% and 11% of FDI, respectively. Finally, Business services also performed well and attracted more than QAR 364 Mn of total investment in 2021.

Capex in Each Sector (Figures are in QAR)

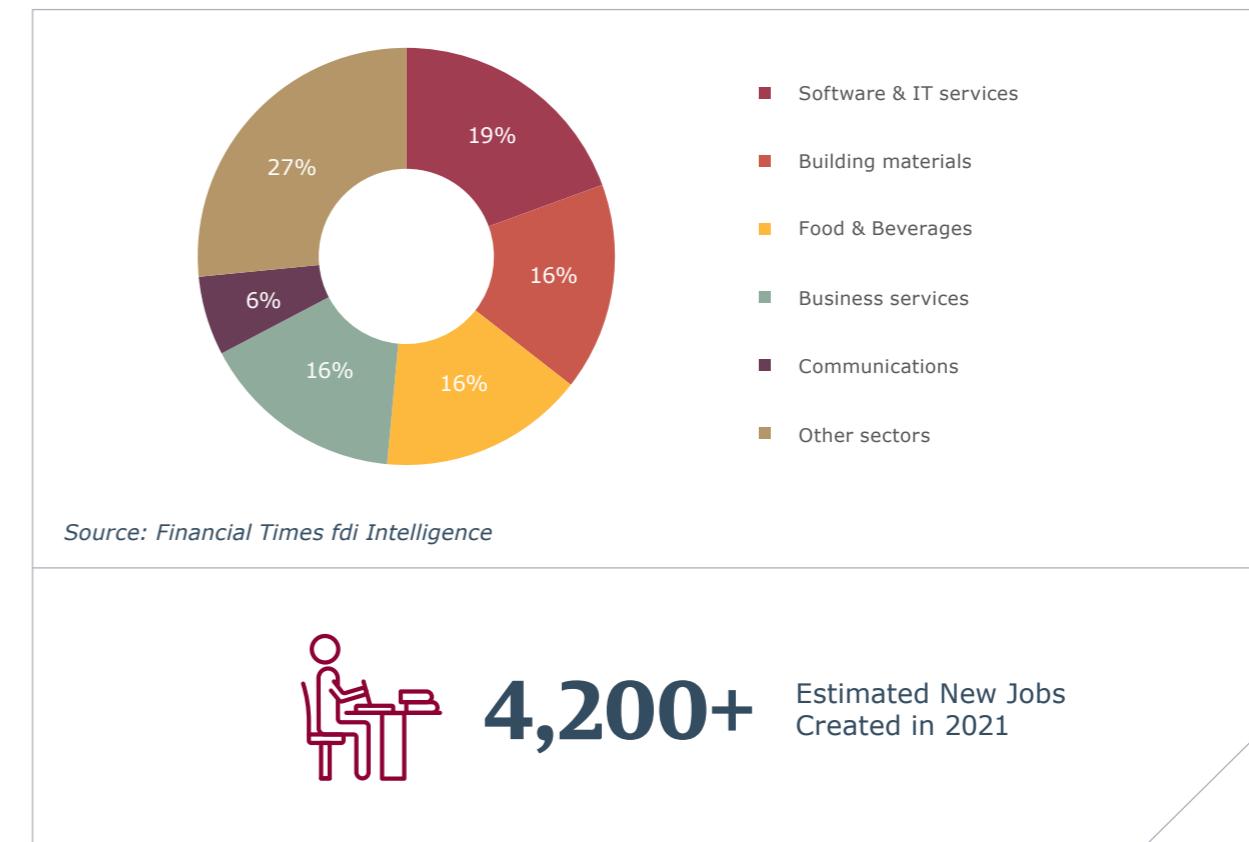


Estimated number of jobs created

Despite the challenges the global pandemic posed on global job markets, Qatar was able to demonstrate the resilience of its economy. Investors leveraged Qatar's strategic location, vibrant environment for innovation, and business-friendly ecosystem to expand their business in the region, and in the process, created quality jobs for the local population and attracted global talent to Qatar.

In 2021, FDI inflows to Qatar created an estimated 4200+ jobs. Most of the jobs were created in the software & IT services, with this sector generating close to 20 percent of the total jobs. Building materials, food & beverages, business services, and communication also created good number of jobs in 2021.

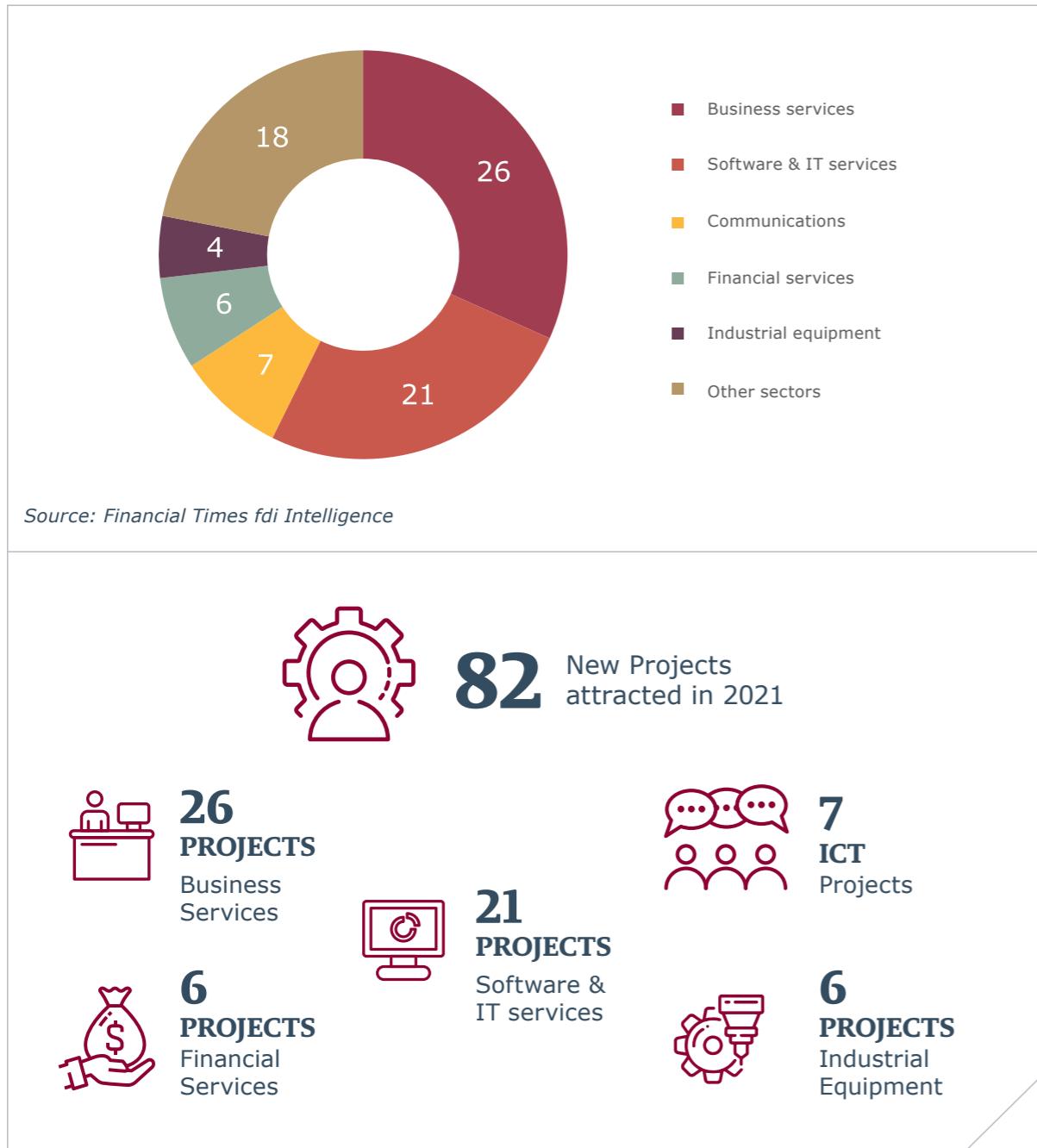
Jobs created



Number of projects

The total number of FDI projects announced in 2021 was 82. Business services and Software & IT accounted for more than 50 percent of the total projects, with 26 and 21 new projects in each sector respectively. Other sectors that attracted several projects include communication, financial services and industrial equipments.

Projects per Sector



Looking Forward



FDI Prospects

The COVID-19 pandemic economic crisis hit the FDI markets the hardest. According to an FDI intelligence report, the decline in global FDI followed the contraction in global gross domestic product (GDP) and trade. FDI flows recovered quickly in 2021, surpassing their pre-COVID-19 levels. However, the rebound was highly uneven across sectors and countries. The global FDI outlook for 2022 is positive. However, challenges such as the emergence of virus mutations, lingering uncertainty about access to vaccines, supply chain disruptions, heightened inflationary pressures, and delays in the reopening of economic sectors still remain the biggest economic risks for 2022.

FDI inflows, 2019-2021 and growth rates (%) (Billions of dollars)

Region	Inflows			2019-2020 Growth Rate (%)	2020-2021 Growth Rate (%)
	2019	2020	2021		
World	1473	929	1647	-37	77
Developed economies	752	260	777	-65	199
Developing Economies	721	669	870	-7	30
Least Developed countries	24	24	28	0	19
Africa	45	39	97	-13	147
Asia	559	588	696	5	18
Latin America and Caribbean	156	84	147	-46	75

Source: UNCTAD

As the table above demonstrates, the developed economies saw the biggest FDI rise, with FDI increasing almost 200% from its low levels in 2020. In contrast, FDI in developing economies increased by 30%, mainly because of growth accelerations in East and South-East Asia. The least developed countries also saw more modest FDI recovery growth.

Investor confidence is strong in infrastructure sectors, a stark contrast to industry and global value-chains which generally remain weak. Moreover, stagnations in investment flows to industries that are crucial for productive capacities and Sustainable Development Goals (SDG) in the developing world is a major cause for concern. Generally, the outlook for global FDI in 2022 is positive. However, a lot will depend on how countries manage the above-mentioned risks.

Besides this, there are three other key factors that will also shape global FDI going forward. They are:

Policy Environment:

According to UNCTAD's global investment policy monitor, the overall regulatory environment remains favorable for FDI inflows. However, since the 1990s, the number of restrictive policies and measures introduced globally has increased from an annual average of 5% in the 1990s and 2000s to more than 41% in 2020. The recently enacted global minimum tax reform is a case in point that may create uncertainty for investors—at least in the short term—and present long-term implications for economies.

Political Pressure:

Many countries are exerting political pressure and offering incentives to their multinationals to bring back their production plants from overseas. These 'make at home' practices discourage FDI outflows from major economies and encourage the reshoring of overseas businesses, thus reducing the supply of FDI.

Environmental Concerns:

Environment, Social and Governance (ESG) guidelines and sustainability (ESG) concerns will likely drive the future of FDI. As a result, many countries are developing ESG frameworks to promote sustainability and facilitate greenfield investment, particularly in sustainable development sectors.

FDI Landscape

Global FDI started to recover gradually from the pandemic-led low levels. However, political, economic, and environmental factors will likely shape the future FDI landscape, with sustainable investment emerging as the main priority for countries and businesses. Given these future FDI trends, Qatar has created a favorable environment for green and blue investment to boost its sustainable development and attract sustainability-conscious investors. The pandemic experience has also sped up the state's commitment to boost productive and innovative capabilities.

Qatar's economic diversification and climate mitigation strategies offer ample opportunities for sustainability-conscious investors who want to balance profit and environmental prudence. In line with its National Vision 2030 and in order to accelerate the economic diversification objectives, the state set ambitious sustainability targets. These include increasing the share of solar energy to more than 20% of its energy mix by 2030, improving water-use efficiency, improving air quality, waste management and recycling, and increasing green spaces. Green Investment would be a key to meet these targets and commitments. IPA Qatar has published multiple reports, namely ESG report and a Circular Economy report that are accessible through our website, to call attention to the opportunities for sustainability conscious investors in this space.

Qatar's startup ecosystem is also making strides in expanding and improving the environment for startups to thrive and innovate. The Ministry of Transport and Communications launched TASMU, a program to expand the ICT sector in Qatar through building connections between the public and private sector, providing funding, and empowering startups. QSTP is another actor that has taken several initiatives to foster innovation in the country, including partnerships with Qatar Development Bank and Microsoft. The funding available for startups has also increased significantly in Qatar compared to the previous year, and Qatar FinTech Hub was named the second-highest investor in the region. Furthermore, despite the pandemic, Qatar has succeeded in building momentum to launch new programs, initiatives, events, and partnerships to encourage technological innovation and further rejuvenate the startup ecosystem. A number of events including Qatar FinTech Summit, Qatar Innovation Week, and Qitcom—the largest Information and Communication Technology showcase and event in Qatar—were held since 2019. IPA Qatar's startup ecosystem report - accessible through our website - further discusses the transformation as well as the investment opportunities in Qatar's startup ecosystem.

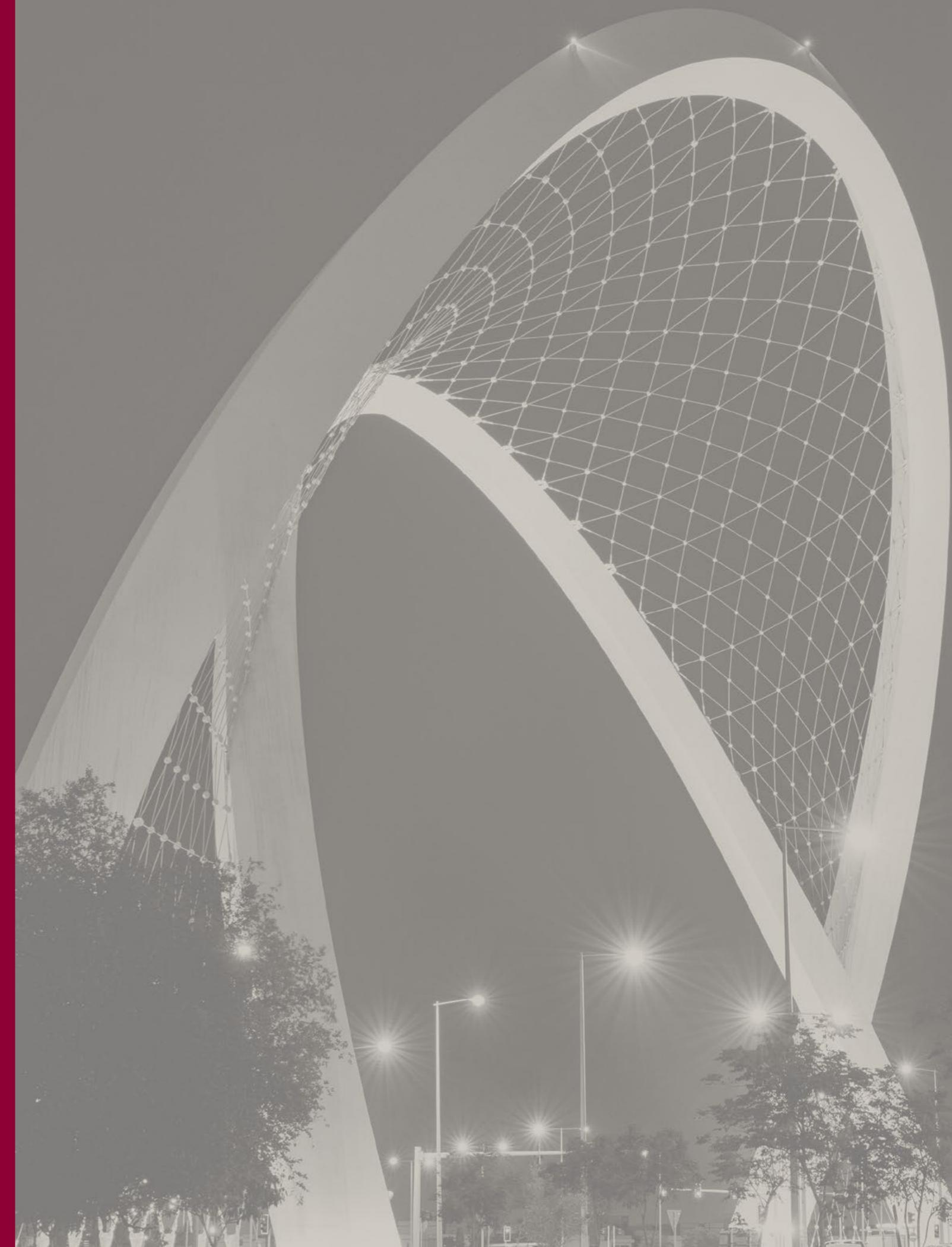


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