

FR EN

We use cookies to make your connection secure and make statistics about the number of visits. In order to get more information about cookies and find out how to refuse them, [visit our cookie policy page](#).

[Cookies settings](#)

REQUIRED ONLY

ACCEPT  
ALL

## BUSINESS ENVIRONMENT

### THE CONSUMER

#### Consumer Profile

Qatar has a population of 2.64 million (Planning and Statistics Authority of Qatar, 2021), however, it is mainly comprised of expats as Qatari citizens were no more than 333,000 in 2019 (Priya Dsouza Communications, latest data available). The population (and thus the customer base) has tripled in the decade up to 2011. The median age of the population is 33.7 years. In terms of age structure, the group between 0-14 years represents 12.84% of the population, the one 15-24 years 11.78%, 25-54 years 70.66%, 55-64 years 3.53% and 65 years and around 1.19% (CIA World Factbook, 2020 est.). The totality of Qatari consumers are urban dwellers: the country has an urbanization rate among the highest in the world, at 99.2% in 2020 (CIA World Factbook).

Qatar has the highest level of GDP per capita in the world, estimated at USD 59,140 in 2021 (IMF). Such high levels of national wealth have helped to underpin the development of a strong retail market, nevertheless, inequalities are still evident.

In recent years the cost of living has grown significantly, fueled by high rental rates. The large presence of expats has influenced the products on offer in many retail establishments.

In June 2017, Saudi Arabia and an array of other Arab countries abruptly cut all diplomatic relations with Qatar, impacting the country's retail market. However, this issue, which was one of the most severe diplomatic crises in the history of the Arabian Peninsula, ended in January 2021 when Saudi Crown Prince Mohammed bin Salman received the Emir of Qatar, Sheikh Tamim bin Hamad al-Thani.

#### Consumer Behaviour

In general, for Qatari consumers price is the key factor when making a purchase decision, and they actively seek sales and promotions whenever possible. However, consumers also take into consideration the quality of goods and services offered and are willing to try new products: the new-to-market status of goods could offer a competitive advantage.

Qatar is one of the biggest markets in the world for luxury products, and this trend is expected to continue in the next years. Fashion involvement, brand consciousness and social comparison have a significant impact on consumers' attitude toward luxury brands.

Qatari consumers seek reviews and comments before considering purchasing a product or service, as in general they trust other consumers feedbacks more than advertising campaigns. Currently, advertisements in newspapers are the most common way to promote food and other fast-moving consumer goods.

Qatar is also trying to expand its e-commerce market as the country has many of the key ingredients for a favourable online market: a population with high levels of disposable income, a strong and secure ICT infrastructure, and a highly connected society. In fact, Qatar has been ranked number one in the world in 2020 in terms of internet penetration, with a rate of 99% (Digital Report 2020, We Are Social).

Prior to Covid-19, consumers still generally shopped in-store, due to questions of cultural affiliation, ease of access to modern shopping malls, and because they preferred to see the product and interact with a

salesperson, who could provide them with direct information before making a purchase. In 2020, e-commerce activity in Qatar has increased significantly as a result of the restrictions imposed on consumers and retailers by the Covid-19 pandemic. Qatar's e-commerce industry is projected to jump from QAR 4.7 billion (US\$1.3 billion) to QAR 12 billion (US\$3.2 billion) by 2022 (USDA).

While e-commerce is rising, having a local representative is still the most effective way to reach the consumer base. Foreign companies are not allowed to directly market to the Qatari consumer base without registering as an entity in Qatar and acquiring local representation.

## Consumers Associations

Qatari Consumer Protection Department (Ministry of Economy and Commerce)

## IMPORTING & DISTRIBUTING

### Import Procedures

All importers are required by law to have an import licence. Import licences are issued only to Qatari nationals, or to the Qatari partner in a limited liability partnership. These licences must be registered with the [Ministry of Business and Trade](#). The same applies to wholly foreign-owned entities operating in Qatar; however foreign-owned businesses in Qatar must have a Qatari partner. Imported meats, including beef and poultry products, require a health certificate issued by the country of export and a 'Halal' slaughter certificate issued by an approved Islamic centre in that country. In order to clear goods from customs zones at ports or land boundaries, importers must submit certain documents including a detailed customs declaration, bill of lading, certificate of origin, pro forma invoice and import licence. Information on specific requirements should be obtained from the [Customs and Ports General Authority](#). Inspection of goods is generally conducted at customs stations or as directed by the Director-General, in the presence of the owner or his representative.

### Distribution market players

The Government of Qatar is the biggest end-user of a wide range of products and services. The government procurement process is based on standard tender procedures. A foreign supplier wishing to participate in government tenders may appoint a local commercial agent.

According to Euromonitor, private supermarkets account for the vast majority of retail sales, and this sector is currently expanding. In this way, the main players are:

- [Carrefour](#) with both hypermarkets and supermarkets (Carrefour market) in most of the shopping malls (City Center, Villagio, Ezden Mall, Lagoon Mall, Salam Mall)
- [Lulu Hypermarket](#) with big stores and a good electronic appliance mix of products
- [Mega Mart](#) with a large assortment of imported products
- [Monoprix](#) with a large range of food products (50% of the store) and cosmetics products.
- [Al Meera Group](#) in a partnership with the french Géant

According to the International Trade Administration, the following distribution channel was in place in 2020: the importer/agent sells to private supermarkets (60%), cooperatives (20%), institutional users (10%) and wholesalers and convenience stores (5%).

## OPERATING A BUSINESS

## Type of companies

### General Partnership

**Number of partners:** Two or more partners

**Capital (max/min):** No minimum capital required

**Shareholders and liability:** Shareholders are jointly and personally responsible for the liabilities of the company

### Simple Partnership Company

**Number of partners:** Composed of two types of partners: Joint Partners and Trustee Partners

**Capital (max/min):** Company should have a minimum capital of QAR 200,000

**Shareholders and liability:** There are two types of partners and responsibilities: "joint partners" - who are empowered to administer the affairs of the company, and are jointly and personally responsible for the company's liabilities - and "trustee partners", who contribute to the company's capital and whose responsibility is limited to the value of their shares in the capital

### Private Shareholding Company

**Number of partners:** Minimum of five shareholders

**Capital (max/min):** The capital should not be less than QAR 2,000,000. The capital divided into equal shares of value and are transferrable.

**Shareholders and liability:** Shareholders liability for the company's obligations is limited to the amount of the nominal value of the shares for which they subscribe.

### Limited Liability Corporation (with Limited Liability)

**Number of partners:** Minimum two and maximum fifty partners. Foreign investors are allowed to hold a maximum of 49% in the company and the LLC must have one or more Qatari partners.

**Capital (max/min):** No minimum capital required

**Shareholders and liability:** Limited to the value of shares held in the company.

### Sole Proprietorship Company

**Number of partners:** One natural or corporate person

**Capital (max/min):** Company must have a minimum capital of QAR 200,000, paid in full

**Shareholders and liability:** The company's owner shall be personally responsible for company obligations, unless he separates his personal interests from that of the company.

### Holding Company

**Number of partners:** A joint stock, limited liability or one-person company financially and administratively controlling one or more other companies by holding at least 51% of the shares of such companies

**Capital (max/min):** Company must have a minimum capital of QAR 10,000,000 (to be opened as a public shareholding company)

**Shareholders and liability:** Depending on the type of the controlled companies, as the case may be.

Setting Up a Company	Qatar	Middle East & North Africa
Procedures (number)	8.0	6.3
Time (days)	8.7	19.5

## Cost of Labour

### Minimum Wage

A monthly minimum wage of QAR 1,800 per month (with allowances of at least QAR 300 and QAR 500 for food and accommodation respectively), has recently been introduced for all workers, of all nationalities, in all sectors (ILO, 2021).

### Average Wage

The average annual salary is 11,183 Qatari riyals (ILO Global Wage Report 2020-21).

### Social Contributions

Social Security Contributions Paid By Employers: Employers are not required to pay Social Security Contributions for the foreign labor force they recruit.

According to Law No. (24) of 2002, employers are obliged to contribute to a pension fund in respect of Qatari workers at a rate of 10%.

Social Security Contributions Paid By Employees: The level of contribution is set at 5% of the employee's gross payroll.

## Intellectual Property

### National Organisations

The Ministry of Economy and Trade, Directorate for Trademarks, Designs and Industrial Models.

### Regional Organisations

GCC Patent Office

## TAX RATES

---

### Consumption Taxes

#### Nature of the Tax

Currently, Qatar imposes no VAT or sales tax on operations in its territory. However, VAT is expected to be implemented by 2023, since Qatar is part of the GCC VAT framework.

#### Tax Rate

N/A at the moment. The standard rate of VAT in Qatar and the GCC should be 5%.

#### Reduced Tax Rate

N/A at the moment.

## **Other Consumption Taxes**

**Excise tax** applies in Qatar from 1 January 2019 and is imposed both on imports and locally produced goods. Rates are 100% on tobacco products, energy drinks and “special purpose” goods and 50% on carbonated drinks.

## **Corporate Taxes**

### **Company Tax**

10%

### **Tax Rate For Foreign Companies**

Withholding taxes: employers are required to withhold 5% gross royalties and 7% of the gross amount of interest for non-resident employees.

### **Capital Gains Taxation**

Capital gains are aggregated with other income and are subject to tax at the regular corporate income tax rate.

## **Main Allowable Deductions and Tax Credits**

Expenses occurred to generate income are generally deductible, provided they are not capital in nature. Other deductible expenditures include: employee costs (including salaries, wages, gratuities, and other ends of service benefits), losses resulting from the sale of assets, rents, insurance premiums. Bad debts are deductible subject to approval of the General Tax Authority. Interests on loans are deductible (subject to conditions). Entertainment expenses are deductible up to 2% of net income or QAR 500,000, whichever is lower. Certain charitable contributions are deductible, up to 3% of the net profit in the year in which the deduction is claimed. Payments to foreign head offices are deductible up to 3% of the total revenue less certain other costs (1% for banks and insurance companies). Losses may be deducted from the net income during the year. Losses can be carried forward for five years after the year in which they were incurred, but cannot be carried back.

## **Other Corporate Taxes**

Employers have to pay social insurance in respect of Qatari employees (10% of the basic salary) but have no obligations for foreign employees. Employees' salaries, wages, and allowances are not subject to income tax. Although no property or transfer taxes are levied in Qatar, fees may be payable to the government by the owner on the registration of property and by the landlord on the registration of leases.

## **Other Domestic Resources**

**General Tax Authority (GTA)**

**Consult Doing Business website (World Bank)**, to obtain a summary of the taxes and mandatory contributions.

**Double Taxation Treaties**

**Countries With Whom a Double Taxation Treaty Have Been Signed**

List of Tax Conventions signed by Qatar

**Withholding Taxes**

Dividends: 0; Interest: 0 (residents)/5% (non-residents); Royalties: 0 (residents)/5% (non-residents)  
The rates may be further reduced under a tax treaty.

