

BANKING ON KNOWLEDGE

Qatar's ties with emerging markets in Asia seen strengthening

By Dr R Seetharaman

Growth in the emerging market and the developing economies' group is set to remain steady at 4.7% in 2018 and 2019. Among the emerging market and the developing economies, the growth prospects of many energy exporters have been lifted by higher oil prices, but growth was revised down for certain countries, reflecting country-specific factors, tighter financial conditions, geopolitical tensions, and higher oil import bills.

Qatar and China mark the 30th anniversary of the official establishment of diplomatic relations between the two friendly countries. Trade volume between Qatar and China was at \$10.6bn in 2017 on the strength of energy exports — namely natural gas — from Qatar, as well as Chinese shipments of electronics and building materials to Qatar.



Qatar is already the second largest supplier of LNG to China. The volume of LNG imports from Qatar is expected to rise substantially in the near future as the demand for energy is growing at a rapid pace in China. Chinese companies

are looking to enter the Qatari market to tap the growing demand for various products and services.

In recent years, while deepening the co-operation in traditional fields such as energy, trade and infrastructure, China and Qatar have also opened up new areas of cooperation in communication, finance, investment and industry. China and Qatar have enjoyed growing cultural exchanges which have effectively enhanced mutual understanding and friendship between the two peoples through the years. The '2016 Qatar-China Year of Culture' saw exhibitions and cultural shows enjoyed by people in both the countries. In April 2015, Qatar opened the Middle East's first centre for clearing transactions in the Chinese yuan saying it would boost trade and investment.

The bilateral trade between Qatar and India during in 2017-18 was close to \$10bn. Qatar's major exports to India include petrochemicals, LNG, fertilisers,



sulphur and iron pyrites. Qatar's major imports from India include accessories, manmade yarn, fabrics, made-ups, cotton yarn, transport equipment, machinery and instruments, metals, ores and minerals etc.

Qatar Petroleum has announced further increase in the capacity of Qatar's LNG expansion project, by adding a fourth liquefaction train, to raise the country's LNG capacity to 110mn tonnes per year. Qatar and India can enhance LNG collaborations.

The year 2019 will be celebrated as the Qatar-India Year of Culture. Many Indian companies such as L&T, Tata Projects, Voltas, and Punj Lloyd have active relationships in the Qatari market through partnerships, agencies

and even have set up their offices in the Qatar.

Indian corporates look at Qatar as a promising market and are today pursuing collaborations in a number of areas, including infrastructure, information and communication technology, energy and other areas to the mutual benefit of both the sides.

Trade volume between Qatar and South Africa stood at \$0.1bn. Major exports to Qatar are base metals, machinery and mechanical appliances, chemicals and vegetable products. The main imports from Qatar by South Africa are mineral products, chemicals and plastics. Qatar is the seventh-largest supplier of crude oil to South Africa. Qatar and South Africa SME sectors can

explore relationships. South Africa's tourism sector registered a dramatic rise in numbers, as many Qataris and expatriates spent their holidays there. Construction and supplies, security and logistics to food service sectors can look for opportunities in Qatar.

Trade volume between Qatar and Brazil is close a \$1bn. In 2017, Brazil exported \$378mn worth of goods to Qatar and imported \$532mn from Qatar. Trading with Brazil is advantageous for Qatar as businesses will gain access into a new market, forge ties with new trading partners and form new professional friendships with their counterparts in Brazil. Despite the ongoing global trade tensions, the trade and other bilateral relationships between Qatar and major Asian emerging economies, namely India and China, is expected to surge in the coming years.

■ The author is Group CEO of Doha Bank.