



## **Qatar 2011**

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The Coalition Government in the UK has made improvement of relations with the Gulf States, and growth in trade with the region, a priority. This note summarises recent developments in the small but fabulously wealthy state of Qatar.

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**Contents**

**1 Background 2**

**2 Government 3**

**3 Security 4**

**4 Economy 4**

    4.1 Qatar’s trade 5

    4.2 UK trade with Qatar 6

    4.3 Sovereign wealth fund 6

**5 Foreign policy 6**

**6 Relations with the UK 7**

**7 EU 8**

**8 Human rights 8**

**9 Al-Jazeera 8**

**10 2022 football World Cup 9**

**11 Conclusion 9**

**1 Background**

Qatar is a small peninsula on the east coast of the Arabian Peninsula. Its neighbours are Saudi Arabia, the United Arab Emirates and Bahrain and it has a native population of 840,926 (July 2010 estimate).<sup>1</sup>

It was a British protectorate from 1916 until independence in 1971. The emirate had depended on trading and pearl fishing for a living until, in 1939, oil was discovered in Qatari territory. By the 1950s, oil revenues were sufficient to start modernising the country’s infrastructure. On independence, Khalifa bin Hamad al-Thani took power, in 1972, in a palace coup after infighting in the ruling family.

When Iraq invaded Kuwait in 1990, Qatar announced that it would allow foreign troops on its soil. Qatari troops also cooperated with the US in the liberation of Kuwait from the Iraqis.

In 1995, Khalifa was deposed by his son, Hamad, after the father had left the country. Hamad later started a legal process against his father to recover funds that he alleged were misappropriated, The dispute was settled out of court.

The television station al-Jazeera was founded in 1996. Funded by the Emir, it raised the profile of Qatar all over the Arab world.

In 1999 Qatar held local elections, the first such polls in the country and the beginning of a democratisation process promoted by the Emir.

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<sup>1</sup> CIA

As the invasion of Iraq loomed, the existing air base in Qatar, at al-Udeid, was expanded and modernised. It became home to US Central Command (Centcom), which is responsible for such crucial areas as Afghanistan, Iraq, Iran, Pakistan and Central Asia as well as the whole of the Arabian Peninsula.<sup>2</sup> The base was the centre of command and control for the Coalition forces' invasion in 2003.

A Catholic church became the first official Christian place of worship to be permitted in Qatar in 2008. Christians were previously not allowed to worship openly.



## 2 Government

Qatar is a monarchy, ruled by the Thani family. Executive power is exercised by the Council of Ministers, which is appointed by the Emir. In 1972, an Advisory Council (*Majlis al-Shura*) with nominated members was formed. The council had the power to debate draft laws and to request ministerial statements. In March 1999, the first elections took place by universal adult suffrage. Candidates stood for the Central Municipal Council, which was to advise the Ministry of Municipal Affairs and Agriculture. The country is divided into 10 municipalities.

In 2003, a referendum on Qatar's first written constitution was held. The constitution was approved by 96.6% of the 71,406 voters and, in June 2005 came into force, providing for some democratic reforms including a 45-member unicameral parliament, of which two-thirds were to be directly elected and the remainder appointed by the Emir.<sup>3</sup> The parliament should have the power to legislate, review the state budget and monitor government policy, and the

<sup>2</sup> For more information about Centcom, go to their [website](#)

<sup>3</sup> The draft constitution (Qatar), in Europa World online. London, Routledge

Advisory Council should be abolished. However, to date no election to the parliament has been held. Disagreements continue about who should be eligible to register as voters and as candidates.

Municipal elections are now planned for March 2011, and parliamentary elections for June 2013, although these dates are not definite.<sup>4</sup>

Senior cabinet members:

Emir and Minister of Defence:	Maj.-Gen. Sheikh Hamad bin Khalifa Al Thani.
Prime Minister, Minister of Foreign Affairs:	Sheikh Hamad bin Jasim bin Jaber Al Thani.
Minister of Energy and Industry:	Abdullah bin Hamad al-Attiya.
Minister of Economy and Finance:	Yousuf Hussain Kamal.
Minister of Business and Trade:	Sheikh Jassim bin Abd al-Aziz bin Jassim bin Hamad Al Thani.
Minister of the Interior:	Sheikh Abdullah bin Khalid Al Thani. <sup>5</sup>

### **3 Security**

Qatar hosts the largest US military base in the region, which it provides to the Americans rent-free. The base is the location for Centcom, the US military command centre for the Middle East, Pakistan and Central Asia and is also home to the US Fifth Fleet.

There is a British military attaché based in Doha,

In a 2009 diplomatic cable revealed on Wikileaks, US Secretary of State Hillary Clinton said that Qatari policies on counter-terrorism were the “worst in the region.”<sup>6</sup> The cable also said that Qatar was not doing enough to prevent donations and funds from criminal activities reaching Sunni jihadist groups. Unlike Kuwait, however, Qatar does have an anti-terrorist financing law.

A car bomb at a theatre near a British school in Doha killed one Briton and injured 12 other people in March 2005. Other than that, there have been no serious terrorist attacks in the Emirate. Jane’s Terrorism and Insurgency Centre rates the counter-terrorism regime operated by Qatar as “moderately restrictive”.<sup>7</sup> According to that source, cooperation with the Saudi Arabian security services could be improved, and there is some sympathy for radical Islam within the establishment. It is not clear exactly how effective the security services are, in the absence of serious terrorist attacks. Qatar does, at least, have good security at its short land border with Saudi Arabia.

### **4 Economy**

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<sup>4</sup> ElectionGuide.org [accessed 13 January 2011]

<sup>5</sup> Council of Ministers (Qatar), in Europa World online. London, Routledge.

<sup>6</sup> “Follow the Money”, *New York Times*, 9 December 2010

<sup>7</sup> IHS Jane’s Terrorism and Insurgency Centre, Qatar [accessed 13 January 2010]

On some measures, Qatar has the highest per capita GDP of any country in the world. The country is one of only four in the Middle East and North Africa to classify as having very high human development in the United Nations Development Programme's human development index. The others are Israel, UAE and Bahrain.<sup>8</sup>

Qatar has the third biggest reserves of natural gas after Russia and Iran and, in 2005, Qatar and the US launched a \$14 billion joint project to build the world's largest liquefied natural gas plant, with most of the gas for export to the US. The emirate is now the biggest exporter of liquefied natural gas in the Middle East, and the UK is also a customer. In May 2009 the Queen and the Emir of Qatar opened the South Hook liquid natural gas terminal at Milford Haven. The terminal, majority-owned by Qatar Petroleum, is the largest of its type in Europe.

A new metro system is to be built with 60 railway stations;<sup>9</sup> together with further large infrastructure projects, including the building of stadiums for the World Cup, this is likely to underpin growth in the country's construction industry in the next few years.

While hydrocarbons are likely to remain the biggest sector of the economy for some time, the Qatari authorities are attempting to diversify into financial services, science and technology and other services.

Qatar is thought to have the highest emissions of carbon dioxide in the world, at 56.2 tonnes per head.<sup>10</sup> It is also the world's biggest consumer of bottled water and depends largely on desalination for piped water.

#### 4.1 Qatar's trade

In 2009, "machinery and transport equipment" were Qatar's main goods imports (accounting for 51% of total goods imports) and "fuel" its main goods exports (accounting for 93% of total goods exports).<sup>11</sup> Qatar's main trading partners for the import of goods were the US (accounting for 33% of Qatar's total imports), Italy (20%), Japan (20%), and Germany (18%) while its main trading partners for the export of goods were Japan (accounting for 31% of Qatar's total exports), South Korea (17%), Singapore (9%) and India (8%). The UK was the



### Qatar

Source: University of Texas

<sup>8</sup> "Database: living standards", *Economist Intelligence Unit - Business Middle East*, 1 January 2011

<sup>9</sup> Qatar's the star", *Independent*, 8 December 2010

<sup>10</sup> "Database: living standards", *Economist Intelligence Unit - Business Middle East*, 1 January 2011

<sup>11</sup> [WTO statistics database](#)

9<sup>th</sup> most important destination for Qatar's exports (accounting for 2% of Qatar's total goods exports), and its 8<sup>th</sup> most important source of imports (accounting for 14% of Qatar's total goods imports).<sup>12</sup>

#### 4.2 UK trade with Qatar<sup>13</sup>

Qatar is a 'medium' sized trading partner for the UK. In 2009, Qatar was the 38<sup>th</sup> most important destination for UK goods (£778 million or 0.3% of all UK goods exports) and the 42<sup>nd</sup> most important source of goods for the UK (£742 million or 0.2% of all UK goods imports). The UK had a goods trade surplus with Qatar of just under £36 million. However, Qatar has become a more important trading partner since 1999 when it was the 60<sup>th</sup> most important destination for UK goods (£169 million or 0.1% of all UK goods exports) and the 108<sup>th</sup> most important source of goods for the UK (£26 million or 0.01% of all UK goods imports).

The largest categories of UK goods exports, by value, to Qatar in 2009 were "articles of jewellery & parts thereof, of precious metals or metals clad with precious metals (excluding watches & watch cases): gold & platinum jewellery and parts thereof, whether or not plated or clad with other precious metals" (£137 million or 18% of all UK exports of goods to Qatar in 2009) and "turbo-jets of a thrust exceeding 132 kiloNewtons (£89 million or 11% of all UK exports of goods to Qatar). The largest categories of imports by value from Qatar were "liquefied natural gas" (£534 million or 72% of all UK goods imports from Qatar) and "oils from bituminous minerals other than crude (including gas oils with a sulphur content not exceeding 0.05% by weight and kerosene jet fuel) (£92 million or 12% of all UK goods imports from Qatar).

#### 4.3 Sovereign wealth fund

Qatar's sovereign wealth fund, the Qatar Investment Authority, has made its presence felt in Western markets over the last few years, taking advantage of the financial crisis to acquire western assets. It has bought stakes in, or the whole of, J. Sainsbury, Harrods, Fairmont Raffles (a hotel chain) and shareholdings in Credit Suisse, Barclays, Santander and the London Stock Exchange. It has also bought Miramax, a US film-production company.<sup>14</sup> Qatar is particularly active in the London property market, buying the Chelsea Barracks in 2007 and developing the Shard tower at London Bridge, set to be the tallest building in Europe, and is also the largest shareholder in the company that owns Canary Wharf.<sup>15</sup> Other European acquisitions, such as in VW shares, have been made.

It has been reported that discussions have taken place on the sale of indebted Irish banks to Gulf investors, including the Qataris.<sup>16</sup>

### 5 Foreign policy

Qatar is a member of the Gulf Cooperation Council (GCC), the organisation which includes all states on the Arabian Peninsula apart from Yemen. It is also a member of the Arab League and of the Organisation of the Islamic Conference.

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<sup>12</sup> [IMF DOTS database via esds](#)

<sup>13</sup> [UKTradeinfo](#)

<sup>14</sup> "What cash can do", *Economist*, 11 December 2010

<sup>15</sup> "Qataris enjoy rich pickings in London property", *Guardian*, 14 June 2010

<sup>16</sup> "Ireland touts banks to Gulf wealth funds", *Daily Telegraph*, 11 December 2011

Compared to the caution of some of its neighbours, Qatar has an ambitious foreign policy. The emirate has long been involved in mediation in the fractious Lebanese political scene, as well as other in other regional conflicts such as the Sudanese. Qatar hosted the talks that led to the formation of the current Lebanese government after months of stalemate following inter-communal violence in 2008. The present Lebanese crisis, linked to the UN investigation into the assassination of Lebanon's then Prime Minister Rafiq Hariri in 2005, has led to an intensification of diplomatic efforts by Qatar and Saudi Arabia.

Qatari prime minister and foreign minister, Sheikh Hamad bin Jassim bin Jabr al-Thani, travelled to Lebanon on 22 November 2010, just hours before Lebanese President Michel Suleiman was due in Doha for a two-day visit. Sheikh Hamad also met Lebanese Prime Minister Saad Hariri and speaker of the Lebanese parliament, Nabih Berri.<sup>17</sup>

The country has also involved itself in negotiations between Palestinian groups Hamas and Fatah, to the dismay of Egypt, which had gained kudos from taking the lead on the Palestinian issue among Arab states. Qatar has also sponsored talks between the Justice and Equality Movement of Darfur and the Sudanese government.

After Israel's Operation Cast Lead assault on Gaza in December 2008, Qatar closed Israel's trade mission offices in the Qatari capital Doha and broke off diplomatic relations. This was a sharp reversal of previous Qatari policy of fostering ties with Israel, a policy which had caused friction with other Arab states.

While keeping close relations with the USA, Qatar has tried to remain on friendly terms with Iran. This is in part because the Qatari gas reserves are part of an enormous gas field shared with Iran, located under the waters of the Persian Gulf. Cooperation on the exploitation of the field is a high priority for both countries and, in January 2010, Iran announced that provisional agreement had been reached on demarcation of the two countries' maritime border.

## **6 Relations with the UK**

Lord Howell of Guildford set out the Coalition Government's positive vision of British relations with Qatar and the other Gulf States in answer to a parliamentary question in November 2010:

Our Government are strongly committed to elevating our relations with all our partners across the Gulf including the State of Qatar. This is a key priority for this Government, as demonstrated by the engagement of Ministers across government under the Gulf Initiative. We are working to expand our existing co-operation in culture and sport, education, defence and security, trade and investment, and foreign policy co-operation. High-level visits such as the State Visit of His Highness the Emir of Qatar from 26 to 28 October 2010 celebrate and help develop our partnerships.<sup>18</sup>

The second meeting of the Gulf Initiative was held in London in October 2010. After the meeting, Foreign Secretary William Hague said:

I am delighted that the Coalition Government's efforts to elevate the UK's relations with the Gulf States are already bearing fruit. This week's events illustrate the depth of our relationship and I was glad be able to discuss progress with Gulf Ministers and Ambassadors. I am confident that together we will build on this momentum.

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<sup>17</sup> "HBJ: Lebanon talks", *Gulf States Newsletter*, 26 November 2010

<sup>18</sup> HL Deb 2 November 2010, c396WA



Before the end of the year the Emir of Qatar will undertake a State Visit to the UK, Her Majesty the Queen will make a State Visit to Oman and the UAE, and we will host the Two Kingdoms Dialogue with Saudi Arabia. We are enthusiastic about strengthening relations across the Gulf and serious about realising results on issues that are of mutual importance, from increasing trade and investment, to furthering research and development of future energy sources. This is what we are starting to see, and I look forward to more progress in the coming months and years.<sup>19</sup>

## 7 EU

The EU has a Cooperation Agreement with the GCC, and negotiations continue on the creation of a free trade agreement between the two blocs.<sup>20</sup>

## 8 Human rights

Amnesty international called in June 2010 for freedom of expression in Qatar, for an end to discrimination against women and to sexual violence against domestic workers.<sup>21</sup> The group also called for a moratorium on the use of the death penalty. In its 2009 annual report, Amnesty also drew attention to the plight of migrant workers:

Foreign migrant workers, who make up a large proportion of Qatar's workforce, continued to be exposed to, and inadequately protected against, abuses and exploitation by employers. Women migrant domestic workers were particularly at risk of exploitation and abuses such as beatings, rape and other sexual violence. Some 20,000 workers were reported to have fled from their employers in 2007 alone due to delays in or non-payment of their wages, excessive hours and poor working conditions.

In June, the Consultative Council adopted draft legislation to improve migrant workers' conditions by requiring employers to allow rest days and three weeks' holiday a year or face fines or imprisonment. It had yet to be enacted.<sup>22</sup>

The treatment of migrant workers is perhaps the biggest problem in Qatar. The workers, mainly from Bangladesh and other South Asian countries, but also Filipinos and Vietnamese, constitute over half of the total population. The migrant labour population is set to grow dramatically, as workers are drafted in for the construction boom expected in preparation for the World Cup. One estimate has the construction sector growing 20 times larger over the next 12 years,<sup>23</sup> and the workers required will be migrants.

## 9 Al-Jazeera

The establishment of the Qatari-based satellite news station al-Jazeera has had an influence on Qatar's relationship with its neighbours and on the Arab-world as a whole. The station purports to operate free from editorial interference from its owners, the Qatari government, but in practice it is alleged to avoid criticism of the Qatari royal family and of Saudi Arabia (leaders of the channel deny this)<sup>24</sup>. In other respects, the TV station is outspoken and deals frankly with many subjects that are sensitive in the Arab world. This has led to friction with

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<sup>19</sup> Foreign and Commonwealth Office, "[UK and Gulf Ministers meet to forge deeper ties](#)", Press release, 21 October 2010

<sup>20</sup> European Union website, [The EU & the Gulf Cooperation Council \(GCC\)](#) [accessed 14 January 2011]

<sup>21</sup> Amnesty International, [Public Statement](#), 9 June 2010

<sup>22</sup> Amnesty International, Annual report 2009, [Human rights in the state of Qatar](#),

<sup>23</sup> Nicholas McGeehan, "Let Qatar 2022 not be built on brutality", *Guardian comment is free*, 6 December 2010

<sup>24</sup> Wadah Khanfar, "They bombed my staff. Now the US is after our integrity: Al-Jazeera reporters have been tortured and killed in defence of their values. That's why the WikiLeaks story must be challenged", *Guardian*, 11 December 2010



some governments, and to the station being closed down in some countries, including Morocco (for unwelcome comments in relation to Western Sahara) and Kuwait (where al-Jazeera showed footage of police beating opposition members of the Kuwait National Assembly).<sup>25</sup>

## 10 2022 football World Cup

The decision to award the 2022 World Cup to Qatar was controversial, with critics saying that the 50-degree temperature possible in summer is not suitable for playing football, and that Qatar does not have the infrastructure necessary to handle the huge numbers of visitors expected, more than the native population of the country. There was also controversy about the country's approach to human rights and in particular to homosexuality, which is illegal in Qatar. This was brought to a head by Fifa's president Sepp Blatter saying that gay fans should abstain from sex while visiting the games. He later apologised for the remark.<sup>26</sup>

The Qataris have responded to criticism by pointing to the success of the 2006 Asian games, hosted there, and saying that stadiums and training grounds will be air-conditioned but environmentally sustainable; massive investment in infrastructure is also planned. The Fifa president suggested recently that the competition might be moved to the winter. This aroused further opposition because of the disruption to European domestic leagues that it would entail.<sup>27</sup>

## 11 Conclusion

In January 2011, Doha hosted a Forum for the Future conference. Hillary Clinton, the US Secretary of State, attended the conference as part of a tour of the area that included the United Arab Emirates, Oman, Yemen and Qatar. She took the opportunity to make some unusually blunt remarks about political and social development in the region, saying that leaders needed to open up political spaces, end corruption and provide a better climate for business, because, "in too many places, in too many ways, the region's foundations are sinking into the sand." She went on:

Those who cling to the status quo may be able to hold back the full impact of their countries' problems for a little while, but not forever. If leaders don't offer a positive vision and give young people meaningful ways to contribute, others will fill the vacuum. Extremist elements, terrorist groups, and others who would prey on desperation and poverty are already out there, appealing for allegiance and competing for influence. So this is a critical moment, and this is a test of leadership for all of us.<sup>28</sup>

Events in Tunisia in January 2011 only served to underline the fragile stability in the Middle East and North Africa.

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<sup>25</sup> "Kuwait: Al-Jazeera shut down for covering protest meeting", *Guardian*, 14 December 2010

<sup>26</sup> "Fifa boss Sepp Blatter sorry for Qatar 'gay' remarks", *BBC News Online*, 17 December 2010

<sup>27</sup> "Blatter expects winter switch for 2022 World Cup in Qatar", *CNN*, 7 January 2011

<sup>28</sup> US Department of State, [Travel Diary: Secretary Clinton's Remarks at the Forum for the Future Partnership Dialogue](#), 13 January 2011