

Wednesday, February 15, 2017  
Jumada I 18, 1438 AH

**GULF**  **TIMES**

**BUSINESS**

# Qatar has potential to lure up to \$15bn funds inflows: Seetharaman

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Qatar, which has potential for \$10bn to \$15bn overseas funds inflow since its upgrade into emerging market, like other Gulf countries have been “grossly underestimated” by international investors, according to a top official of Doha Bank.

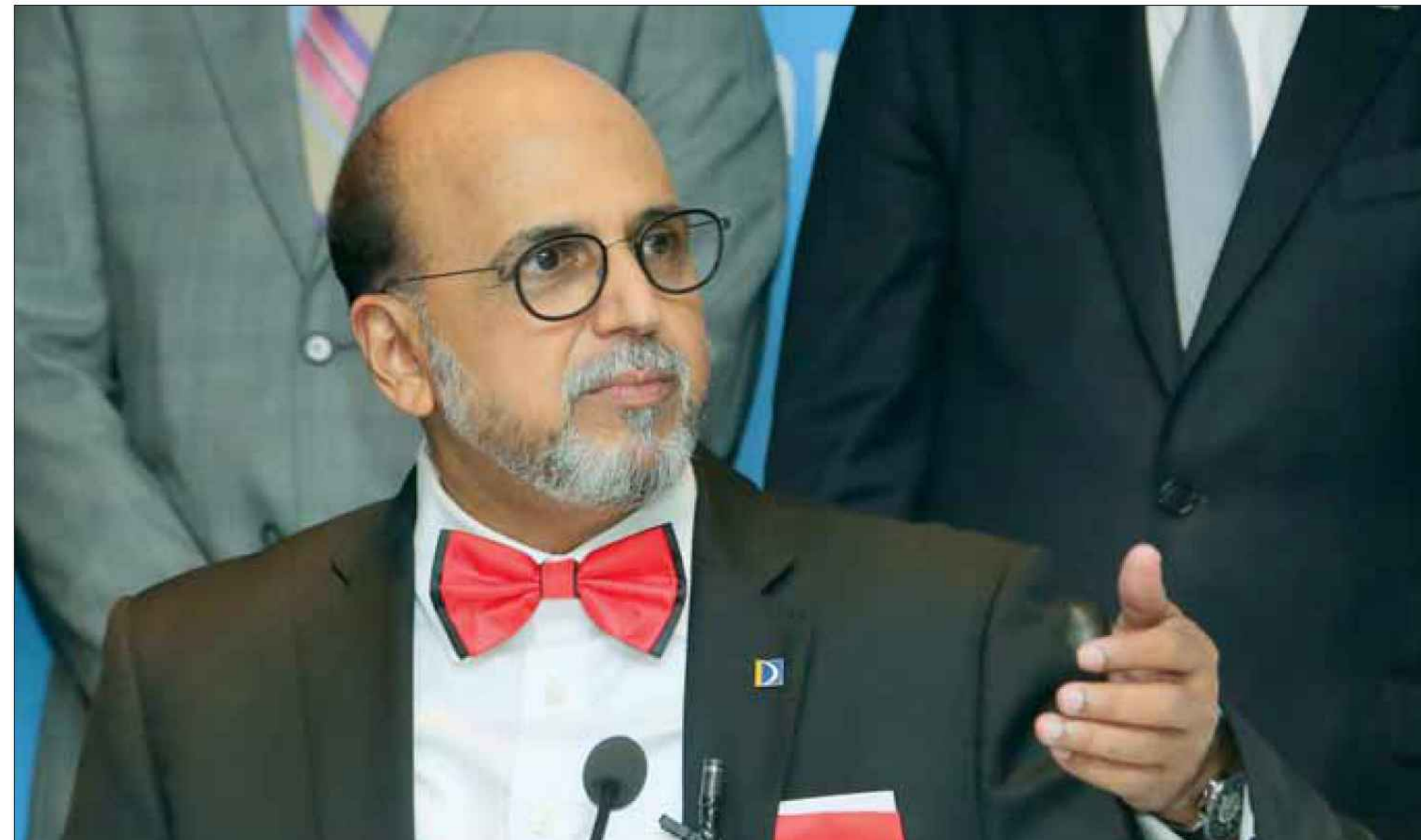
In view of the need to change this perception, Doha Bank, which is expected to launch exchange traded fund (ETF) by April, is showcasing the country and the Qatar Stock Exchange (QSE), which last year joined the UN sustainable reporting, as well as its listed companies, in the US in May this year, its group chief executive Dr R Seetharaman told reporters in Doha.

As part of the UN Sustainable Stock Exchange initiatives, the QSE will be introducing ESG (environment, social and corporate governance) Guidance this year to assist listed firms wishing to incorporate ESG reporting into their existing reporting processes.

“I would target a minimum of \$10bn and maximum of \$15bn and that should be the ideal norm for this country and that is the kind of economic intrinsic strength we have,” Seetharaman said, in reference to the potential foreign funds inflow into Qatar, post upgrade to emerging market.

Finding that “no material inflow has come” after the global agencies MSCI, Standard & Poor’s and FTSE Russell upgraded the QSE into emerging from frontier status, he said for the underlying parameters inflows should have been more, hence the need to showcase Qatar as an economy on greater scale.

Growth rate of 3.5% over the next five years, a balanced current account this year with neither deficit nor surplus, the defini-



Seetharaman: Showcasing Qatar as well as its bourse in US.

tive expansionary fiscal policy that is set to drive the change in non-hydrocarbons and market liberalisation up to 49% (foreign ownership limit) for the majority of the stocks all provide the right ingredients, yet there has been containment in (overseas) funds inflow, Seetharaman said.

“The Gulf region itself is grossly underestimated... Diversification as a structural solution is now getting transmitted,” he said, adding Qatar’s long-term vision is

sustainable irrespective of the turbulence in the oil market; that’s why Doha Bank wants international investors to invest in Qatar as an index.

Stressing that the board has cleared ETF and Doha Bank is going to get a commercial licence very soon, Seetharaman said “hopefully we should be targeting April as the timeline.”

The Doha Bank ETF, which will track the 20-stock Qatar Index, has Amwal and

Group Securities as the fund manager and liquidity provider respectively.

Multiple sources have confirmed that the indicative per unit value of ETFs has been fixed at one-hundredth of the previous day’s close. Another ETF sponsored by Masraf Al Rayan is also expected to be launched soon. On the Doha Bank ETF, Seetharaman said it would be the Qatar Index; it is the best option since it is driven by overall fundamentals of the economy.