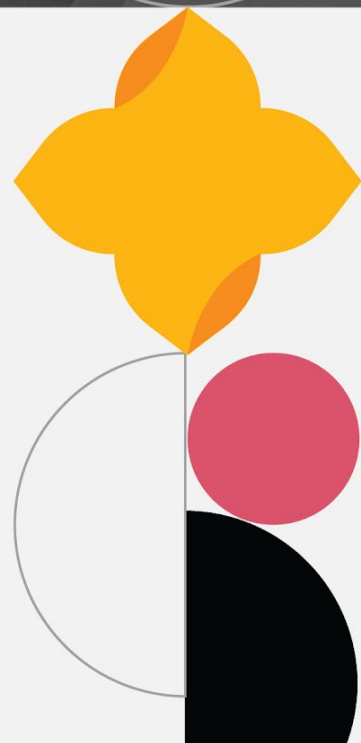




Qatar Economy Watch 2024

**Accelerating economic
transformation and growth:**
Navigating a resilient future with
diversification and decarbonisation





Foreword

Qatar is looking ahead to an era of transformation and growth, which is underpinned by its Third National Development Strategy (NDS-3). The journey has been remarkable, from being a predominantly hydrocarbon-based economy to now standing on the cusp of a diversified and knowledge-based one. The strategic foresight of the Qatar National Vision (QNV) 2030 has been the guiding star, steering it towards achieving significant milestones in various key sectors that are critical to Qatar's long-term success.

This edition of the Qatar Economy Watch encapsulates our views on the actions that could be taken to continue towards a future that promises prosperity, sustainability, and resilience.

The confidence and positivity around Qatar's economic growth has been reflected in the findings of our latest [27th Annual CEO Survey: Qatar findings](#)¹. As many as 84% of the surveyed CEOs are optimistic about the country's economic growth in the next 12 months, surpassing the global average of 44% and the regional average of 73%, who feel the same way about their own economies.

While the country's vast oil and natural gas reserves have historically driven its rapid GDP growth, Qatar is now looking ahead to a more diversified future for its economy. Recent accomplishments in key growth sectors, such as clean energy, logistics, tourism and sports, and artificial intelligence, as highlighted in this report, are a testament to the progress and potential that lie ahead.

The next few years will be important for Qatar as it continues to advance its transformation journey by accelerating the economic diversification agenda and implementing high-impact sectoral strategies, guided by NDS-3 and the new government excellence framework. Supported by active private sector participation, skilled labour, advanced technology, and global partnerships, we envision this to be a period of robust transformation and accelerated growth.

We are very excited about what is coming next in Qatar and the momentum we see around us.



Bassam Hajhamad

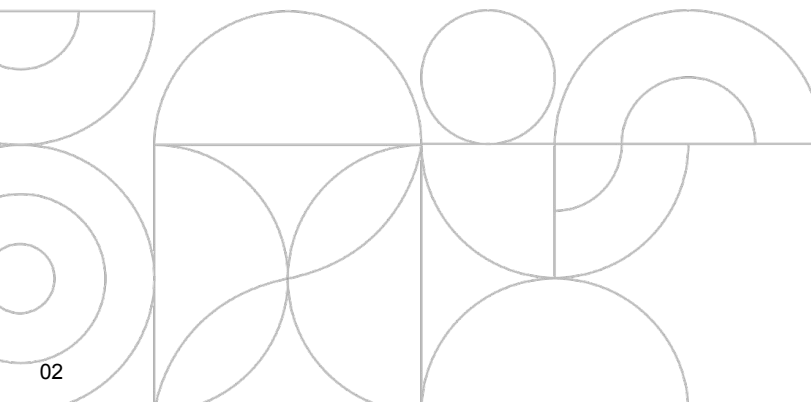
Qatar Country Senior Partner
and Consulting Lead

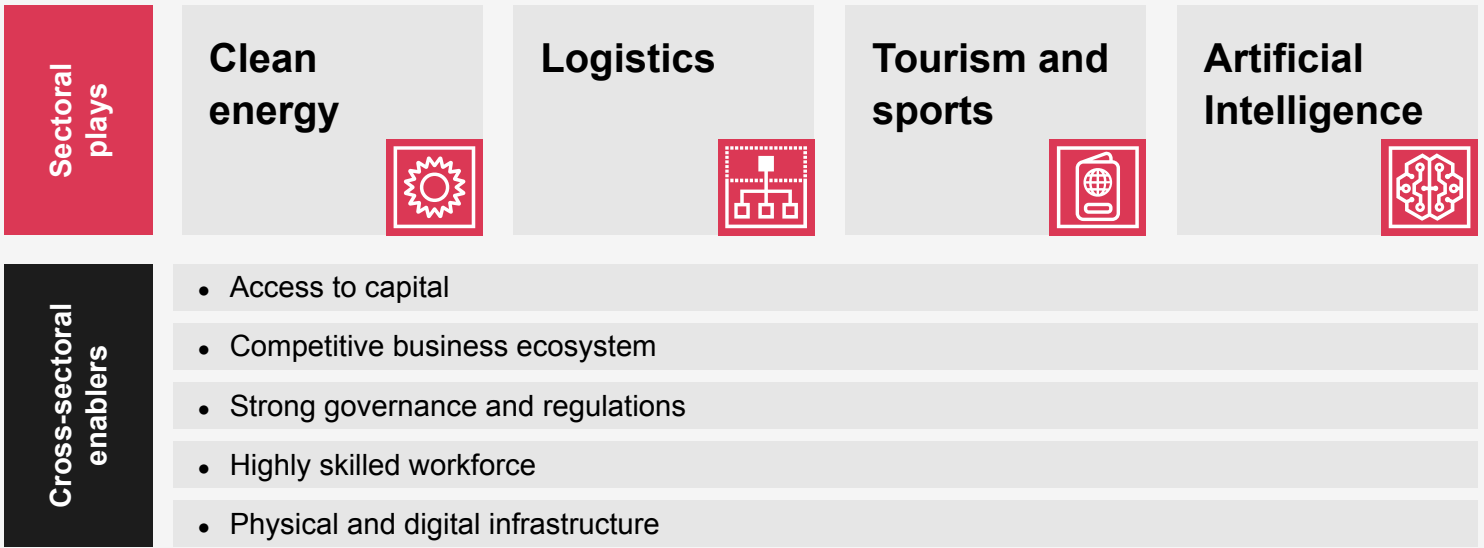
Introduction

Since the discovery of oil in the Dukhan Fields in 1940, Qatar has been a key player in the global energy market, particularly as a leading exporter of liquefied natural gas (LNG). This wealth has fuelled QNV 2030.

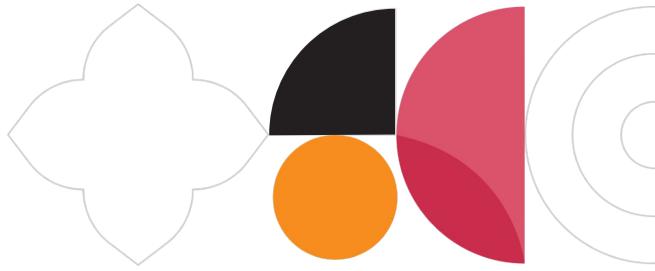
Currently the government has rolled out NDS-3², spanning 2024-2030, and underlining a commitment to diversification and sustainability for future prosperity. Qatar is actively welcoming international investments to grow its private sector, while exploring the potential of emerging industries, such as technology, clean energy, manufacturing, tourism and sports. This strategic transformation highlights Qatar's commitment to economic resilience and innovation in the face of global and regional challenges.

In this edition of the Qatar Economy Watch, we take a look at Qatar's macroeconomic landscape, followed by a discussion of four key sectoral plays. These include clean energy, logistics, tourism and sports, and Artificial Intelligence (AI) - areas that can sustain economic growth and diversification, increase foreign direct investment (FDI), localise industries, and expand private sector participation.

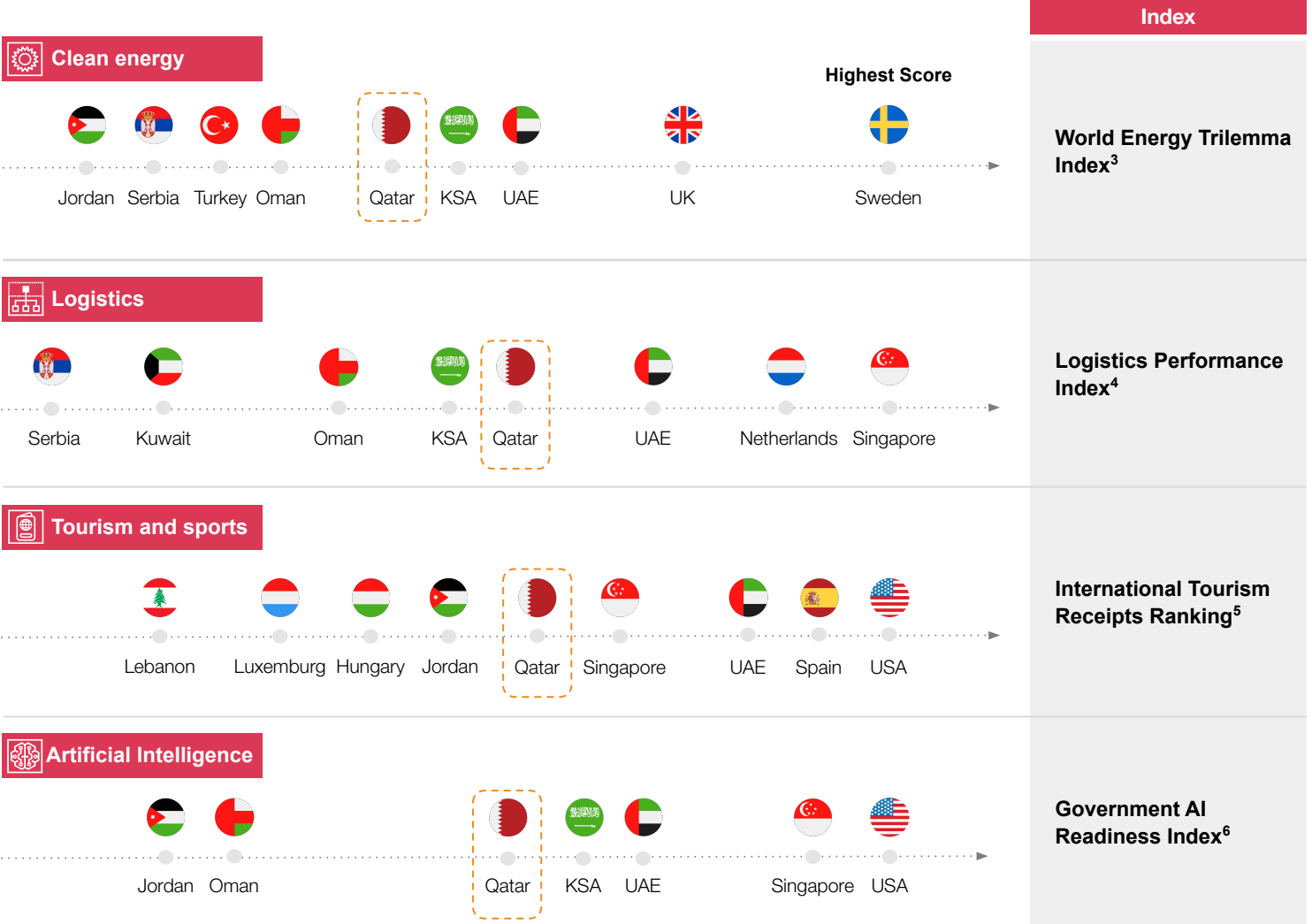


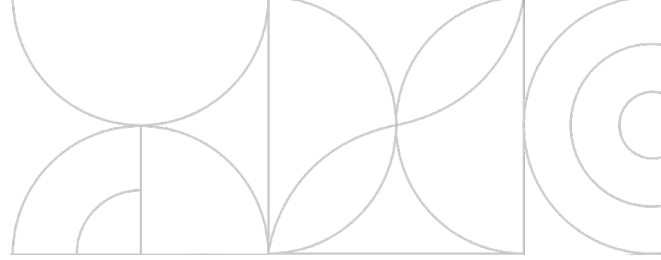


We have also benchmarked Qatar's positioning at a regional and global level and analysed best-in-class global initiatives in these sectors that highlight opportunities for future growth. By aligning our insights with Qatar's long-term objectives, we aim to support the country in adopting leading practices and securing its position as a significant player on the global stage. Finally, we have identified five key cross-sectoral enablers that will facilitate the effective execution of these strategic initiatives and deliver tangible outcomes.



Qatar's performance at a global level



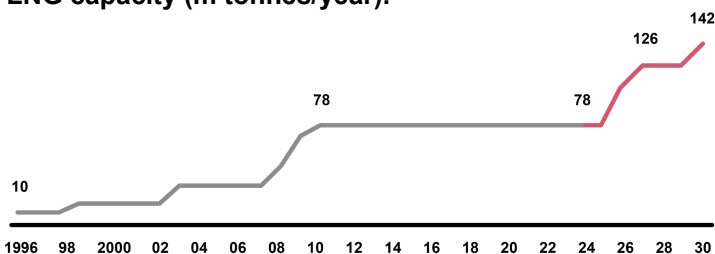


Robust fiscal health fuels non-oil economic growth

Qatar's economy had a strong start in 2024, anchored by its hydrocarbon sector that was already accelerating towards diversification. In 2023, Qatar achieved a third consecutive fiscal surplus of QR43.1Bn⁷, accounting for over 5% of its GDP, which is the highest in the GCC. Forecasts for this year predict another surplus, based on a conservative oil price assumption of US\$60 per barrel⁸, despite Brent crude's actual Q1 average of US\$83⁹. It is expected that the price will remain over US\$80¹⁰ on an average throughout the year, similar to 2023. The budget anticipates a -5% decline in expenditure compared with the 2023 outturn⁸, largely due to reduced spending on major capital projects, signalling a fiscal surplus on par with the previous year. Looking into the medium term, the fiscal position is expected to strengthen further as the North Field expansion moves ahead and is ready to enter commercial operations.

In February, QatarEnergy announced a third phase, North Field West, with plans to add two more liquefied natural gas (LNG) trains totaling 16M tonnes per year (t/yr.) by 2030¹¹. Meanwhile, construction is progressing rapidly on the existing phases, North Field East (32M t/yr.) and North Field South (16M t/yr), which will come onstream in stages during 2026-27. These expansion phases will increase gross LNG capacity by over four-fifths to 142M t/yr.¹¹, in addition to increases in the production of condensates, natural gas liquids, ethane and helium. The LNG expansion was upsized after exploration activity boosted its reserve estimates and after a record series of long-term contract signings with customers in Asia and Europe, with 27-year terms, which allocated around 600m tonnes of LNG^{12,13}. Credit rating agencies, Moody's and Fitch both upgraded Qatar to AA ratings in early 2024¹⁴, following a strong outlook and declining debt.

LNG capacity (m tonnes/year).



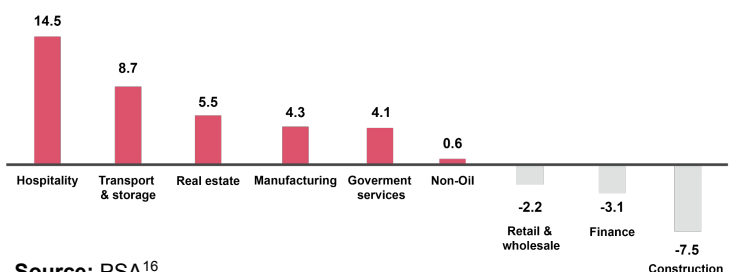
Source: QatarEnergy¹¹

Qatar's strong fiscal position allows the state to focus on its other economic priorities. In 2023, inflation decreased to an average of 2.9% from 5% in 2022¹⁵, and the International Monetary Fund (IMF) predicts a further decrease to 2.3% this year. Rents, the main driver of inflation in 2022-23, are also becoming more affordable. The non-oil economy experienced a slowdown in 2023 following its robust growth in the lead-up to the FIFA World Cup 2022, with a 0.6% year-on-year growth during the first half of 2023, compared to 5.8% in 2022¹⁶. The IMF's Article IV report estimated full-year growth at 1%¹⁷. Another positive indicator was the purchasing managers index for the private sector averaged 52.4 in 2023¹⁸ (comfortably above the neutral level of 50 points), indicating growth throughout the year, contrary to expectations of a post-World Cup recession.

In the first half of 2023, the construction sector experienced -8% year-on-year, a cooldown from the high construction activity that was required leading up to the FIFA World Cup 2022. Financial services and retail and wholesale trade sectors also saw -3% and -2% respectively. In contrast, other sectors saw robust growth: Manufacturing surged by 4%, while transport and storage sectors grew by 9%¹⁶. The hospitality sector, including hotels and restaurants boomed with a 15% increase in GDP, aligning with a significant 58% increase in tourist arrivals, resulting in a record 4 million visitors¹⁹ for the year. This demonstrates that Qatar was able to positively leverage the visibility it received from the World Cup.

After the 2022 World Cup, new opportunities emerged in 2023, including in the North Field expansion and some of the non-oil sectors discussed in this report. As a result, Qatar's expatriate population continued to increase during 2023 and this has continued into 2024, averaging a record 3.1M²⁰ in the first quarter, up 5% year-on-year. The IMF forecasts that non-oil growth will double this year to 2%¹⁷ and will accelerate further in subsequent years as the NDS-3 is rolled out.

Non-oil GDP growth in H1 2023 (percentage year-on-year, selected sectors)



Source: PSA¹⁶



Section 2:

Analysing sectoral plays



Clean energy: Leveraging Qatar's resources while pursuing diversification and decarbonisation

Qatar, a major player in the global energy market, ranks as the sixth largest oil producer in the Middle East and 14th worldwide²¹, with the world's third-largest natural gas reserves. The nation is set to boost its LNG output by 85%²² by 2030 and is the largest single-site exporter of urea, showcasing a diverse energy portfolio.

Moving towards decarbonisation, Qatar is reducing greenhouse gas emissions by preferring natural gas for power generation, which emits significantly less CO₂ than coal and oil²³. The country has launched solar power projects, including the Al Kharsaah Solar PV Power Plant, which is expected to supply clean energy to over 200,000 households²³, and aims to expand its solar capacity to over 5 gigawatt (GW) by 2035²³. Additionally, it is advancing in sustainable ammonia production with the world's largest blue ammonia plant, integrating Carbon Capture (CC) and Sequestration (CCS) technology, aiming to increase its CCS capacity by 400% by 2035²³.

In aviation, Qatar Airways is committed to achieving net zero carbon emissions by 2050²⁴, with initiatives to increase the use of sustainable aviation fuel (SAF) to 10% by 2030²⁵, reflecting a wider commitment towards decarbonisation efforts across multiple sectors.

Case studies insights:

Within the clean energy space, regional and global nations are diversifying energy production, championing green hydrogen for sector-wide decarbonisation. Our case studies reveal critical strategies that can provide insight for Qatar's energy future.

Clean energy case studies



Sweden



Sweden's strategy diversifies energy with biofuel and nuclear, accounting for 28% and 27% of total energy.



BECCS Stockholm, one of seven projects funded by the EU innovation fund, can remove 7Mt CO₂ in its first 10 years.



Climate Investment Programme (Klimp) started in 2003 to support municipalities in projects that reduce GHG emissions.



United Kingdom



The UK has significantly increased renewable energy from a share of 3% in 2020 to 40% in 2021 mainly thanks to wind and biofuel.



Set up a 24Bn USD carbon capture and storage infrastructure fund (CIF).



Developed 10GW of green hydrogen production by 2030.



Banned the sale of all petrol/diesel vehicles by 2040.



UAE



UAE is investing in reducing emissions with nuclear energy, expecting the Barakah plant to provide 25% of electricity.



Masdar is developing the world's largest single site solar power plant (2GW).



ADNOC invested in a \$3.8Bn project to decarbonise offshore operations by up to 50%.



Investing in a carbon capture project at the Habshan gas processing plant with 1.5M tonnes per year of CO₂ capacity.

A future-focus strategy

Qatar's future energy strategy emphasises reinforcing its LNG export leadership, broadening energy production diversity, and enhancing decarbonisation. By adopting a sector coupling approach, Qatar aims to collectively address environmental challenges across all sectors for increased efficiency and cost-effectiveness. This comprehensive strategy leverages Qatar's competitive edge to drive its clean energy transition and energy goals.

1. Decarbonisation

Qatar's future energy strategy emphasises reinforcing its LNG export leadership, broadening energy production diversity, and enhancing decarbonisation. By adopting a sector coupling approach, Qatar aims to collectively address environmental challenges across all sectors for increased efficiency and cost-effectiveness. This comprehensive strategy leverages Qatar's competitive edge to drive its clean energy transition and energy goals.

Sustainable Aviation Fuel (SAF) production and export

Qatar can tackle environmental issues by investing in a waste-to-fuel plant to produce SAF from domestic and industrial waste, reducing emissions in aviation and industrial sectors while improving waste management. This initiative is not only environmentally significant but also offers a promising business prospect, given the rising SAF demand in the region. Notably, neighbouring countries and airlines are increasingly committing to SAF to reduce carbon emissions, with Qatar well-positioned to meet this demand and potentially become a key SAF supplier in the Middle East.

Production and export of green hydrogen

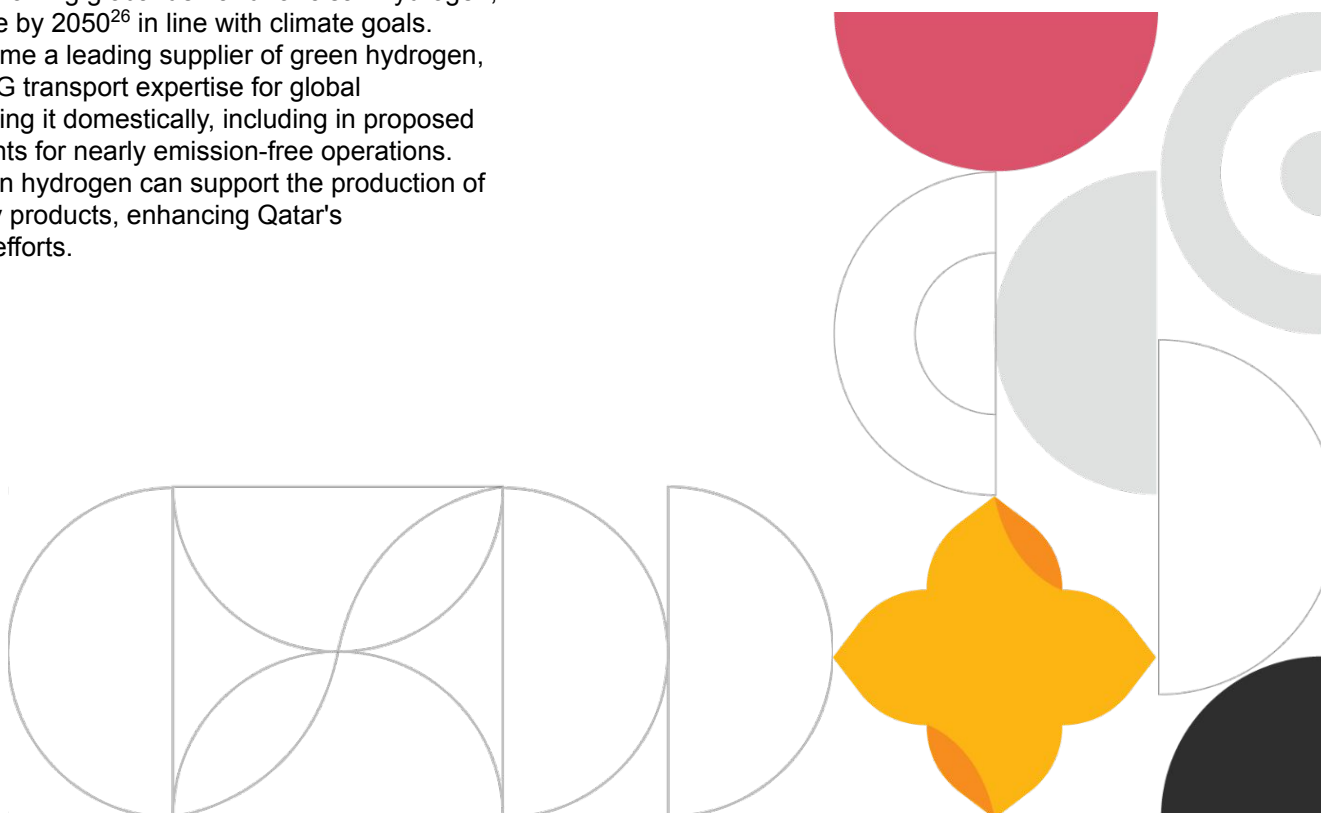
Qatar's solar power expansion enables the production of green hydrogen, green methanol, and green ammonia, tapping into the growing global demand for clean hydrogen, expected to surge by 2050²⁶ in line with climate goals. Qatar could become a leading supplier of green hydrogen, leveraging its LNG transport expertise for global distribution, or using it domestically, including in proposed waste-to-fuel plants for nearly emission-free operations. Additionally, green hydrogen can support the production of other eco-friendly products, enhancing Qatar's decarbonisation efforts.

Production and export of green hydrogen derivatives

Besides green hydrogen, its derivatives like green methanol and green ammonia are gaining traction globally for various uses, including CO₂-free energy production and as eco-friendly fuels in the maritime and automotive sectors. With countries and companies exploring these alternatives to fossil fuels^{27,28}, Qatar has an opportunity to lead in producing and exporting these green products, responding to the increasing demand for sustainable solutions.

2. Diversification of energy production

Qatar's clean energy strategy aims to diversify into renewables, targeting a solar capacity increase to 5 GW by 2035²³. This includes producing green hydrogen from solar projects to serve as a backup energy source, enhancing the reliability of renewable energy and reducing fossil fuel dependence. Green hydrogen is also seen as key to reducing greenhouse gas emissions in power generation, hence integrating it into the existing infrastructure, such as in gas turbines and natural gas pipelines, supports Qatar's broader environmental goals and commitment to advanced energy technologies.





Logistics: Strengthening partnerships and investing in cutting-edge technology

Qatar has bolstered its global logistics standing with significant investments in key areas, such as port development, border optimisation, and fostering multilateral port partnerships with global ports, such as Rotterdam. However, despite logistics reach and infrastructure, and the overall growth, attracting more trade flow through Qatar remains limited.

In tandem with global endeavours, Qatar has been strengthening its local infrastructure through the expansion of Hamad Port and Hamad International Airport, along with upgrading land borders at Abu Samra to facilitate smooth and secure trade flows. This has attracted major shipping lines and airlines, further solidifying Qatar's logistical capabilities. It has also focused on enhancing its regional integration through projects like the plans for a Friendship Bridge with Bahrain and a rail link with Saudi Arabia to improve connectivity and market access across the region.

The country's logistical prowess was prominently demonstrated during the hosting of the FIFA World Cup in 2022. Qatar Airways, the country's national carrier, played a pivotal role in this, bolstering global cargo movement and enhancing the nation's logistics reputation. The Qatar freight and logistics market size is estimated at US\$9.5Bn in 2024 and is expected to reach US\$13.49Bn by 2030 (CAGR 6.01%)²⁹, primarily owed to Qatar Airways and its global network.

Case studies insights:

In logistics, regional and global nations are embedding cutting-edge technology, defining lean customs processes, and establishing public-private partnerships to boost efficiency and create opportunities. These insights could shape Qatar's future logistics strategy.

Logistics case studies



Singapore



Tuas Port's capacity planned to increase 30% by 2040, currently at 50M TEU.



Tradenet allows to 10 minutes processing time for 99% of electronic permit application.



Dnata along with Speedcrago will install a fully automated robotic freight handling system at Changi airport.



1st globally in customs clearance.

1) TEU (twenty-foot equivalent unit), 2) Electronic service managed by Singapore Customs 3) Pecem, Brazil: 30/70 joint venture between Port of Rotterdam Authority and the State Government of Ceará



Netherlands



Rotterdam Port is the largest European port with a capacity of 14.5M TEU.



Third Largest European air cargo getaway with a capacity of 1.4M tonnes.



High-tech customs scan 24/7, clearing 95% of containers within 36 hrs of offloading, a 30% reduction in processing time.



JV with Brazilian public sector will offer opportunities for clients active in port of Rotterdam.



UAE



Jebel Ali is the largest port in the Middle East, planned to increase to 22.4M TEU.



Third busiest hub for international air freight with a capacity of 2.5M tonnes.



45+ free zones to streamline customs procedures and offer significant duty exceptions.



115M USD investment to develop hyperloop enabled cargo system with virgin hyperloop one for fast delivery of palletised cargo.

A future-focus strategy

Local initiatives such as the expansion of free zones and tailored incentives for specific industries underscore the country's commitment to attracting businesses and fostering economic growth. Qatar has also been actively cultivating its e-commerce and online platforms to address the evolving needs of its local market. Three key areas can further support Qatar's efforts in attracting more trade flow, regional cooperation, and improving local e-commerce.

1. Leveraging customs programmes and trade agreements

By refining customs collaboration and cultivating strong trade agreements on both global and regional levels, Qatar can facilitate more fluid trade flows. This strategy will boost efficiency and reliability in international commerce. Moreover, embracing global initiatives, such as the World Trade Organisation (WTO) and regional frameworks, like the GCC Common Market, Qatar can streamline customs procedures, reduce trade barriers, and stimulate economic growth. Setting out strategic bilateral agreements with key trading partners can open new avenues for exports and imports, further integrating Qatar into the global trade ecosystem.

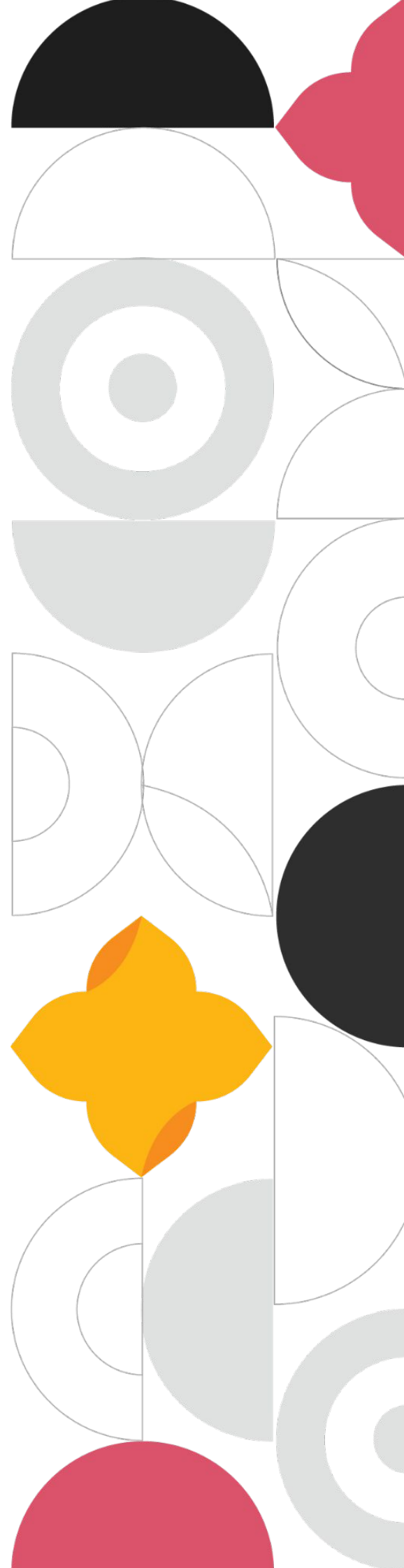
2. Continuing investment in strong ICT infrastructure and advanced technologies

This can support Qatar in enhancing its ICT backbone to ensure seamless information flow throughout the supply chain, enabling efficient tracking, documentation, and communication. Automation capabilities can address labour shortages with automatic freight handling, expediting cargo movement, and enhancing overall operational efficiency and cargo volumes.

3. Using Public-Private Partnerships (PPP)

Advanced infrastructure projects to create more opportunities for the private sector to both invest and align with their needs: By attracting private investment in, for example, automated cargo handling systems at ports, the government eases its financial burden while private companies gain attractive investment opportunities. The collaboration ensures infrastructure aligns with private needs. An example of this could be port facilities designed for efficient, bespoke container handling or automated warehouses – all shaped through private sector input during PPP planning. This blend of public oversight and private expertise can help foster efficiency and innovation.

By creating a balance between global aspirations, regional integration, and local economic development, Qatar can be poised to emerge as a comprehensive logistics hub, serving as a gateway to both global and regional markets.





Tourism and sports: Integrating Qatar's sports excellence with tourism ambitions

Qatar has become a leading destination for sports and tourism, leveraging strategic investments in top-notch sports facilities, like the FIFA World Cup 2022 stadiums and the Lusail International Circuit, and enhancing its tourism sector offering. This reflects the country's commitment to using sports and tourism as engines for national branding and economic diversification. The successful combination of sports mega-events and cultural experiences has showcased Qatar's ability to host international spectators and contribute to its developmental journey.

The nation's commitment is evident with significant budget allocation to sports recently. Beyond infrastructure, Qatar has expanded its sports influence through Qatar Sports Investments' acquisition of Paris Saint Germain (PSG), boosting the club's value significantly³⁰. Locally, initiatives like Aspire Academy and Aspetar hospital reflect Qatar's focus on nurturing domestic sporting talent, contributing to international sporting achievements.

Following its mega-event hosting successes, Qatar embarked on a journey to enhance its tourism infrastructure and diversifying attractions, which included the Hayya visa platform, airport expansion, and the development of destination resorts and cultural sites. These efforts aim at boosting the number of visitors by offering a mix of sports, culture, wellness, and sustainable travel experiences, aligning with national development strategies to broaden its tourism appeal and showcase its heritage.

Case studies insights:

Regional and global diverse tourism strategies involve establishing a global footprint marketing network, diversification of offerings, and a review of tourism policies. These insights could be leveraged by Qatar for its future development.



Tourism and sports case studies



Spain



€478M invested in 175 tourism sustainability projects across destinations type.



33 tourism offices across the world managed by Turespana to market Spain globally.



30 trade fairs, conferences, conventions, and professional events in 2024, to foster tourism collaboration and promotion.



85M record number international visitors in Spain in 2023.



Singapore



Partnered with celebrities on Singapore Reimagine campaign, reaching 346m people.



150+ countries allowed visa free short stays.



3-years partnership with Warner Bros to highlight content that spotlights Singapore.



6M international visitors in 2022, contributing 4% to GDP.



UAE



24M visitors for expo 2020 over 6 months.



Dubai partnered with Indian celebrity **Shah Rukh Khan** for a marketing campaign.



The Department of Culture and Tourism Abu Dhabi (DCT - Abu Dhabi) and UFC has extended its partnership until 2028.



25M hotel guests in 2022.

A future-focus strategy

Qatar's opportunities in the tourism and sports sectors can be translated into sustainable economic impact and growth which in turn amplifies Qatar's global standing. The country can seek to focus on the following:

1. Widen utilisation of Qatar's sports assets

By hosting a wide array of activities beyond traditional sports events, including entertainment, culture, and leisure, Qatar can optimise the utility of its sports infrastructure and offer tourists a diverse experience. This approach takes advantage of Qatar's experience in hosting sporting events and ensures that the country's investment in its sports venues pays off while offering tourists a rich and diverse experience.

2. Develop a sports mega-events Centre of Excellence

The country has accrued invaluable expertise in the field of sports events operations and execution through its successful hosting of global tournaments, such as the Asian Games 2006 and FIFA World Cup 2022, and the Qatar Grand Prix. This expertise can be transferred to prospective hosts of future tournaments through the creation of a Centre of Excellence (CoE) designed to support countries throughout the entire value chain. By sharing this expertise and knowledge in event management, Qatar will also catalyse improvements across other sectors, elevating tourism by enriching the visitor experience and broadening the country's international appeal.

3. Target investments in differentiated sports subsectors

Qatar's successful track record of investments in sports leagues and teams highlights its ability to add tremendous value to clubs. In addition, the country boasts a large network of world-class State-Owned Enterprises (SOEs) and private sector players that can generate synergies for the country's investments and acquisitions in the sports sector. Following its model with PSG, Qatar can look to replicate this success across other sports where regional players have not penetrated.

4. Develop innovative experiences rooted in sustainability

Qatar has invested heavily in developing tourism infrastructure to provide visitors with a holistic experience. It can now develop innovative and sustainable touristic experiences that create a complete visitor experience in Qatar.

5. Boosting cruise tourism

Qatar is swiftly establishing itself as a prominent cruise destination after having witnessed a 151% rise in cruise visitors during the 2022-2023 season and is anticipating a surge to around 350,000 passengers in the 2023-2024 season^{31,32}. The country should adopt a comprehensive development strategy that enhances port infrastructure, diversifies excursion options, and promotes year-long cruise activities. Key initiatives include upgrading Doha Port to serve an increasing number of vessels and passengers, offering customised and culturally immersive excursion packages, and organising a continuous calendar of events to attract tourists throughout the year.

6. Global marketing and partnership

Following the examples of Spain and Singapore, which have successfully established multiple tourism offices worldwide, and having forged partnerships with celebrities, bloggers, influencers and global entertainment platforms, Qatar could similarly enhance its international presence. By setting up comparable tourism offices and securing collaborations with celebrities and entertainment entities, Qatar can significantly amplify its global visibility and content outreach.

This strategic fusion of tourism and sports marks a new chapter in Qatar's journey towards a diversified economy and global prominence. By synergising these sectors, Qatar can redefine the global narrative on the power of tourism and sports for national development.



Emerging technologies: Setting AI ecosystem foundation and investing in economic hubs

Countries in the GCC are actively investing in research and development, policy formulation, and talent cultivation to harness their potential for economic growth and competitive advantage. A race of advanced computing infrastructure and Graphics Processing Units (GPUs) is accelerating among nations as they push to build national sovereign capabilities to tap into the power of AI and leverage their wealth of data. This will enable them to create more robust, and relevant models that fit their needs and reduce their dependence on technology providers.

Nations are shaping their National AI strategies and programmes, infusing AI services and solutions into their citizen services, and support capabilities to increase productivity and reduce inefficiencies within government. Governments are investing heavily in building robust infrastructure with billions of dollars being invested in the provision of advanced computing infrastructure such as GPUs, and model development to create sovereign strategic plays to drive the AI agenda forward. Regulations and incentives are being pushed across the region and the globe to attract highly skilled labour forces and companies to set up and establish their operations and commercialise their solutions within various countries.

Case studies insights:

In AI, regional and global nations are establishing AI national strategies, fostering public-private partnerships, creating certification programmes, and investing in research labs. Examining these practices, we gain valuable insights that could shape Qatar's AI strategies.



AI case studies



USA



24Bn USD funding for all AI related startups in 2022.



AI Bill of Rights blueprint published to **guide AI systems development** to **protect the rights** of the American public.



National AI Initiatives Act passed by Congress in 2020.



1.4Bn USD Budget to accelerate **STEM education and workforce development**.



Singapore



Launched **the world's first Model AI Governance Framework** in 2019.



Launched **AI Verify**, an **AI governance testing framework** that helps organisations **validate the performance of their AI systems**.



1.5Bn SGD value of projects created for accredited companies.



500M SGD International visitors in 2022, contributing 4% to GDP.



UAE



Ministry of AI, formed in 2017, **shapes policies and regulations for AI, digital economy, and remote work**.



Region's first AI centre of excellence created in partnership with e& enterprises.



G42 announced a partnership in 2023 with Open AI to deliver **cutting-edge AI solutions**.



MBZ University of Artificial Intelligence is the **world's first graduate university** focused on AI, ranked top 20 globally.

A future-focus strategy

Qatar stands out for its strategic emphasis on AI as a key priority sector. By integrating AI into its NDS-3, it aims to accelerate its economic diversification efforts and establish itself as a leader in AI innovation. This reflects a broader vision to leverage cutting-edge technologies to enhance its global competitiveness and achieve sustainable development goals. Through targeted investments in AI research and applications, and laying a strong foundation of regulations and services, Qatar can continue to position itself as a strategic market within the global technological landscape, demonstrating a commitment to embracing the opportunities presented by the digital age.

Four strategic actions have been identified that can fulfil that promise, aligning with the ambitions of the country as part of its NDS-3 and National Digital Agenda (NDA) including:

1. AI regulatory foundation

Establish a solid regulatory foundation for AI, focusing on data collection, management, and standard practices across both public and private sectors. This involves implementing regulations that simplify and streamline data handling, creating unified templates and tools. Such a foundation is crucial for feeding AI models with contextual and relevant data nationwide.

2. National sovereign infrastructure

Invest in national sovereign infrastructure by building large computing farms to support AI advances, R&D, and commercialisation. Qatar should use its existing partnerships with hyperscale cloud providers and form new alliances with AI firms to access new markets. Providing subsidised national computing infrastructure can significantly reduce costs for AI companies and attract them to establish operations in Qatar, leveraging infrastructure access as a strategic advantage.

3. AI economic cluster

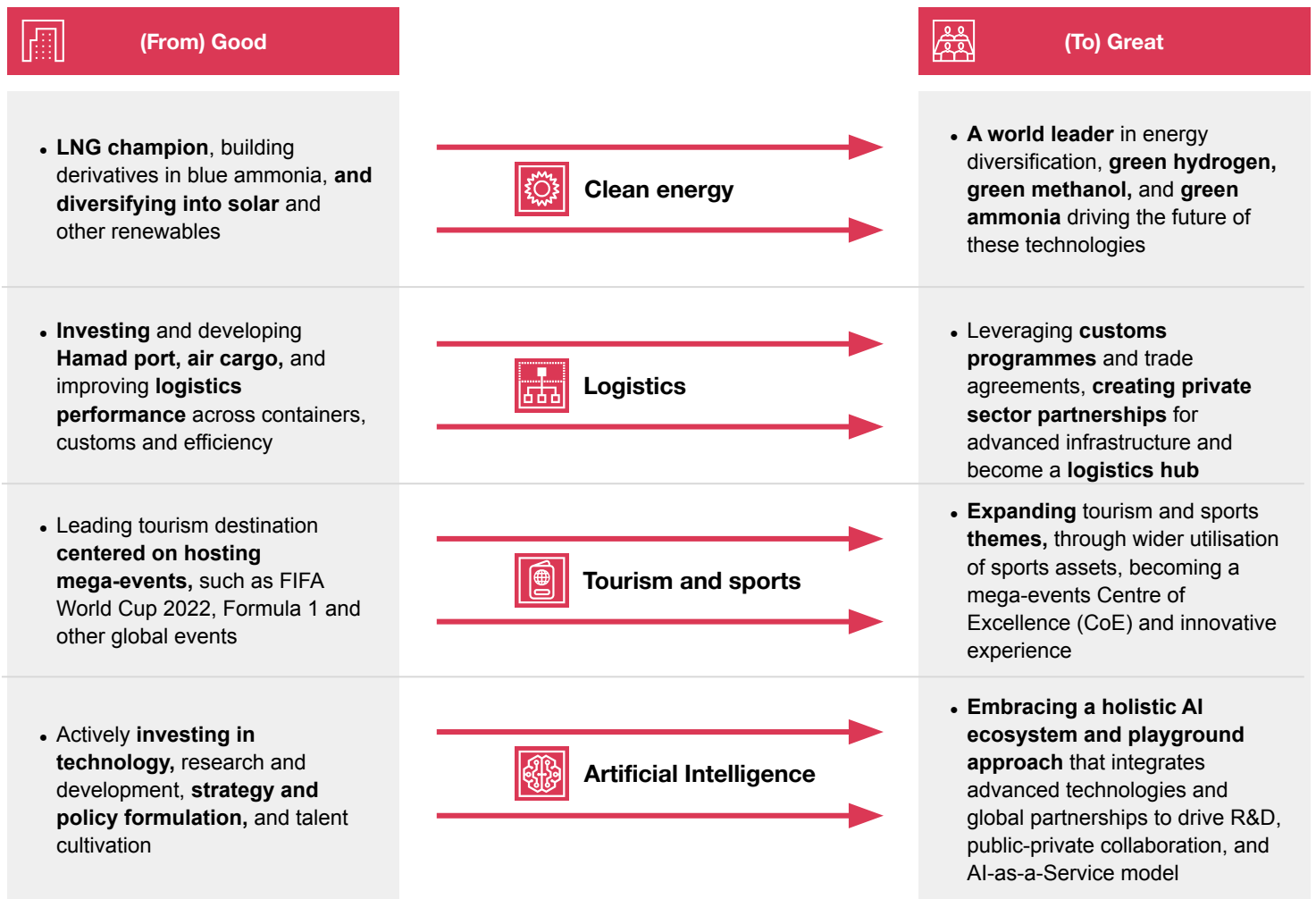
Create an AI economic cluster offering value-added services to its tenants aligned with the NDS-3 Outcomes. This involves using existing infrastructure of special economic and commercial zones to form a National AI cluster, aimed at nurturing local AI businesses, and attracting international companies to Qatar. By simplifying business setup, offering special visa schemes, and providing prioritised access to government demand, national computer, and data assets, an integrated value chain can be established. This value proposition aims to reduce costs for companies, evolve their products, and grant access to broader markets.

4. AI government adoption

Drive AI transformation in government and key sectors by clearly defining Qatar's National AI agenda. Identify priority areas within government and sectors as outlined in NDS-3. Highlight specific use cases and solutions where AI will be beneficial, signalling demand and showcasing AI's advantages.

Qatar is embedding AI into its national agenda to drive technological sovereignty, economic diversification, and secure leadership in AI innovation. Key strategies include establishing regulatory frameworks, developing sovereign AI infrastructure, forming an AI economic cluster, and applying AI across government and key sectors. These efforts aim to fulfil Qatar's NDS-3, enhance global competitiveness, and ensure sustainable development in the digital age.

Pathways to becoming a global leader in key sectors



Section 3:

Cross-sectoral enablers

Each of the mentioned strategies stands to create long-term economic impact, provided Qatar remains committed to developing its competitive edge in each of those sectors. To enable Qatar's successful execution of each of the sectors described, there are five key enablers that are common across all sectors.

1. Access to capital

In light of the recent \$1 billion funding announcement by the Qatar Investment Authority (QIA), it is evident that the Qatari government is making significant strides towards fulfilling the outcomes of NDS-3 and the nation's strategy to boost private sector growth, namely the Small and Medium Enterprises (SMEs) and entrepreneurs. Qatar needs to further simplify capital access through credit guarantee schemes, public-private partnerships for investment funds, specialised funds for niche sectors, and microloans for SMEs. Streamlining loan applications and standardising requirements will enhance finance access, driving private sector engagement and economic diversification.

2. Competitive business ecosystem

To enable the effective participation of the private sector in the achievement of Qatar's NDS-3 targets and objectives, it is essential to create a regulatory environment that eases the process of investing and doing business in the country. The establishment of entities such as the Qatar Financial Centre (QFC) and the Qatar Free Zone Authority (QFZA) are significant efforts in this direction that can guide investors and business owners through the Qatari ecosystem and offer attractive incentives. To further enhance Qatar's business environment, measures such as ease of business set up, tax incentives, bilateral trade agreements, and financial protections can prove to be incredibly attractive to an array of investors and businesses.

3. Strong governance and regulations

In Qatar's national ecosystem, every stakeholder plays a crucial role in achieving economic growth. The transition of the public sector to an oversight capacity is essential to develop a comprehensive regulatory framework by modernising legislation and policy that will enable Qatar's prosperity. Meanwhile, the private sector is tasked with operationalising the government aspirations in key areas. A robust performance monitoring system is vital for measuring progress towards these goals. Lessons from NDS-2 highlight the importance of clear targets and regular monitoring, while NDS-3 introduces a definitive implementation roadmap for continuous performance evaluation and necessary adjustments.

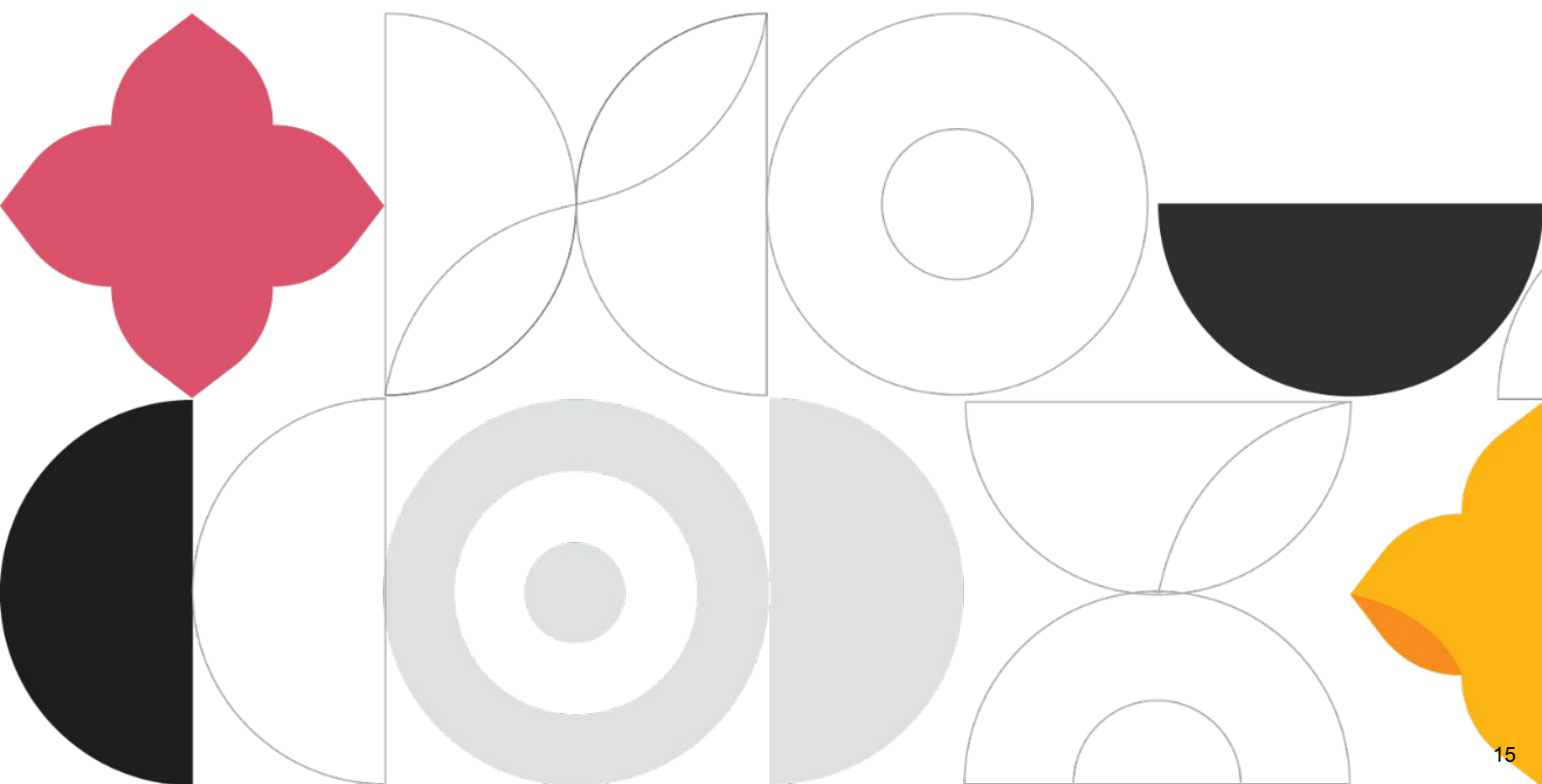
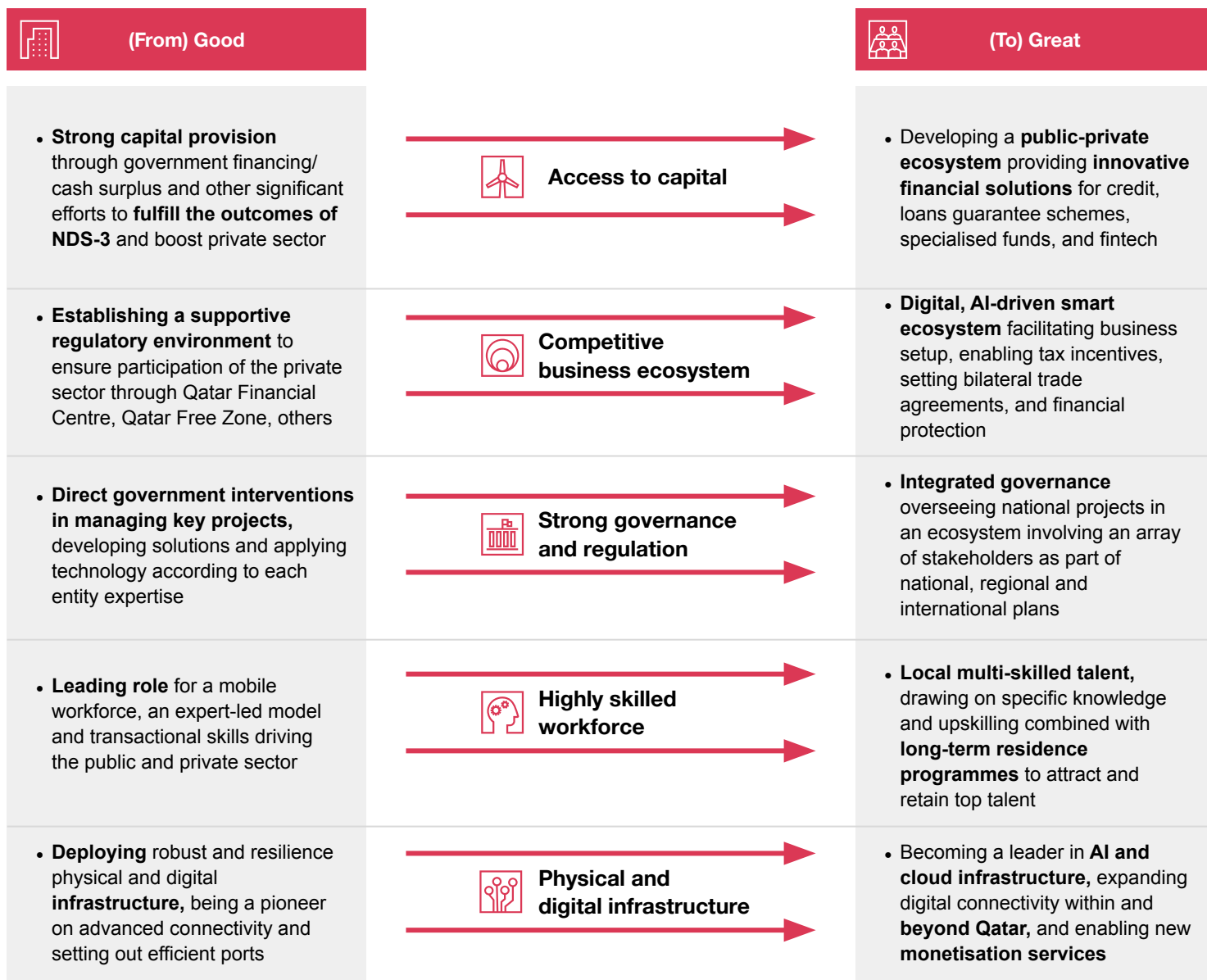
4. Highly skilled workforce

To accelerate transformation and create sustainable economic growth, Qatar must attract and retain top talent. Implementing long-term residency programmes could secure skilled workers with benefits like property ownership and educational opportunities. Tailored programmes can cater to diverse skill needs in critical sectors. Additionally, Qatar can enhance its local workforce through national upskilling programmes led by the Civil Service and Government Development Bureau (CGB), the Ministry of Labour (MoL), and educational institutions like Qatar Foundation and Qatar University, and by investing in vocational schools and specialised institutes. This dual strategy of attracting global talent and cultivating local skills is essential for Qatar's economic diversification and development.

5. Physical and digital infrastructure

Robust and resilient physical and digital infrastructure is a key enabler for Qatar's economic development. Economic activity across nearly all sectors relies heavily on well-developed infrastructure such as roads, airports, ports, and telecom networks. Qatar has significantly invested in recent years to improve its physical and digital infrastructure and can continue to build on its competitive infrastructure network to facilitate the easy transportation of goods and services required. This can extend beyond its national borders and aims to connect the peninsula with neighbouring countries such as KSA and the UAE. This expansion will serve as Qatar's entry point into the regional market thereby creating new economic opportunities for growth and mutual benefit. In addition, the country's metro network can be further expanded to connect the capital Doha to emerging economic centres such as Al Wakra and Al Khor, and beyond to other countries in the region. Qatar can look to build on its impressive telecommunications and internet network by continuing to expand fiber to the home, enhance connectivity with international submarine cables and position itself as a pioneer for upcoming 6G. These technology investments can drive growth across key strategic sectors. Along with this advancement in technology, it needs to commit to implementing cybersecurity frameworks and systems to safeguard the country from any potential threats.

Becoming a global leader with enabler contribution

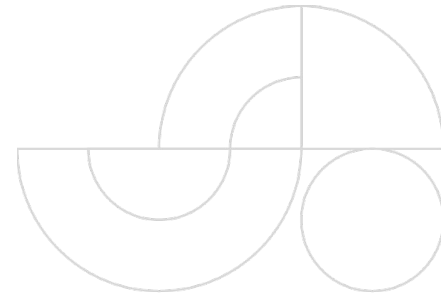


Section 4:

Moving ahead- towards 2030

As Qatar diversifies its economy, the development of its clean energy, logistics, tourism and sports, and AI sectors play an instrumental role in fulfilling this strategy, leading to a step change in GDP contribution and job creation.

Looking at regional and global nations' results in these sectors, we can set out a blueprint for Qatar to ascend to the world stage as a significant economic player with a diversified economy, and realise its vision for a resilient and prosperous future.



Sector GDP contribution for 2022				Qatar 2022	Qatar 2030*
Clean energy	1.4% Sweden	2.8% UK	0.1% UAE	< 0.1%	1-2%
Logistics	10.4% Singapore	9% Netherlands	5.5% UAE	4.3%	7-8%
Tourism & sports	13.2% Spain	6.2% Singapore	9.0% UAE	9.2%	11-12%
Estimate of AI contribution to GDP by 2030				Qatar 2030*	
AI	15% USA	10.4% Singapore	13.6% UAE	9-10%	

*Estimates

Sources: Clean Energy: SCB - Statistics Sweden, UK Office for National statistics, TechSci research, International Energy Agency. Logistics: Waredock research, Statista, System of National Accounts. Tourism & Sports: WTTC (Oxford Economics). Artificial Intelligence: PwC's Global Artificial Intelligence Study: Exploiting the AI Revolution, UAE National AI Strategy, Hamad Bin Khalifa University's Qatar Computing Research Institute.

Within the clean energy space, the UK and Sweden realise significant GDP contributions from decarbonisation, green hydrogen and investment in renewable energy. This shows potential for Qatar pursuing initiatives in this space.

In the logistics sector, Singapore and Netherlands employ cutting-edge technology, foster partnerships with global leaders and establish strong trade agreements, showing the economic impact of strong logistics hubs.

Qatar has a strong sports sector and can leverage similar strategies implemented by Spain which focuses on its global network of tourism offices, diversified offerings, and global partnerships to strengthen both tourism and sports.

In AI, leading nations are focusing on education and developing talent, integration with the industry and setting out ethics and governance. Qatar, with its strategic emphasis in AI, has the opportunity to become a leading player in AI with a significant impact on GDP.

This blueprint demands a robust strategy and focus on the cross-sectoral enablers described, namely access to capital, foresting a competitive business ecosystem, establishing strong governance, enacting supporting regulations, attracting, and retaining highly skilled workforce, and performing significant investments in infrastructure.

Qatar has the potential to follow these global models and cement its path towards a sustainable growth and diversified economy.



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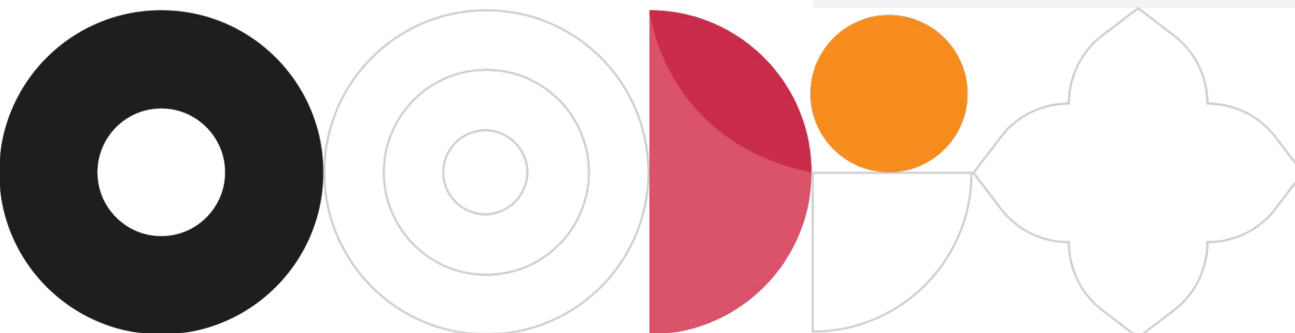
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