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ECONOMIC AND POLITICAL OVERVIEW

ECONOMIC OVERVIEW

The Emirate’s economy is heavily concentrated in the gas industry, which represents two-thirds of its GDP and almost 80% of export earnings. Qatar's decade-long endeavors to diversify the economy reached fruition with the successful hosting of the 2022 FIFA World Cup. Following robust growth in 2022 (4.9% of GDP) fueled by elevated natural gas prices and the aforementioned World Cup, the Qatari economy continued to expand in 2023, albeit at a slower rate (1.6% as per the IMF latest estimates). Near-term growth normalization is anticipated, with non-hydrocarbon sectors driven by public project investments, the North Field LNG expansion project, and subsequent benefits in logistics, manufacturing, and trade. Over the medium term, growth is projected to average around 5.5%, bolstered by substantial LNG production expansion and initial reform progress from the forthcoming Third National Development Strategy (NDS3).

The central government fiscal surplus increased to approximately 10% of GDP in 2022. Substantial fiscal surpluses persisted through the third quarter of 2023, supporting a projected surplus of 7.5% of GDP for the year. At the same time, non-hydrocarbon revenues increased due to higher corporate earnings, driven by the rise in tourist arrivals. The debt-to-GDP ratio decreased marginally in 2023 (to 41.4%, from 42.4% one year earlier), and is expected to follow a downward trend over the forecast horizon, reaching 46.3% by 2025 (IMF). With the decline in global commodity prices and the normalization of domestic demand, headline inflation eased to below 3% in 2023 and is expected to remain around 2% over the medium term. The Qatar Investment Authority (QIA) holds total assets estimated to be around 200% of GDP. Its overseas investments encompass diverse sectors including sports, entertainment, media, ports, real estate, retail, and airports. This strategy enables the emirate to utilize its external surplus, enhance the country's prestige, and generate additional investment income. Banks exhibit strong capitalization, liquidity, and profitability, with a capital adequacy ratio of 19% and a return on equity of 14.6% as of Q2/2023.

Qatar is overall a politically stable, rich country (it had the fifth-highest income per capita in the world in 2022 according to the World Bank, PPP, at USD 114,648). It is estimated that 85% of the inhabitants are expatriates, whose rights are limited, despite the progress made with recent reforms. According to World Bank, unemployment is almost null, representing 0.1% of the total labour force in 2022.

| Main Indicators | 2022 | 2023 (E) | 2024 (E) | 2025 (E) | 2026 (E) |
|---|--------|----------|----------|----------|----------|
| GDP <i>(billions USD)</i> | 236.42 | 235.50 | 246.36 | 258.77 | 270.69 |
| GDP <i>(Constant Prices, Annual % Change)</i> | 4.9 | 2.4 | 2.2 | 3.7 | 3.6 |
| GDP per Capita <i>(USD)</i> | 83,521 | 81,968 | 84,899 | 88,731 | 92,359 |
| General Government Gross Debt <i>(in % of GDP)</i> | 42.4 | 41.4 | 38.3 | 36.3 | 34.9 |
| Inflation Rate <i>(%)</i> | n/a | 2.8 | 2.3 | 2.2 | 2.1 |
| Current Account <i>(billions USD)</i> | 63.12 | 41.53 | 38.01 | 34.34 | 29.69 |
| Current Account <i>(in % of GDP)</i> | 26.7 | 17.6 | 15.4 | 13.3 | 11.0 |

Country Risk

See the country [risk analysis](#) provided by [La Coface](#).

MAIN SECTORS OF INDUSTRY

Qatar's agricultural sector is almost non-existent due to the country's climate and a lack of arable land. It is estimated to account for only 0.3% of GDP, employing 1% of the workforce (World Bank, latest data available). Although Qatar experiences a dry climate, it has embraced and implemented sustainable and intelligent technologies, such as automated irrigation systems, hydroponics, and aquaponics, to improve both the quality and quantity of fruits and vegetables. The country is self-sufficient in fresh poultry and dairy.

The economy of Qatar is based on the oil and natural gas sectors: proved natural gas reserves represent 11% of the world total and the third-largest in the world, while proved oil reserves exceed 25.2 billion barrels, which means the production could continue for over 50 years at current levels. Qatar's liquefied natural gas (LNG) industry has attracted tens of billions of dollars in foreign investment and made Qatar the world's second-largest exporter of this commodity (after the U.S.). Being the country's main economic engine and government revenue source, Qatar is highly dependent on the oil & gas sector, thus after the drop in commodity prices in recent years, it tried to diversify its economy, focusing mainly on manufacturing, construction, leading non-oil GDP to steadily rise to just over half the total. The construction sector in particular was booming due to the preparation for the 2022 FIFA World Cup of football. Overall, the industrial sector contributes 65.4% of GDP and 40% of employment, while manufacturing accounts for 9% of GDP (World Bank).

The services sector is based mainly on financial services and is estimated to account for 38.5% of GDP, giving employment to 59% of the active population (World Bank). According to official data, approximately 8% of the country's GDP in 2022 came from the financial sector (USD 19 billion). Tourism is also an important economic sector: the "Qatar Tourism Strategy 2030" set a target to attract over 6 million international visitors a year by 2030. The country saw a 5-year tourism high with 4 million visitors in 2023. The transportation and storage sector contribution to Qatar's GDP as of 2022 stood at USD 9.9 billion.

| Breakdown of Economic Activity By Sector | Agriculture | Industry | Services |
|---|-------------|----------|----------|
| Employment By Sector <i>(in % of Total Employment)</i> | 1.2 | 54.0 | 44.8 |
| Value Added <i>(in % of GDP)</i> | 0.3 | 65.6 | 38.3 |
| Value Added <i>(Annual % Change)</i> | 7.7 | 2.5 | 6.8 |

Source: World Bank - Latest available data.

| Monetary Indicators | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|------|------|------|------|------|
| Qatari Rial (QAR) - Average Annual Exchange Rate For 1 USD | 3.64 | 3.64 | 3.64 | 3.60 | 3.64 |

Source: World Bank - Latest available data.

FOREIGN TRADE

Qatar's trade policy is essentially focused on creating a modern and liberal economy. This is reflected in its promotion of investment (both domestic and foreign), its trade diversification programs at the regional and international levels and membership in several organisations, such as the WTO. Trade represents 100% of the country's GDP (World Bank, latest data available). Mineral fuels, oils and distillation products represented over 87.2% of the country's exports in 2022 (mainly natural gas, followed by crude and other oil products), while chemical products accounted for 6.1%. In terms of product category, machinery and transport equipment constituted the main import (35.2% of the total), ahead of miscellaneous manufactured articles (22%), manufactured goods (14%), and food and live animals (11.3% - data PSA).

In 2022, Asia emerged as the primary destination for Qatar's exports, constituting 66.2% of total exports, and the leading source of Qatar's imports, comprising 39.5% of total imports. Following Asia, the European Union accounted for 22.7% of exports and 27.1% of imports, while the GCC represented 6.8% of exports and 5.4% of imports (data PSA). On a country level, the main export partners were China (15.9%), India (11.6%), Japan (10.9%), and South Korea (9.6%). Qatar's leading suppliers were China (16.2%), the United States (14.6%), India (6.2%) Italy (5.7%), and Germany (5%). Qatar has very few trade barriers and relatively low customs duties. It has signed a number of free trade agreements, both bilaterally and via the [Gulf Cooperation Council](#).

Benefiting from strong oil and gas revenues, Qatar's merchandise trade balance is structurally positive. In 2022, the country's exports increased by 50%, to reach USD 130.9 billion, on the back of high hydrocarbon prices. On the other hand, imports totalled USD 33.4 billion (+19.6%). As many countries in the region, Qatar remains a net importer of services: imports reached USD 41 billion in 2022, while exports amounted to USD 30.7 billion. The trade surplus was estimated at 36.9% of GDP by the World Bank (the third highest worldwide). According to data from the Qatar Planning and Statistics Authority, in the first three quarters of 2023, the country exported QAR 270.9 billion worth of goods against QAR 84 billion in imports.

| Foreign Trade Values | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|--------|--------|--------|--------|---------|
| Imports of Goods <i>(million USD)</i> | 31,696 | 29,178 | 25,835 | 27,985 | 33,479 |
| Exports of Goods <i>(million USD)</i> | 84,905 | 72,935 | 51,504 | 87,203 | 130,964 |
| Imports of Services <i>(million USD)</i> | 32,504 | 35,416 | 34,698 | 34,340 | 41,000 |
| Exports of Services <i>(million USD)</i> | 18,273 | 19,111 | 19,429 | 18,346 | 30,728 |

Source: World Trade Organisation (WTO) ; Latest available data

| Foreign Trade Indicators | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|--------|--------|--------|--------|--------|
| Foreign Trade <i>(in % of GDP)</i> | 91.8 | 90.0 | 90.0 | 93.0 | n/a |
| Trade Balance <i>(million USD)</i> | 50,981 | 41,581 | 27,137 | 60,339 | 97,445 |
| Trade Balance (Including Service) <i>(million USD)</i> | 36,750 | 25,276 | 11,869 | 44,345 | 87,173 |
| Imports of Goods and Services <i>(Annual % Change)</i> | 4.6 | 1.9 | -8.9 | n/a | n/a |
| Exports of Goods and Services <i>(Annual % Change)</i> | -1.2 | -2.2 | -1.5 | n/a | n/a |
| Imports of Goods and Services <i>(in % of GDP)</i> | 35.9 | 37.9 | 40.9 | 34.1 | n/a |
| Exports of Goods and Services <i>(in % of GDP)</i> | 55.9 | 52.2 | 49.1 | 58.9 | n/a |

Source: World Bank ; Latest available data

| Foreign Trade Forecasts | 2023 | 2024 (e) | 2025 (e) | 2026 (e) | 2027 (e) |
|--|------|----------|----------|----------|----------|
| Volume of exports of goods and services (Annual % change) | -3.0 | 0.5 | 5.5 | 4.7 | 13.1 |

| Foreign Trade Forecasts | 2023 | 2024 (e) | 2025 (e) | 2026 (e) | 2027 (e) |
|---|------|----------|----------|----------|----------|
| Volume of imports of goods and services (Annual % change) | 2.4 | 2.2 | 3.7 | 3.6 | 6.3 |

Source: IMF, World Economic Outlook ; Latest available data

Note: (e) Estimated Data

International Economic Cooperation

Member of the [Gulf Cooperation Council \(GCC\)](#)

Member of the [Organisation of the Petroleum Exporting Countries \(OPEC\)](#).

The country is also part of [the Greater Arab Free Trade Area](#)(GAFTA), a pact of the Arab League entered into force in January 2005 which aims to form an Arabic free trade area.

Main Partner Countries

| Main Customers <small>(% of Exports)</small> | 2022 |
|---|-------|
| China | 15.9% |
| India | 11.6% |
| South Korea | 10.9% |
| Japan | 9.6% |
| United Kingdom | 6.5% |
| See More Countries | 45.5% |

| Main Suppliers <small>(% of Imports)</small> | 2022 |
|---|-------|
| China | 16.2% |
| United States | 14.6% |
| India | 6.2% |
| Italy | 5.7% |
| Germany | 5.0% |
| See More Countries | 52.3% |

Source: Comtrade, Latest Available Data

POLITICAL OUTLINE

Current Political Leaders

Emir of Qatar: Tamim bin Hamad Al Thani (since 25 June 2013)
Prime Minister: Muhammad bin Abd al-Rahman Al Thani (since 7 March 2023)

Next Election Dates

Works for holding the country's first legislative election were inaugurated in October 2019. General elections were held in Qatar for the first time on 2 October 2021, following an announcement by the Emir of Qatar on 22 August. A total of 284 candidates contested the 30 seats, with 29 women running. All candidates ran as independents. Voter turnout was 63.5%.
Next election: 2025

Main Political Parties

The Qatari citizens enjoy limited political rights, and the formation of political parties is prohibited in the country. The only elections are for an advisory municipal council, and all candidates for municipal elections run as independents. Legislative elections for the Advisory Council are yet to be held.

Executive Power

The chief of state is the Emir, a hereditary title. Though the country is formally a constitutional monarchy, the Emir exercises the executive power and has the mandate to approve or reject legislation after consultation with an Advisory Council.

The Emir also appoints the Prime Minister and approves the formation of the Council of Ministers upon recommendation of the Prime Minister.

Legislative Power

Qatar's legal system is a mix of civil law and Islamic law (sharia). The Advisory Council (or Majlis al-Shura) can draft and approve laws, but the final say is in the hands of the Emir. The Council has 45 members, 30 of whom are elected by direct, general secret ballot, while 15 are appointed by the Emir. The Council of Ministers can also propose draft laws and decrees to the Advisory Council.

Sharia law is applied to laws related to family law, inheritance, and several criminal acts.

COVID-19 COUNTRY RESPONSE

Travel restrictions

Regularly updated travel information for all countries with regards to Covid-19 related entry regulations, flight bans, test and vaccines requirements is available on [TravelDoc Infopage](#).

To find information about the current travel regulations, including health requirements, it is also advised to consult Travel Regulations Map provided and updated on a daily basis by [IATA](#).

Import & export restrictions

A general overview of trade restrictions which were adopted by different countries during the COVID-19 pandemic is available on the [International Trade Centre's COVID-19 Temporary Trade Measures](#) webpage.

Economic recovery plan

For the general overview of the key economic policy responses to the COVID-19 pandemic (fiscal, monetary and macroeconomic) undertaken by the government of the Qatar, please consult the country's dedicated section in the [IMF's Policy Tracker platform](#).

Support plan for businesses

For an evaluation of impact of the Covid pandemic on SMEs and an inventory of country responses to foster SME

resilience, refer to the OECD's [SME Covid-19 Policy Responses](#) document.

You can also consult the World Bank's [Map of SME-Support Measures in Response to COVID-19](#).