India-Qatar Trade and Investment: Strengthening Global Synergies

Working Paper No: 137

India Exim Bank

EXPORT-IMPORT BANK OF INDIA

WORKING PAPER NO. 137

India-Qatar Trade and Investment: Strengthening Global Synergies

India Exim Bank's Working Paper Series is an attempt to disseminate the findings of research studies carried out in the Bank. The results of research studies can interest exporters, policy makers, industrialists, export promotion agencies as well as researchers. However, views expressed do not necessarily reflect those of the Bank. While reasonable care has been taken to ensure authenticity of information and data, India Exim Bank accepts no responsibility for authenticity, accuracy, or completeness of such items.

CONTENTS

Project Team: Research and Analysis Group

Mr. David Sinate, Chief General Manager

Mr. Vanlalruata Fanai, Deputy General Manager

Mr. Siddharth Nema, Deputy Manager

Ms. Vishakha Bhagwat, Officer

LIST OF TABLES

LIST OF CHARTS

LIST OF BOXES

Executive Summary

Qatar is a small, hydrocarbon-rich country on the northeastern coast of the Arabian Peninsula. As a member of the Gulf Cooperation Council (GCC), it works closely with neighboring countries—Saudi Arabia, the United Arab Emirates (UAE), Kuwait, Oman, and Bahrain—on economic, political, and security matters. Qatar is a major supplier of liquefied natural gas (LNG) and controls a significant portion of the global export value chain. The country's economy is supported by contract-based LNG delivery, ensuring energy security for its major Asian partners and revenue stability.

Despite global economic challenges, Qatar's economic outlook remains favourable. Non-oil growth continues to be robust at around 2.4%, driven by a flourishing tourism sector. After a slight dip in gross domestic product (GDP) growth to 1.6% in 2023, growth is expected to average 2% annually through 2024-2025, stemming from weaker natural gas prices. Inflationary pressure is expected to be limited and temporary and is projected to decelerate to 1.6% in 2024 due to capacity constraints. Qatar's oil revenues have fueled its sovereign wealth fund, the Qatar Investment Authority (QIA), which has over US$ 526 million assets as of 2024, making it one of the world's largest wealth funds.

International Trade and Investments of Qatar

Qatar is located at the intersection of three continents viz. Asia, Africa and Europe, with access to 60% of the world's population and emerging markets. To facilitate trade and investment, Qatar has entered into multiple bilateral agreements, including 28 bilateral agreements on customs cooperation, 65 double tax and investment protection agreements, and 14 multilateral/economic agreements. As a GCC member, Qatar has regional trade agreements with Singapore and European Free Trade Association (EFTA) States. Additionally, Qatar has signed bilateral cooperation agreements with major global economies, including China, France, India and South Korea.

Merchandise Trade of Qatar

Qatar has traditionally maintained a trade surplus, though it has declined over the past decade. Despite intermittent downturns, the country showed resilience, achieving a record high in total trade of US$ 164.4 billion in 2022. In 2023, total trade moderated to US$ 131.9 billion, primarily due to a drop in imports.

Qatar's exports have remained largely stable, dominated by mineral fuels and oils, which accounted for 87.7% of total exports in 2023. Other key exports included plastics, aluminium, and fertilizers. Asian countries absorb around three-fourth of Qatar's exports, mainly LNG. China remains the major destination, accounting for

20.9% of Qatar's exports in 2023, while India has progressed from being the fourth largest export destination of Qatar in 2019 to the third largest export destination in 2023, with a share of 13%. Other major export destinations are South Korea, Japan and Singapore, among others.

On the import side, machinery and mechanical appliances were the largest categories, accounting for 15.8% of the total imports in 2023, followed by aircraft, transport vehicles, and electrical machinery. Notably, imports of aircraft, spacecraft, and parts, along with transport vehicles, surged five-fold in 2023 compared to the previous year. The United States (US) is the largest import source for Qatar, with a share of 14.6% in Qatar's total imports in 2023, followed by the United Kingdom (UK). India has made remarkable progress as a preferred source of Qatar's imports, rising from being the tenth largest import source of Qatar in 2013 to the fourth largest in 2023, with a share of 5.2%. Other major import sources for Qatar include China and Italy.

Services Trade in Qatar

Qatar is one of the safest and most prosperous countries in the Middle East, with a thriving services sector accounting for around 40% of GDP. The government has focused on diversifying and modernizing, particularly in financial services and tourism. Over the past decade, Qatar's services trade has steadily increased, from US$ 46.4 billion in 2014 to US$ 73.7 billion in 2023, driven by both higher exports and imports. Despite a consistent services trade deficit, the deficit decreased from US$ 19.3 billion in 2014 to US$ 11.7 billion in 2023.

Commercial services dominate Qatar's services exports, accounting for 97.8% of its total services exports. Transport and travel dominate Qatar's services exports, together accounting for 86.3% of total services exports, bolstered by Qatar Airways' expansion. Other major exports include insurance, telecommunications, and information services. As per the latest available data obtained from the Balance Trade in Services (BaTIS) dataset, developed by the Organisation for Economic Cooperation and Development (OECD) and the World Trade Organization (WTO), the US was Qatar's largest services export market accounting for 10.1% of Qatar's services exports in 2021, followed by the UAE, China, Saudi Arabia, and the UK. India has progressed from being the eleventh largest services export destination of Qatar in 2018 to tenth largest services export destination in 2021.

On the import side, Qatar's largest services import category is travel (38.5%), followed by transport, telecommunications, insurance, and business services. The US remained Qatar's largest services import source, accounting for 12% of Qatar's total services imports in 2021, followed by the UAE, the UK, China, and Ireland. India also advanced from being the tenth largest source of services imports for Qatar in 2013 to the sixth largest by 2021.

Foreign Direct Investment in Qatar

Qatar recognizes the critical role of foreign direct investment (FDI) in fostering an investment-friendly environment. Qatar's open foreign investment regime, expanding commercial ties with regional partners, and sophisticated capital markets remain key strengths of its business environment. To facilitate foreign investment, Qatar has increased the foreign ownership limit to 100% (up from 49%) in most economic sectors, subject to official approval. In addition, the country has introduced reforms to free zone legislation, income tax, and property ownership rules, alongside the establishment of the Investment Promotion Agency (IPA) to attract more investment. Efforts to promote e-commerce include strengthening the regulatory framework, improving delivery systems, enabling e-payment solutions, and supporting e-merchants. Qatar has also strengthened its intellectual property rights (IPR) protection system to encourage innovation and economic development.

FDI flows into Qatar have generally followed an upward trend in the past several years, thanks to the country's political stability, a stable currency pegged to the US dollar, high-quality infrastructure and one of the lowest corporate tax rates in the world. Notably, nearly 90% of Qatar's inward FDI is concentrated in the oil and gas sector, particularly in exploration, production, and related manufacturing, transportation, and marketing activities.

According to the United Nations Conference on Trade and Development (UNCTAD)'s World Investment Report 2024, Qatar recorded negative net FDI inflows of US$ 474 million in 2023, indicating a net withdrawal from the country during the year partly influenced by geopolitical tensions and economic uncertainties as against a positive net FDI inflow of US$ 76 million in 2022. As a result, the country's FDI stock, which was US$ 27.6 billion in 2022, decreased to an estimated US$ 27.1 billion by end 2023, which was around 11.6% of the country's GDP. Qatar is also a key international investor, owing to its large foreign exchange reserves. However, Qatar experienced negative FDI outflows of US$ 191 million in 2023 compared to positive FDI outflows of US$ 2.4 billion in 2022 suggesting net disinvestment abroad, reflecting cautious investment strategies and reallocation of capital. The stock of outward FDI stood at US$ 49.9 billion as of 2023.

FDI Inflows to Qatar

According to Financial Times' fDi Markets, an online database that tracks cross-border greenfield investments, during January 2014 to December 2023, Qatar received a total envisaged capital expenditure of US$ 44.2 billion across 729 projects, supporting 48,252 jobs in the country. Coal, oil and gas sector is the major recipient of envisaged capital expenditure in Qatar, with a value of US$ 28.8 billion, accounting for 65.2% of the total envisaged capital expenditure received, followed by investments in chemicals, communications and food and beverages among others. Majority of these envisaged inflows were from the US, accounting for 45.7% of the total capital expenditure, followed by the UK, Italy and the UAE. India accounted for 0.7% of the total capital expenditure in Qatar during the same period.

FDI Outflows from Qatar

A total outward envisaged FDI capital expenditure of US$ 33.8 billion was made by Qatari entities in 191 projects, supporting 28,626 jobs across the globe from January 2014 to December 2023. Coal, oil and gas sector accounted for 40.9% of the envisaged capital investment from Qatar, amounting to US$ 13.8 billion during 2014-2023. Other major sectors attracting capital investment were real estate, chemicals and communications, among others. Iraq was the largest recipient of envisaged FDI capital expenditure from Qatar, with a capex investment of US$ 10.5 billion during 2014-2023, followed by the US, Türkiye and Oman. India was the eleventh largest destination for envisaged investment from Qatar, with a capital expenditure of US$ 264.8 million during the same period.

India-Qatar Merchandise Trade

India and Qatar have fostered a long-standing commercial relationship for decades, characterized by bilateral trade, investments, and cooperation across various sectors. As of December 2023, there were over

8,35,000 Indian nationals residing in Qatar, comprising the largest expatriate community in the country, accounting for around 27% of the total population.

India was Qatar's fourth largest import source in 2023, after the US, China and Italy, and third largest export destination following China and South Korea. Historically, bilateral trade between India and Qatar has been largely dominated by oil imports. For instance, in 2013, over 88% of the total bilateral trade value, comprised India's imports of fuel from Qatar. This composition has exhibited a persistent trend with India's oil imports comprising 88.5% of the total trade in 2023. Due to this imbalance, the bilateral trade has always been in deficit for India.

The total value of exports from India to Qatar has risen from US$ 994.7 million in 2014 to US$ 1,652.1 million in 2023, representing a compound annual growth rate (CAGR) of 5.2%. In 2023, cereals had the highest share of 9.6% amounting to US$ 158.2 million, followed by mineral fuels and oils, and pearls, precious stones and metals, among others. In 2023, India's imports from Qatar amounted to US$ 12.7 billion of which US$ 11.3 billion were mineral fuels and oils. At a more disaggregated level, major imports under HS-27 included liquified natural gas, liquified propane and liquified butanes. Other major import commodities include organic chemicals (2.8%), plastic and articles (2.6%) and fertilizers (1.4%), among others.

India-Qatar Services Trade

As per the latest data published by the WITS Database, India's total services trade with Qatar has seen a remarkable rise from US$ 872 million in 2012 to US$ 1,455 million in 2021, despite slight moderation in 2020 due to the pandemic. India has seen a consistent services trade surplus with Qatar, which peaked at US$ 721 million in 2021.

Within commercial services exports, other business services category, which contains three sub-categories, namely, research and development (R&D) services, professional and management consulting services, and technical, trade-related and other business services, dominate India's services exports to Qatar in 2021, with a share of 37.5% of India's services exports to Qatar. Other categories that dominate India's services exports to Qatar are telecommunications, computer, and information services (31.1% of India's services exports to Qatar) and transport (19.5%). Meanwhile, India's services imports from Qatar consist primarily of transport services that hold a dominant share of 73% of India's total services imports from Qatar in 2021.

Bilateral Investment Relations of India and Qatar

FDI plays a crucial role in promoting economic relations between India and Qatar. According to the Qatar Chamber of Commerce and Industry (QCCI), more than 15,000 Indian companies, ranging from small enterprises to large corporations, operate in Qatar, either as wholly owned entities or joint ventures.

Between 2014 and 2023, Qatar invested a cumulative amount of US$ 264.8 million in India coming through 7 projects, supporting 1,474 jobs. Qatar's investments in India largely concentrated in financial services (56.8% of Qatar's total investment in India), hotels and tourism, and non-automotive transport original equipment manufacturer (OEM). While India's investment in Qatar reached US$ 326.9 million through 62 projects, supporting 2,732 jobs in the country during 2014 to 2023. India's investment in Qatar is mainly in sectors such as consumer products (34.7% of Indian investments in Qatar), hotels and tourism, and software & IT services, among others.

India's Revealed Comparative Advantage Analysis and Trade Potential

This section analysed the key products where India has comparative advantage and matched it with Qatar's import demand for these products. Revealed Comparative Advantage (RCA) is a measure which have been used extensively to help assess a country's export potential/competitiveness. To identify Indian products based on their export competitiveness to Qatar, the four-quadrant analysis has been undertaken based on the HS Code classifications at 6-digit level, whilst calculating their NRCA (Normalised Revealed Comparative Advantage) and mapping them against the Average Annual Growth Rate (AAGR) of global imports of Qatar of all products.

At 6-digit HS Code, with minimum exports of US$ 250,000 from India to Qatar, 568 products have been identified, with the total exports from India to Qatar amounting to US$ 1,522.4 million while the total world imports by Qatar in the same products stood at US$ 11,800.5 million in 2023. Out of the total items at the HS 6-digit level, 151 items fell into the category of the 'product champions'. These are the products with maximum export potential to Qatar and India needs to further expand its exports of these products in order to take advantage of its competitive position and achieve a greater market share in Qatar. The combined exports of these items from India to Qatar were US$ 764 million in 2023. The total number of products in 'winners in declining sectors' category is 298, with India's exports amounting to US$ 653.9 million. These are the product items in which India has attained a significant share in Qatar's import basket, but Qatar's import demand for these products has been falling in the last decade. This was followed by 'underachievers' with 59 items, with exports worth US$ 50.3 million from India to Qatar. These are the product items in which import demand in the Qatari market is rising, but India does not have the required competitiveness in the export of these items.

India-Qatar Tariff Analysis

As per the Gulf Cooperation Council (GCC) Customs Laws, Qatar has applied the GCC common external tariff (CET) since January 1, 2003. Under the "single port of entry" principle, items imported into Qatar, or other GCC member States are subject to customs duty only at the first point of entry into the GCC territory. GCC member States can apply country specific rates or prohibitions for some tariff lines. Qatar grants the CET on an MFN basis to all countries, regardless of whether they are WTO Members.

According to the WTO, the average most favoured nation (MFN) tariff rate for Qatar was 4.6% for non-agricultural goods and 5.4% for agricultural goods in 2022, while the average rate for all products is 4.7%. The gap between the bound and applied rates remains large. The simple average bound tariff is estimated at 15.6%, which is more than three times higher than the simple average applied MFN rate of 4.7%. Although applied rates are in most cases considerably lower than bound rates, it appears that the applied MFN rates exceed the corresponding bound rates for few bound lines, related to items containing alcohol, which is sold at a single store under a licence regime.

An analysis of the effectively applied tariff rates of all products at 6-digit HS Code level that Qatar imports from India, based on WITS data for the year 2022, reveals that there are 308 tariff lines (at 6-digit HS code) that has effectively applied tariff rate of 0%, which amounted to total imports of US$ 397.6 million in 2022, and corresponds to 19.6% of the total imports of Qatar from India in 2022. There are 42 tariff lines under the 1-4% bracket and 2922 lines under 5% effectively applied tariff rates, respectively, and it amounts cumulatively to 79.8% share in Qatar's total imports from India.

The tariffs imposed by India on imports from Qatar at 6-digit HS code level show that there are 29 tariff lines (at 6-digit HS code) on which India imposes the effectively applied tariff of 0%, imports for which amounts to US$ 0.7 million in 2022. There are 212 tariff lines with imports amounting to US$ 2.7 billion under the 5%-9% effectively applied tariff, which corresponds to 15.6% of India's imports from Qatar in 2022. There are 9 tariff lines under the category of unspecified ratings, amounting to 1.5% of the total share of imports. These products mainly include petroleum oils and woven cotton fabrics that are printed.

India Exim Bank in the GCC Region

As a premier financial institution in India for financing, promoting, and facilitating international trade and investments, the Export-Import Bank of India (India Exim Bank) plays a pivotal role in supporting Indian companies in their globalization endeavors. Further, India Exim Bank is committed to fostering economic development in partner countries, including the GCC region, and this commitment is reflected in its range of activities in the region.

As on September 30, 2024, the Bank's Joint Venture/Overseas Investment Finance (JV-OIF) facilities in the West Asian region, particularly in the UAE, Saudi Arabia, and Oman, totalled ₹4,006.6 crore. The primary sectors of investment included metals and metal processing (both ferrous and non-ferrous), ports and infrastructure, as well as agro and food processing. Notable partners in this region included JSW Terminal (Middle East) FZE, Essar Steel Middle East FZE, J.K. Cement Works FZC, Karuturi Global Limited and L&T Global Holdings Limited, among others.

Under Trade Facilitation activities, transactions aggregating US$ 18.60 million have been executed so far in the GCC region (Kuwait and the UAE) to facilitate export of motor vehicles and construction material for Infrastructure projects. This support has been extended through guarantees and credit enhancement, ensuring smooth execution of trade transactions.

Way Forward and Recommendations

India and Qatar have witnessed a new dynamism in their relationship in recent times, with both economies looking forward to enhancing their economic partnership. It is an opportune time for India and Qatar to build on their solid trade and investment engagements and take this relationship to newer heights. India needs to expand its production and trade in products in which it has comparative advantage with Qatar. This would help in expansion of trade and improve trade balance with Qatar. As per the RCA Analysis, it is suggested to strengthen the existing products in the category of Product Champions to exploit the full potential in short run and in the medium to long run, while exports and investments are to be enhanced in Underachievers category products to develop capacities.

The two nations can also explore Mutually Recognized Agreements (MRA) that may streamline trade by allowing countries to accept each other's product testing and certification results. These agreements could encompass areas like regulatory standards, accreditation processes, and professional qualifications. By reducing trade barriers, MRAs could boost Indian exports, improve price discovery in partner countries, and facilitate the movement of skilled professionals. Further, the formation and promotion of financial integration between India and Qatar remains one of the essential cooperation areas to integrate Qatar National Vision 2030 into India's Middle East strategy. Accordingly, joint initiatives and collaboration in banking, insurance and capital markets, including the promotion of local currency settlement systems, simplification of digital payment mechanisms, and facilitation of financing for key infrastructure, energy and technology projects will be mutually beneficial while promoting commercial engagements.

Chapter 1

Qatar: Economic Background

Qatar is a hydrocarbon-rich country with a small indigenous population relative to its expatriate community. Qatar has an estimated population of 3 million, with migrants accounting for around 77% of national population. Qatar occupies 11,600 square kilometre peninsula on the northeast coast of the Arabian Peninsula with a 563 km coastline. Its sole land border is with Saudi Arabia to the south, and a narrow strait separates Qatar from Bahrain to the west. It is located in the heart of the Middle East region, at the gateway between Africa, Asia and Europe, with over 80% of the world's population within 6-hour flight. Over the years, Qatar has also cemented its status as a cornerstone of stability and a champion of diplomacy in a volatile region.

Qatar was a British Protectorate from 1914 until it declared its independence in 1971. While the country's vast oil and natural gas reserves have historically driven its rapid gross domestic product (GDP) growth, Qatar is now looking ahead to a more diversified future. Qatar is at an important juncture in shifting from a traditional dominant natural gas producer, state-led growth model to a more dynamic, knowledge-based, and private sector-driven structure.

Governing Structure

The State of Qatar is a constitutional monarchy headed by an Amir, who is also the commander-in-chief of the armed forces, assisted by the Prime Minister and the Council of Ministers appointed by him. The Amir's functions include ratification and promulgation of laws, summoning and presiding over the Council of Ministers, drafting general policy of the State, appointing civil servants and military personnel, accrediting heads of diplomatic and consular missions, conferring civilian and military orders, granting pardons, and overseeing functions of the consultative bodies.

The Prime Minister chairs the sessions of the Council of Ministers and supervises and coordinates work among various ministries. The Council of Ministers is mandated to monitor all internal and external affairs within the jurisdiction in accordance with the provisions of the Constitution. It also proposes draft laws and decrees, which are then discussed by the Advisory Council (Al-Shoura) before being submitted to the Amir for ratification and issuance.

Legislative power is exercised by the Al-Shoura. According to the Constitution, the Al-Shoura is responsible for supervising and making decisions on, inter alia, the drafting of and voting on proposed legislation; state policy concerning economic, administrative, and political issues; state affairs related to society and culture and the national budget. Article 77 of the Constitution stipulates that 30 of the total 45 members should be elected directly by the people. The term of office of the Al-Shoura is four calendar years[1].

[1] The Shura Council, Constitution, https://www.shura.qa/Pages/References#constitution.

Under Article 143, the enforcement of the Constitution shall not affect the provisions of treaties and international agreements to which Qatar is a party. Accordingly, trade treaties, once ratified and decreed by the Amir, and subsequently published in the Official Gazette, become law. Treaty obligations supersede national legislation and are admissible in national courts; to the extent that legislation is not in accord with Qatar's WTO obligations, the WTO Agreement is definitive.

Macroeconomic Background

The State of Qatar has one of the highest GDP per capita in the world in terms of both purchasing power parity (PPP) and nominal values. The country has navigated the recent global shocks with relative ease. Real GDP growth accelerated from 1.6% in 2021 to 4.2% in 2022, supported by strong non-hydrocarbon output growth (5.7%), and bolstered by FIFA World Cup-related activities and high hydrocarbon prices **(Table 1.1)**. Inflation, measured by headline consumer price index (CPI), rose from 2.3% in 2021 to 5.0% in 2022, amidst global price pressures and increased World Cup-related demand. However, food and energy price controls, subsidies, and the strength of Qatari riyal which is pegged to the US Dollar at QR 3.64: US$ 1 helped contain inflation in 2023. Oil revenue contributed nearly 80% of the 2024 government budget.

Qatari riyal, which is pegged to the US dollar remains a reliable monetary anchor, providing stability amid fiscal prudence and competitiveness-enhancing reforms. The peg reassures investors and lowers sovereign borrowing costs, supported by the strength of Qatar's fiscal and external balances. Supported by increased foreign exchange inflows, Qatar’s international reserves increased from US$ 47.4 billion in 2022 to US$ 51.5 billion in 2023.

Table 1.1: Macroeconomic Indicators of Qatar

Indicator	2019	2020	2021	2022	2023^{e}	2024^{f}	2025^{f}	2026^{f}
Real GDP Growth (% change)	0.7	-3.6	1.6	4.2	1.6	2.0	2.0	5.9
GDP, current prices (US$ bn)	176.4	144.4	179.7	236.3	234.2	244.7	251.9	269.0
GDP per capita, current prices (US$)	63007.7	50962.5	65400.9	80572.6	78696.2	81399.5	83381.7	88598.2
Inflation (avg, % change)	-0.9	-2.5	2.3	5.0	3.1	2.6	2.4	2.2
Population (mn.)	2.8	2.8	2.7	2.9	3.0	3.0	3.0	3.0
Merchandise exports, FOB (US$ bn)	72.9	51.5	87.2	130.9	101.5	96.1	106.1	118.2
Merchandise imports, CIF (US$ bn)	29.2	25.8	28.1	33.5	31.0	35.9	41.2	45.8
General government gross debt (% GDP)	62.1	72.6	58.4	42.5	39.4	37.3	36.1	35.0
Current account balance (US$ bn)	4.3	-3.0	26.3	63.1	43.9	38.1	33.2	31.0
Current account balance (% of GDP)	2.4	-2.1	14.6	26.7	18.7	15.6	13.2	11.5
Total International Reserves (US$ bn)	39.7	41.0	42.2	47.4	51.5	53.0	54.5	57.2
Exchange Rate (avg; QAR:US$)	3.64	3.64	3.64	3.64	3.64	3.64	3.64	3.64

Note: $^{e–}$ Estimates; $^{f–}$ Projections

Source: World Economic Outlook (WEO), IMF, April 2024 and Economist Intelligence Unit (EIU)

After moderating to 1.6% in 2023, real GDP growth is forecasted to remain relatively subdued in 2024-25, averaging 2% annually. A potential decline in natural gas prices is expected to dampen hydrocarbons activity and exports. However, non-oil growth is expected to remain robust, driven by expansion in manufacturing sector and ongoing infrastructure projects backed by the government's commitment to economic diversification.

Qatar has been a member of the World Trade Organization (WTO) since 13 January 1996. It is also a member of the Gulf Cooperation Council (GCC), the Arab League and the Organization of Islamic Cooperation, and a party to the Pan-Arab Free Trade Area (PAFTA) Agreement. It joined the United Nations in 1971. However, it withdrew from the Organization of the Petroleum Exporting Countries (OPEC) in January 2019.

As a member of the GCC, Qatar applies low external tariffs, and is part of the GCC single market and customs union with a common external tariff (CET) with the rest of the world, with no duties levied on intra-GCC trade. There is a single point of entry where tariffs are collected once imports enter the GCC. Goods imported into the GCC area can be freely transported throughout the region without paying additional tariffs, except for certain sensitive goods. Most external imports are tariffed at 5% when imported from countries with which the GCC does not have a Free Trade Agreement (FTA), although there are country-specific exemptions.

Hydrocarbon Sector

Qatar's economic development was based initially on its onshore and offshore oil, of which about 50 years of reserves remain at current production levels. Qatar's crude oil reserves of 25.2 billion barrels are small by regional standards, accounting for 1.5% of the global total at end-2020. Its liquefied natural gas (LNG) contracts are mostly of long maturities and indexed to oil prices.

Oil and coal remained the two largest sources of energy, but their shares in total energy fell by 2-3 percentage points (ppts) each, from 2010 amid global energy transition. On the other hand, the share of natural gas rose by 2 ppts to 23% of total energy supply by 2021, and renewables up by 4 ppts to 12%.

The Russian military conflict with Ukraine has highlighted the importance of LNG in safeguarding energy security which accounts for around 85% of Qatar's natural gas export. Endowed with 13.1% of the world's total natural gas reserves, Qatar is the third largest country in terms of LNG reserve volume (after Russia and Iran). Qatar's gas reserves totalled 871.1 trillion cubic feet at end-2020, according to the Energy Institute's Statistical Review of World Energy 2023. In 2023, Qatar was the world's sixth largest dry natural-gas producer, after the US, Russia, Iran, China and Canada.

At its peak, Qatar accounted for one-third of global LNG exports. According to the US Energy Information Administration, it was also the world's leading exporter of LNG between 2006 and 2019. However, Qatar's share has gradually declined to around one-fifth of global LNG exports in 2022, primarily owing to swift expansions in the US and Australia. In 2023, Qatar's export of LNG stood at 77.9 million tonnes, accounting for 18.9% of the global exports of LNG.

The government-owned QatarEnergy (formerly known as Qatar Petroleum), with the support of its subsidiaries and partners, operates and oversees all of the country's upstream and downstream oil and gas activities domestically and overseas and, its renewable power generation. QatarEnergy, through its subsidiaries QatarEnergy LNG (previously Qatargas) and RasGas, is undertaking a three-phase expansion project at the offshore North Field (NF), where almost all the nation's gas reserves are located. North Field is the world's largest gas reserve, which Qatar shares with Iran. Qatar plans to expand its LNG output from 77 million metric tons per year (mtpa) to 142 mtpa by 2030, marking an 85% increase. This expansion comes in response to the growing global demand for gas, which is expected to rise by 2.5% in 2024. Qatar also benefits from a more diversified range of LNG export destinations compared to its main competitors. The country's top five customers account for around 60% of its total LNG exports, with Asian nations, including China, India, South Korea, and Japan, making up more than 70% of Qatar's LNG exports.

Qatar is a highly reliable LNG supplier due to its significant control over the export value chain. Its strategic integration of LNG carriers, in-house shipyard and maritime services have been crucial in ensuring a reliable supply to its clients and mitigating the impact of volatile shipping costs in times of market turbulence. Nakilat, Qatar’s natural gas transport company, manages the world’s largest LNG shipping fleet by capacity. To support its upcoming LNG expansion, Qatar is poised to initiate another substantial phase of fleet expansion. QatarEnergy has reportedly reserved construction slots with major Korean shipyards, with the intent to grow the fleet to over 100 carriers.

Qatar predominantly relies on contract-based LNG delivery due to historical pricing model, the need for energy security for highly LNG-dependent Asian customers, and the requirement for revenue assurance to cover significant upfront investment. By 2023, Qatar’s average contract duration had increased to 20 years. A large number of these contracts are set to expire over the next decade, with approximately 66 million tons of LNG ending between 2024 and 2034. Without new contracts, the unsigned LNG volume will account for around 50% of the total production volume by 2030.

As of 2023, around 80% of Qatar’s active contracts with disclosed indexation were tied to crude oil prices, compared to around 60% globally. As a result, Qatar’s natural gas export prices are closely correlated with crude oil prices with a lag. The global shift from short-term to extended-duration contracts aligns with Qatar’s inclination to lock in long-term demand in advance.

In the hydrocarbon sector, commitment towards Asian and European countries is maintained through the signing by QatarEnergy of new 10-year supply agreements, thereby providing a solid, long-term base for the expansion of gas exports despite the risks of reduced European appetite for Qatari gas in the near term, triggered by recent Houthi attacks on Red Sea shipping routes.

As Qatar moves ahead with its domestic LNG production expansion, it is also increasingly active in exploration and investment in natural gas-related assets overseas. Notably, the Golden Pass Export Project in the US, 70% of which is owned by QatarEnergy, is expected to have a full export capacity of approximately 16 mtpa of LNG by 2026, with the LNG production set to begin in the first half of 2025. Amidst the ongoing military conflict in Ukraine and severe energy security concerns, Europe is shifting from pipeline gas to LNG, with higher LNG demand from new suppliers, such as Qatar, expected over the medium term. Additionally, as the cleanest fossil fuel, natural gas is likely to play an important role in the energy transition (it has been defined as green energy by the EU), including as back-up energy for renewables.

Tourism Sector

In January 2024, Qatar launched the Third National Development Strategy 2024-2030, the final stage towards achieving Vision 2030. This strategy aims to accelerate economic diversification, expand North Field LNG production, and position Qatar as a top destination for investors.

Qatar’s decade-long efforts to diversify the economy culminated into the successful hosting of the 2022 FIFA World Cup. About 1 million visitors arrived in Qatar, of which 0.3 million stayed in the neighboring GCC countries, generating positive regional spillovers. This amount surpassed the annual visitor’s turnover for the last five years. Beyond the immediate growth impact of up to 1% of GDP in 2022, Qatar has also benefitted from the decade-long investment program in the run up to the event (worth US$ 200 - US$ 300 billion), mostly in general infrastructure such as port, metro, and railways, contributing on average 5-6 percentage points annually to non-hydrocarbon output growth. Post-World Cup, the fiscal space generated from oil and gas revenues is being channelled towards investments in human capital, research and development, and the private sector to further diversify the economy. The positive trend in tourism has stimulated other sectors, with strong backward linkages.

Labour Force

Qatar is heavily reliant on migrant labour and takes various initiatives to provide labours’ protection and mobility. In 2016, Qatar became the first GCC country to abolish the Kafala system, a sponsorship system of labour, whereby migrants were mandated to seek permission from employers to change jobs and leave the country. The labour force participation rate (aged 15+ who are economically active) of Qatar was 64.1% among females and 96.6% among males for 2023. The unemployment rate is projected to remain stable at 0.1% in 2024, with higher rates among women and among young people. Women aged 15-24 were estimated to experience the highest unemployment rate, at around 1.7% in 2024[2].

Sovereign Wealth Fund

Oil revenues have significantly contributed to Qatar’s sovereign wealth fund, the Qatar Investment Authority (QIA), which has generated a budget surplus for the government through both oil and gas revenues and investment income. Established in 2005, the QIA is among the world's ten largest sovereign wealth funds, with assets under management estimated at US$ 526 billion by 2024[3]. The QIA makes direct investments in luxury brands, prime real estate, banks, as well as healthcare, technology, and infrastructure investments. The fund has subsidiaries that invest locally and globally in sports, hospitality, and real estate development. The QIA supported the establishment of the International Forum of Sovereign Wealth Funds and is also a founding member of the International Monetary Fund (IMF)-hosted International Working Group of Sovereign Wealth Funds. In 2024, it plans to invest over US$ 1 billion in international and regional venture capital funds, with a focus on the technology and healthcare sectors.

Aviation

Qatar is a major aviation hub, with state-owned Qatar Airways flying to over 170 destinations and operating over 200 aircraft. Qatar is ranked relatively high in the global competitiveness indicators and is in a strong position to further diversify the economy, guided by the Third National Development Strategy 2024-2030, announced in January 2024, to achieve the Qatar National Vision 2030.

2 World Bank, Gender Data Portal.

3 Naser Al-Tamimi, Qatar’s Growing Investments in Asia: Economics vs Geopolitics, ISPI, 18 June 2024, https://www.ispionline.it/en/publication/qatars-growing-investments-in-asia-economics-vs-geopolitics-177964

Economic Outlook of Qatar

Qatar has remained resilient to the recent global shocks and its economic outlook is favourable. Non-oil growth is expected to continue to be robust at around 2.4%, driven by a growing tourism sector. Qatar's state-of-the-art infrastructure has the potential to allow the country to reap the benefits through the hosting of several major global events. The hydrocarbon sector is, however, expected to decelerate to 1.6% growth in 2024 due to capacity constraints. Consumer price growth is projected to decelerate to 2.6%, due to the tight monetary policy. The fiscal and current accounts will likely remain in sizeable surplus.

Qatar's low production costs and reputation as a reliable supplier positions the Emirate strongly to gain market share, especially as the US has paused approvals for new LNG export applications on environmental grounds. Gas production and prices continue to be key determinants of fiscal and external accounts balances in the country. Qatar has achieved sizeable fiscal consolidation, mainly through expenditure cuts. However, its progress in revenue diversification lags behind that of its GCC peers who introduced value added tax (VAT). An introductory rate of 5% as per the GCC agreement is expected to bring revenue up to 1.5% of non-hydrocarbon GDP per year[4].

The impact on inflation is estimated to be limited and transitory. Recently, these risks have been compounded by the potential impact of the conflict in the Middle East on energy price volatility, as well as its impact on incoming tourism and investment in the region. Attacks by Houthi on the Red Sea shipping routes risk also affected the European demand for Qatari gas, while Qatar's growing dependence on China as a key trading partner raises concerns about the country's vulnerability to potential economic downturns in China. China was Qatar’s largest LNG buyer in 2023, accounting for over 23% of Qatar’s LNG exports.

GCC Customs Union

The GCC Customs Union, comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE, entered into force on January 1, 2003. Under the GCC Customs Union, goods produced in GCC countries enter duty-free into Qatar; products are generally considered to originate in the country where they are wholly obtained or where they underwent substantial transformation, with at least 40% of local value addition.

Other major elements of the GCC Customs Union include:

- a common external customs tariff (CET);
- common customs regulations and procedures;
- a single-entry point where customs duties are collected;
- the elimination of all tariff and non-tariff barriers, while taking into consideration agricultural and quarantine laws as well as rules on prohibited and restricted goods; and
- national treatment accorded to goods produced in any member State, by other member States.

[4] IMF, “Staff Report for the 2023 Article IV Consultation, Qatar”, January 2024.

According to the GCC CET, a single customs duty rate of 5% is applied on all goods imported into the GCC Customs Union, with the following exceptions:

- Products listed under 417 HS subheadings are exempted from all import tariffs. These include live animals, fresh and chilled meat and fish; fresh vegetables and fruit, and cereals; medicines and medical supplies; books, newspapers, and magazines; and ships and commercial aircrafts.
- Imports by industrial plants located in a GCC territory of machinery, equipment, spare parts, raw materials, semi-manufactured materials, and packing materials directly required for production are exempted from customs duties.
- Imports by international organizations, diplomatic missions, the armed forces, police, personal effects, and charities are exempted from customs duties.
- Ad valorem duties of 100% are imposed on tobacco and products thereof (with a minimum specific customs duty component) (HS Chapter 24).
- Qatar also applies customs duties of 100% on alcohol products.

Duties collected at the first point of entry into the GCC Custom Union are allocated to the final destination GCC member State through a mechanism for the settlement of customs revenue sharing (clearing mechanism). The member State of final destination, wherein the goods are consumed, shall retain the customs revenue generated from such goods.

Qatar allows the free movement of the GCC nationals, allowing them to work in all sectors. Furthermore, there are no restrictions for investment by the GCC nationals, except in a small number of sectors currently being negotiated, including commercial agencies and services; Hajj and Umrah agencies and services; labour and manpower offices and agencies; and publishing, newspapers, and magazines.

Implementation of these common agreements was temporarily interrupted during the Gulf rift between Qatar and three GCC members (UAE, Saudi Arabia, and Bahrain), from June 2017 to January 2021. In June 2017, Bahrain, Egypt, Saudi Arabia and the UAE severed economic and trade ties. These countries banned Qatar-registered airplanes and ships from utilizing their airspace and sea routes. Saudi Arabia also blocked Qatar's only land crossing. The embargo resulted in significant negative short-term effects, including capital flight. Qatar responded to the blockade by making extensive use of the multilateral framework under the WTO, particularly trade facilitation, and by diversifying import sources. Moreover, Qatar tapped into its sovereign wealth fund, which was readily available for utilisation at the time of emergency, to stabilize the economy.

Chapter 2

International Trade and Investments of Qatar

Located in the heart of the Middle East, Qatar is strategically positioned to reach established and growing markets in Africa, Asia and Europe. Qatar is actively engaged in the WTO activities and is committed to the multilateral trading system. In 2016, it deposited its instrument of acceptance of the 2005 Protocol Amending the TRIPS Agreement, and in June 2017, it ratified the WTO Trade Facilitation Agreement (TFA).

Tasdeer, Qatar's export development agency, was launched in 2011 to help boost non-hydrocarbon exports. Operating within the Qatar Development Bank (QDB) and financed through its budget, Tasdeer provides Qatari SMEs and start-ups with a wide range of supports, including credit guarantee, export finance, export insurance, direct lending, and legal advisory services.

Qatar’s Trade Agreements

Qatar is located at the intersection of three continents viz. Asia, Africa and Europe, with access to 80% of the world’s population within six hours of flying time. Qatar has focused on developing a strong logistics sector to seamlessly connect to global markets and the nation is positioning itself to be a regional connectivity leader.

To facilitate trade and investment, Qatar has entered into multiple bilateral agreements, including 28 bilateral agreements on customs cooperation, 65 double tax and investment protection agreements, and 14 multilateral/ economic agreements **(Table 2.1)**.

Table 2.1: Bilateral Agreements of Qatar

Bilateral Agreements on Customs Cooperation	Double Tax and Investment Protection Agreements		Multilateral / Economic Agreements
Morocco	Algeria	Malaysia	European Trade Agreement
Iran	Armenia	Malta	International Road Transport Agreement 1975
India	Austria	Mauritius	Istanbul Convention on Temporary Admission and its Annexes (A)[5], (B.1)[6]
Algeria	Azerbaijan	Mexico	BLEU (Belgium-Luxembourg Economic Union)
Cuba	Barbados	Monaco	Free Trade Agreement between the Gulf Cooperation Council and the EFTA States Marrakesh

5 Annex Concerning Temporary Admission Papers.
6 Annex Concerning Goods for Display or use at Exhibitions, Fairs, Meetings or Similar Events.

Bilateral Agreements on Customs Cooperation	Double Tax and Investment Protection Agreements		Multilateral / Economic Agreements
Nairobi Convention	Belarus	Morocco	Singapore
Serbia	Brunei Darussalam	Nepal	Free Trade Agreement between Singapore and The Gulf Cooperation Council (GCC)
Costa Rica	Bulgaria	Netherlands	European Economic Community–GCC Cooperation Agreement
Portugal	China	Nigeria	GCC Economic Agreement
Montenegro	Croatia	Norway	Organization of the Islamic Conference Investment Agreement
Jordan	Cuba	Pakistan	Arab Investment Agreement
Cyprus	Cyprus	Panama	Arab League Investment Agreement
Azerbaijan	Ecuador	Philippines	Law on supporting competitiveness of national products and combating harmful practices to them in international trade
Gambia	France	Portugal	Georgia – Protection of Investments and on Economic, Trade and Technical Cooperation
Armenia	Georgia	Romania	
Turkey	Greece	Russia	
Finland	Hong Kong	Senegal	
Switzerland	India	Serbia	
Belarus	Indonesia	Seychelles	
Indonesia	Iran	Singapore	
South Korea	Ireland	Slovenia	
China	Isle of Man	South Africa	
Italy	Italy	Spain	
Egypt	Japan	Sri Lanka	
Bosnia and Herzegovina	Jersey	Sudan	
France	Jordan	Switzerland	
Germany	Kazakhstan	Syria	
Romania	Kenya	Tunisia	
	South Korea	Turkey	
	Latvia	Venezuela	
	Lebanon	Vietnam	
	Luxembourg	Yemen	
	North Macedonia		

Source: Qatar Free Zones

Qatar is a strong supporter of regional integration and has ties with several Arab League member states. As a member of the Gulf Cooperation Council (GCC), Qatar has implemented the GCC Common Customs Law of 2002 and follows the GCC unified customs tariff of 5% imposed since 2003 to facilitate the movement of foreign goods within the bloc. As per the GCC Common Market and Economic Nationality Agreement of 1981 and subsequent regulations of 1987 and 1990, GCC nationals are free to move, work, reside, invest, and carry out retail and wholesale trade in Qatar, as everywhere else in the bloc.

Qatar applies the GCC common external tariff (CET). Tariffs remain low and relatively simple. Almost all (99.3%) tariff lines carry ad valorem duties, and most tariffs are at 5% (87.5% of total tariff lines). Mixed duties apply to most tobacco products (0.2% of total tariff lines). All tariff lines are bound. Qatar prohibits or restricts the importation of a few goods for reasons of security, health, or religion.

As a GCC member, Qatar has regional trade agreements with Singapore and European Free Trade Association (EFTA) States. Additionally, Qatar has signed bilateral cooperation agreements with major global economies, including China, France, India and South Korea.

GCC-Singapore Free Trade and Economic Integration Agreement

As a member of the GCC, Qatar is a signatory to the GCC's trade agreements with third parties. The GCC-Singapore Free Trade and Economic Integration Agreement (GSFTA) was signed on December 15, 2008 and entered into force on September 1, 2013, with the end of the implementation period in 2018. It was notified to the WTO in 2015.

This Agreement provides for the liberalization of trade in goods and services, and covers areas including customs procedures, government procurement, cooperation, and dispute settlement. In 2023, 5.6% of Qatar’s exports and 2.5% of Qatar's imports were traded with Singapore. Qatar's main exports to Singapore were petroleum gas, crude petroleum, fertilizers, petroleum products, sulphur, and ether, while its main imports from Singapore were jewellery, petroleum products, parts of machinery, medicaments, food preparations and apparatus. Qatar’s imports from Singapore are largely dominated by jewellery, mineral fuels, aircrafts and parts, and electrical machinery and parts, while its exports to Singapore mainly comprise mineral fuels (88%), followed by organic chemicals, iron and steel, fertilizers, and salt.

Under the GSFTA, customs duties are eliminated on goods originating from the other parties in accordance with their schedules, while Singapore commits to eliminate customs duties on all goods originating from GCC member States. After the full implementation of the GSFTA in September 2018, 3.5% of Qatar's tariff lines, including some animal products, liquor and alcoholic products, and tobacco products, remain dutiable while the rest are duty-free.

A good is considered as originating in a party if it: (i) is wholly obtained or produced; or (ii) underwent sufficient working or production, such as having a change in tariff heading at the HS 2- or 4-digit levels, or having a value added of not less than 35% based on the ex-works price. Non-originating products, whose value does not exceed 10% of the good's value, may nonetheless be considered originating.

GCC-EFTA FTA

The GCC member States also signed an FTA with the European Free Trade Association (EFTA) States including Iceland, Liechtenstein, Norway, and Switzerland in 2009, which entered into force in 2015. The FTA covers trade in goods (industrial and processed agricultural goods, fish, and other marine products), trade in services, government procurement, and competition. Basic agricultural products are covered by the bilateral agricultural agreements, which are part of the instruments establishing the free trade area between the parties.

In 2023, 3.5% of Qatar's imports and 0.3% of its exports were traded with EFTA States. Qatar's main imports from the EFTA were gold, watches, sculptures, blood, medicaments and petroleum coke, while its main exports were sulphur, fertilizers, jewellery, wristwatch, telephone sets and automatic data processing machines.

Pan-Arab Free Trade Area (PAFTA)

The PAFTA Agreement, also known as the Greater Arab Free Trade Area (GAFTA) Agreement, entered into force on January 1, 1998. Currently, it has 16 members, including the six GCC member States, Egypt, Iraq, Jordan, Lebanon, Libya, Morocco, Sudan, Syria, Tunisia, and Yemen. The PAFTA Agreement aims to facilitate and develop intra-Arab trade in goods, where customs tariffs are reduced or eliminated. Qatar exempts tariffs on any products bearing an Arab certificate of origin.

Other Agreements

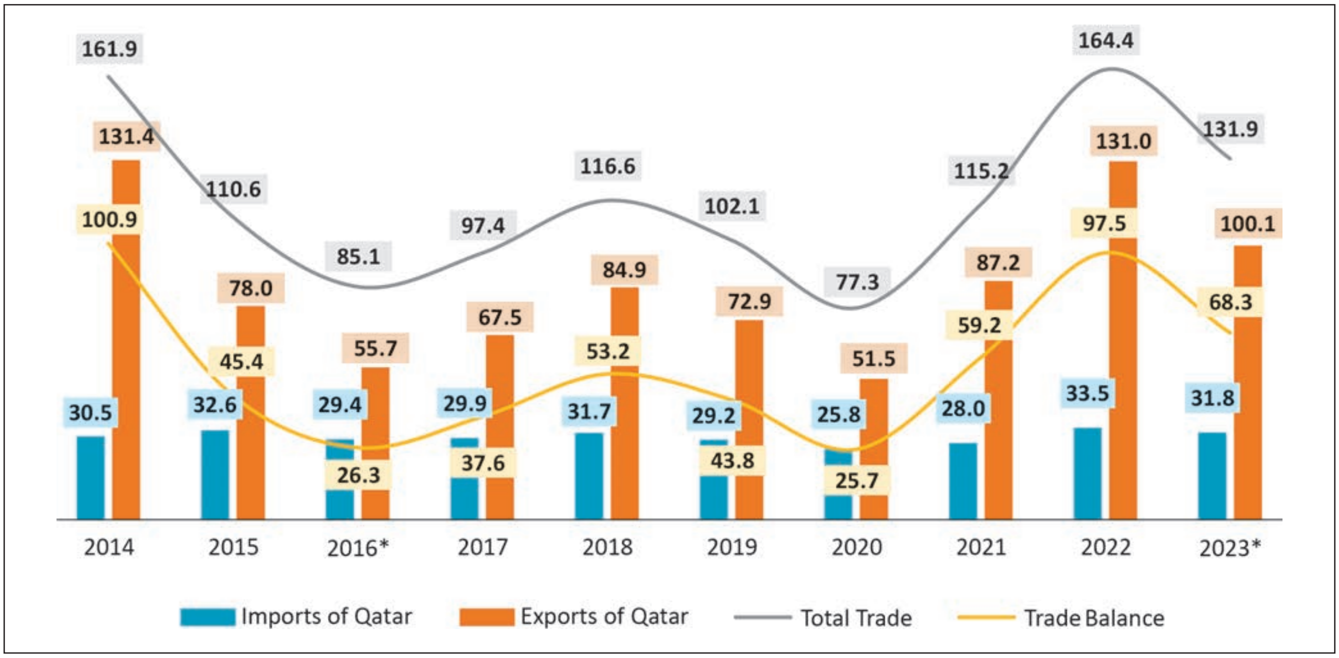
Qatar passed a legislation in 2010 to adopt the Protocol on the Preferential Tariff Scheme (PRETAS) for the Trade Preferential System among members of the Organization of the Islamic Cooperation (TPS-OIC). The Protocol provides for reciprocal preferential tariff access, i.e. providing a margin of preference on current MFN duty rates for a certain percentage of tariff lines. Each party has a specific tariff reduction programme. The Protocol also provides for the removal of para-tariffs (i.e. border charges and fees), elimination of non-tariff barriers, establishment of rules of origin, and provisions related to trade remedies.

Under the Generalized System of Preferences (GSP), exports of certain Qatari products receive non-reciprocal preferential treatment from Armenia, Australia, Kazakhstan, Kyrgyzstan and Russia. Qatar does not grant unilateral preferences.

Merchandise Trade of Qatar

Qatar has historically been a trade surplus economy. However, the surplus declined over the last decade. While Qatar's trade with the rest of the world has shown growth over the past decade, there have been intermittent periods of decline. For instance, in 2015 and 2016, Qatar experienced consecutive years of trade contraction, primarily due to reduced exports of mineral fuels, lubricants and related materials. The COVID-19 pandemic further impacted Qatar's trade, resulting in a decline of total trade to US$ 77.3 billion in 2020 after reaching a peak of US$ 116.6 in 2018. However, the country demonstrated resilience and bounced back, achieving an impressive decadal high in total trade of US$ 164.4 billion in 2022. In 2023, Qatar's total trade moderated to US$ 131.9 billion, mainly due to decline in exports **(Chart 2.1)**.

Chart 2.1: International Trade of Qatar (US$ billion)



Note: '*'- Based on Mirror Data

Source: ITC Trade Map and India Exim Bank Research

Merchandise Exports from Qatar: Commodity Analysis

The composition of Qatar's exports was relatively stable during the last decade, largely dominated by mineral fuels and oils. Merchandise export revenue of the country moves in tandem with global hydrocarbons prices and export volumes, and strong international demand for LNG is supporting the merchandise trade position.

Mineral fuels and oils accounted for a massive 87.7% of Qatar's total exports in 2023, followed by plastics and articles, aluminium and its articles and fertilizers, among others **(Table 2.2)**. At a disaggregated level, the major exported items in 2023 include petroleum oils and gas; mineral or chemical nitrogenous fertilisers; urea; unwrought aluminium; polyethylene; rare gases and sulphur of all kinds and hydrogen.

Table 2.2: Major Merchandise Export Commodities of Qatar (US$ million)

HS Code	Product label	2014	2018	2022	2023	Share in 2023 (%)
TOTAL	**All products**	**131,395.8**	**84,904.6**	**130,964.5**	**100,092.9**	**100.0**
27	Mineral fuels and oils	113,676.5	73,128.0	114,320.5	87,824.4	87.7
39	Plastics and its articles	5,302.8	2,954.9	3,399.3	2,230.3	2.2
76	Aluminium and its articles	2,945.9	1,391.7	2,139.7	1,829.2	1.8
31	Fertilisers	1,760.2	1,475.7	3,576.8	1,821.3	1.8
28	Inorganic chemicals	991.8	1,065.8	1,441.7	1,413.0	1.4
29	Organic chemicals	2,529.7	1,158.9	1,397.2	1,023.6	1.0
25	Salt; sulphur and earths and stone	327.6	55.0	919.5	791.5	0.8

HS Code	Product label	2014	2018	2022	2023	Share in 2023 (%)
72	Iron and steel	1,197.1	412.7	387.9	470.1	0.5
71	Natural or cultured pearls and stones	15.2	80.7	120.1	428.2	0.4
84	Machinery and mechanical appliances	460.4	272.7	328.8	188.7	0.2
38	Miscellaneous chemical products	140.6	226.8	241.8	156.0	0.2
74	Copper and its articles	20.8	72.5	158.7	143.2	0.1
85	Electrical machinery and equipment	123.3	81.1	204.0	79.3	0.1
89	Ships, boats and floating structures	51.2	888.2	879.6	35.0	0.03
91	Clocks and watches and their parts	6.0	64.9	25.1	34.3	0.03

Source: ITC Trade Map and India Exim Bank Research

Merchandise Imports of Qatar: Commodity Analysis

Machinery and mechanical appliances were the largest items in Qatar's import basket, followed by aircraft, spacecraft, and their parts, transport vehicles, natural or cultured pearls and precious stones and electrical machinery and equipment, and together accounted for over 52% of Qatar's import basket in 2023 **(Table 2.3)**. At a disaggregated level, the major imported items in 2023 include motor cars; powered aircraft including helicopters and aeroplanes; articles of jewellery and its parts; turbojets, turbo propellers and other gas turbines; tubes, pipes and hollow profiles, seamless, of iron or steel; taps, valves and similar appliances for pipes, among others. Further, there has been huge uptick in the imports of aircraft, spacecraft and its parts and transport vehicles in 2023, witnessing a 5-fold increase vis-à-vis that of the previous year.

Table 2.3: Major Merchandise Import Commodities of Qatar (US$ million)

HS Code	Product label	2014	2018	2022	2023	Share in 2023 (%)
TOTAL	**All products**	**30,469.1**	**31,695.9**	**33,479.0**	**31,844.4**	**100.0**
84	Machinery and mechanical appliances	4,726.0	4,975.6	5,439.8	5,041.0	15.8
88	Aircraft, spacecraft, and parts thereof	1,806.6	2,851.7	961.3	4,842.2	15.2
87	Vehicles other than railway or tramway	3,874.5	1,968.5	2,217.5	3,045.2	9.6
71	Natural or cultured pearls and precious stones	804.6	920.6	1,203.5	1,972.7	6.2
85	Electrical machinery and equipment	3,228.2	2,934.4	2,851.8	1,957.1	6.1
73	Articles of iron or steel	1,389.9	1,371.9	1,278.1	1,898.9	6.0
93	Arms and ammunition	26.4	873.5	1,897.9	876.1	2.8
89	Ships, boats and floating structures	641.6	220.2	112.2	797.0	2.5
90	Optical, photographic and medical equipment	529.8	579.6	639.4	796.5	2.5

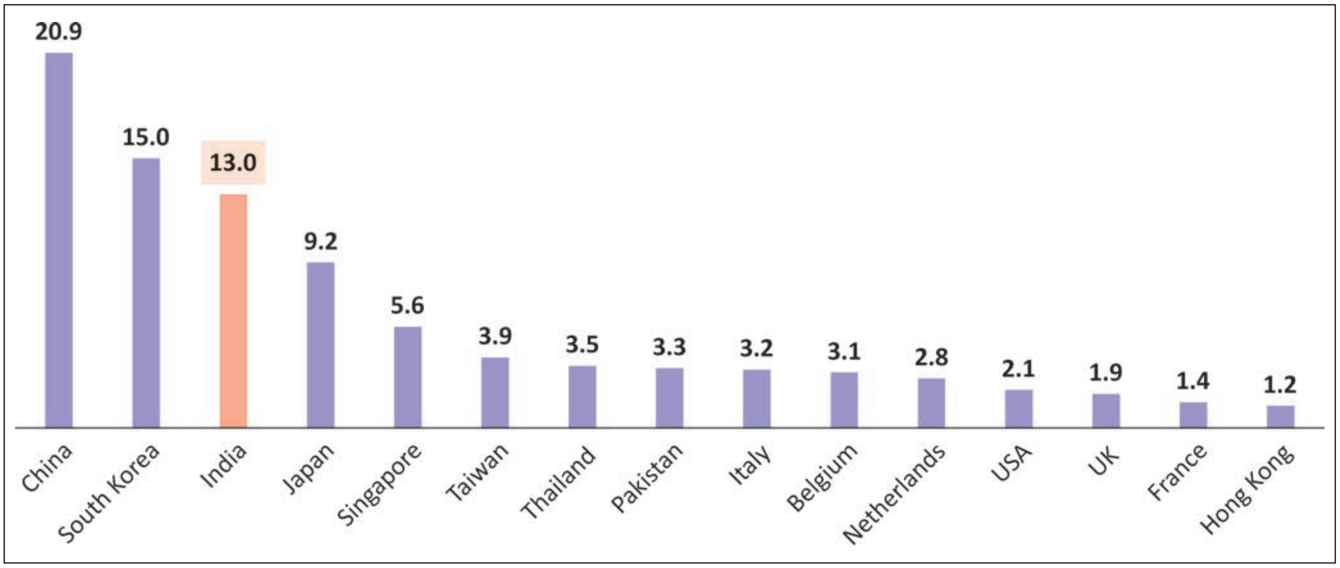
HS Code	Product label	2014	2018	2022	2023	Share in 2023 (%)
94	Furniture; bedding, mattresses and mattress supports	823.7	829.3	1,081.5	585.3	1.8
30	Pharmaceutical products	433.4	664.8	973.7	551.9	1.7
28	Inorganic chemicals	525.8	543.5	559.2	541.2	1.7
27	Mineral fuels and oils	352.7	442.3	577.6	506.7	1.6
02	Meat and edible meat offal	423.7	522.1	683.8	489.0	1.5
39	Plastics and articles thereof	726.1	738.9	797.8	477.9	1.5

Source: ITC Trade Map and India Exim Bank Research

Major Export Destinations of Qatar

Asian countries absorb around three-fourth of Qatar's exports. China remains the major destination, accounting for 20.9% of Qatar's exports in 2023, while India has progressed from being the fourth largest export destination of Qatar in 2019 to the third largest in 2023, with a share of 13%. Other major export destinations are South Korea, Japan and Singapore, among others **(Chart 2.2)**. Sales of LNG make these markets the principal export destinations for Qatar.

Chart 2.2: Major Export Destinations of Qatar in 2023 (% Share)



Source: ITC Trade Map and India Exim Bank Research

Table 2.4 highlights the product-wise major export destinations of Qatar for products having greater than 1% share in Qatar's global exports. India was the largest destination for organic chemical exports from Qatar; second largest destination for exports of plastics and articles thereof; third largest destination for mineral fuels and oils and inorganic chemicals; and the fourth largest destination for exports of both aluminium and articles and fertilisers from Qatar.

Table 2.4: Major Export Destinations for Commodities Exported by Qatar, 2023

HS Code	Product (Export Value)	Major Export Destinations of Qatar	Exports (US$ million)	% Share in Qatar's Exports of Product
	Total Exports of Qatar (US$ 100,092.9 million)	China	20,878.1	20.9
		South Korea	14,998.9	15.0
		India (3rd Largest)	**12,986.4**	**13.0**
		Japan	9,199.8	9.2
		Singapore	5,646.4	5.6
27	Mineral fuels and oils (US$ 87,824.4 million)	China	19,560.6	22.3
		South Korea	14,417.5	16.4
		India (3rd Largest)	**11,560.3**	**13.2**
		Japan	8,928.1	10.2
		Singapore	5,361.8	6.1
39	Plastics and articles thereof (US$ 2,230.3 million)	China	584.4	26.2
		India (2nd Largest)	**335.1**	**15.0**
		Italy	112.8	5.1
		Turkey	103.2	4.6
		Nigeria	83.8	3.8
76	Aluminium and articles (US$ 1,829.2 million)	USA	300.2	16.4
		Turkey	258.1	14.1
		South Korea	227.5	12.4
		India (4th Largest)	**171.4**	**9.4**
		Japan	147.0	8.0
31	Fertilisers (US$ 1,821.3 million)	Brazil	497.7	27.3
		USA	361.4	19.8
		Australia	209.3	11.5
		India (4th Largest)	**176.1**	**9.7**
		Thailand	165.5	9.1
28	Inorganic chemicals (US$ 1,413.0 million)	China	388.2	27.5
		South Korea	186.8	13.2
		India (3rd Largest)	**135.2**	**9.6**
		Taiwan	108.9	7.7
		Singapore	82.1	5.8

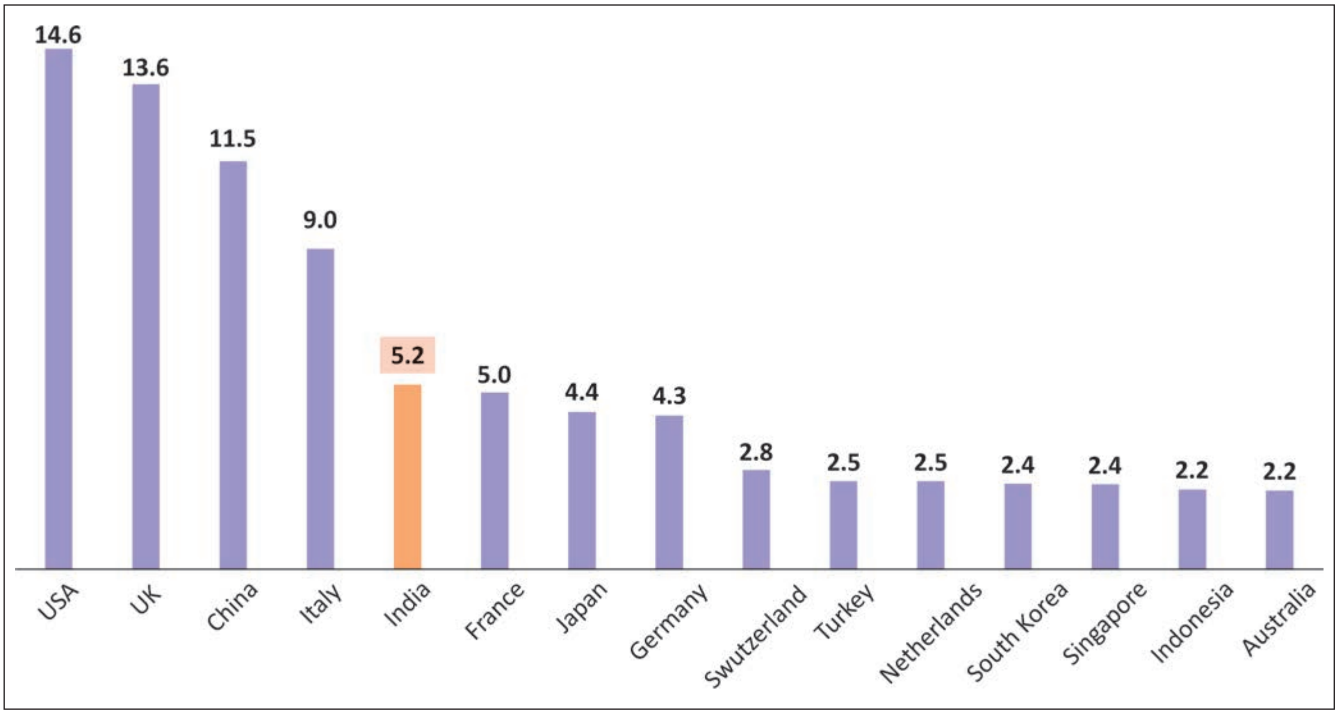
HS Code	Product (Export Value)	Major Export Destinations of Qatar	Exports (US$ million)	% Share in Qatar's Exports of Product
29	Organic chemicals (US$ 1,023.6 million)	**India (Largest)**	**363.3**	**35.5**
		Belgium	105.4	10.3
		China	100.7	9.8
		Singapore	92.1	9.0
		Thailand	83.7	8.2

Source: ITC Trade Map and India Exim Bank Research

Major Import Sources of Qatar

The US is the largest import source for Qatar, with a share of 14.6% in Qatar's total imports in 2023, followed by the UK **(Chart 2.3)**. India has made remarkable progress as a preferred source of Qatar's imports rising from being the tenth largest import source of Qatar in 2013 to the fourth largest in 2023, with a share of 5.2%. Other major import sources for Qatar include the UK, China and Italy.

Chart 2.3: Major Import Sources of Qatar in 2023 (% Share)



Source: ITC Trade Map and India Exim Bank Research

China, the UK and the US have been the major sources of most of the commodities imported by Qatar in 2023 **(Table 2.5)**. For Qatar, India was the third largest import source for ships, boats and floating structures; sixth largest source of both vehicles other than railway or tramway, and natural or cultured pearls and precious stones; and seventh largest source for articles of iron or steel.

Table 2.5: Major Import Sources for Commodities Imported by Qatar, 2023

HS Code	Product (Import Value)	Major Import Sources of Qatar	Imports (US$ million)	% Share in Qatar's Imports of Product
	Total Imports of Qatar (US$ 31,844.4 million)	USA	4,658.2	14.6
		UK	4,344.4	13.6
		China	3,652.9	11.5
		Italy	2,869.6	9.0
		India (5th Largest)	**1,652.0**	**5.2**
84	Machinery and mechanical appliances (US$ 5,041.0 million)	UK	1,206.1	23.9
		Italy	793.8	15.7
		China	577.7	11.5
		USA	463.0	9.2
		Germany	332.7	6.6
		India (12th Largest)	**92.1**	**1.8**
88	Aircraft, spacecraft, and parts thereof (US$ 4,842.2 million)	USA	2,129.7	44.0
		UK	1,186.4	24.5
		France	894.4	18.5
		Italy	427.8	8.8
		Australia	62.9	1.3
		India (21st Largest)	**0.5**	**0.01**
87	Vehicles other than railway or tramway (US$ 3,045.2 million)	Japan	904.2	29.7
		UK	410.1	13.5
		China	334.6	11.0
		USA	327.5	10.8
		Germany	260.1	8.5
		India (6th Largest)	**103.9**	**3.4**
71	Natural or cultured pearls and precious stones (US$ 1,972.7 million)	UK	724.5	36.7
		Switzerland	301.9	15.3
		Singapore	279.1	14.1
		USA	179.1	9.1
		Hong Kong	133.7	6.8
		India (6th Largest)	**125.2**	**6.3**

HS Code	Product (Import Value)	Major Import Sources of Qatar	Imports (US$ million)	% Share in Qatar's Imports of Product
85	Electrical machinery and equipment (US$ 1,957.1 million)	China	410.2	21.0
		USA	259.4	13.3
		Italy	234.7	12.0
		Netherlands	127.0	6.5
		UK	121.6	6.2
		India (9th Largest)	**62.2**	**3.2**
73	Articles of iron or steel (US$ 1,898.9 million)	China	406.9	21.4
		South Korea	276.3	14.6
		Indonesia	209.7	11.0
		Japan	185.5	9.8
		UK	148.4	7.8
		India (7th Largest)	**119.1**	**6.3**
93	Arms and ammunition (US$ 876.1 million)	USA	431.0	49.2
		Italy	316.7	36.1
		Norway	102.5	11.7
		Turkey	16.4	1.9
		UK	2.5	0.3
		India	**-**	**-**
89	Ships, boats and floating structures (US$ 797.0 million)	Italy	351.4	44.1
		Indonesia	324.0	40.7
		India (3rd Largest)	**75.3**	**9.5**
		Germany	12.4	1.6
		USA	8.4	1.1

Source: ITC Trade Map and India Exim Bank Research

Services Sector in Qatar

Qatar has a high level of telecom maturity and has allowed foreign investment of up to 100% in telecommunications services. The Telecommunications Law was amended in 2017 with the purpose of strengthening the executive powers of the sectoral regulator– the Communications Regulatory Authority, among others. Postal services are exclusively reserved for Qatar Post, a 100% state-owned company. No specific rules apply to courier services, which are provided by four international operators.

Qatar made sector-specific GATS commitments in six services categories: business, communication, construction and related engineering, environmental, financial, and tourism and travel-related. Qatar does not maintain most favoured nation (MFN) exemptions under Article II of the GATS. It made no commitment regarding the movement of natural persons, except for entry and temporary stay of managers, specialists and skilled technicians. The presence of foreign national persons as self-employers is not allowed. Qatar focuses on five priority sectors (transport, logistics, environment, healthcare and sports) and aims to drive economic diversification through a national digital transformation.

Financial Sector in Qatar

The financial services sector is sound, supported by strong profitability and capital. The sector is regulated by three institutions: the Qatar Central Bank (QCB), the Qatar Financial Centre Regulatory Authority (QFCRA) and the Qatar Financial Market Authority (QFMA). They regulate different banking and non-banking financial institutions.

Under the Qatar Central Bank and Regulation of Financial Institutions Law, foreign bank branches can operate in Qatar after obtaining licenses from the Qatar Central Bank. As money and property in Qatar cannot be insured outside the country, insurance services are provided by domestic insurance companies and foreign insurance branches.

The country has a sophisticated banking system that provides both Islamic and conventional banking services. As of 2022, the country's banking sector is composed of 17 banks, nine of which are Qatari banks, and the remaining eight are foreign financial institutions. The QIA started acquiring equity ownership in all domestic banks listed on the Qatar Exchange and has ownership shares in the eight banks among the world's 1,000 largest. The banking sector is regulated by the QCB, in accordance with the Qatar Central Bank and the Regulation of Financial Institutions Law (No. 13 of 2012). Law 1/2019 limits foreign ownership to 49% in banking, insurance, and commercial agencies, barring a special dispensation from the Cabinet. Foreign banks operate in Qatar through branches, and they were established under Law No. 13 of 2012 with their licenses issued by the QCB.

For a foreign bank branch to operate in Qatar, its paid-up capital must be at least QAR 1 billion[7]. All banks operating in Qatar face the same prudential requirements; for foreign bank branches, the authorities indicate that additional requirements may apply to the parent company.

Qatar's regulators have recognized the potential of financial technology (Fintech) to transform the financial services landscape and are actively promoting innovation in this area. In 2023, Qatar Central Bank unveiled the Qatar FinTech Strategy 2023, which is in line with the Qatar National Vision 2030 goal of promoting diversification and innovation in the financial sector. The QCB's financial technology vision is based on developing, diversifying and increasing the competitiveness of Qatar's financial technology and services sector through pioneering infrastructure and providing solutions that positively impact the customer experience. The launch of Qatar Credit Bureau's new electronic application service and the granting of the license to Paywise

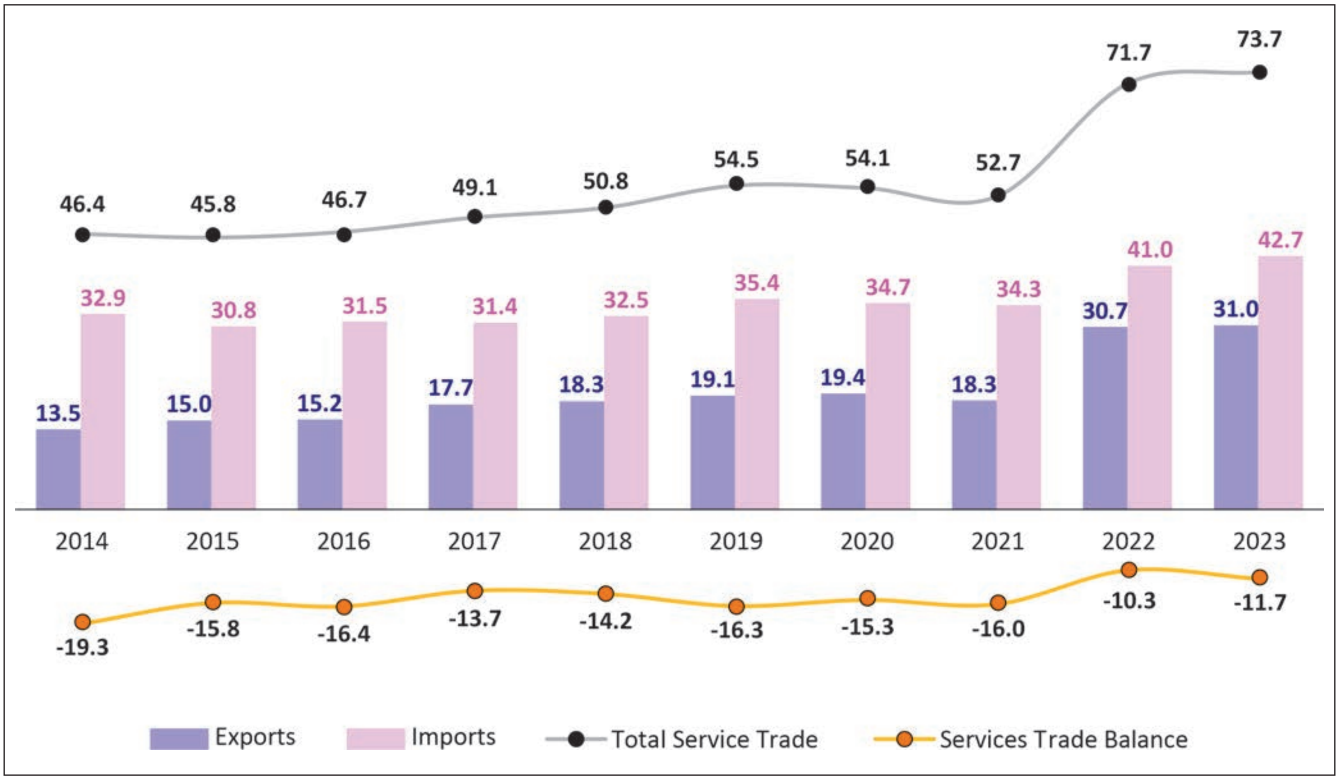
[7] Qatar Central Bank, Guidance on Licensing of Financial Institutions, May 2022 https://www.qcb.gov.qa/Documents/LicensingForBanks/AR/Licensing_instructions3.pdf.

are part of this initiative and reflect the overall commitment to developing and strengthening the financial technology sector. Qatar is strategically positioning itself as a leading FinTech hub in the Middle East and a pioneer in digital transformation and sustainability within the financial services sector.

Services Trade of Qatar

As shown in **Chart 2.4**, the total services trade of Qatar has seen a gradual rise over the decade, from US$ 46.4 billion in 2014 to reaching a peak of US$ 73.7 billion in 2023. The pandemic's impact on services trade was relatively subdued, with a moderate decline from US$ 54.5 billion in 2019, to US$ 52.7 billion in 2021. However, this trend quickly reversed in 2022 providing strong annual growth of 67.8% and 19.5% in exports and imports, respectively. The momentum was maintained in 2023 with services trade recording a decadal high of US$ 73.7 billion, supported by increase in both exports and imports. While Qatar's services trade balance has recorded a consistent deficit across the decade, it has subsequently reduced from US$ 19.3 billion in 2014 to US$ 11.7 billion in 2023.

Chart 2.4: International Services Trade of Qatar (US$ billion)



Source: WTO and India Exim Bank Research

Commercial services dominate Qatar's services exports, accounting for 97.8% of its total services exports. Within commercial services, transport (in particular, passenger transport) and travel are the largest components, and together accounted for 86.3% of Qatar's total services exports. The expansion of Qatar Airways contributed to rapid growth in passenger travel on the export side. Visibility brought by the FIFA World Cup has supported strong tourism in 2022 and 2023. Insurance and pension services and telecommunications, computer and information services were the other major services exports in 2023 **(Table 2.6)**.

Table 2.6: Services Exports of Qatar (US$ million)

Product/Sector	2014	2018	2022	2023	% Share in 2023
Services Exports of Qatar	**13,526**	**18,273**	**30,728**	**30,974**	**100.0**
Government goods and services	752	493	929	690	2.2
Commercial services	12,775	17,780	29,800	30,284	97.8
Transport	6,429	10,060	19,268	17,880	57.7
Passenger	5,985	9,674	17,784	15,662	50.6
Freight	442	380	1,473	2,191	7.1
Other	1	5	11	27	0.1
Travel	4,591	5,565	7,262	8,848	28.6
Other commercial services	1,755	2,154	3,269	3,556	11.5
Insurance and pension services	863	711	1,837	1,881	6.1
Telecommunications, computer and information services	379	782	1,140	1,331	4.3
Personal, cultural and recreational services	513	661	293	345	1.1

Source: WTO and India Exim Bank Research

Commercial services imports of Qatar were dominated by travel in 2023, with a share of 38.5% of total services imports, followed by transport services. The shipping of Qatar's LNG, crude oil and other industrial goods remained an important component of its services imports within transport of freight. Other major imported services include telecommunications, computer and information services insurance and pension services, personal, cultural and recreational services, and technical, trade-related and other business services **(Table 2.7)**. In addition, a substantial portion of Qatar's services imports in recent years were linked to the staging of the FIFA World Cup in 2022.

Table 2.7: Services Imports of Qatar (US$ million)

Product/Sector	2014	2018	2022	2023	% Share in 2023
Services Imports of Qatar	**32,859**	**32,504**	**41,000**	**42,746**	**100.0**
Government goods and services	2,852	1,768	3,545	4,997	11.7
Commercial services	30,007	30,735	37,455	37,749	88.3
Transport	12,117	11,449	13,536	13,228	30.9
Passenger	4,189	2,482	5,905	5,826	13.6
Freight	2,944	2,940	1,186	2,832	6.6
Other	4,984	6,027	6,445	4,571	10.7
Travel	8,682	9,272	12,260	16,475	38.5
Other commercial services	9,209	10,014	11,659	8,045	18.8
Insurance and pension services	2,362	3,163	4,235	1,267	3.0

Product/Sector	2014	2018	2022	2023	% Share in 2023
Telecommunications, computer and information services	2,665	2,408	1,865	1,662	3.9
Technical, trade-related and other business services	2,702	2,816	2,676	2,112	4.9
Personal, cultural and recreational services	1,480	1,627	2,883	3,005	7.0

Source: WTO and India Exim Bank Research

Since services export partners' data for Qatar are not available in the WTO's International Trade Statistics, as an alternate source, the OECD-WTO's Balanced Trade in Services (BaTIS) dataset[8] is referred. In terms of services export destinations, the US remained the top services market accounting for 10.1% of Qatar's services exports in 2021. India has progressed from being the eleventh largest services export destination of Qatar in 2018 to the tenth largest services export destination in 2021. Other major services export destinations of Qatar include the UAE, China, Saudi Arabia and the UK **(Table 2.8)**.

Table 2.8: Top 15 Services Export Destinations of Qatar (US$ million)

Partner Economy	2013	2018	2020	2021
USA	837	1,252	1,256	1,248
UAE	798	1,114	1,036	1,096
China	538	882	852	881
Saudi Arabia	684	911	775	831
UK	582	737	676	701
Germany	417	570	532	545
Japan	307	407	435	447
Italy	227	372	312	417
France	365	454	374	377
India	222	351	338	367
Singapore	208	408	391	334
Switzerland	205	280	327	327
Hong Kong	147	269	274	271
Australia	155	192	190	199
South Korea	128	185	176	180

Source: WTO-BaTIS and India Exim Bank Research

8 BaTIS dataset is a complete, consistent and balanced matrix of international trade in services statistics (ITSS). At present, only about 63% of world trade in services is bilaterally specified and the percentage is even lower for the individual service categories. The OECD-WTO methodology leverages all available official statistics and combines them with estimations and adjustments to provide users with a complete matrix covering virtually all economies in the world. To resolve the asymmetries between reported and mirror flows, exports and imports are reconciled by calculating a symmetry-index weighted average between the two, following a similar approach to that developed for international merchandise trade statistics. It contains annual bilateral data covering 202 reporters and partners, broken down by the 12 main EBOPS2010 (BPM6) categories. BaTIS is the result of joint efforts by the OECD and the WTO.

The US was also the largest services import source for Qatar, with services imports accounting for 12% of Qatar's total services imports in 2021, followed by the UAE, the UK, China and Ireland **(Table 2.9)**. India has made remarkable progress, rising from the tenth largest services import source of Qatar in 2013 to the sixth largest in 2021.

Table 2.9: Top 15 Services Import Sources of Qatar (US$ million)

Partner Economy	2013	2018	2020	2021
USA	2,537	3,069	2,925	2,953
UAE	1,473	2,021	2,063	2,363
UK	2,027	1,696	1,659	1,755
China	841	1,056	1,118	1,275
Ireland	226	745	1,037	1,163
India	715	953	972	1,088
France	810	1172	1009	954
Italy	309	513	423	875
Germany	645	1043	796	793
Japan	569	669	667	685
Singapore	595	763	763	633
Netherlands	579	518	578	623
Spain	459	504	449	483
Switzerland	371	409	416	445
Israel	235	310	339	415

Source: WTO-BaTIS and India Exim Bank Research

Foreign Direct Investment and Qatar

Foreign Direct Investment (FDI) has the potential to bring significant benefits to the recipient country, particularly through the establishment of industries. Qatar recognizes the vital role that FDI plays in fostering an investment-friendly environment. To promote business and foreign investment environment, the law on FDI was repealed and replaced by Law No. 1 of 2019, which allows foreign ownership of up to 100% (up from 49%) in almost all economic sectors (subject to official approval). Amendments to legislation on free zones, income tax and foreign ownership and use of properties, as well as the establishment of the Investment Promotion Agency (IPA) aim at attracting more investment. The Law Organizing the Partnership between Public and Private Sectors entered into force in 2020, aiming to increase the participation of the private sector in the economy and encourage competition.

Protection of foreign investor rights, such as unrestricted transfer of funds and assurances against expropriation, is strengthened. The commercial registration process has been eased with the physical one-stop shop or online through the 'Invest in Qatar' portal. Domestic and foreign companies may also opt to register in one of

Qatar's economic zones, which provide different incentives **(Table 2.10)**. Legislative changes are disseminated via the legal portal (Al-Meezan) while the authorities ensure that all laws are published in the Official Gazette.

In order to attract and facilitate foreign investments, the Qatar Free Zones Authority (QFZA) was established to develop and regulate free zones. At present, the country has two free zones providing benefits such as tax holidays for two decades, import tariff exemptions, access to investment fund, full ownership and full capital repatriation etc. In addition to free zones overseen by the QFZA, there are special free zones, such as the Qatar Science and Technology Park and the Qatar Financial Centre, where the Government provides certain supports to attract technology institutes and international financial business.

Qatar implemented reforms to its Intellectual Property Rights (IPR) protection system to promote the development of an innovative economy. The country legislated laws to protect industrial designs and models, and launched online registration service. Qatar has also joined several international agreements and treaties on IPR protection.

Table 2.10: Key Reforms Completed to Strengthen Business Environment in Qatar (2018–23)

Laws/Regulations	Objectives
Regulating the Investment of Non-Qatari Capital in Economic Activity Law (1/2019)	Permits foreign investors the ability to invest in Qatar as majority shareholder with up to 100% foreign ownership.
Property rights Law (16/2018)	Legislates foreign real estate investment and ownership and allows for real estate developers freehold ownership of real estate.
Expropriation Law (8/2022)	Covers the rules of expropriation of property for public benefit.
Private-public Partnerships Law (12/2020)	Legislates public-private partnerships.
Investment Promotion Agency (2019)	The Ministry of Commerce and Industry (MOCI) set up the Investment Promotion Agency-Qatar to further attract inward FDI.
Investment Commerce Court Law (21/2021)	Establishes the Investment and Commerce Court to oversee all commercial lawsuits and disputes.
Mediation in the Settlement of Civil and Commercial Disputes Law (20/2021)	Sets out the framework for the mediation and settle commercial disputes.
Combating Money Laundering and Terrorism Financing Law (20/2019)	Establishes the regulatory framework to ensure due diligence by financial institutions (monitored by the Qatar Central Bank) to prevent money laundering and terrorism financing.

Source: IMF

In order to improve local business environment, the Investment and Trade Court was established in 2022, which was tasked with solving commercial disputes. The Qatar government has launched an investment portal intended to aid private sector investment partnership with the public sector. Targeted investment opportunities cover tourism, public services, food security, environment and sports, etc. Priority is currently given to projects focused on sustainability.

The government remains the dominant actor in the economy, though it encourages private investment in many sectors and continues to take steps to encourage more FDI. Qatar's open foreign investment regime, expanding commercial relationships with regional partners and sophisticated capital markets remain strong aspects of its business environment. The government is also preparing to award several public-private partnership projects, with a particular focus on the healthcare, utilities, education and tourism sectors. Qatar is making efforts to promote ecommerce, through measures to strengthen the regulatory framework, enhance delivery, enable e-payment, and empower e-merchants.

The 2022 FIFA World Cup was the first major global sporting event in the country with a large number of spectators since the onset of the COVID-19 pandemic. It was also the first World Cup held in the Arab world and the second held entirely in Asia after the 2002 event co-hosted by South Korea and Japan. In the run-up to the FIFA World Cup, a large investment program spanning a decade was undertaken, estimated at US$ 200 - 300 billion, which transformed the urban landscape.

During 2011-22, capital spending by the government grew on average by slightly below 6% per annum in real terms. It reached US$ 230 billion equivalent cumulatively (in nominal terms), comparable to the estimated range for the nation’s decade-long infrastructure program of US$ 200-300 billion. Much of the infrastructure spending commonly attributed to the World Cup is part of the national plan to build an innovation hub with hotels, underground transportation, stadiums, railway, port and airports. Construction of stadiums reportedly cost US$ 6.5 billion, a small portion of the overall investment. In addition to infrastructure, sport is also considered a priority sector for economic diversification under the second National Development Strategy (2018-22).

Despite recent reforms to liberalize foreign ownership, restrictions remain on foreign investment in certain sectors (e.g., banking, insurance, and commercial agencies). Similarly, foreign ownership and leasing rights of real estates, while broadened, still limit to designated zones. One element that limits the expansion of FDI flows into Qatar concerns its policies governing the private sector, especially due to the long amount of time it took to establish a privatisation programme. Other elements that hinder FDI are the country's relatively small domestic market, a lack of a skilled workforce and high cost of living, and the current diplomatic and commercial relations with other Arab countries.

Foreign Direct Investment in Qatar

FDI flows into Qatar have generally followed an upward trend in the past several years, mainly due to the country's political stability, a stable currency pegged to the US dollar, high-quality infrastructure and one of the lowest corporate tax rates in the world. However, the diplomatic crisis with countries such as Saudi Arabia, the UAE and Kuwait had a negative impact on the Qatari economy, which was compounded by the global economic crisis triggered by the Covid-19 pandemic. According to the UNCTAD’s World Investment Report 2024, Qatar recorded negative net FDI inflows of US$ 474 million in 2023, indicating a net withdrawal from the country during the year, partly influenced by geopolitical tensions and economic uncertainties, as against a positive net FDI inflows of US$ 76 million in 2022. As a result, the country's FDI stock, which was US$ 27.6 billion in 2022, decreased to an estimated US$ 27.1 billion by end 2023, which was around 11.6% of the country’s GDP. Qatar is also a key international investor, owing to its large foreign exchange reserves. However, Qatar experienced negative FDI outflows of US$ 191 million in 2023 compared to positive FDI outflows of US$ 2.4 billion in 2022 suggesting net disinvestment abroad, as a result of cautious investment strategies and reallocation of capital. The stock of outward FDI stood at US$ 49.9 billion as of 2023.

To get a meaningful understanding of the trends in Qatar's overseas investments, this study has drawn upon the data collated by the Financial Times through its online database tracking cross-border greenfield investment, viz. fDi Markets[9]. According to Financial Times' fDi Markets, during the period January 2014 to December 2023, Qatar received a total envisaged capital expenditure of US$ 44.2 billion across 729 projects, supporting 48,252 jobs in the country **(Table 2.11)**.

Table 2.11: Envisaged FDI Inflows in Qatar, 2014-2023

Year	Capex (US$ million)	No. of Projects	No. of Jobs Created	No. of Companies Invested
2014	801.1	55	3,075	50
2015	1,111.9	35	1,756	33
2016	543.6	33	1,836	31
2017	475.4	36	1,993	34
2018	387.1	47	2,329	44
2019	7,689.4	32	6,836	51
2020	1,005.4	41	2,650	62
2021	1,307.6	116	6,277	114
2022	30,279.2	195	17,597	187
2023	286.6	88	2,456	88
Total	**44,196.9**	**729**	**48,252**	636

Source: fDi Markets online database and India Exim Bank Research

As shown in **Table 2.12**, maximum envisaged FDI inflows were from the US, accounting for 45.7% of total capital expenditure during the period January 2014 to December 2023. The UK was the second largest investor with a share of 16.1%, followed by Italy (15.4%), the UAE (2.7%) and Spain (1.4%). India accounted for 0.7% of the total capital expenditure in Qatar during the same period.

Table 2.12: Major Investors in Qatar, 2014-2023

Source Country	Capex (US$ million)	No. of Projects	No. of Jobs Created	No. of Companies Invested
FDI Capex in Qatar	44,196.9	729	48,252	636
USA	20,060.6	114	11,453	111
UK	7,209.9	83	5,276	71
Italy	6,774.7	19	2,862	16
France	3,808.4	44	3,283	38

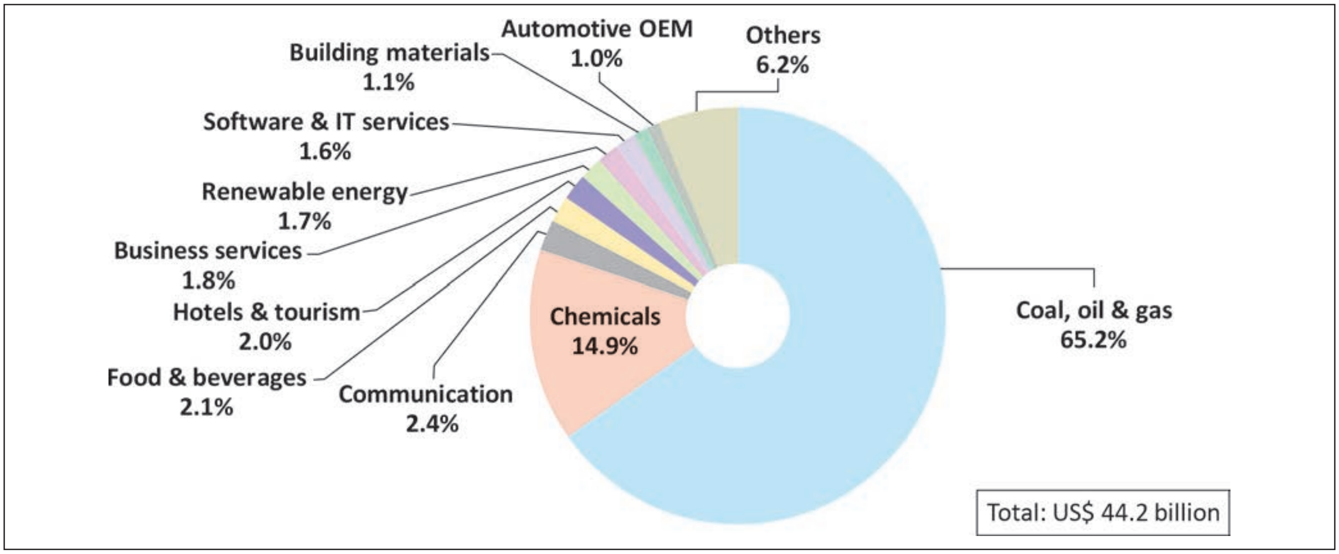
9 fDi Markets tracks cross-border investment in a new physical project or expansion of an existing investment which creates new jobs and capital investment. This data differs from official data on FDI flows as company can raise capital locally, phase their investment over a period and can channel their investment through different countries for tax efficiency.

Source Country	Capex (US$ million)	No. of Projects	No. of Jobs Created	No. of Companies Invested
UAE	1,176.2	115	7,853	86
Spain	627.7	20	848	17
Germany	598.8	25	1,492	21
China	506.3	10	1,048	6
Malaysia	483.6	4	259	4
Switzerland	430.8	19	1,947	16
Japan	409.1	13	351	13
India	326.9	62	2,732	54
Australia	326.2	9	706	9
Thailand	224.0	2	540	2
Egypt	199.7	6	845	4

Source: fDi Markets online database and India Exim Bank Research

Coal, oil and gas sector is the major recipient of envisaged capital expenditure in Qatar, with a value of US$ 28.8 billion, accounting for 65.2% of the total envisaged capital expenditure received during the period January 2014 to December 2023 **(Chart 2.5)**. This was followed by investments in chemicals (US$ 6.6 billion), communications (US$ 1.1 billion), food and beverages (US$ 907.2 million), hotels and tourism (US$ 903.8 million), business services (US$ 782.8 million), renewable energy (US$ 730.3 million), software and IT services (US$ 723.8 million) and building materials (US$ 499.2 million). Maximum number of projects were in business services (179 projects), followed by software and IT services (123 projects), textiles (67 projects) and financial services (55 projects).

Chart 2.5: Major Sectors Attracting FDI in Qatar, 2014-2023



Source: fDi Markets online database and India Exim Bank Research

A total outward envisaged FDI capital expenditure of US$ 33.8 billion was made by Qatari entities in 191 projects, supporting 28,626 jobs across the globe from January 2014 to December 2023 **(Table 2.13)**. While FDI outflows from Qatar increased significantly from US$ 142.3 million in 2014 to US$ 11.0 billion in 2019, it witnessed a moderation to US$ 464.1 million in 2020, partly reflecting a setback from the coronavirus pandemic. It, however, recovered in 2021, and settled at US$ 11.7 billion by 2023, supporting 25 projects across the globe.

Table 2.13: Envisaged FDI Outflows from Qatar, 2014-2023

Year	Capex (US$ million)	No. of Projects	No. of Jobs Created	No. of Companies Invested
2014	142.3	32	949	8
2015	552.1	15	952	9
2016	636.4	17	1,290	12
2017	575.4	18	2,368	15
2018	6,950.3	25	7,313	13
2019	10,995.9	22	2,665	14
2020	464.1	6	338	5
2021	557.8	12	615	8
2022	1,164.7	19	5,031	12
2023	11,714.2	25	7,105	20
Total	**33,753.1**	**191**	**28,626**	**73**

Source: fDi Markets online database and India Exim Bank Research

Iraq was the largest recipient of envisaged FDI capital expenditure from Qatar, with a capex investment of US$ 10.5 billion during 2014-2023, followed by the US (US$ 9.9 billion), Türkiye (US$ 5.3 billion), Oman (US$ 1.8 billion) and Algeria (US$ 1.2 billion) **(Table 2.14)**. India was the eleventh largest destination for envisaged investment from Qatar, with a capital expenditure of US$ 264.8 million during the same period.

Table 2.14: Major Investment Destinations of Qatar, 2014-2023

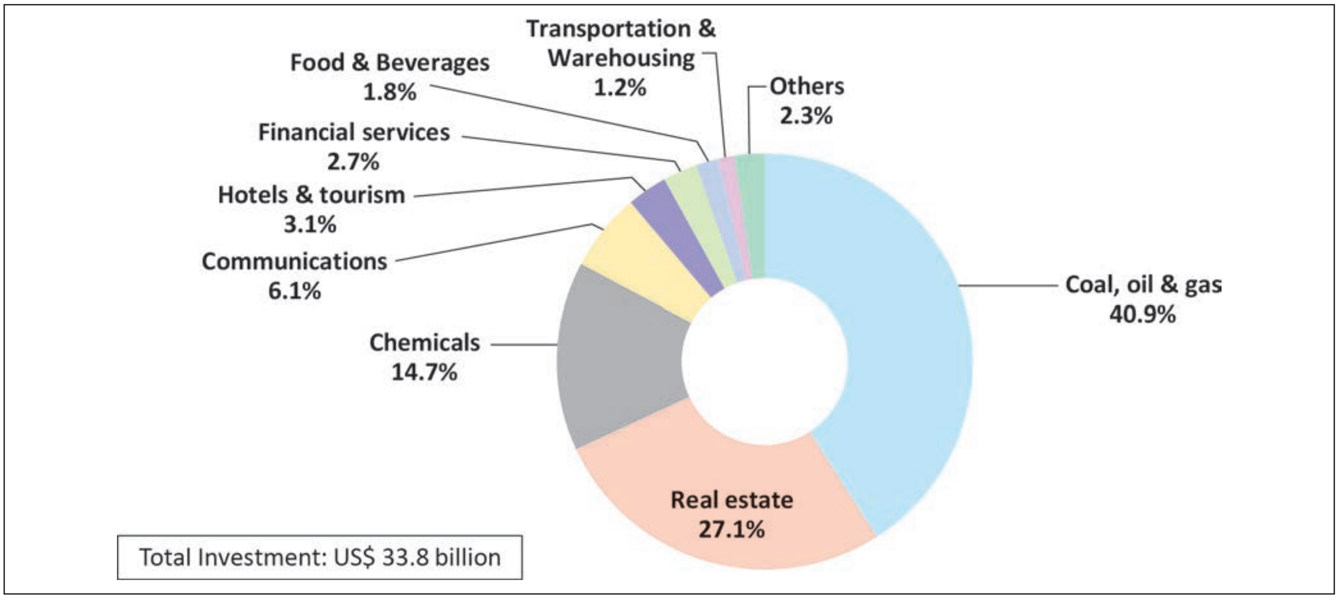
Destination Country	Capex (US$ million)	No. of Projects	No. of Jobs Created	No. of Companies Invested
FDI Capex from Qatar	**33,753.1**	**191**	**28,626**	
Iraq	10,535.8	4	3,791	4
USA	9,938.1	4	298	3
Turkey	5,330.8	12	4,173	8
Oman	1,756.6	25	1,690	10
Algeria	1,170.3	3	1,032	3
Philippines	502.8	2	2,017	2

Destination Country	Capex (US$ million)	No. of Projects	No. of Jobs Created	No. of Companies Invested
UK	488.1	15	516	8
UAE	359.3	23	875	19
Kazakhstan	350.7	2	1,301	2
Montenegro	305.8	1	2,372	1
India	**264.8**	**7**	**1,474**	**7**
Singapore	227.0	4	157	4
Indonesia	224.9	3	203	3
France	204.6	6	2,006	1
Kuwait	180.4	8	535	5

Source: fDi Markets online database and India Exim Bank Research

Coal, oil and gas sector accounted for 40.9% of the envisaged capital investment from Qatar, amounting to US$ 13.8 billion during 2014-2023 **(Chart 2.6)**. Other major sectors attracting capital investment were real estate (US$ 9.2 billion), chemicals (US$ 5 billion), communications (US$ 2.1 billion), hotels and tourism (US$ 1.1 billion), financial services (US$ 897.7 million), food and beverages (US$ 601.6 million) and transportation and warehousing (US$ 417.2 million). In terms of job creation, real estate, chemicals, hotels and tourism, food and beverages and financial services dominated in the past decade.

Chart 2.6: Major Sectors Attracting FDI from Qatar, 2014-2023



Source: fDi Markets online database and India Exim Bank Research

Chapter

3

India-Qatar Bilateral Trade and Investment Relations

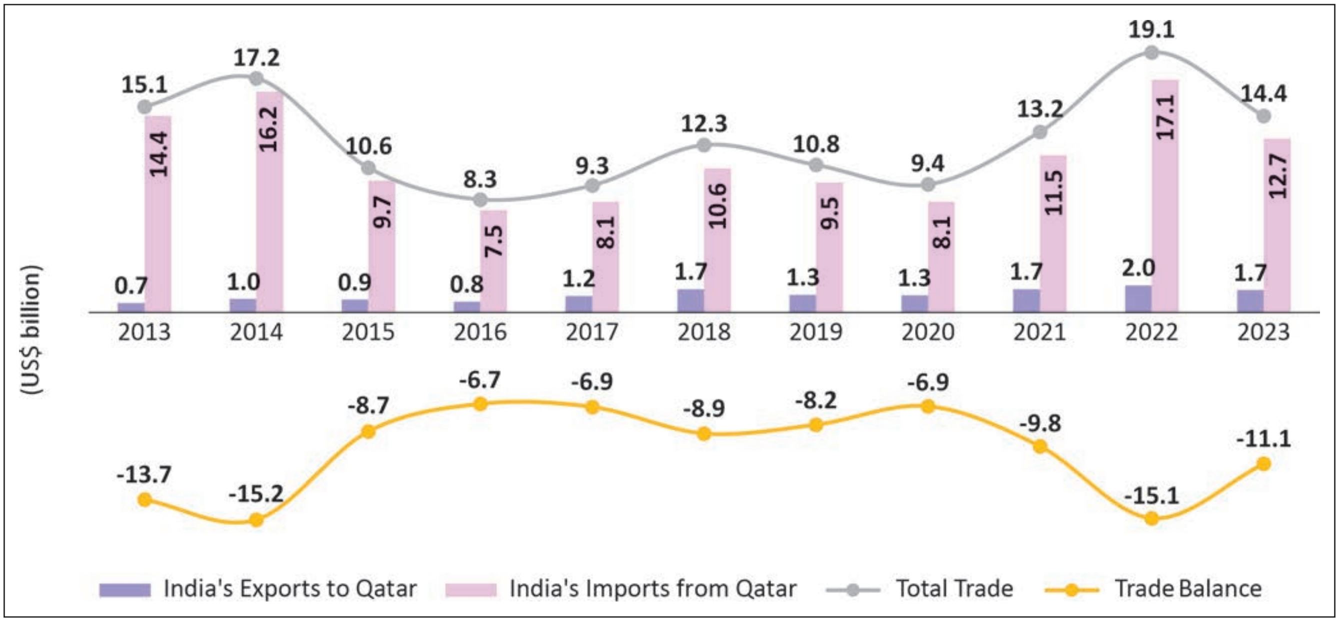
India and Qatar have fostered a long-standing commercial relationship for decades, characterized by bilateral trade, investments, and cooperation across various sectors. Initially, the trade focused on resources, with India being a key importer of Qatari LNG and crude oil. Over time, the commercial engagement diversified.

As of December 2023, there were over 8,35,000 Indian nationals residing in Qatar, comprising the largest expatriate community in the country, accounting for around 27% of total population of Qatar. Indian nationals engaged in a wide spectrum of professions including medicine, engineering, education, finance, banking, business and media, apart from a large number of blue-collared workers.

Bilateral Merchandise Trade between India and Qatar

According to the data published by the Department of Commerce, Ministry of Commerce and Industry (MOCI), Government of India, India was Qatar's fourth largest import source in 2023, after the US, China and Italy and the third largest export destination of Qatar following China and South Korea. **Chart 3.1** outlines the total bilateral trade between India and Qatar over a decade. Historically, bilateral trade between

Chart 3.1: Bilateral Merchandise Trade between India and Qatar



Source: Department of Commerce, Ministry of Commerce and Industry (MOCI) and India Exim Bank Research

India and Qatar has been largely dominated by oil. For instance, in 2013, over 88% of total bilateral trade value was composed of India's mineral fuel imports of fuel from Qatar and only US$ 0.7 billion was exported during this period. This composition has exhibited a persistent trend with India's mineral fuel imports from Qatar comprising 88.5% of the total trade in 2023. Due to this imbalance, the bilateral trade has always India's mineral fuel been in deficit for India, ranging from US$ 6.7 billion to US$ 15.2 billion in the last ten years.

In 2016, when the India-Qatar LNG Agreement was renewed in favour of India, the per unit price of LNG was brought down by US$ 5, thereby reducing the total import burden. The period of 2016 and 2017 recorded the lowest trade deficit stemming from the renewed LNG agreement. The value of imports increased by 30% in 2018, following an increase in domestic demand for LNG and the trade deficit reached US$ 8.9 billion. Post the pandemic induced disruption in trade in 2020, there has been a significant increase in imports, reflecting pick up in manufacturing and trade activities resulting in a higher trade deficit with Qatar. India's exports to Qatar during the last three years range from US$ 1.7 billion to US$ 2.0 billion.

India's Merchandise Exports to Qatar

There has been a substantial increase in Qatar's imports from India in the past few years, facilitated by the opening of direct shipping lines linking Indian ports with Qatar which started in 2015. India's exports to Qatar have grown significantly over the last decade but remain concentrated in a few product categories **(Table 3.1)**.

Table 3.1: India's Major Export Commodities to Qatar (US$ million)

HS Code	Products	2014	2019	2022	2023	% Share in India's Exports in 2023
	India's Exports to Qatar	**994.7**	**1,295.6**	**1,992.6**	**1,652.1**	**100.0**
10	Cereals	224.6	124.4	151.1	158.2	9.6
27	Mineral fuels and oils	43.7	50.0	245.2	137.1	8.3
71	Pearls, precious stones and metals	6.1	78.1	153.2	125.2	7.6
73	Articles of iron and steel	69.3	107.9	111.5	119.1	7.2
87	Vehicles other than railways	67.2	68.1	105.8	103.9	6.3
84	Machinery and mechanical appliances	81.0	72.2	86.3	92.1	5.6
89	Ships, boats and floating structures	44.2	0.4	30.6	75.3	4.6
85	Electrical machinery and equipment	71.5	63.8	55.6	62.2	3.8
39	Plastics	15.4	52.2	73.0	49.2	3.0
29	Organic Chemicals	20.8	70.1	74.7	43.1	2.6
07	Edible vegetables and tubers	24.6	47.6	52.6	43.0	2.6
72	Iron and Steel	51.4	37.3	94.7	42.1	2.5
69	Ceramic Products	9.8	25.4	43.0	39.4	2.4
17	Sugar and Confectionary	4.6	15.1	46.5	34.2	2.1
90	Medical and surgical instruments	5.9	10.7	18.4	32.9	2.0

Source: Department of Commerce, MOCI and India Exim Bank Research

The total value of exports has risen from US$ 994.7 million in 2014 to US$ 1,652.1 million in 2023, representing a compound annual growth rate (CAGR) of 5.2%. In 2023, cereals (HS-10) had the highest share of 9.6% amounting to US$ 158.2 million, followed by mineral fuels and oils, pearls, precious stones and metals, and articles of iron and steel. Notably, the top 15 exported commodities comprised 70% of India's total exports to Qatar in 2023.

At a disaggregated level, India's major exported products to Qatar in 2023 include rice, articles of jewellery and parts of precious metals, petroleum coke, motor cars and other motor vehicles, other petroleum oils, tankers and refined sugar.

India's Merchandise Imports from Qatar

Energy cooperation is fundamental in India-Qatar relations. India's imports from Qatar are relatively concentrated in mineral fuels and oils, with 88.6% of imports covered under HS-27 **(Table 3.2)**. At a more disaggregated level, major imports under HS-27 included liquified natural gas (HS-271111; US$ 6.5 billion imports in 2023), liquified propane (HS-271112; US$ 1.5 billion) and liquified butanes (HS-271113; US$ 1.5 billion). Other major imported commodities included organic chemicals (2.8%), plastic and articles (2.6%) and fertilizers (1.4%), among others.

Qatar is the largest supplier of LNG to India, accounting for over 49% of India's global LNG imports in 2023. Besides LNG, India also imports ethylene, propylene, ammonia, urea and polyethylene from Qatar. A long-term contract, LNG Sale and Purchase Agreement, was signed on February 6, 2024, during the visit of Qatar's Minister of State for Energy Affairs. The deal stipulates 7.5 MMTPA supply by QatarEnergy to Petronet LNG Ltd, India's biggest LNG importer, for 20 years starting 2028 at rates lower than current prices for producing electricity, making fertilizers and converting it into CNG. At current prices, India will save about US$ 0.8 per million British thermal unit at the renewed terms, which translates into savings of US$ 6 billion over the contract period.

Table 3.2: India's Major Import Commodities from Qatar (US$ million)

HS Code	Commodity	2014	2019	2022	2023	% Share in India's Imports in 2023
	India's Imports from Qatar	**16,176.7**	**9,518.9**	**17,070.3**	**12,745.3**	**100.0**
27	Mineral fuels and oils	14,952.7	8,198.0	14,475.1	11,294.4	88.6
29	Organic chemicals	266.8	391.3	670.7	363.0	2.8
39	Plastic and articles	373.1	216.3	306.8	334.8	2.6
31	Fertilisers	10.5	151.4	621.8	176.1	1.4
76	Aluminium and articles	67.6	81.3	180.6	159.3	1.3
28	Inorganic chemicals	247.0	202.9	415.1	113.4	0.9
38	Miscellaneous chemical products	117.2	81.8	50.4	80.0	0.6
72	Iron and steel	5.1	14.3	33.3	58.8	0.5
71	Natural or cultured pearls and precious or semiprecious stone and metals	0.1	15.2	77.9	46.4	0.4

HS Code	Commodity	2014	2019	2022	2023	% Share in India's Imports in 2023
25	Salt, sulphur, earths and stone	91.0	36.8	152.4	41.4	0.3
89	Ships, boats and floating structures	–	54.4	–	22.8	0.2
78	Lead and articles	0.4	2.5	8.5	18.6	0.1
40	Rubber and articles	1.4	0.8	12.0	6.1	–
74	Copper and articles	18.9	38.5	–	5.3	–
84	Machinery and mechanical appliances	1.5	15.2	47.7	5.0	–

Note: “-” negligible

Source: Department of Commerce, MOCI and India Exim Bank Research

Aligning India’s Exports with Qatar

The economic potential for India-Qatar relations is substantial. India's vast consumer market, skilled workforce and ambitious infrastructure projects provide attractive opportunities for Qatari investments and partnerships, while Qatar's expertise in areas like energy, infrastructure and finance can support India's economic growth and development goals. Collaborations in technology and innovation, tourism promotion and strategic initiatives by leveraging their complementary strengths and shared interests offer further opportunities to deepen bilateral ties, fostering mutual understanding, economic prosperity and regional stability.

Analysing the key products where India has a comparative advantage and match it with Qatar’s import demand for these products is necessary for successful trade relations in the future as well. Quantification of comparative advantage will help in identification of products where exports from India have been performing well, as also those where success has been limited, although opportunities are significant.

Revealed Comparative Advantage (RCA) is a measure which has been used extensively to help assess a country’s export potential/competitiveness. It helps in identifying categories of exports in which an economy has a comparative advantage by way of comparison of the country's trade scenario with the world scenario. It can also provide useful information about potential trade prospects with new partners. The basic assumption underlying the concept of revealed comparative advantage is that the trade profile reflects the inter-country differences in terms of relative costs as well as non-price aspects.

As per Balassa's (1965) measure, RCA index for country I for commodity j is:

$$\boxed{RCA_{ij} = (x_{ji}/X_i) / (x_{jw}/X_w)}$$

Where,

x_{ji} : Exports of Commodity ‘j’ from Country ‘i’

x_i : Total Exports from Country ‘i’

x_{jw} : Total Exports of Commodity 'j' from World

X_w : Total Exports from World

The RCA index ranges from 0 to infinity, with 1 as the break-even point. That is, an RCA value of less than 1 means that the product does not have a comparative advantage, while a value above 1 indicates that the product has a comparative advantage.

Since the RCA analysis is used with respect to one country's exports profile and with reference to the world, the above formula of revealed comparative advantage has been modified to assess India's competitiveness in bilateral trade relations with Qatar.

$$\boxed{\mathbf{RCA_{iju} = (x_{iju}/X_{iu}) \,/\, (x_{wju}/X_{wu})}}$$

Where,

x_{iju} : India's (i) Exports of commodity 'j' to Qatar (u)

X_{iu} : India's (i) Total Exports to Qatar (u)

x_{wju} : World's (w) Exports of commodity 'j' to Qatar (u)

X_{wu} : World's (w) Total Exports to Qatar (u)

The Normalized Revealed Comparative Advantage (NRCA) index demonstrates the capability of revealing the extent of comparative advantage that a country has in a commodity with more precision and consistency. NRCA can be defined in the following manner.

$$\boxed{\mathbf{NRCA_{iju}= (RCA_{iju}\text{-}1/\ RCA_{iju}+1)}}$$

NRCA ranges from -1 to 1, with 0 as the breakeven point. That is, an NRCA value of less than 0 and greater than -1 means that the product has no export comparative advantage, while a value above 0 and less than 1, indicates that the product has a comparative advantage. The extent of comparative advantage/disadvantage can be gauged from the proximity of the NRCA values to the extreme data points, viz. +1 and -1.

The export competitiveness of India has been mapped with respect to Qatar's demand. This has been undertaken with a view to outline a market specific approach for exporters. An overarching analysis has been attempted to identify products from the industries for which India has existing capabilities in exporting to Qatar. These products are the potential export growth drivers from India to Qatar and could be suitably targeted. The section also attempts to identify the products where India could focus on, to realize potentially higher values of exports to Qatar, especially when considering that India already possesses manufacturing capabilities for these products. The objective of the exercise is to construct a product market matrix for products in demand in Qatar, so that necessary actions and policies can be formulated in the direction to enhance exports of these potential products from India to Qatar.

The methodology adopted for the analysis is presented below:

- **Time Period:** The period considered for the analysis is 2019-2023.
- **Product Limit:** Only those products at 6-digit HS code level with a minimum export value of US$ 250,000 from India to Qatar is considered in the analysis.
- **Parameters in Consideration:** The analysis in this section considers two major determinants of India's performance in Qatar, namely, the NRCA for products, and Average Annual Growth Rate (AAGR) of world imports to Qatar.

Based on these three considerations, a four-quadrant matrix is prepared for product identification. The four quadrants imply the following:

Product Champions (Product Import AAGR of Qatar > World Import AAGR of Qatar; Positive NRCA): These products have maximum potential, as Qatar's import demand for these products has shown robust AAGR over the period of study, while India's exports of these products to Qatar are also competitive, reflected in positive NRCA values for such products. These are the products with maximum export potential to Qatar and India needs to further expand its exports of these products in order to take advantage of its competitive position and achieve a greater market share in Qatar.

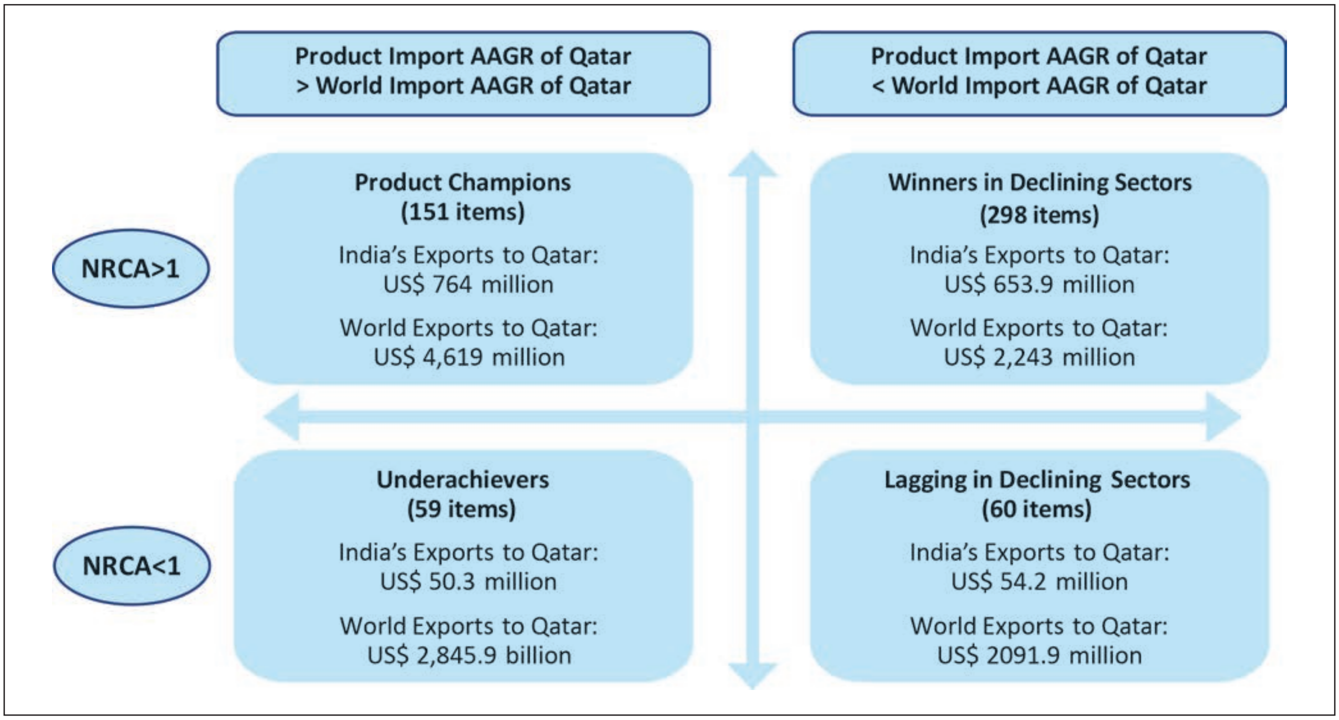
Underachievers (Product Import AAGR of Qatar > World Import AAGR of Qatar; Negative NRCA): India has limited competitiveness in these products although their import demand has grown in Qatar significantly over the period under consideration. India can strive towards building capacities and capabilities in these identified products. These are the products in which India can diversify in the medium to long term to continue being a strategic trade partner to Qatar and further expand its bilateral ties with Qatar.

Winners in Declining Sectors (Product Import AAGR of Qatar < World Import AAGR of Qatar; Positive NRCA): India has competitiveness in these products, even though Qatar's import AAGR for these products has been declining. These products may not have much demand in the future, and hence, scarce resources from these sectors could be diverted to other sectors where demand expectations are positive.

Lagging in Declining Sectors (Product Import AAGR of Qatar < World Import AAGR of Qatar; Negative NRCA): India has limited competitiveness in these products and these sectors have also registered weak import demand in Qatar during the period under consideration.

To identify the products based on their export competitiveness in Qatar, the four-quadrant analysis has been undertaken based on the HS Code classification at 6-digit level, whilst calculating their NRCA and mapping them against the AAGR of global imports of Qatar for all products **(Chart 3.2)**. The quadrants are drawn by comparing the overall AAGR of global imports of Qatar for all products during 2019-2023 (which was 2.9%), to the NRCA of India's exports to Qatar of these products during the same period. This exercise aims to identify those products where imports into Qatar over the period 2019-2023 has performed better than the overall average of Qatar for imports of all products during this period, implying that the share of such products in the Qatari import basket has witnessed an increase, a reflection of their rising demand and dynamism.

Chart 3.2: Product Identification for Potential Exports from India to Qatar, 2023



At 6-digit HS Code, based on the above methodoloy, 568 products have been identified, with total exports from India to Qatar amounting to US$ 1,522.4 million while the total world imports to Qatar in the same products stood at US$ 11,800.5 million in 2023.

Out of the 568 items at the HS 6-digit level, 151 items fell into the category of the product champions. The combined exports of these items from India to Qatar were US$ 764 million in 2023. Major product champions are provided in **Table 3.3**.

Table 3.3: List of Top 15 Product Champions from India to Qatar (HS 6-digit level)

HS Code	Product Label	India's Exports to Qatar (US$ million)	Share in India's total exports to Qatar (%)	Global Imports of Qatar (US$ million)	Share in Global Imports of Qatar (%)
100630	Semi-milled or wholly milled rice	156.3	9.5	165.7	0.52
711319	Articles of jewellery, precious metal	122.3	7.4	1841.4	5.78
870322	Motor cars, vehicles designed for transport	69.4	4.2	293.1	0.92
271019	Medium oils and preparations, of petroleum or bituminous minerals	55.5	3.4	262.1	0.82
290220	Benzene	24.7	1.5	24.7	0.08
730511	Line pipe of a kind used for oil or gas pipelines	23.2	1.4	288.2	0.91

HS Code	Product Label	India's Exports to Qatar (US$ million)	Share in India's total exports to Qatar (%)	Global Imports of Qatar (US$ million)	Share in Global Imports of Qatar (%)
890190	Vessels for the transport of goods and vessels	22.0	1.3	41.8	0.13
730890	Structures of iron or steel	20.6	1.2	182.1	0.57
848180	Appliances for pipes, boiler shells, tanks	20.5	1.2	351.2	1.10
890590	Light-vessels, fire-floats, floating cranes	20.0	1.2	20.6	0.06
903289	Regulating or controlling instruments and apparatus	18.8	1.1	34.1	0.11
070999	Fresh or chilled vegetables	10.9	0.7	26.1	0.08
760511	Wire of non-alloy aluminium, with max. cross-sectional dimension of > 7 mm	9.8	0.6	9.9	0.03
740819	Wire of refined copper, with max. cross-sectional dimension of <= 6 mm	9.8	0.6	10.8	0.03
730840	Equipment for scaffolding, shuttering	7.8	0.5	51.3	0.16

Source: ITC Trade Map and India Exim Bank Research

The total number of products in winners in declining sectors category is 298 items, with India's exports of these items amounting to US$ 653.9 million. These are product items in which India has attained a significant share in the Qatar's import basket, but Qatar's import demand for these products has been falling in the last decade **(Table 3.4)**.

Table 3.4: List of Top 15 Products under Winners in Declining Sectors from India to Qatar (HS 6-digit level)

HS Code	Product Label	India's Exports to Qatar (US$ million)	Share in India's total exports to Qatar (%)	Global Imports of Qatar (US$ million)	Share in Global Imports of Qatar (%)
271312	Petroleum coke, calcined	79.8	4.8	105.9	0.33
170199	Cane or beet sugar in solid form	30.3	1.8	32.7	0.10
690721	Ceramic flags and paving, hearth or wall tiles	27.8	1.7	61.7	0.19
020230	Frozen, boneless meat of bovine animals	18.5	1.1	48.5	0.15
070310	Fresh or chilled onions and shallots	16.7	1.0	23.5	0.07

HS Code	Product Label	India's Exports to Qatar (US$ million)	Share in India's total exports to Qatar (%)	Global Imports of Qatar (US$ million)	Share in Global Imports of Qatar (%)
250100	Salts, and pure sodium chloride	16.5	1.0	20.3	0.06
720230	Ferro-silico-manganese	14.7	0.9	14.7	0.05
870210	Motor vehicles for the transport of >= 10 persons	12.3	0.7	29.0	0.09
680223	Granite and articles thereof	11.6	0.7	11.9	0.04
080132	Fresh or dried cashew nuts, shelled	11.6	0.7	12.5	0.04
732599	Cast articles of iron or steel	10.6	0.6	15.1	0.05
730630	Tubes, pipes and hollow profiles	10.2	0.6	23.9	0.08
040721	Fresh eggs of domestic fowls	9.8	0.6	39.1	0.12
853720	Boards, cabinets for electric control	9.6	0.6	54.1	0.17
721049	Flat-rolled products of iron	8.8	0.5	34.8	0.11

Source: ITC Trade Map and India Exim Bank Research

This is followed by underachievers category that has 59 items of India's exports amounting to US$ 50.3 million in 2023. **Table 3.5** lists these items for which import demand in the Qatar's market is rising, but India does not have the required competitiveness in the export of these items.

Table 3.5: List of Top 15 Products under Underachievers Category from India to Qatar (HS 6-digit level)

HS Code	Product Label	India's Exports to Qatar (US$ million)	Share in India's total exports to Qatar (%)	Global Imports of Qatar (US$ million)	Share in Global Imports of Qatar (%)
870323	Motor cars, vehicles designed for transport	8.1	0.5	536.7	1.7
853710	Boards, cabinets and similar combinations of apparatus for electric control or the distribution	2.7	0.2	117.7	0.4
392690	Articles of plastics and articles of other materials	2.3	0.1	71.9	0.2
730490	Tubes, pipes and hollow profiles, of non-circular cross-section	1.9	0.1	120.7	0.4
847989	Machines and mechanical appliances, n.e.s.	1.9	0.1	134.7	0.4
841480	Air pumps, other gas compressors and ventilating or recycling hoods	1.9	0.1	127.1	0.4

HS Code	Product Label	India's Exports to Qatar (US$ million)	Share in India's total exports to Qatar (%)	Global Imports of Qatar (US$ million)	Share in Global Imports of Qatar (%)
841391	Parts of pumps for liquids, n.e.s.	1.8	0.1	51.3	0.2
842139	Machinery and apparatus for filtering or purifying gases	1.7	0.1	33.8	0.1
730791	Flanges of iron or steel	1.6	0.1	32.8	0.1
870431	Motor vehicles for the transport of goods, with only spark-ignition piston	1.4	0.1	91.0	0.3
841989	Machinery or laboratory equipment, whether or not electrically heated	1.4	0.1	48.7	0.2
842121	Machinery and apparatus for filtering or purifying water	1.2	0.1	57.2	0.2
902690	Parts and accessories for instruments	1.2	0.1	22.9	0.1
842199	Parts of machinery and apparatus for filtering or purifying liquids or gases, n.e.s.	1.1	0.1	54.6	0.2
841350	Reciprocating positive displacement pumps for liquids	0.9	0.1	19.5	0.1

Source: ITC Trade Map and India Exim Bank Research

Finally, there are a total of 60 items in the lagging in declining sectors category, which amounted to US$ 54.2 million worth of exports to Qatar. **Table 3.6** lists these items for which import demand in Qatar's market is declining and India also does not have the required competitiveness in the export of these items.

Table 3.6: List of Top 15 Products under Lagging in Declining Sectors from India to Qatar (HS 6-digit level)

HS Code	Product Label	India's Exports to Qatar (US$ million)	Share in India's total exports to Qatar (%)	Global Imports of Qatar (US$ million)	Share in Global Imports of Qatar (%)
300490	Medicaments consisting of mixed products for therapeutic or prophylactic purposes	7.5	0.5	294.1	0.92
732690	Articles of iron or steel, n.e.s.	3.2	0.2	65.4	0.21
848190	Parts of valves and similar articles for pipes, tanks n.e.s.	3.2	0.2	81.7	0.26
330499	Beauty or make-up preparations (other than medicaments)	2.9	0.2	59.0	0.19

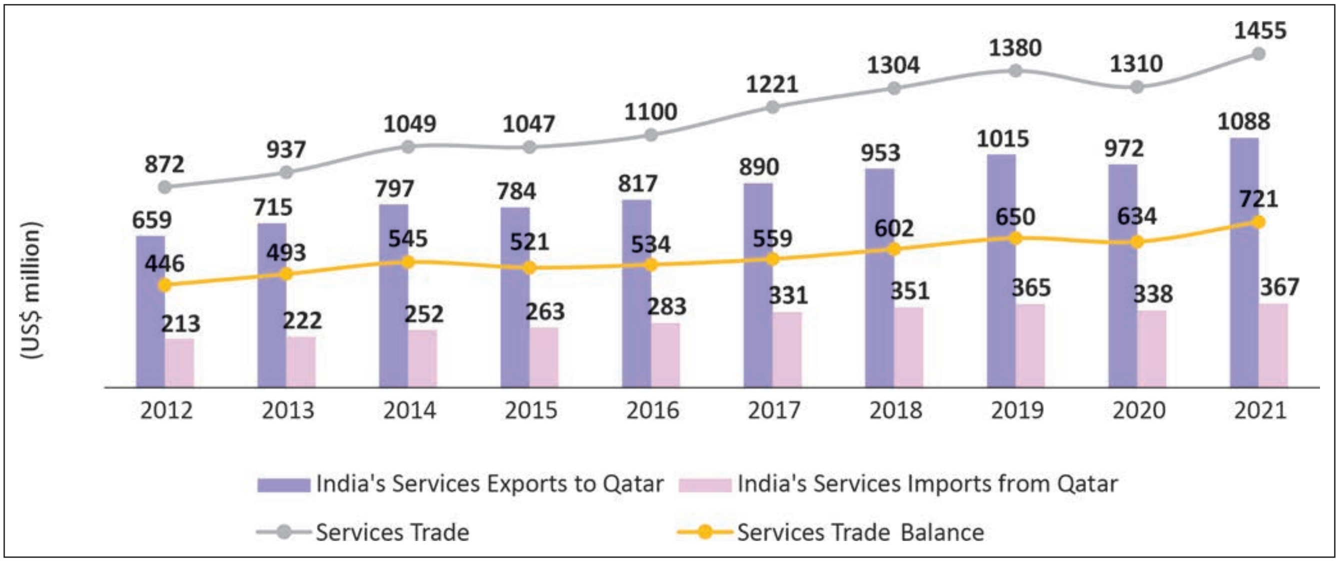
HS Code	Product Label	India's Exports to Qatar (US$ million)	Share in India's total exports to Qatar (%)	Global Imports of Qatar (US$ million)	Share in Global Imports of Qatar (%)
330300	Perfumes and toilet waters	2.4	0.1	83.5	0.26
843143	Parts for boring or sinking machinery n.e.s.	2.1	0.1	83.7	0.26
020410	Fresh or chilled lamb carcases and half-carcases	2.0	0.1	61.2	0.19
841869	Refrigerating or freezing equipment	1.5	0.1	33.0	0.10
420222	Handbags, whether or not with shoulder straps	1.5	0.1	35.2	0.11
040690	Cheese excl. fresh cheese	1.3	0.1	26.3	0.08
940360	Wooden furniture excl. for offices, kitchens and bedrooms	1.2	0.1	63.3	0.20
680221	Marble, travertine and alabaster articles thereof	1.1	0.1	29.4	0.09
841510	Air conditioning machines designed to be fixed to a window, wall, ceiling or floor	1.1	0.1	96.8	0.30
180690	Chocolate and other preparations containing cocoa	1.1	0.1	50.6	0.16
940320	Metal furniture excl. for offices, seats and medical	1.0	0.1	43.4	0.14

Source: ITC Trade Map and India Exim Bank Research

India’s Services Trade with Qatar

Both India and Qatar are major services trading countries globally. According to the latest data published by the WTO, India’s total services trade with Qatar has seen a remarkable rise from US$ 872 million in 2012 to US$ 1,455 million in 2021, reaching an all-time high in bilateral services trade value between the two nations despite slight moderation in 2020 due to the pandemic **(Chart 3.3)**. India has seen a consistent services trade surplus with Qatar, which peaked at US$ 721 million in 2021.

Chart 3.3: India's Service Trade with Qatar



Source: WTO-BaTIS and India Exim Bank Research

India's Service Exports to Qatar

India's services exports to Qatar are dominated by commercial services exports, which account for 98.9% of India's total services exports to Qatar while exports of government goods and services comprise a marginal 1.1%. Within commercial services exports, other business services category, which contains three sub-categories, namely, research and development (R&D) services, professional and management consulting services, and technical, trade-related and other business services, dominate India's services exports to Qatar in 2021, with a share of 37.5% of India's services exports to Qatar. Other categories that dominate India's services exports to Qatar are telecommunications, computer, and information services (31.1%) and transport (19.5%) **(Table 3.7)**.

Table 3.7: Services Exports of India to Qatar (US$ million)

Product/Sector	2013	2018	2020	2021	% Share in 2021
India's Services Exports to Qatar	**715**	**953**	**972**	**1,088**	**100.0**
Government goods and services	16	13	12	12	1.1
Commercial services	698	939	960	1,076	98.9
Goods-related services	1	-	-	-	-
Maintenance and repair services	1	-	-	-	-
Transport	128	156	177	212	19.5
Travel	64	97	50	87	8.0
Other commercial services	506	686	732	777	71.4
Other business services	232	337	367	408	37.5
Telecommunications, computer and information services	257	316	337	338	31.1

Product/Sector	2013	2018	2020	2021	% Share in 2021
Construction	4	15	13	11	1.0
Insurance and pension services	5	9	9	11	1.0
Personal, cultural, and recreational services	3	4	4	6	0.6
Financial services	5	4	3	3	0.3
Charges for the use of intellectual property	-	-	1	-	-

Note: "-" implies nil/negligible/not available

Source: WTO-BaTIS and India Exim Bank Research

India's Services Imports from Qatar

India's services imports from Qatar consist primarily of transport services that hold a dominant share of 73% of India's total services imports from Qatar in 2021 **(Table 3.8)**. Although India's services imports from Qatar have gradually increased over time, in terms of magnitude, they have a relatively lower share in India's total services imports.

Table 3.8: Service Imports of India from Qatar (US$ million)

Product/Sector	2013	2018	2020	2021	% Share in 2021
India's Services Imports from Qatar	**222**	**351**	**338**	**367**	**100.0**
Government goods and services	9	6	11	8	2.2
Commercial services	212	345	327	359	97.8
Goods-related services	1	3	3	3	0.8
Maintenance and repair services	1	3	3	3	0.8
Transport	150	249	232	268	73.0
Travel	44	58	33	46	12.5
Other commercial services	17	35	60	42	11.4
Telecommunications, computer and information services	8	21	45	29	7.9
Insurance and pension services	5	5	5	6	1.6
Other business services	3	5	7	5	1.4
Personal, cultural, and recreational services	1	4	2	2	0.5
Financial services	1	-	1	1	0.3

Note: "-" implies nil/negligible/not available

Source: WTO-BaTIS and India Exim Bank Research

India’s Bilateral Investment Relations with Qatar

Foreign Direct Investment (FDI) plays a crucial role in promoting economic relations between India and Qatar. Between 2014 and 2023, Qatar invested a cumulative amount of US$ 264.8 million in India, while India's investment in Qatar reached US$ 326.9 million. India's investment in Qatar is mainly in sectors such as software and IT, business services, and real estate and consumer products, amongst others. Overall, economic relations between India and Qatar have been mutually beneficial, with significant potential for further growth and cooperation.

India’s Investments in Qatar

To get a more meaningful understanding of the trends in Indian overseas investments, this study has drawn upon the data collated by the Financial Times through its online database tracking cross-border greenfield investment, viz. fDi Markets. According to Financial Times’ fDi Markets, from January 2014 to December 2023, the total capital investment of India in Qatar stood at a cumulative amount of US$ 326.9 million through 62 projects and supporting 2,732 jobs in the country **(Table 3.9)**.

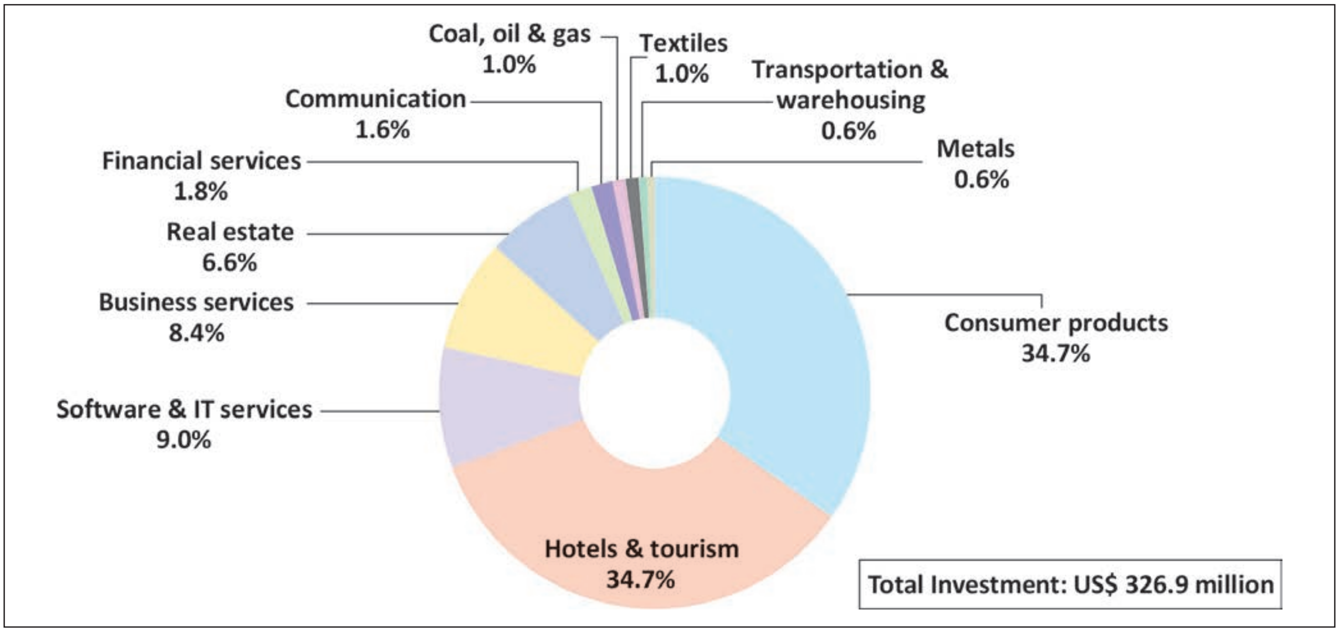
Table 3.9: Indian Foreign Direct Investments in Qatar, 2014-2023

Year	Capex (US$ million)	No. of Projects	No. of Jobs Created	No. of Companies Invested
2014	2.5	2	29	2
2015	14.6	5	148	5
2016	28.4	3	238	3
2018	18.6	5	240	4
2019	8.9	3	131	3
2020	17.0	5	155	5
2021	76.6	12	570	11
2022	145.4	17	1,039	16
2023	14.9	10	182	10
Total	326.9	62	2,732	54

Source: fDi Markets online database and India Exim Bank Research

In terms of capital investments during 2014-2023, the largest share has been in consumer products (34.7% of Indian investments in Qatar), hotels and tourism (34.7%), software and IT services (9%), business services (8.4%) and real estate (6.6%) **(Chart 3.4)**. Maximum number of projects were in software and IT services (22 projects), followed by business services (14) and consumer products (11) during the same period.

Chart 3.4: Major Sectors Attracting Indian Investments in Qatar, 2014-2023



Source: fDi Markets online database and India Exim Bank Research

According to the Qatar Chamber of Commerce and Industry (QCCI), more than 15,000 Indian companies, ranging from small enterprises to large corporations, operate in Qatar, either as wholly owned entities or joint ventures.

Indian firms are actively exploring partnerships in diverse sectors, including infrastructure, communications and IT, energy, and more. Significant opportunities for collaboration arise from Qatar's North Field Expansion project, which seeks to increase LNG production from 77 Million Metric Tonnes per Annum (MMTPA) to 126 MMTPA by 2027, as well as infrastructure developments tied to hosting the Asian Games 2030 and achieving the nation's Vision 2030 goals.

The proven capabilities of India's corporate sector further enhance this potential. For years, prominent Indian firms such as the Indian Hotels Company Limited, popularly known as Taj Hotels by Tata Group, Malabar Gold and Diamonds Limited, Larsen & Toubro Limited, Voltas Limited, Shapoorji Pallonji & Company Private Limited, Wipro Limited, Tata Consultancy Services, and Tech Mahindra Limited have established a strong presence in Qatar across various industries.

Qatar's Investments in India

In recent times, India has emerged as an attractive FDI destination stemming from its liberal policy for sensitive sectors like insurance, defence, pharmaceuticals, e-commerce and health services, among others. From January 2014 to December 2023, India's cumulative FDI receipts from Qatar stood at US$ 264.8 million coming through 7 projects, supporting 1,474 jobs **(Table 3.10)**.

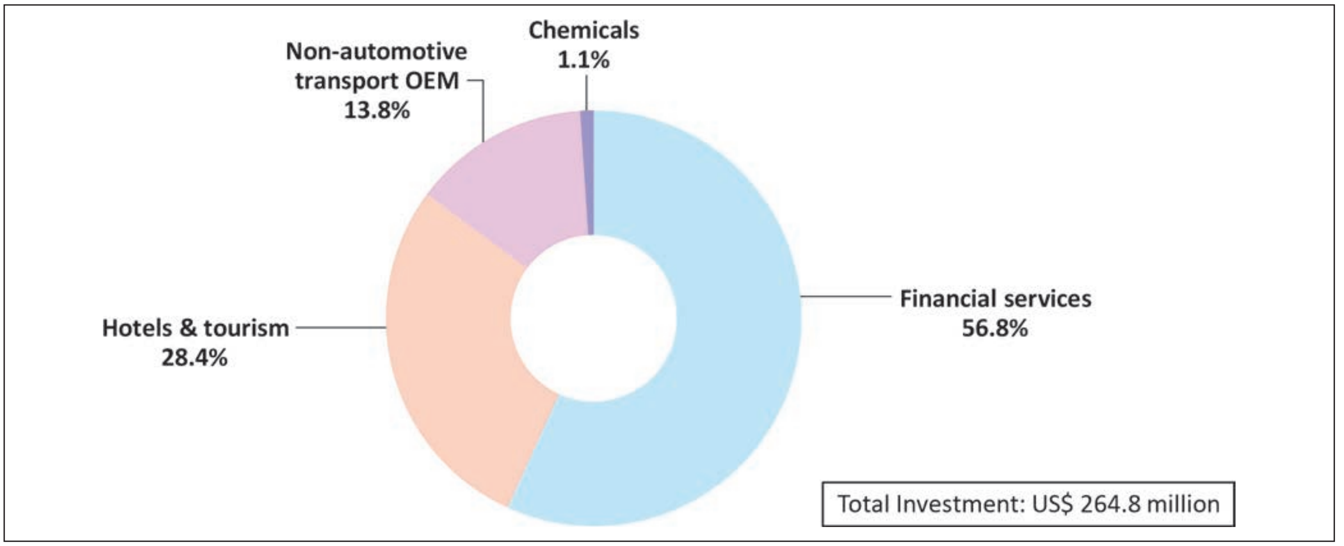
Table 3.10: Qatar's Foreign Direct Investments in India, 2014-2023

Year	Capex (US$ million)	No. of Projects	No. of Jobs Created	No. of Companies Invested
2014	2.8	1	17	1
2015	37.6	1	231	1
2016	112.7	2	334	2
2017	75.2	2	462	2
2023	36.5	1	430	1
Total	264.8	7	1,474	7

Source: fDi Markets online database and India Exim Bank Research

During 2014-2023, Qatar's investments in India largely concentrated in financial services (56.8% of Qatar's total investment in India), hotels and tourism (28.4%), non-automotive transport OEM (13.8%) and chemicals (1.1%) **(Chart 3.5)**.

Chart 3.5: Major Sectors Attracting Qatar's Investment in India, 2014-2023



Source: fDi Markets online database and India Exim Bank Research

Potential Sectors for Qatari Investments in India

- **Capital/Engineering Goods:**

Capital goods account for 12% of the total manufacturing in India and contribute approximately 3.5% to India's GDP. The sector offers approximately 1.4 million direct and 7 million indirect jobs. In the Union Budget 2024-25, the government greatly pushed the infrastructure sector by allocating ₹ 11,11,111 crore (US$ 133 billion) to enhance infrastructure. Additionally, engineering goods exports increased by 2.1% from US$ 107.04 billion in FY23 to US$ 109.32 billion in FY24. The sector is further segregated into heavy electrical equipment, process plant equipment, earth-moving and mining machinery, and printing machinery, among others[10].

[10] Invest India, National Investment Promotion and Facilitation Agency, 2022.

The Government of India has taken several initiatives to support and enhance the competitiveness of the domestic engineering goods manufacturing firms such as the 'Make in India' initiative, Production linked incentive (PLI) scheme for automobile and auto components, PLI scheme for National Programme on Advanced chemistry cell (ACC) Battery Storage, Faster Adoption and Manufacturing of Hybrid and Electric Vehicles (FAME) INDIA II scheme, Capital goods scheme, and Industry 4.0. The Government of India has also implemented various export promotion schemes, such as the Zero Duty Export Promotion Capital Goods (EPCG) scheme, Towns of Export Excellence (TEE), Market Access Initiative (MAI), etc. These schemes are aimed at encouraging the exporters and to help increase the revenue from international markets. Also, schemes such as duty exemption, advance authorization, duty-free import, rebate on service tax, etc. have been implemented to ease raw material imports.

Subsequently, with investment flowing into renewable power generation, transmission, and distribution infrastructure and new thermal power capacity phasing out, there are ample opportunities for engineering, procurement and construction (EPC) companies as well as package and component suppliers. The transportation sector presents a plethora of opportunities through ongoing intensive railway and metro expansion projects in the country. Large capital-goods makers could set up coach and locomotive manufacturing facilities in collaboration with the railways, while smaller companies could supply components and sub-assemblies like bogie castings, underframes and superstructures. With increased awareness for inland water transport and plans for developing port capacity, there exist prospects in material handling equipment, construction-equipment manufacturers, and EPC providers.

Qatar's investments in India's engineering and capital goods sector can significantly contribute to the growth of both economies. With India's focus on infrastructure development, especially in sectors like renewable energy, transportation, and manufacturing, Qatar's capital infusion can drive technological advancements and bolster production capacity. Furthermore, Qatar's expertise in infrastructure and investment experience can support India's ambitious expansion plans, creating long-term growth opportunities, enhancing job creation, and strengthening bilateral trade ties, ultimately fostering mutual prosperity.

- **Pharmaceuticals**

Healthcare has become one of India's largest sectors, both in terms of revenue and employment. It has experienced rapid change in recent years and has become significantly more visible over the last decade, with a renewed focus from the government and a growing market demand for healthcare services and products. During the adverse times of coronavirus pandemic, through its enormous vaccine production capacity, India proved that it is the real "Pharmacy of the world". India is one of the biggest suppliers of low-cost vaccines in the world. India accounts for 60% of global vaccine production, contributing up to 70% of the WHO demand for Diphtheria, Tetanus and Pertussis (DPT) and Bacillus Calmette–Guérin (BCG) vaccines and 90% of the WHO demand for the measles vaccine.

India is also the largest provider of generic medicines globally, occupying a 20% share in global supply by volume and is the leading vaccine manufacturer globally. India also has the highest number of US-FDA compliant pharma plants outside of the US and is home to more than 3,000 pharma companies with a strong network of over 10,500 manufacturing facilities as well as a highly skilled resource pool. The pharmaceutical industry in India is currently valued at US$ 50 billion and is expected to reach US$ 130 billion by 2030. India is a major exporter of pharmaceuticals, with over 200 countries served by Indian pharma exports. India supplies over 50% of Africa's requirement for generics, around 40% of generic demand in the US and around 25% of all medicine in the UK. Around 70% of WHO's vaccines (as per the essential Immunization schedule) are sourced from India.

The Government of India has approved a scheme for the promotion of bulk drug parks, which will provide easy access to world class common infrastructure facilities to bulk drug units located in these parks, intensifying the competitiveness of the domestic bulk drug industry. In the Interim Budget 2024-25, the government earmarked ₹1,000 crore (US$ 120 million) for the promotion of bulk drug parks for FY25, a significant increase from the previous budget year. The government also introduced the PLI scheme for bulk drugs promoting domestic manufacturing of 53 critical APIs in the country. Under the PLI Scheme for pharmaceuticals, three categories, namely, biopharmaceuticals, API/KSM/drug intermediates and drugs not covered under Category 1 and Category 2, will be incentivized based on their incremental sales for 6 years starting 2020. PLI scheme is also introduced to support domestic manufacturing of medical devices. However, the scheme applies only to greenfield projects and intends to attract large investments in the medical devices sector. Up to 100% FDI has been allowed through automatic route for greenfield pharmaceuticals projects. For brownfield pharmaceuticals projects, FDI allowed is up to 74% through automatic route and beyond that through government approval.

The cumulative FDI equity inflows in drugs and pharmaceuticals industry were US$ 22.53 billion during the period April 2000-March 2024, constituting almost 3% of the total inflows received by India across sectors. Given the increased significance of the health industry, the pharmaceutical sector will be a forerunner in terms of gaining from FDI investments.

Despite having invested only US$ 7 million globally in healthcare so far[11], Qatar can leverage India's robust pharmaceutical industry, which is not only the largest supplier of generics worldwide but also a major manufacturing of medical equipment. The investors could tap into new manufacturing opportunities, biopharmaceuticals, and medical devices with the support of government backed schemes and incentives.

- **Civil Aviation**

India has emerged as one of the rapidly developing aviation markets in the world. However, there exists huge growth opportunities, since air travel is still exclusive for majority of the country's population, of which nearly 40% is the upwardly mobile middle class, which will be a major consumer in the coming future. According to the International Air Transport Association (IATA), India is expected to overtake China and the US as the world's third-largest air passenger market by 2030. Further, the rising demand has pushed the number of airplanes operating in the sector, which is expected to reach 1,100 by 2027.

The Indian aviation industry has recovered fully from the COVID-19 pandemic shock as indicated by the total air traffic movement which has increased to 327.28 million in FY23 from 188.89 million in FY22. In FY23, airports in India pegged the domestic passenger traffic to reach 270.34 million, a 62.1% increase over the previous year, and international passenger traffic to reach 56.9 million, an increase of 157%, as compared to FY22.

The global recovery in air travel has been mirrored in India and this is a sector that holds immense potential. To cater to the rising air traffic, the Government of India has been working towards increasing the number of airports. As of 2023, India has 148 operational airports and has envisaged increasing the number of

[11] As per the statistics from fDi Markets.

operational airports to 220 by 2025. There is also a plan to create 33 new domestic cargo terminals and 15 new flight schools. There is also an increased focus on unmanned aircraft systems.

The projected upsurge in air travel in India would require more aircraft usage, further igniting the demand for Maintenance, Repair & Overhaul (MRO) services. The Indian Civil Aviation MRO market, at present, stands at around US$ 900 million and is anticipated to grow to US$ 4.33 billion by 2025 increasing at a CAGR of about 14-15%. Unmanned aerial vehicles, also known as drones, have been welcomed across industries. Indian drone industry is expected to have a total turnover of up to US$ 1.8 billion by 2026.

In order to expand the evolving civil aviation sector, the Indian Government has introduced incentives like privatization and modernization of airports, boost to the regional connectivity scheme - UDAN, incentivization of MRO operations, etc. Successively, investment by foreign entities is anticipated to yield lucrative results for the economy. Under the UDAN Regional Connectivity Scheme (RCS), a rapid expansion of airport infrastructure has taken place, in four rounds of bidding under the Scheme, 153 RCS airports including 12 water aerodromes, and 36 Helipads have been identified for operation of RCS flights. Besides passenger traffic, expanding air cargo operations offer opportunities for investment to foreign investors. Subsequently, with the PLI scheme for drones introduced in September 2021 and given their reach, versatility and ease of use, especially in India's remote and inaccessible areas, the policy reforms will likely catalyse super-normal growth in the forthcoming drone sector.

With air traffic surging and the Indian government's commitment to expanding airport infrastructure, Qatar could play a key role in the development of India's aviation ecosystem. Increased collaboration between major airlines of both the nations can boost operational frequency, enhance connectivity, and facilitate efficient cross-border movement of people and goods. Additionally, Qatar could consider tapping into the expanding MRO services, drone technology, and regional connectivity schemes, further strengthening bilateral trade and tourism.

- **Defence**

According to the Stockholm International Peace Research Institute, India had been the world's top arms importer for the period 2019-23 with imports having gone up by 4.7% compared to the period 2014-18. Key institutional and policy changes have spurred defence indigenisation, domestic capital procurement and defence exports. India's resolve to drastically reduce its reliance on imports, referred to as "Aatmanirbharta" (self-reliance), is perhaps the biggest strategic development related to the defence sector.

The Government of India has stipulated that a significant portion of the defence capital procurement budget should be diverted to the domestic defence industry. Since 2020-21, the capital acquisition budget for domestic procurement has risen from around 40% of the total capital procurement budget (₹ 52,000 crore) to 75% (₹ 99,223 crore) in 2023-24. Moreover, since 2022-23, 25% of this domestic capital procurement budget has been earmarked for purchases from the private sector. As a result of these initiatives, the value of India's defence production crossed the ₹ 1,00,000 crore mark for the first time in financial year 2022-23 to touch ₹ 1,08,684 crore. According to Ministry of Defence, Government of India, the defence production for 2023-24 was ₹ 1.27 lakh crore and India expects the value of its defence production to reach ₹ 1,75,000 in 2024-25.

The government has been introducing several policies in the defence sector for achieving the vision of an Atma Nirbhar Bharat. Defence sector was opened up in May 2001 to encourage private sector participation. In 2020, Foreign Direct Investment (FDI) limit in defence sector was enhanced up to 74% through the Automatic

Route for companies seeking new defence industrial license and up to 100% through the Government Route wherever it is likely to result in access to modern technology. Till February 2024, ₹ 5,077 crore worth of FDI has been reported by companies operating in the defence sector. Further, the Government is promoting co-development and co-production of niche defence technologies with Foreign Original Equipment Manufacturers (OEMs) to encourage FDI in the defence sector.

As Qatar continues to manage an ambitious military modernization program, the Qatar Armed Forces currently rely on foreign military sales (FMS) and direct commercial sales (DCS). India and Qatar can expand their commercial ties in defence through 'Made in India' security and defence equipment, navigation systems, military electronics and cyber-systems and air defence systems, among others. With the opening up of the defence sector to the private corporations and the approval of up to 100% FDI through the Government Route, India offers a big opportunity to foreign entities including those operating in Qatar, to enter Indian markets through wholly owned subsidiaries and start production, or work jointly with Indian private firms.

- **Banking, Financial Services and Insurance Sector (BFSI)**

India has a diversified and dynamic financial sector both in terms of strong growth of existing financial services firms and new entities entering the market. India is the world's third largest FinTech ecosystem in terms of the number of FinTechs operating as well as the market size, which is expected to reach a milestone figure of US$ 2.1 trillion by 2030.[12] The government as well as the Reserve Bank of India (RBI) have worked on India Stack (a set of digital infrastructure), JAM trinity, financial literacy and financial inclusion initiatives such as PM-Jan Dhan Yojana, Direct Benefit Transfer and Atal Pension Yojana, among others. Favourable demographics, increased mobile connectivity and smartphone penetration have provided a conducive environment for Unified Payment Interface (UPI) and digital finance. The FDI policy permits 74% foreign investment in Indian insurance companies. Up to 100% FDI is permitted under Automatic and Government route in Banking sector whereas in other financial services, 100% FDI is allowed through automatic route.

The insurance industry in India has witnessed an impressive growth rate over the last two decades driven by greater private sector participation and an improvement in distribution capabilities. Insurance penetration in India increased steadily from 2.7% in 2000 to 4.2% in 2021.[13] By 2027, Indian insurance market is expected to reach US$ 200 billion. The Insurance Regulatory and Development Authority India (IRDA) is vigilant and progressive and is determined to achieve its mission of 'Insurance for All by 2047', with aggressive plans to address the industry's challenges. In fact, the Government of India has introduced significant initiatives aimed at improving healthcare access for the public, such as the Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB PM-JAY), which is the largest publicly funded health assurance scheme in the world. This program provides a health cover of ₹ 5 lakhs per family per year for secondary and tertiary care hospitalization. Currently, 550 million individuals corresponding to 120 million families are covered under the scheme.[14] Other insurance initiatives include Pradhan Mantri Suraksha Bima Yojana, Pradhan Mantri Jeevan Jyoti Bima Yojana, Pradhan Mantri Fasal Bima Yojana, etc.

The significant overseas investments by Qatar in financial services globally, with a total capital expenditure of US$ 898 million between January 2014 and December 2023[15], underscore the sector's pivotal role in the

[12] https://www.investindia.gov.in/sector/bfsi-fintech-financial-services
[13] https://www.investindia.gov.in/sector/bfsi-insurance
[14] Lok Sabha Answers, November 2023.
[15] Sourced from fDi Markets.

country's global investment strategy. With India emerging as one of the world's fastest-growing economies and a burgeoning financial hub, the sector presents a gateway of opportunities for Qatari investments. India's vast market potential, regulatory reforms and robust financial infrastructure make it an attractive destination for Qatar to expand its presence and capitalize on lucrative investment prospects. By strategically investing in India's financial services sector, Qatari firms not only have the opportunity to diversify their investment portfolio but also to tap into the country's dynamic growth trajectory, fostering mutually beneficial partnerships and driving economic prosperity. These investments have the potential to facilitate technology transfer, knowledge sharing and skill development, further enhancing the competitiveness and innovation within both economies. Moreover, as India continues to prioritize financial inclusion, digitalization and Fintech innovation, Qatari investments can play a pivotal role in supporting these initiatives and catalysing inclusive growth across diverse segments of the population.

- **Tourism and Hospitality Sector**

The tourism and hospitality sector is an integral part of the 'Make in India' initiative, serving as a vital economic catalyst that fuels job creation and rapid development. According to Ministry of Tourism data, India's inbound tourism sector in 2023 experienced a 64% surge compared to 2022 with the financial earnings from expenditure reaching US$ 28.1 billion, demonstrating a robust 59.4% growth since 2022. By 2028, India's tourism and hospitality industry is expected to generate revenue of over US$ 59 billion and foreign tourist arrivals (FTAs) are anticipated to reach 30.5 million by 2028.[16]

The central government has launched various programs and campaigns time and again, like Incredible India (2002), Atithi Devo Bhava (2005) and Incredible India 2.0 (2017) to promote tourism to a global audience. In recent times, programs like PRASHAD (National Mission on Pilgrimage Rejuvenation and Spiritual and Heritage Augmentation Drive) and Swadesh Darshan 2.0 were also launched. Swadesh Darshan is a flagship scheme of Ministry of Tourism, under which 50 tourist destinations would be developed for providing a wholesome tourism experience. In light of India's G20 Presidency and the India@75 Azadi ka Amrit Mahotsav celebrations, the Ministry of Tourism designated 2023 as the 'Visit India Year' to promote inbound travel.

Qatari investment in tourism and hotel industry is among the largest in terms of capital expenditure, reflecting a strategic recognition of the sector's potential for growth and economic diversification. Further, with India allowing 100% FDI in the tourism and hotel industry under the automatic route, there has been an ample opportunity for Qatar to extend its investments into India's burgeoning tourism and hospitality industry, fostering mutual gains for both nations. India, with its rich cultural heritage, diverse landscapes and growing economy, offers an attractive market for Qatari investors seeking to expand their presence in the region. By investing in Indian tourism and hospitality, Qatar can tap into India's vast market potential, leverage its expertise in luxury hospitality and contribute to the development of world-class tourist destinations and accommodations across the country. This partnership holds promise for job creation, technology transfer and economic growth in both Qatar and India, while also facilitating cultural exchange and strengthening bilateral relations. Additionally, as India continues to prioritize infrastructure development and tourism promotion through various initiatives, Qatari investment can play a significant role in supporting these efforts and catalysing the sector's growth. By leveraging their respective strengths and synergies, Qatar and India can forge a mutually beneficial partnership in the tourism and hospitality sector, driving sustainable development and prosperity for years to come.

[16] https://www.investindia.gov.in/sector/tourism-hospitality

- **Telecommunications, Information Technology and Business Process Management (IT-BPM)**

The telecom industry in India is the second largest in the world with a subscriber base of 1.1 billion as of December 2023 (wireless + wireline subscribers).[17] Between 2015 to 2022, mobile subscribers' penetration increased from 587 million to 770 million, whereas the growth in mobile internet users was recorded at a CAGR 9.8% during the same period. According to the market experts[18], 5G could benefit the economy by US$ 455 billion between 2023 and 2040, reflecting the large number of 5G use cases that could be implemented in the main sectors of India's economy. The industry's exponential growth over the last few years is primarily driven by affordable tariffs, wider availability, roll-out of Mobile Number Portability (MNP), expanding 3G and 4G coverage and evolving consumption patterns of subscribers. Further, the rapid adoption of UPI has been a game changer for both telecom and BFSI sector. Today, more than 40% of all payments done in India are digital, with UPI having a major share, used by over 300 million individuals and over 50 million merchants.[19] Seven countries, including Sri Lanka, Mauritius, France, the UAE, Singapore, Bhutan and Nepal, support UPI payments which has significantly enhanced the Indian diaspora as well as the tourist's ability to spend with ease.

India's technological industry is consistently strengthening its digital capabilities by adopting deep tech and focusing on deploying emerging technology solutions such as artificial intelligence, cybersecurity and Internet of Things (IoT). India is one of the most preferred destinations when it comes to setting up Global Capability Centres (GCCs). Total number of GCCs in India are more than 1,580, with total installed GCC workforce of nearly 1.7 million skilled individuals. As per the National Association of Software and Service Companies (NASSCOM), the total amount of IT export is estimated to be US$ 194 billion in FY23. Between April 2000 and March 2024, the IT-BPM sector attracted FDI equity inflows of US$ 102.9 billion, accounting for 15% of India's total FDI inflows. India's IT-BPM sector accounts for 53% of total services exported by India in 2023.[20]

The PLI scheme targets telecom and networking equipment sector, providing an incentive ranging from 4% to 7% on incremental sales of goods manufactured in India and a similar PLI scheme is in IT Hardware production that extends incentive of 4% on incremental sales of (i) Laptops, (ii) Tablets, (iii) All-in-One PCs, and (iv) Servers. The government plans to focus on areas such as cybersecurity, hyper-scale computing, artificial intelligence and blockchain. Further, 100% FDI is allowed in India in the sector under the automatic route.

Qatar's substantial presence with operational projects within the communications, software and IT services sectors worldwide underscores its recognition of the strategic importance of these industries in the global economy. Leveraging India's vast consumer market, which boasts a burgeoning tech-savvy population and a rapidly expanding digital infrastructure, presents promising opportunities for Qatar to channel its investments. India's thriving tech ecosystem, characterized by a robust IT services industry, a growing pool of skilled professionals and an expanding startup culture, provides an ideal environment for Qatari investors to explore new avenues for growth and innovation.

By directing investments into India's communications and IT sectors, Qatar can leverage substantial market potential, while also benefitting from access to cutting-edge technology, talent and expertise. Furthermore,

---

[17] Invest India, Telecom, https://www.investindia.gov.in/sector/telecom
[18] Invest India, Telecom, GSMA, India: on the road to a digital nation, GSMA Intelligence Report, 2022.
[19] India's UPI: A global front-runner in digital payment systems released by PIB, October 2023.
[20] Invest India, IT-BPM, https://www.investindia.gov.in/sector/it-bpm

India's emphasis on digital transformation, smart city initiatives and the adoption of emerging technologies presents avenues for collaboration and co-innovation between Qatari and Indian companies. These investments hold the potential to drive economic growth, foster job creation and promote knowledge exchange, ultimately contributing to the development of a robust digital ecosystem that serves the needs of both nations. As Qatar continues to expand its global footprint in communications and IT services, forging strategic partnerships and investments in India's dynamic tech landscape offers a pathway to unlock new opportunities and mutual gains for Qatar and India alike.

Major Qatari Investments in India since 2019[21]

1. In January 2019, Qatar Investment Authority (QIA) invested US$ 200 million through a primary equity issuance in Bharti Airtel's arm Airtel Africa Limited.

2. In July 2019, BYJU'S announced that it has received an investment of US$ 150 million led by QIA.

3. In February 2020, QIA invested about US$ 450 million for a 25.1% stake in a unit of Adani Transmission Limited. The deal includes a subordinated debt investment by QIA, according to the filing, in which both parties signed a definitive agreement.

4. In February 2021, QIA invested US$ 100 million in Verse Innovation, the parent company of vernacular news aggregator Dailyhunt and maker of short video entertainment app Josh, along with Glade Brook Capital Partners.

5. In April 2021, QIA along with other investors (GIC of Singapore, Falcon Edge, Amansa Capital, Think Investments, Carmignac and Goldman Sachs) invested US$ 800 million in Swiggy.

6. In October 2021, QIA along with other investors (Coatue Management and Evolvence India) invested US$ 175 million in Rebel Foods Private Limited.

7. In February 2022, QIA announced its financial support of US$ 1.5 billion to the investment firm Bodhi Tree. In July 2022, Bodhi Tree Systems invested US$ 600 million in Indian test prep business Allen Career Institute for 36% stake. In April 2022, Bodhi Tree Systems, along with a consortium of investors, invested ₹ 13,500 crore in Viacom 18 Media Private Limited.

8. In August 2023, QIA announced its plan to invest approximately US$ 1 billion into Reliance Retail Ventures Limited (RRVL), a subsidiary of Reliance Industries Limited. It was also reported that QIA has acquired about 2.5% stake in Adani Green Energy, for about US$ 480 million. In September 2023, QIA in collaboration with Grosvenor Property, has invested US$ 393 million in IndoSpace Logistics Parks IV (ILP IV).

9. A long-term contract LNG Sale and Purchase Agreement was signed on February 6, 2024 during the visit of Qatar's Minister of State for Energy Affairs, His Excellency Saad bin Sherida Al Kaabi.

Labour Market Dynamics in Qatar

Around 90% of the workforce in Qatar remains foreign nationals. To enhance expatriate labour mobility and protection, Qatar became the first GCC country to abolish the Kafala system, i.e., workers no longer need

[21] Ministry of External Affairs (MEA), India-Qatar Bilateral Relations, MEA Brief, Government of India, February 2024.

the No-Objection Certificate (NOC) from their previous employer to switch jobs, supplemented by mandatory minimum wage and allowances for food and housing. With the changes in the legislation, probation period of employees is limited to a maximum of six months and workers are allowed to leave Qatar without holding exit permits. The Worker's Support and Insurance Fund was introduced to protect workers and ensure their rights to work in a healthy environment. To attract more high-skilled workers, a residency program has also been introduced for real estate investment, with simplified procedures. Qatar Visa Centers (QVCs) have been introduced across the globe to facilitate application of work visas.

According to the IMF, growing share of skilled foreign workers has the greatest impact on growth and labour productivity in the non-hydrocarbon sector. For instance, a 10-percentage point increase in the proportion of skilled foreign workers will push the average annual non-hydrocarbon real GDP growth higher by 1.5 percentage points per year in the next 5 years and the level of labour productivity above 7.5% by 2028. If Qatari workers' skill levels are also increased through active labour market policies, these estimates would be 1.8 percentage points, and 9%, respectively. With these labour market reforms, average annual non-hydrocarbon real GDP growth would be about 2 percentage points per year.

Table 3.11: Key Reforms Completed to Strengthen Labour Market Dynamics in Qatar (2018–23)

Laws/Regulations	Objectives
Labour law (19/2020)	Enables employees to switch employers without requiring the employer's permission.
Labour law (13/2018)	Allows workers to leave the country without requiring exit permits
Established Qatar Visa Centers (QVCs)	To simplify residency procedures for expatriate workers and facilitate necessary paperwork prior to contracted workers entering Qatar.
Amendment to regulations on labour disputes (February 2023)	The Cabinet approved draft amendments to Qatar Financial Centre (QFC) Regulation to improve the processes of the labour dispute settlement committees.
Minimum wage law (17/2020)	Upward revision of the minimum wage.

Source: IMF

Present Barriers in India-Qatar Trade

According to the IMF, there is wide consensus that liberalization of trade and FDI can lead to improved resource allocation across firms and sectors, boosting productivity and output[22]. The most common barrier to trade is a tariff, which is a customs duty on merchandise imports. Tariffs give a price advantage to locally produced goods over similar goods which are imported, while raising revenues for governments. The different types of tariff terminology and data used in the present analysis are as follows:

Most Favoured Nation Tariff

The most favoured nation (MFN) tariffs are what countries promise to impose on imports from other members of the WTO, unless the country is part of a preferential trade agreement (such as a free trade

[22] IMF, How Lowering Trade Barriers Can Revive Global Productivity and Growth, 2016.

area or customs union). This means that, in practice, MFN rates are the highest (most restrictive) tariffs that the WTO members charge one another.

Some countries impose higher tariffs on countries that are not part of the WTO. In some rare cases, the WTO members/GATT contracting parties have invoked the “Non-Application Clause” of the WTO/GATT agreements and chosen not to extend MFN treatment to certain other countries.

Bound Tariff

Bound tariffs (BND) are specific commitments made by individual WTO member governments. The bound tariff is the maximum MFN tariff level for a given commodity line. When countries join the WTO or when the WTO members negotiate tariff levels with each other during trade rounds, they make agreements about bound tariff rates, rather than actually applied rates.

Bound tariffs are not necessarily the rate that a WTO member applies in practice to other WTO members’ products. Members have the flexibility to increase or decrease their tariffs (on a non-discriminatory basis) so long as they do not raise them above their bound levels. If one WTO member raises applied tariffs above their bound level, other WTO members can take the country to dispute settlement. If the country did not reduce applied tariffs below their bound levels, other countries could request compensation in the form of higher tariffs of their own. In other words, the applied tariff (actual tariff) is less than or equal to the bound tariff in practice for any product.

The gap between the bound (committed and difficult to increase) and applied MFN rates is called the binding overhang. It is argued that a large binding overhang makes a country’s trade policies less predictable. This gap tends to be small on average in industrial countries and often large in developing countries.

Effectively Applied Tariff

Effectively applied tariff (AHS) is the actual tariff imposed upon the country. WITS database of the World Bank uses the concept of effectively applied tariff which is defined as the lowest available tariff. If a preferential tariff exists, it will be used as the effectively applied tariff. Otherwise, the MFN applied tariff will be used. The importing country will apply the MFN tariff if the product fails to meet the country’s rules that determine the product’s country of origin.

Preferential Tariff

A preferential tariff (PRF) is one that falls under a preferential trade agreement, where all parties agree to charge a lower rate than the MFN rate to another country’s products. Virtually all countries in the world are part of at least one preferential trade agreement. In a customs union (such as the Southern Africa Customs Union or the European Community) or a free trade area (e.g., NAFTA), the preferential tariff rate is zero on essentially all products. Some agreements specify that members will receive a percentage reduction from the MFN tariff, but not necessarily zero tariffs. Preferences, therefore, differ between partners and agreements.

Tariff Rates of Qatar

As per the GCC Customs Laws, Qatar has applied the GCC common external tariff (CET) since January 1, 2003. Under the “single port of entry” principle, items imported into Qatar, or other GCC member States are subject to customs duty only at the first point of entry into the GCC territory. GCC member States can apply country specific rates or prohibitions for some tariff lines. Qatar grants the CET on an MFN basis to all countries, regardless of whether they are WTO Members.

Upon its accession to the WTO, Qatar bound all tariffs and other duties and charges. Ad valorem tariff rates apply to all bound tariff lines, ranging from zero to 200%. About 56.8% of tariff lines are at a bound rate of 15%. The highest rate of 200% (about 0.7% of all tariff lines) applies to special goods such as pork, tobacco and alcohol **(Table 3.12)**.

Table 3.12: Distribution of Bound Tariff Rates of Qatar, 2021

Bound Tariff Rates (%)	Total Number of Tariff Lines	% Share in Tariff Lines	Total Imports (US$ million)	% Share in Total Imports
01-05	294	2.8	2,759.5	10.4
05-10	1,758	16.6	2,825.0	10.6
10-20	8,175	77.3	19,463.8	73.1
25-30	256	2.4	1,324.3	5.0
75.5-115	14	0.1	80.7	0.3
200	74	0.7	79.0	0.3
Bound Duty not Specified	2	0.02	108.8	0.4
Total	**10,573**	**100.0**	**26,641.0**	**100.0**

Source: WITS database and India Exim Bank Research

Qatar maintains a simple tariff system. The tariff is set at five bands: duty-free, 5%, 20%, 100%, and 100% or a specific duty, whichever is higher (i.e. mixed duty); plus, a number of tariff lines are designated as “prohibited” or “special goods”. Some 99.3% of tariff lines carry ad valorem duties, and the vast majority are at 5%, which is required by the GCC CET for all imported goods into the GCC Customs Union, with some exceptions.

Duty-free treatment applies to 10.8% of tariff lines in 2022, covering mainly machinery, pharmaceuticals, fish, and some agricultural products **(Table 3.13)**. While there are no tariff quotas, products treated as prohibited or special goods face special provisions for importation, and the duty rate is either 5% or 100%, depending on the product. Qatar prohibits some products such as live swine, asbestos, and used pneumatic tyres of rubber. Special goods, which mainly comprise pork and alcohol products, must be imported through the Qatar Distribution Company. Excise tax was introduced in Qatar in 2019, which is 50% for carbonated drinks, and a higher rate of 100% for tobacco, energy drinks, and special purpose goods (alcohol and pork products).

Unlike most GCC countries, Qatar currently does not charge a value added tax (VAT). The country also does not charge property taxes, transfer taxes, stamp taxes and payroll taxes. Employers, however, have to pay social insurance in respect of Qatari employees.

Table 3.13: Distribution of MFN Tariff Rates of Qatar, 2022

MFN Tariff Rates (%)	Total Number of Tariff Lines	% Share in Tariff Lines	Total Imports (US$ million)	% Share in Total Imports
0	849	10.8	5,465.10	19.1
0.1-30	6,890	87.7	22,836.90	79.9
100	30	0.4	51.2	0.2
Duty not Specified	86	1.1	235.2	0.8
Total	**7855**	**100.0**	**28,588.4**	**100.0**

Source: WITS database and India Exim Bank Research

According to the WTO, the average MFN tariff rate for Qatar was 4.6% for non-agricultural goods and 5.4% for agricultural goods in 2022, while the average rate of all products is 4.7%. The gap between the bound and applied rates remains large. The simple average bound tariff is estimated at 15.6%, which is more than three times higher than the simple average applied MFN rate of 4.7%. Although applied rates are in most cases considerably lower than bound rates, it appears that the applied MFN rates exceed the corresponding bound rates for few bound lines, related to items containing alcohol, which is sold at a single store under a licence regime.

Tariff on Qatar's Imports from India

In the current analysis, the tariff at 6-digit HS code is taken into consideration, using TRAINS based WITS data for the year 2022. **Table 3.14** disintegrates the simple average of the effectively applied tariff (AHS) by Qatar on imports from India. It is the effectively applied tariff that the Indian exporters face while exporting to Qatar. There are 308 tariff lines (at 6-digit HS code) that have effectively applied tariff rate of 0%, which amounted to total imports of US$ 397.6 million in 2022, and this corresponds to 19.6% of the total imports of Qatar from India in 2022. There are 42 tariff lines under the 1-4% bracket and 2922 lines under 5% effectively applied tariff rates, respectively, and it amounts cumulatively to 79.8% share in Qatar's total imports from India.

Table 3.14: Effectively Applied Tariff on Qatar's Imports from India, 2022

Effectively Applied Tariff Rates (%)	No. of Tariff Lines	% Share in Tariff Lines	Total Imports (US$ million)	% Share in Total Imports
0	308	9.4	397.6	19.6
01-04	42	1.3	11.4	0.6
5	2,922	89.1	1,604.9	79.2
100	1	0.03	2.0	0.1
Rate Not Specified	6	0.2	11.7	0.6
Total	**3,279**	**100.0**	**2,027.6**	**100.0**

Source: WITS database and India Exim Bank Research

Tariff on India's Imports from Qatar

The tariffs imposed by India on imports from Qatar at 6-digit HS code level using TRAINS based WITS data is analysed in the current section. **Table 3.15** disintegrates the simple average of the effectively applied tariff by India on Qatari exports. There are 29 tariff lines (at 6-digit HS code) on which India imposes the effectively applied tariff of 0%, imports for which amounts to US$ 0.7 million in 2022. There are 10 tariff lines under 1%-5% AHS, with import value of US$ 0.3 million and a share of 0.002% in India's imports from Qatar.

There are 212 tariff lines with imports amounting to US$ 2.7 billion under the 5%-9% effectively applied tariff, which corresponds to 15.6% of India's imports from Qatar in 2022. Further, there are 544 tariff lines with India's imports from Qatar amounting to US$ 14.4 billion, facing effectively applied tariff between 9% to 15%.

There are 259 tariff lines that have effectively applied tariff rate of 15%-20%, which amounted to the total imports of US$ 35.9 million in 2022, and this corresponds to 0.2% of the total imports of India from Qatar in 2022. There are 214 tariff lines facing 20% to 80% effectively applied tariff rate, which corresponds to 0.4% of the total imports in 2022, amounting to US$ 75.8 million. There are 9 tariff lines under the category of unspecified ratings, amounting to 1.5% of the total share of imports. These products mainly include petroleum oils and woven cotton fabrics that are printed.

Table 3.15: Effectively Applied Tariff on India's Imports from Qatar, 2022

Effectively Applied Tariff Rates (%)	No. of Tariff Lines	% Share in Tariff Lines	Total Imports (US$ million)	% Share in Total Imports
0	29	2.3	0.7	0.004
1-5	10	0.8	0.3	0.002
05-09	212	16.6	2,744.8	15.6
09-15	544	42.6	14,435.9	82.2
15-20	259	20.3	35.9	0.2
20	71	5.6	75.0	0.4
21-30	91	7.1	0.1	0.001
30-80	52	4.1	0.7	0.004
Rate Not Specified	9	0.7	258.0	1.5
Total	**1277**	**100.0**	**17,551.4**	**100.0**

Source: WITS database and India Exim Bank Research

Non-Tariff Measures in Goods Trade

According to the UNCTAD, non-tariff measures are generally defined as "policy measures other than ordinary customs tariffs that can potentially have an economic effect on international trade in goods, changing quantities traded or prices or both."[23] A large number of domestic regulations meant to protect the

[23] UNCTAD, International Classification of Non-tariff measures, 2019, https://unctad.org/system/files/official-document/ditctab2019d5_en.pdf

environment, consumers or workers are designed in such a way that they can potentially discriminate against foreign suppliers of goods or services. Indeed, there is some evidence that the reduction of tariffs has been accompanied by an increasingly discriminatory role of such regulations. The scope for these non-tariff trade measures (NTMs) is large, their nature is complex and constantly changing. This leads to challenges to ensure level playing fields between countries[24]. Based on the WTO classification, the different types of non-tariff measures used in the present analysis are defined below.

- **Sanitary and Phytosanitary Measures**

Sanitary and phytosanitary measures (SPS) are measures that are applied to protect human or animal life from risks arising from additives, contaminants, toxins or disease-causing organisms in their food; to protect human life from plant or animal-borne diseases; to protect animal or plant life from pests, diseases, or disease-causing organisms; to prevent or limit other damage to a country from the entry, establishment or spread of pests and to protect biodiversity. These include measures taken to protect the health of fish, wild fauna, forests and wild flora. Examples of SPS are tolerance limits for residues, restricted use of substances, labelling requirements related to food safety, hygienic requirements and quarantine requirements, meat and poultry processing standards to reduce pathogens, residue limits for pesticides in foods and regulation of agricultural biotechnology.

- **Technical Barriers to Trade**

Technical barriers to trade (TBT) are measures referring to technical regulations and procedures of assessment of conformity with technical regulations, excluding measures covered by the chapter on sanitary and phytosanitary measures. A technical regulation is a document that sets out product characteristics or related processes and production methods, including the applicable administrative provisions, with which compliance is mandatory. Some examples of TBT measures include packaging or labelling requirements, such as health warnings on tobacco products; regulations on product characteristics, such as energy performance requirements for electrical appliances and conformity assessment procedures.

- **Anti-Dumping Measures**

Anti-dumping measures (ADP) are unilateral remedies which may be applied by a WTO member after an investigation and determination by that member, in accordance with the provisions of the Anti-dumping Agreement, that an imported product is “dumped” and that the dumped imports are causing material injury to a domestic industry producing the like product.

- **Countervailing Measures**

Countervailing Measures (CV) are the actions taken by the importing country, usually in the form of increased duties, to offset subsidies given to producers or exporters in the exporting country.

- **Safeguard**

Under Safeguard (SG), a WTO member can restrict imports of a product temporarily to protect a specific domestic industry from an increase in imports of any product which is causing, or which is threatening to cause, serious injury to the industry.

[24] World Trade Organization, World Trade Report, 2012.

- **Quantitative Restrictions**

Quantitative restrictions (QR) refer to precise numerical limits set on the volume or value of goods that may be imported or exported within a defined timeframe. These are measures, imposed by WTO members, which control imports or exports through methods such as quotas, licenses, or other regulatory mechanisms rather than relying on duties, taxes, or similar charges.

- **Tariff-Rate Quota**

Tariff-rate quota (TRQ) allows for imports of certain quantities inside a quota at a lower tariff rate, compared to quantities outside the quota.

- **State-Trading Enterprises**

State trading enterprises (STE) are defined as governmental and non-governmental enterprises, including marketing boards, which deal with goods for export and/or import. The STE might be used to provide protection for the domestic market in a given product by setting resale prices of imports at very high levels, thus negating tariff concessions bound.

- **Export Subsidies**

Export subsidies (XS) are defined as "subsidies contingent on export performance, including the export subsidies listed in detail in Article 9 of Agreement on Agriculture", mainly with the purpose of making domestic products more competitive in international markets. Some of the subsidies may include low-cost export loans, rebates on imported raw materials and tax benefits such as duty-free imports of raw material. They can also take the form of government financed marketing.

Non-Tariff Measures Imposed by India

Based on the data retrieved from the Integrated Trade Intelligence Portal (I-TIP, WTO), as of December 31, 2023, India has imposed around 1,029 NTMs towards other WTO members (including Qatar). Out of the 1,029 NTMs, ADP, SPS and TBT are among the most widely used NTMs, with 376 ADPs, 276 SPSs and 273 TBTs in place. Quantitative restrictions have also been adopted by India, followed by protection in select sectors through anti-dumping, countervailing duties, State Trading Enterprises, safeguard, and tariff-rate quota measures as of December 2023.

According to broad sector classification of I-TIP, WTO, products of the chemical and allied industries have the highest number of NTMs (274) imposed by India as of December 2023 **(Table 3.16)**. Majority of the NTMs are in the form of ADP (195), followed by TBT (62), SPS (6), QR (5), STE (3) and CV (3). Resins, plastics and articles, rubber and articles and base metals and articles also have significant number of NTMs (128 each). Prepared foodstuff; beverages, spirits, vinegar; tobacco and vegetable products are also substantially protected sectors combinedly consisting of 233 measures. These sectors are largely protected through SPS (157), TBT (58), ADP (11), QR (2), TRQ (1) and STE (4). There are a total of 181 measures for which the HS classification is not available, which are also largely dominated by SPS (93) and TBT (82).

Table 3.16: Broad-Sector Classification of NTMs Imposed by India as on December 31, 2023

HS Product description	SPS	TBT	ADP	CV	SG	QR	TRQ	STE
Total	**276**	**273**	**376**	**26**	**4**	**59**	**3**	**12**
Measures without HS code	93	82	2	-	4		-	-
Live animals and products	49	21	-	-	-	25	1	2
Vegetable products	81	24	-	-	-	1	1	4
Animal and vegetable fats, oils and waxes	13	26	-	6	-	25	1	1
Prepared foodstuff, beverages, spirits, vinegar and tobacco	76	34	11	-	-	1	-	-
Mineral products	6	13	18	-	-	1	-	7
Products of the chemical and allied industries	6	62	195	3	-	5	-	3
Resins, plastics and articles and rubber and articles	7	38	79	3	-	1	-	-
Hides, skins and articles, saddlery and travel goods	-	-	-	-	-	4	-	-
Wood, cork and articles and basket-ware	7	1	20	7	-	1	-	-
Paper, paperboard and articles	-	6	15	-	-	1	-	-
Textiles and articles	-	9	64	1	-	1	-	-
Footwear, headgear, feathers and fans	-	1	-	-	-	-	-	-
Articles of stone, plaster and ceramic products	-	11	28	3	-	-	-	-
Pearls, precious stone and metals	1	1	-	-	-	1	-	-
Base metals and articles	-	25	89	13	-	1	-	-
Machinery and electrical equipment	-	61	34	1	-	2	-	-
Vehicles, aircraft and vessels	-	10	7	-	-	1	-	-
Instruments, clocks, recorders and reproducers	-	10	9	-	-	1	-	-
Arms and ammunition	-	-	-	-	-	1	-	-
Miscellaneous manufactured articles	-	13	-	-	-	2	-	-
Works of art and antiques	-	-	-	-	-	1	-	-

Note: “-” implies nil

Anti-dumping [ADP], Countervailing [CV], Quantitative Restrictions [QR], Safeguards [SG], Sanitary and Phytosanitary [SPS], Special Safeguards [SSG], State Trading Enterprises [STE], Technical Barriers to Trade [TBT], Tariff-rate quotas [TRQ] and Export Subsidies [XS]

Source: I-TIP, WTO and India Exim Bank Research

Non-Tariff Measures Imposed by Qatar

As of December 31, 2023, Qatar has 747 NTMs towards the other WTO members (including India). Among the 747 NTMs, SPS and TBT measures are among the mostly used NTMs, with 613 TBT and 132 SPS. Among other NTMs, Qatar has also adopted 2 safeguards as NTMs.

According to broad sector classification of WTO Integrated Trade Intelligence Portal (I-TIP), prepared foodstuff, beverages, spirits, vinegar and tobacco is the maximum protected sector by Qatar through NTMs, consisting of 371 measures. These sectors are largely protected through TBT (314) and SPS (57) **(Table 3.17)**.

Vegetable products are among the largely protected items, with 251 NTMs, majority of which are in the form of TBT (216) and SPS (35). There is a total of 200 NTMs for which the HS classification is not available, and amongst these 183 are TBT measures and 15 are in the form of SPSs.

Table 3.17: Broad-Sector Classification of NTMs Imposed by Qatar as on December 31, 2023

HS Product description	SPS	TBT	SG
Total	**132**	**613**	**2**
Measures without HS code	15	183	2
Live animals and products	42	141	-
Vegetable products	35	216	-
Animal and vegetable fats, oils and waxes	16	71	-
Prepared foodstuff, beverages, spirits, vinegar and tobacco	57	314	-
Mineral products	-	3	-
Products of the chemical and allied industries	1	17	-
Resins, plastics and articles and rubber and articles	3	20	-
Hides, skins and articles, saddlery and travel goods	-	-	-
Wood, cork and articles and basketware	1	-	-
Paper, paperboard and articles	1	-	-
Textiles and articles	-	1	-
Footwear, headgear, feathers, artificial flowers and fans	-	1	-
Articles of stone, plaster; ceramic products, glass	1	4	-
Base metals and articles	1	7	-
Machinery and electrical equipment	11	78	-
Vehicles, aircraft and vessels	-	7	-
Instruments, clocks, recorders and reproducers	-	5	-
Miscellaneous manufactured articles	-	2	-

Note: “-” implies nil

Note: Safeguards [SG], Sanitary and Phytosanitary [SPS] and Technical Barriers to Trade [TBT]

Source: I-TIP, WTO and India Exim Bank Research

Other Trade Barriers

Qatar established a single window electronic customs clearance system (Al-Nadeeb) to support trade. At present, there is a common external tariff (CET) among GCC members, but internal border posts are still in operation, and each GCC member maintains autonomy through its individual customs administration. While

Qatar benefits from a number of bilateral trade agreements, compliance costs for imports and exports remain above OECD median. Trade-weighted tariff rates for non-agricultural and non-fuel products remain well above the OECD level.

Standards and Regulations

The General Organization for Standardization is the competent body responsible for standards and technical regulations in Qatar. At the GCC level, Qatar is a member of the GCC Standardization Organization (GSO). The Qatar Laboratories and Standardization Affairs oversees developing and conformity assessment body for Qatar. Current laws and regulations of the Ministry of Municipality and Environment and the Ministry of Public Health require labelling and marking requirements to be honoured, especially where the import of foodstuffs is concerned. All imported meats require a health certificate issued by the country of export and a Halal slaughter certificate issued by an approved Islamic centre in that country. Qatar enforces GCC shelf-life standards through GS 150/2013, Part I and II. Part I lists products with mandatory shelf lives, while Part II lists products with recommended shelf lives[25].

Production and expiry dates must be printed on the original label or container by the manufacturer. Dates cannot be added after the fact via a sticker. Products must arrive at destination with at least half the shelf-life duration remaining. Food labels must include product and brand names, production and expiry dates, country of origin, name and address of the manufacturer, net weight in metric units and a list of the ingredients in descending order of importance. All fats and oils used as ingredients must be specifically identified on the label. Labels must be in Arabic only or in Arabic/English. Arabic stickers are accepted.

Qatar has made several notifications to the WTO covering, inter alia, animal and food products, tyres, cosmetics, tobacco and electric and electronic equipment. Some WTO Members in the Technical Barriers to Trade Committee raised specific trade concerns (STCs) about Qatar's technical regulations on animal products, energy drinks, halal feedstuff, motor vehicles, restrictions on hazardous substances in electrical and electronic equipment and shelf-life requirements for cheese. Qatar has also implemented several marking and labelling rules, including the Qatari Quality Mark, nutrition information labels and labels on cosmetics and motor vehicles.

Qatar has implemented several initiatives aiming to ensure a balance between food safety and trade facilitation. These include an electronically managed food control system, a food registration system and the Global Partners System (E-Certificate Exchange Program). Qatar’s SPS notifications cover, inter alia, food products including fruits and vegetables, meat, cereals and pulses, and dairy products. In July 2017, at the WTO SPS Committee, one STC was raised concerning a proposed GCC Guide for Control on Imported Foods.

Qatar does not maintain any state-trading enterprises. However, it grants exclusive rights to some enterprises to import or export certain products. State-owned enterprises dominate sectors such as oil and gas and minerals, as well as a number of services sectors. Qatar's public procurement regime underwent significant changes in recent times and in 2018 Qatar has decentralized the tendering process. Domestically produced products qualify for a price preference of 10% in public procurement.

[25] United States of America Trade Administration, Qatar - Country Commercial Guide, 2024, https://www.trade.gov/country-commercial-guides/qatar-labelingmarking-requirements

Import Requirements

All importers are required by law to have an import license. Import licenses are issued only to Qatari nationals, or to the Qatari partner in a limited liability partnership and must be registered with the Ministry of Commerce and Industry[26]. This regulation also applies to wholly foreign owned entities operating in Qatar. All 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.

The Qatar Distribution Company is the only source for the importation of alcohol, pork, and pork products. Military and security items are forbidden unless licensed by local authorities. Narcotics and flammable and radioactive products, and any products that violate trademarks are also banned.

To clear goods from customs zones at ports or land boundaries in Qatar, importers must submit a variety of documents, including a detailed customs declaration, bill of lading, certificate of origin, pro forma invoice and import license. Information on specific requirements should be obtained from the Customs and Ports General Authority. Inspection of goods is generally conducted at the customs station, or as directed by the Director General, in the presence of the owner or his representative. Since April 1, 2011, Qatar Customs has required official invoices, an official certificate of origin (COO), and packing lists for shipments destined to Qatar (airport and seaport), without which, shipments will not be cleared under any circumstances and shall be returned to origin.

It is mandatory to write the HS Code of the commodity in the official invoices and COO for the shipment to be accepted for clearance, and 'Country of Origin' or 'Made in' fields are mandatory for each piece, on materials, and on cartons, Information on the shipment should match the information on the official invoice, COO, and on the materials. Any discrepancies will cause the shipment to be returned to the origin.

Some categories of goods may be temporarily admitted without collection of customs duties. These include heavy machinery and equipment for project execution, semi-finished products, use in exhibitions and temporary events and machinery, equipment imported for repair, containers and materials for refilling, animals for grazing, and commercial samples.

Conformity Assessment

Qatar has laboratories to test construction materials, food and calibration scales. The Qatar Laboratories and Standardization Affairs is charged with the task of developing laboratories and facilities to test electrical equipment and supplies, toys and oil fabrication equipment as well as other items and merchandise. The Departments of Central Laboratories, and Quality and Standards, which are under the supervision of the Qatar Laboratories and Standardization Affairs are the primary testing facilities for Qatar. There is no conformity assessment body in Qatar.

Qatar applies product certification according to ISSO standards 22 and 28. Product certification takes place by way of a conformity certificate from the manufacturer, self-declaration or tests reported by accredited laboratories from the exporting country.

[26] United States Trade Representative (USTR), Foreign Trade Barriers, https://ustr.gov/sites/default/files/2024%20NTE%20Report.pdf

Market Access Barriers for Indian Service Providers in Qatar

Qatari import regulations can be complex for foreign businesses. Licenses are typically required, and issuance is restricted to Qatari nationals, partners in Qatari companies, or registered foreign entities. Specific sectors, like telecommunications, have additional import authorization processes. Notably, certain goods, like pork and alcohol, are restricted to designated importers. For Indian service providers looking to tap into the Qatari market, several hurdles can impede their entry and growth, ranging from restrictions on foreign ownership and licensing requirements to limitations on partnering with local entities.

1. Financial Services

Foreign banks in Qatar operate under two licensing bodies: the Qatar Central Bank (QCB) and the Qatar Financial Centre Regulatory Authority (QFCRA). While both require licenses, QFCRA offers greater freedom. Banks licensed by QFCRA can set up branches within the Qatar Financial Centre (QFC) and conduct a wider range of business, including Islamic banking. However, these advantages come with a limitation: they cannot offer regular retail banking services directly to Qatari citizens outside the QFC.

2. Telecommunication Services

Qatar tightly controls its telecommunications market. Only companies that plan to establish themselves physically within the country (charter in Qatar) can obtain a license to offer phone and internet services, including Voice over Internet Protocol (VoIP). This requirement makes it difficult for foreign companies or those operating solely online to compete in the domestic economy. As a result, the market is dominated by Ooredoo and Vodafone Qatar, both majority-owned by the Qatari government.

3. Distribution Services

Only Qatari individuals and domestically licensed entities are allowed to serve as local commercial agents for foreign firms distributing products or services, except in certain sectors. Qatari Government can consider waiving the nationality requirement for commercial agents of foreign companies that have direct contracts with the Qatari Government.

4. Limitations of Foreign Equity Participation

Qatar's foreign investment regulations, outlined in Law 1/2019, favours majority ownership by local Qatari investors. For most sectors, foreign ownership is capped at 49%, with some exceptions. Companies seeking full foreign ownership can apply to the Ministry of Commerce and Industry, Qatar, for approval. Notably, full foreign ownership remains prohibited in banking, insurance and commercial agencies, except in specific instances authorized by the Qatari Cabinet.

A significant development came in April 2021, when the government allowed for 100% foreign ownership of companies listed on the Qatar Stock Exchange, including those in the banking and insurance sectors, provided they adhere to regulations set by the Qatar Central Bank. Ownership in national oil and gas companies, or those with resource exploration rights, remains strictly limited to a maximum of 49% foreign investment.

Qatar could enhance services trade through lower non-tariff barriers, such as streamlining customs clearance procedures and simplifying documentation needs for trade transactions, and further liberalizing trade in banking, insurance and commercial agencies.

Potential Areas for Enhancing India's Trade in Services with Qatar

Qatar's global services imports are largely dominated by transport services which accounted for 33% of the total services imported, followed by travel with 29.9% share in the year 2022. Further, within other commercial services, major imported services include insurance and pension services (10.3% of total services imports), technical, trade-related, and other business services (6.5%) and personal, cultural, and recreational services (7%).

India's services sector stands out as a beacon of opportunity amidst global economic turbulence. UNCTAD data reveals a remarkable 11.4% surge in services exports to US$ 345 billion in 2023, driven by robust performance in travel, transport, medical, and hospitality industries. While traditional markets of North Americas and Europe remain important, India is poised to tap into significant growth potential in emerging markets across Latin America, the Middle East and Asia.

While India's exports of software services and ITES have continued to show remarkable resilience and potential for growth, increasing global demand is also opening up numerous avenues for many other industries within the services sector. Especially exports of medical services, hospitality, transportation, travel and business services such as engineering and management consulting, have immense potential in traditional as well as new markets, including Qatar.

Transport and Travel

Logistics and warehousing: India's logistics and warehousing sector is booming, fuelled by e-commerce and tech-driven innovation. It has transformed from basic transport and storage to a sophisticated service managing the entire supply chain, including last-mile delivery, data analytics and even anticipating needs. Significant improvements are also visible in the logistics costs which have fallen in the range of 7.8% - 8.9% of GDP for 2021-2022 from 13% in 2016.[27]

According to the World Bank's Logistics Performance Index (LPI) ranking, India has moved up from 54th position in 2014 to 38th out of 139 countries in 2023, driven by several factors, including investments in infrastructure, digitization, and skill development. The investment landscape has drastically increased partly due to government initiatives like the National Manufacturing Policy and National Logistics Policy. Warehousing attracted 12% of the total capital investment made in the country in the first half of 2023, which amounted to US$ 366 million, witnessing an 80% increase compared to the corresponding period of the previous year.[28]

Qatar can reap numerous benefits from Indian services exports in transport and warehousing. Indian expertise in these sectors can enhance Qatar's logistics infrastructure, facilitating smoother movement of goods and reducing costs. Leveraging Indian technology and a skilled workforce can lead to operational efficiencies and innovation in Qatar's logistics industry. Additionally, Indian services exports can offer Qatar access to a diverse range of warehousing solutions tailored to its specific needs, contributing to improved inventory management and supply chain optimization. This collaboration can bolster Qatar's competitiveness in global trade, attract investment and foster economic growth while deepening bilateral ties between the two nations.

Tourism: India is one of Asia's key outbound tourist markets. India's outbound travel has the potential to grow from 2.3 billion trips in 2019 to over 5 billion in 2030 while the travel expenditure is expected to reach

[27] Poonam Munjal and Sanjib Pohit, Report on Logistics Cost in India: Assessment and Long-term Framework, NCAER, 2023.
[28] India-UAE collaboration in the logistics sector, JLL, Invest India and UIBC Report, 2024.

US$ 410 billion by the same year.[29] Similarly, India being the land of ethos and vibrance, is expected to generate revenue of over US$ 59 billion through tourism and hospitality industry and foreign tourist arrivals (FTAs) are anticipated to reach 30.5 million by 2028.[30]

Qatar stands to gain significantly from Indian services exports in tourism in several ways. Firstly, Indian tourism services can help Qatar attract a larger number of visitors from India, tapping into one of the world's fastest-growing outbound tourism markets. This influx of tourists can boost revenue for Qatar's hospitality industry, including hotels, restaurants and entertainment venues. Additionally, Indian expertise in hospitality management and tour operations can enhance the quality of tourism services in Qatar, providing visitors with memorable experiences and encouraging repeat visits. Moreover, collaboration with Indian tourism companies can facilitate cultural exchange and foster deeper people-to-people connections, promoting mutual understanding and cooperation.

Telecommunications, Information Technology and Business Process Management (IT-BPM)

India is leveraging its economic strength, technological progress, young workforce and growing domestic market to become a major player in the global digital space. This ambitious goal focuses on the development and widespread adoption of cutting-edge technologies like 5G/6G, satellite communication (SatCom) and semiconductors. A KPMG report[31] estimates that these three sectors will collectively inject an estimated US$ 240 billion into the Indian economy over the next five years, contributing roughly 1.6% to the national GDP by FY28.

India's IT and ITES sector is a powerhouse, driven by a vast pool of skilled professionals. The industry directly employs 5.4 million knowledge workers and indirectly supports an additional 15 million jobs across India. Software development and related services are major contributors to the economy, generating US$ 251 billion in 2022-23, which translates to a significant 7.4% of the nation's GDP. Impressively, exports account for a major share (77%) of this production, with a strong annual growth rate of 12.2%, reaching US$ 193 billion in 2022-23. India's dominance extends globally, capturing a commanding 35% share of the US$ 1.11 trillion global IT-BPM market, solidifying its position as a leading sourcing destination worldwide.[32]

Qatar can benefit from Indian service exports in IT-BPM through cost-effective technology solutions, operational efficiency, skill development and global competitiveness, fostering economic diversification and innovation.

Other Commercial Services

India's services exports are booming, with sectors like insurance and financial services offering significant room for expansion. While these activities currently contribute 4% of total services exports with respect to India, the global average sits at 11.4% in 2022.[33] This suggests significant untapped potential for Indian insurance and financial services to make a bigger mark on the world stage. In the coming years, India’s high value services like consultancy, healthcare and the like are likely to gain traction from government-based initiatives like Skill India, Digital India and Start-up India, among others.

[29] How India Travels? Report by Brookings and McKinsey.
[30] Invest India, FDI and Tourism, 2023.
[31] KPMG, Expanding tech horizons- Unlocking India’s digital potential, October 2023.
[32] Electronics and Communication Software Export Promotion Council, Statistical Yearbook 2023.
[33] World Bank, World Development Indicators.

India's services sector is on track for an exponential rise, potentially reaching US$ 800 billion by 2030.[34] By forging a strategic partnership with India, leveraging efficient technology and competitive workforce, Qatar can seize this opportunity to fuel its own growth, boost trade in services and establish itself as a major force in the global services arena.

Global Capability Centers – Moving up the Services Value Chain

The increasing acceptance of the concept of global shared services across geographies, has today led to mushrooming of global capability centers (GCCs). These are offshore units of multinational corporations strategically set up to perform a range of key functions, leveraging upon specialized talent, knowledge and skill sets, operational efficiencies and cost arbitrage in various locations across the globe, which contribute to the growth of the parent companies. The functioning of these GCCs provides immense opportunities for other services such as R&D, consulting, education, research and analytics, IT, human resources, finance, advertising, design, marketing, customer support, business process outsourcing and a host of other ancillary services, including emerging technologies.

According to a recent report by Goldman Sachs[35], over the past decade, the number of GCCs in India has more than doubled from around 700 in 2010 to 1,580 in FY23. The number of GCCs is further expected to reach close to 2,000 by FY25. This is envisaged to open a plethora of opportunities beyond traditional trends. GCCs have emerged as strong alternatives to outsourcing, and they often work in tandem with IT companies on transformation projects. According to a report by HSBC Global Research, the overall share of GCCs in Indian IT exports has risen to 23% in 2023 from 18% in 2015[36].

According to ANSR, around 30% of the global digital banking products are developed in GCCs in India[37]. With the global disaggregation of service value chains, and the robust digital infrastructure in India, backed by advanced skill sets, it is estimated that around half of the GCCs' workforce in India is engaged in technology-enabled processes.

The spurt in GCCs across new emerging domains like insurance, digital and mobile banking, financial services, accounting, logistics and business services, also reflects the significant growth in the digital delivery of services across these domains. It is also noteworthy, that as a result of the "Startup India" scheme, launched by the Government of India in 2016 with a vision to build a strong ecosystem for nurturing innovation and startups in the country, today India is home to the third largest startup ecosystem in the world. Services are integral part of this ecosystem.

With high-value services envisaged to emanate from the rapidly increasing number of GCCs being set up, break-through innovations stemming from startups, advance digital solutions being rolled out across domains, and given the ever-increasing global demand, it is quite possible that services exports from India are bound to rapidly multiply manifolds going forward. Businesses in Qatar can take advantage of these growing GCCs in India to offshore tasks from data analysis to R&D. Considering India's expertise in the field of services, a well negotiated services agreement with Qatar could facilitate market access for Indian service providers,

---

[34] Goldman Sachs, India's Rise as The Emerging Services Factory of The World, March 2024.
[35] Goldman Sachs, "How India's services economy became a world leader", June 13, 2024, https://www.goldmansachs.com/insights/articles/how-india-services-economy-became-a-world-leader
[36] "EPAM and GCCs in India: Driving Mutual Growth and Development through Modern Engineering", Economic Times, September 17, 2024.
[37] ANSR, "State of BFSI GCCs in India", https://ansr.com/wp-content/uploads/2024/04/State-of-BFSI-GCCs-in-India-PDF.pdf

enhance competitiveness and thereby provide a number of opportunities for exponentially increasing services exports from India across traditional and new domains including a variety of financial and business services including legal, accounting, R&D, market research, advertising, etc.

India's Position in the Value Chain of Qatar

In the current analysis, India's exports to Qatar have been classified in the context of the value chain. Globalisation, falling trade costs and technological progress have driven the international fragmentation of production and the development of international production/supply chains. Such changes in the way in which goods and services are produced has resulted in manufacturing processes being split into different stages so that intermediate inputs may be sourced from the most efficient producers, even if they are spread across disparate locations.

The WITS classifies the trade of goods into different stages of processing which are raw materials, intermediate goods, consumer goods or capital goods. The raw materials and intermediate goods are used as inputs for further production. Consumer goods and capital goods are generally considered as finished goods as they are ready to provide their utility. Trade of intermediate goods reflects a country's participation in global value chains.

The purpose of this classification is to provide a comprehensive understanding of the current standing of India's exports in Qatar's value chain. By delineating these categories, it aims to shed light on strategic opportunities for India to improve and elevate its position within the value chain. This involves a nuanced exploration of how India can enhance its role, potentially by focusing on the production and export of high value goods or by optimizing its existing contributions to the value chain.

The overarching goal is to enable India to ascend the value chain, a process that holds the promise of yielding greater profits for the country. As India refines its position in the value chain, it is anticipated that the economic benefits derived from exports to Qatar will be amplified. This strategic enhancement is envisioned not only to bolster financial gains but also to fortify the overall resilience and competitiveness of India's exports to Qatar.

Currently, India's major exports to Qatar are consumer goods – in terms of both tariff lines and export value - with a share of 42.2% in India's total exports to Qatar, followed by intermediate goods and capital goods **(Table 3.18)**.

Table 3.18: Classification of Qatar's Imports from India in terms of Broad Use Category, 2021

Product Category	Simple Average MFN	Weighted Average MFN	No. of Tariff Lines	Qatar's Imports from India (US$ billion)	% Share in Total Imports
Raw materials	3.01	2.98	179	157.7	8.9
Intermediate goods	4.8	3.81	674	539.8	30.4
Consumer goods	4.77	4.03	1,346	749.2	42.2
Capital goods	4.23	4.18	516	210.6	11.9
Unclassified	-	-	234	118.3	6.7
Total Imports from India	**-**	**-**	**2,949**	**1,775.6**	**100.0**

Product Category	Simple Average MFN	Weighted Average MFN	No. of Tariff Lines	Qatar's Imports from India (US$ billion)	% Share in Total Imports
WTO HS Agricultural	3.4	1.57	510	344.4	19.4
WTO HS Industrial	4.67	4.34	2,342	1,373.5	77.4
WTO HS Petroleum	-	-	1	5.8	0.3
Others	-	-	96	51.9	2.9
Total Imports from India	**-**	**-**	**2,949**	**1,775.6**	**100.0**

Note: "-" implies nil

Source: WITS database and India Exim Bank Research

An analysis of India's imports from Qatar, as per the latest available data, reveals that India mostly imports consumer goods from Qatar, amounting to US$ 8.7 billion in 2021, with trade taking place in 434 tariff lines **(Table 3.19)**. India has the highest number of tariff lines for consumer and capital goods, significantly impacting the overall import values of the respective goods. While the high number of tariff lines can be seen as an attempt from India to protect its domestic producers from price shocks and global competition, India may review its import tariff arrangement, especially concerning capital goods, to encourage investment in local manufacturing. India could take cues from Japan's method of effectively utilizing imports by reducing duties on essential intermediate and capital goods, as excessively high import duties might discourage foreign investors.

Table 3.19: Classification of India's Imports from Qatar in terms of Broad Use Category, 2021

Product Category	Simple Average MFN	Weighted Average MFN	No. of Tariff Lines	India's Imports from Qatar (US$ billion)	% Share in Total Imports
Raw materials	9.66	4.60	80	1,027.5	8.7
Intermediate goods	8.23	4.96	275	1,676.5	14.2
Consumer goods	16.25	3.95	434	8,746.3	74.3
Capital goods	8.84	9.71	431	80.0	0.7
Unclassified	-	-	70	239.8	2.0
Total Imports from Qatar	**-**	**-**	**1,290**	**11,770.2**	**100.0**
WTO HS Agricultural	34.56	52.11	107	0.8	0.01
WTO HS Industrial	10.13	4.17	1152	10,369.3	88.1
WTO HS Petroleum	-	-	1	1,167.4	9.9
Others	-	-	30	232.7	2.0
Total Imports from Qatar	**-**	**-**	**1,290**	**11,770.2**	**100.0**

Note: "-" implies nil

Source: WITS database and India Exim Bank Research

Qatar presents a substantial untapped market for India, offering a promising prospect for growth through strategic tariff liberalization. In essence, this analysis serves as a roadmap for India, offering insights into the specific areas and approaches through which it can fortify its position, maximize profits and foster sustained growth in its exports to Qatar. By implementing targeted tariff adjustments on these specific potential products, both nations stand to benefit from increased bilateral trade and strengthened economic collaboration. This strategic move not only addresses the existing demand patterns but also lays the foundation for a mutually advantageous relationship, fostering shared growth and prosperity. India's recognition of this untapped potential in Qatar reflects a proactive approach to expanding its economic footprint in the GCC region, fostering a robust and harmonious partnership for the future. Tariff liberalization holds the promise of strengthening India's export position in Qatar, and is expected to render Indian exports more competitive, thereby potentially increasing India's share in Qatar's import landscape.

Chapter 4

Way Forward and Recommendations

India and Qatar share a strong economic partnership, as the two countries collaborate across diverse sectors. The year 2023 marked the 50^{th} year of the establishment of diplomatic relations between India and Qatar. The vast Indian community has also been making substantial contributions to Qatar's progress, with more than 15,000 registered Indian businesses in Qatar[38]. Convergences of interests and a mutually beneficial partnership have significantly reshaped India-Qatar relations.

The trajectory of the trading partnership and complementarity discussed in the earlier chapters reiterates the significance of the bilateral partnership between India and Qatar. India and Qatar have witnessed a new dynamism in their relationship in recent times, with both economies looking forward at enhancing their economic partnership. It is time for India and Qatar to build on their solid trade and investment engagements and take this relationship to newer heights. A few policy catalysts that could help boost bilateral cooperation are discussed below.

Enhancing Trade based on Trade Potential

India needs to expand its production and trade in products in which it has comparative advantage with Qatar. This would help in expansion of trade and improve trade balance with Qatar. The study has already identified potential items of exports which could be targeted by Indian exporters. According to the analysis, in the short term, it is suggested to strengthen the existing products in the category of Product Champions to exploit the full potential for the products which are already showing robust growth in Qatar’s market, where India’s exports also hold a comparative advantage. In the medium to long run, exports and investments are to be enhanced in Underachievers category products to develop capacities in these products, which will help in coping with the demands of Qatar’s market in a more competitive manner. The products in the respective categories have been discussed elaborately in earlier chapters.

[38] ASSOCHAM

Box 1: India Exim Bank in the GCC Region

As a premier financial institution in India for financing, promoting, and facilitating international trade and investments, the Export-Import Bank of India (India Exim Bank) plays a pivotal role in supporting Indian companies in their globalization endeavors. Further, India Exim Bank is committed to fostering economic development in partner countries, including the GCC region, and this commitment is reflected in its range of activities in the region.

India Exim Bank's Dubai Representative Office (DRO) was established in November 2006, and was formally inaugurated on December 10, 2006, DRO covers Bank's operation in North Africa, CIS and Middle East region. The office seeks to establish and maintain relationships with multilateral agencies, regional development institutions, trade and investment promotion bodies, international banks, chambers of commerce, government departments and institutions in the region and identify potential areas for cooperation.

As of 30th September 2024, the Bank's financing through Joint Venture/Overseas Investment Finance (JV-OIF) facilities in the West Asian region, particularly in the UAE, Saudi Arabia, and Oman, totalled ₹ 4,006.6 crore. The primary sectors of investment included metals and metal processing (both ferrous and non-ferrous), ports and infrastructure, as well as agro and food processing. Notable beneficiaries in this region included JSW Terminal (Middle East) FZE, Essar Steel Middle East FZE, J.K. Cement Works FZC, Karuturi Global Limited and L&T Global Holdings Limited, among others.

Under Trade Facilitation activities, transactions aggregating US$ 18.60 million have been executed so far in the GCC region (Kuwait and the UAE) to facilitate the export of motor vehicles and construction materials for Infrastructure projects. This support has been extended through guarantees and credit enhancement, ensuring smooth execution of trade transactions.

Supportive Logistical Infrastructure

A robust logistics sector can go a long way in boosting bilateral trade between nations. With better infrastructure planning, increased coordination among stakeholders and improved operational efficiencies, transaction and transport costs can be significantly reduced, while facilitating trade transactions. India can significantly benefit from greater Qatari investment in infrastructure projects, such as transportation, logistics, and urban development. Qatar, which has a preeminent position in the Gulf and extensively in the Middle East, has a key role to play in the realisation of India's connectivity plans in the region. Both the nations could explore avenue for cooperation in developing mutually beneficial regional connectivity projects such as the International North-South Transport Corridor (INSTC), the Chabahar Port, etc. to enhance their access to new markets and opportunities, amongst others.

Enhancing Professional Services in Qatar: The Role of Mutual Recognition Agreements

Mutual Recognition Agreements (MRAs) are bilateral agreements that streamline trade by allowing countries to accept each other's product testing and certification results. This eliminates duplicative procedures and opens wider markets for exporters. MRAs typically focus on designated conformity assessment bodies that ensure products meet regulatory standards.

For India, MRAs with existing and potential free trade agreement partners, including Qatar, hold particular importance. These agreements could encompass areas like regulatory standards, accreditation processes, and professional qualifications. By reducing trade barriers, MRAs can boost Indian exports, improve price discovery in partner countries, and facilitate the movement of skilled professionals. Importantly, MRAs operate within the existing legal frameworks of each country, ensuring compliance with local regulations.

1. Pharmaceutical Sector

India is one of the top global suppliers of generic medications, playing a significant role in the global pharmaceutical industry. With increased instances of non-communicable diseases (NCDs) in the Arab countries, there is a growing demand for low-cost high-quality pharmaceutical products. Qatar may consider tracking approval for Indian pharma products that are already registered with the US Food and Drug Administration (FDA), UK drug regulator MHRA and European Medicines Agency.

2. Knowledge Exchanges

In the case of India, talent and innovation can be one of the priorities. Qatar can consider cooperating with India to foster the reciprocal mobility of students and researchers, and to consolidate networks of innovators and start-ups. MRAs pave the way for recognition of the professional bodies of one country by the other to institutionally access markets abroad. Qatar can move towards mutual recognition of education or experience obtained, qualification requirements and procedures and licensing requirements and procedures in sectors such as architecture, engineering, medical, nursing, accountancy, tourism, and company secretaries, allowing easier mobility of skilled professionals across the two countries.

3. Penetration of Financial Services

While India currently has limited presence in Qatar's financial sector, the growing financial sector of Qatar presents an opportunity for India to partner with Qatar in enhancing its financial services, particularly banking insurance, and Fintech. Collaboration and knowledge sharing can address Qatar's evolving financial needs.

India's success in digital payments positions it well to partner with Qatar on Fintech and payment systems. An India-Qatar MRA in Fintech could streamline cross-border transactions. This would benefit both the economies by reducing remittance costs, facilitating tourism and supporting the Indian diaspora in Qatar. Both countries could sign an MoU for further strengthening cross-border transactions, such as, the introduction of India’s RuPay card which would facilitate seamless payment in Qatar.

4. Gems and Jewellery

India, a global diamond and jewellery hub, can leverage its expertise to boost exports to Qatar and the Middle East. With established clusters in Surat, Jaipur, and Mumbai, India can offer high-quality diamonds, jewellery, and gemstones. During the recent State Visit of the Indian delegation to Doha in July 2024, the Joint Working Group conducted a comprehensive review of the developments in bilateral trade and economic cooperation, highlighting the immense potential for expanding the partnership further. Both sides identified several key areas for enhanced collaboration, including gems and jewellery, a sector poised for significant growth. In this regard, the Bureau of Indian Standards (BIS) and the Qatar General Organization for Standards and Metrology (QGOSM) can play a crucial role in working together to establish and harmonize quality standards and ensure the authenticity of products, particularly gems and jewellery.

5. Food Processing

Food security is a priority for both India and Qatar, with both countries focused on strengthening food supply chains and expanding agricultural trade. As India continues to grow as an agricultural hub, collaboration between India's Food Safety and Standards Authority (FSSAI) and Qatar's Food Safety Standards (QFFS) can enhance food safety and standardization. Initiatives like the India-Middle East Food Corridor, supported by advanced logistics such as cold chain management, act as a benchmark to improve the supply chain efficiency across regions. An MRA between the two countries' food safety authorities could further boost the credibility of Indian agricultural exports and processed foods, ensuring higher standards and smoother trade.

India-Qatar Start Up Bridge

'India-Qatar Start Up bridge' was launched in 2022 that would connect the start-up ecosystems of both countries and foster innovation. The Qatari startup ecosystem, though fairly young, is growing at an accelerated pace today. Qatar is preparing for a post-petrochemical economy and is working towards blending the spirit of Silicon Valley with its own set of characteristics in the region. Qatar is also home to world leading universities, hosting branch campuses of prominent international higher education institutions. Many public sectors as well as the private sectors are playing a key role to positioning Qatar as a preferred destination for international startups looking to enter the Middle East. These stakeholders have developed platforms to equip entrepreneurs with resources such as information and funds. Additionally, they have initiated multiple programs to educate these aspiring entrepreneurs about the different possibilities for market linkages as well as opportunities to connect with procurement clients.

The India-Qatar Startup Bridge will act as a conduit for startups in both countries and provide knowledge sharing opportunities, networking opportunities, joint programs, exchange of best practices, and capacity building programs. It will launch masterclasses, and innovation challenges to scout more exceptional startups as well as funding. It will also help startup ecosystems in Qatar and India to mutually grow, vitalise and become global innovation leaders.

Financial Cooperation

The formation and promotion of financial integration between India and Qatar remains one of the essential cooperation areas to integrate Qatar National Vision 2030 into India's Middle East policy. There are a number of measures for the realisation of financial integration between the two countries, including deepening financial cooperation and building a stable currency system, establishing an investment and financing system, expanding the scope and scale of bilateral currency swaps between the two countries and developing the bond market in Asia. The bilateral cooperation in the financial services sector, including the banking and insurance sectors and capital markets, as well as opening of branches of Indian banks in Qatar will further strengthen ties between the two countries.

The Reserve Bank of India (RBI) is actively working to establish the Indian Rupee as a global currency, facilitating its use not only for domestic transactions but also in international trade and as a reserve currency. This initiative aims to position the Rupee as a viable alternative for global commerce, offering significant benefits for India, including seigniorage gains and enhanced trade opportunities. To this end, the RBI has introduced several key measures, such as enabling the settlement of external trade in Rupees and allowing banks from 22 countries—including Hong Kong, Oman, Singapore, Malaysia, and other FATF-compliant countries—to open Special Vostro Rupee Accounts. A notable example is the memorandum of understanding

(MoU) signed between India and the United Arab Emirates (UAE), which aims to create a framework for local currency settlement. This Local Currency Settlement System (LCSS) will promote the use of the Indian Rupee (INR) and the UAE Dirham (AED) for transactions between the two countries. The agreement covers all current account transactions and approved capital account transactions, further streamlining bilateral trade and enhancing financial cooperation. India and Qatar may also consider entering into similar arrangements, allowing for increased trade in local currencies and reinforcing the global role of the Indian Rupee.

Subsequently, collaboration between financial institutions, such as India Exim Bank with Qatar Development Bank, could bring substantial benefits to both countries by enabling co-financing of major infrastructure, energy, and technology projects, thereby leveraging each institution's strengths and sharing financial risks. This partnership would enhance market access for Indian companies in Qatar's expanding sectors like LNG and infrastructure, while Qatari businesses could gain entry into India's large and dynamic market.

Migration and Remittances

According to the World Bank, India is the origin of the largest number of international migrants in the world (nearly 18 million). While India was the largest recipient of remittances globally at US$ 111.2 billion in 2022, Qatar is among the top 20 sources of remittances globally, with US$ 12.3 billion remittances outflows recorded in 2022.

The Indian diaspora in Qatar represents a dynamic and integral component linking the two nation, and the community has established its presence across various verticals, from high-skilled professions to vital blue-collar roles. As of December 2023, there are over 8,35,000 Indian nationals residing in Qatar, contributing to India's foreign exchange reserves through remittances. In fact, Qatar accounted for 1.5% of India's remittances from abroad in 2021-22 as per the latest available data. However, the cost of remittance transfer, which is at least 5% of the amount transferred, remains a challenge for a large section of low skilled or semi-skilled Indian workers. In July 2024, NPCI International Payments Limited (NIPL) signed an agreement with Qatar National Bank (QNB), the largest financial institution in the Middle East and Africa, based in Qatar, to introduce QR code-based Unified Payments Interface (UPI) payments throughout the country. This collaboration is a major milestone, enabling UPI payment acceptance across Qatar through the QNB merchant network, which will be highly beneficial for Indian travelers visiting or transiting through Qatar[39]. This shift to a digital payment ecosystem may lead to a decline in remittances made through conventional money transfer channels. NPCI International Payments Ltd (NIPL) can provide enhanced technical assistance through licencing and consulting for improving real-time payment systems to meet the fast-changing requirements of international remittances in Qatar.

Sovereign Wealth Funds of Qatar

Sovereign wealth funds (SWFs) have gained increasing prominence globally over recent years. A surge in direct investments in India by global SWFs has also been witnessed recently. In February 2024, Goldman Sachs and Mubadala, the sovereign wealth fund of Abu Dhabi, entered into a US$ 1 billion private credit agreement aimed at co-investing in the Asia-Pacific region, with a particular focus on India. Encouraged by the positive momentum, India's interim budget announced the extension of particular tax benefits for startups

[39] NPCI International Payments Limited, "NPCI International partners with QNB to launch UPI Payments in Qatar", July 11, 2024, https://www.npci.org.in/PDF/npci/press-releases/2024/NIPL-Press-Release-NPCI-International-partners-with-QNB-to-launch-UPI-Payments-in-Qatar.pdf

and investments from sovereign wealth or pension funds until March 31, 2025. Policies such as Make in India, the Production-Linked Incentive (PLI) schemes, the liberalization of FDI rules, and the setting up of an international financial services centre (IFSC) at GIFT City have cumulatively created a pool of investment opportunities for international players. Major foreign investors are not only drawn towards setting up manufacturing units in India but also pooling capital through multiple financial channels.

Qatar Investment Authority (QIA), the sovereign wealth fund of Qatar, is the eighth largest in the world[40]. It has investments in many listed and unlisted companies in India such as Adani Green, Adani Transmission and Reliance Retail. In 2020, India and Qatar formed a special task force to facilitate investments by the QIA, especially in the energy sector. In 2021, QIA set up its Singapore office to gain access to largest companies and investors in Asia, including India. Qatar is India's largest LNG and LPG supplier, and is particularly bullish on select sectors in India such as electric vehicles, retail investments, megatrend technologies and innovation and warehousing and logistics.

The QIA’s strategic focus and diverse funds hold various avenues for mutual benefit. Under an agreement, the QIA could facilitate increased investments in India, leveraging its international assets and diverse holdings in public and private markets. This could encourage collaboration between Indian businesses and the QIA, fostering economic ties and capitalizing on growth opportunities. Joint efforts could lead to partnerships in sectors crucial for both countries, such as technology, renewable energy and manufacturing, driving innovation, knowledge exchange and sustainable growth.

[40] Global SWF (https://globalswf.com/ranking)

About India Exim Bank's Working Paper Series

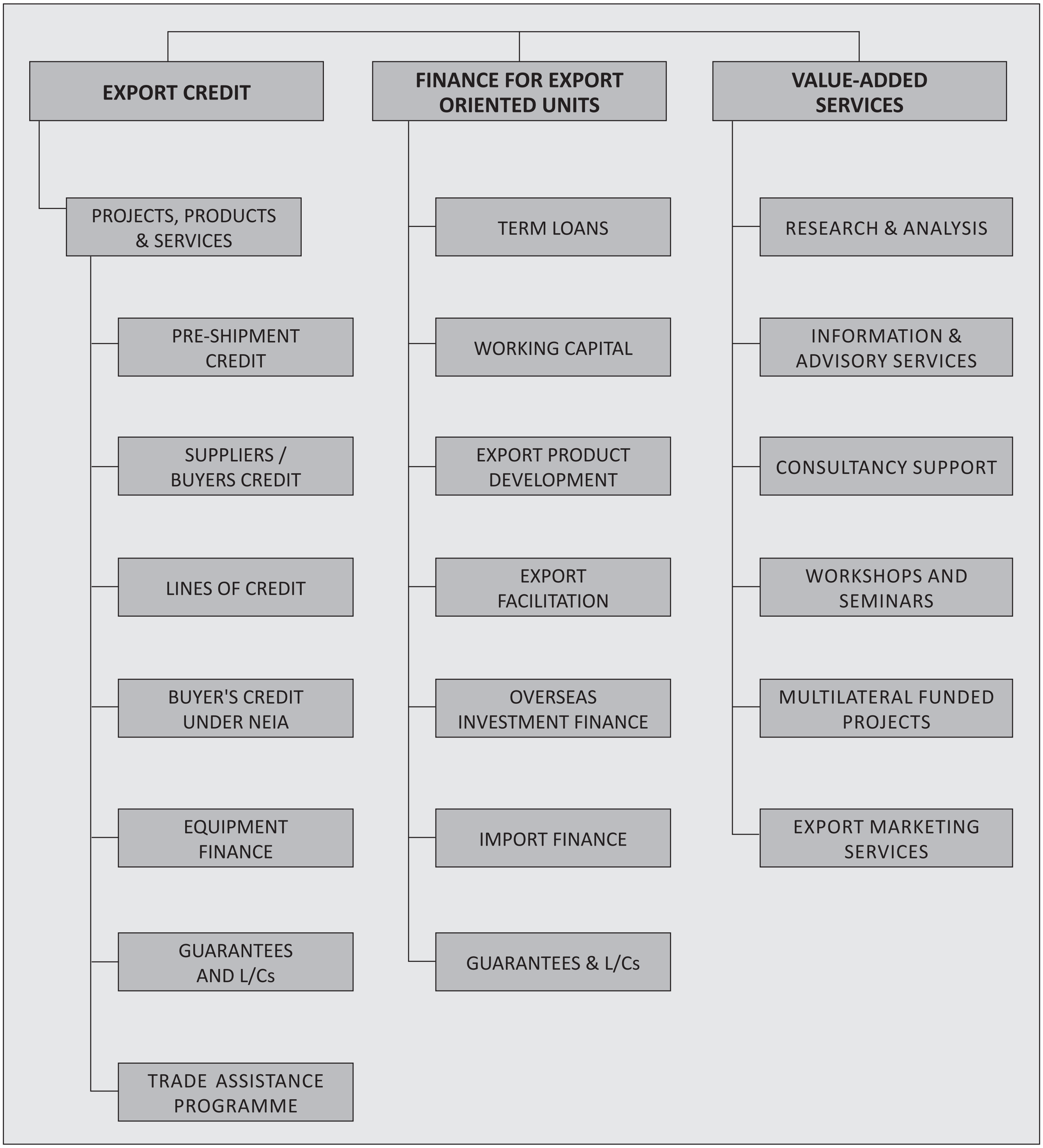
As part of its endeavour in enriching the knowledge of Indian exporters and thereby to enhance their competitiveness, India Exim Bank periodically conducts research studies. These research studies are broadly categorized into three segments, viz. sector studies, country studies and macro-economic related analysis. These studies are published in the form of Occasional Papers, Working Papers and Special Publications. The research papers that are brought out in the form of Working Papers are done with swift analysis and data collation from various sources. The research papers under the series provide an analytical overview on various trade and investment related issues.

Previous Working Papers brought out by India Exim Bank

Working Paper No. 101	Promoting Agriculture Exports from India
Working Paper No. 102	India-Africa Healthcare: Prospects and Opportunities
Working Paper No. 103	Strengthening India-Bangladesh Partnership: Paving the Way for Regional Development
Working Paper No. 104	Indian Sports Goods Industry: Strategies for Tapping the Export Potential
Working Paper No. 105	Indian Solar Sector: Fostering Growth and Sustainable Development
Working Paper No. 106	India's Trade and Investment Relations with Australia: Recent Trends and Potential
Working Paper No. 107	India-United Kingdom Bilateral Relations: Trends Opportunities and Way Ahead
Working Paper No. 108	Re-Connecting India and Central Asia: Prospects for Trade and Investment
Working Paper No. 109	India-United Arab Emirates Bilateral Relations: Trends, Opportunities and Way Ahead
Working Paper No. 110	Building a Resilient Africa: Enhanced Role of India
Working Paper No. 111	Reflection & Development of India's Creative Economy
Working Paper No. 112	Reinvigorating India's Economic Engagements with Southern Africa
Working Paper No. 113	Unlocking Assam's Export Potential
Working Paper No. 114	A New Era of India-European Union Strategic Partnership
Working Paper No. 115	Indian Chemical Industry: Exploring its Growth Potential
Working Paper No. 116	Prospects for Enhancing India-Canada Economic Relations: Trends and Potential
Working Paper No. 117	Building Bridges: An Economic Analysis of India-Australia Trade Relations
Working Paper No. 118	India's Engagement with the Lithium Triangle Nations: Securing India's Lithium Needs
Working Paper No. 119	Enhancing Trade and Investment Relations between India and Central America
Working Paper No. 120	India's Investment Potential in Africa
Working Paper No. 121	Transitioning to Circular Economy: A Possible Approach for India
Working Paper No. 122	Forging Sustainable India-Africa Partnership through Green Transition
Working Paper No. 123	Investing in LAC: Unlocking Opportunities for Indian Investors
Working Paper No. 124	Evaluating India's Middle-Export Districts: Opportunities under ODOP-DEH
Working Paper No. 125	Connecting Continents: Enhancing India-Eurasian Economic Union Trade and Investment Relations
Working Paper No. 126	India-Bangladesh: A New Age Partnership
Working Paper No. 127	Enhancing Production and Exports of Millets from India
Working Paper No. 128	India and Southern African Customs Union: Building a Stronger Economic Partnership
Working Paper No. 129	Strengthening Ties: Evolving Dynamics in India-Oman Bilateral Relation
Working Paper No. 130	Fostering Collaboration: A Roadmap for Enhancing India-Saudi Arabia Bilateral Relations
Working Paper No. 131	Charting the Course for Telangana's Export Growth: Strategies and Policy Recommendations
Working Paper No. 132	Unraveling the Dynamics of India-ASEAN Economic Relations
Working Paper No. 133	Exploring New Frontiers in India-US Bilateral Relations
Working Paper No. 134	Exploring Economic Opportunities for India in East Africa
Working Paper No. 135	India's Defence Equipment Industry: Exploring New Frontiers
Working Paper No. 136	Accelerating Uttar Pradesh's Export Growth: Insights and Strategies

INDIA EXIM BANK'S MAJOR PROGRAMMES

Bank's Major Programmes



EXPORT-IMPORT BANK OF INDIA

HEAD OFFICE

Centre One Building, 21st Floor, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005.
Phone: (91 22) 22172600 ● Fax : (91 22) 22182572
E-mail : ccg@eximbankindia.in ● Website: www.eximbankindia.in

LONDON BRANCH

5th Floor, 35 King Street, London EC2V 888 United Kingdom
Phone : (0044) 20 77969040 ● Fax : (0044) 20 76000936 ● E-Mail : eximlondon@eximbankindia.in

DOMESTIC OFFICES

Ahmedabad
Sakar II, 1st Floor,
Next to Ellisbridge Shopping Centre,
Ellisbridge P. O., Ahmedabad 380 006.
Phone : (91 79) 26576843
Fax : (91 79) 26577696
E-mail : eximahro@eximbankindia.in

Bengaluru
Ramanashree Arcade, 4th Floor,
18, M. G. Road, Bengaluru 560 001.
Phone : (91 80) 25585755
Fax : (91 80) 25589107
E-mail : eximbro@eximbankindia.in

Chandigarh
C- 213, Elante offices, Plot No. 178-178A,
Industrial Area phase 1,
Chandigarh 160 002.
Phone : (91 172) 4629171
Fax : (91 172) 4629175
E-mail : eximcro@eximbankindia.in

Chennai
Overseas Towers, 4th and 5th Floor,
756-L, Anna Salai, Chennai 600 002.
Phone : (91 44) 28522830/31
Fax : (91 44) 28522832
E-mail : eximchro@eximbankindia.in

Guwahati
NEDFi House, 4th Floor, GS Road,
Dispur, Guwahati 781 006.
Phone : (91 361) 2237607 /609
Fax : (91 361) 2237701
E-mail : eximgro@eximbankindia.in

Hyderabad
Golden Edifice, 2nd Floor,
6-3-639/640, Raj Bhavan Road,
Khairatabad Circle, Hyderabad 500 004.
Phone : (91 40) 23307816
Fax : (91 40) 23317843
E-mail : eximhro@eximbankindia.in

Kolkata
Vanijya Bhawan, 4th Floor,
(International Trade Facilitation Centre),
1/1 Wood Street, Kolkata 700 016.
Phone : (91 33) 68261301
Fax : (91 33) 68261302
E-mail : eximkro@eximbankindia.in

Lucknow
Unit No. 101, 102 and 103, 1st Floor,
Shalimar Iridium Vibhuti Khand,
Gomti Nagar, Lucknow 226010.
Phone: (91 522) 6188035
Email: lro@eximbankindia.in

Mumbai
8th Floor, Maker Chamber IV,
Nariman Point,
Mumbai 400 021.
Phone : (91 22) 22861300
Fax : (91 22) 22182572
E-mail : eximmro@eximbankindia.in

New Delhi
Office Block, Tower 1, 7th Floor,
Adjacent Ring Road,
Kidwai Nagar (E)
New Delhi - 110 023.
Phone : (91 11) 61242600 / 24607700
Fax : (91 11) 20815029
E-mail : eximndo@eximbankindia.in
ndro@eximbankindia.in

Pune
No. 402 & 402(B), 4th floor,
Signature Building,
Bhamburda, Bhandarkar Rd.,
Shivajinagar,
Pune - 411 004.
Phone : (91 20) 26403000
Fax : (91 20) 25648846
E-mail : eximpro@eximbankindia.in

OVERSEAS OFFICES

Abidjan
5th Floor, Azur Building,
18-Docteur Crozet Road,
Plateau,
Abidjan,
Côte d'Ivoire.
Phone : (225) 2720242951
Fax : (225) 2720242950
Email : eximabidjan@eximbankindia.in

Dhaka
Madhumita Plaza,
12th Floor, Plot No. 11,
Road No. 11, Block G,
Banani,
Dhaka,
Bangladesh - 1213.
Phone : (88) 01708520444
E-mail : eximdhaka@eximbankindia.in

Dubai
Level 5, Tenancy lB,
Gate Precinct Building No. 3,
Dubai International Financial Centre,
PO Box No. 506541,
Dubai, UAE.
Phone : (971) 43637462
Fax : (971) 43637461
E-mail : eximdubai@eximbankindia.in

Johannesburg
2nd Floor, Sandton City Twin Towers East,
Sandhurst Ext. 3,
Sandton 2196,
Johannesburg,
South Africa.
Phone : (27) 113265103
Fax : (27) 117844511
E-mail : eximjro@eximbankindia.in

Nairobi
Unit 1.3, The Oval,
Jalaram Road, Westlands,
Nairobi, Kenya.
Phone : (254) 741757567
E-mail : eximnairobi@eximbankindia.in

Singapore
20, Collyer Quay, #10-02,
Singapore 049319.
Phone : (65) 65326464
Fax : (65) 65352131
E-mail : eximsingapore@eximbankindia.in

Washington D.C.
1750 Pennsylvania Avenue NW, Suite 1202,
Washington D.C. 20006,
United States of America.
Phone : (1) 2022233238
Fax : (1) 2027858487
E-mail : eximwashington@eximbankindia.in

India Exim Bank

Centre One Building, 21st Floor, World Trade Centre Complex, Cuffe Parade,
Mumbai - 400005 | Ph.: (91 22) 22172600
E-mail: ccg@eximbankindia.in | Website: www.eximbankindia.in
Follow us on