

BANKING ON KNOWLEDGE

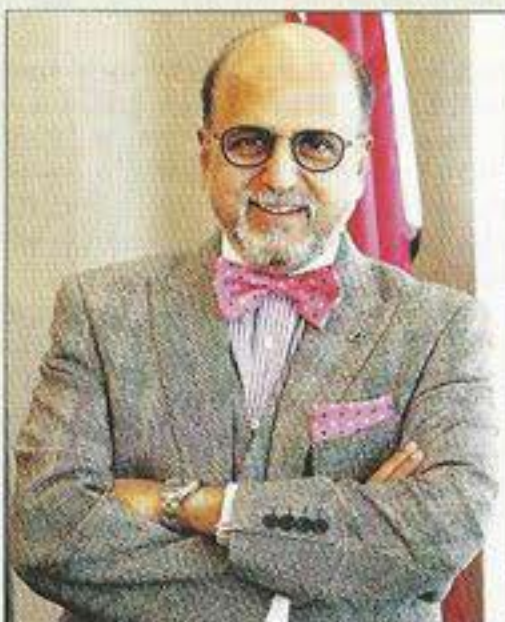
Qatar, Germany can enhance strategic partnerships for mutual benefits

By Dr R Seetharaman

The 9th Qatar-Germany Business and Investment Forum will be convened this week in Berlin, under the patronage of His Highness Sheikh Tamim bin Hamad al-Thani, Amir of the State of Qatar and in the presence of the German Chancellor, Angela Merkel, high government officials, businessmen and major company representatives from both countries.

The session is expected to witness discussions on areas such as Qatar-Germany partnerships, Qatar's financial sector role in economies and project financing, industrial development to diversify sources of income, investing in Germany and tourism, health and sports and its road map to World Cup 2022.

In the light of this development, it is time to review the bilateral relationships between Qatar and Germany. Qatar and Germany have volume of trade exchange amounting to \$2.29bn



in 2017. Germany is the 11th biggest trade partner of Qatar. Twenty seven companies in Qatar are 100% German-owned, while 112 German companies have Qatari partners. There are five German companies licensed under the umbrella of Qatar Financial Centre. Qatari investments in Germany

amounted to €25bn in the automotive, technology, and banking sectors. Qatar has stakes in major German Corporate & Banking groups namely Volkswagen Group and Deutsche Bank respectively. Deutsche Bank was one of the lead managers of Qatar Sovereign bond issuance in 2018. Qatar Solar Technologies has acquired 49% of Solar World Industries, Germany's largest solar energy producer. German companies operate in Qatar's major projects like railways, trade, services, and infrastructure. In 2010, Siemens launched development centre at Qatar Science and Technology Park. In 2017, state-owned utility Qatar General Water & Electricity Corp has awarded Siemens \$851mn in Qatar for the expansion of the country's power transmission network. German rail operator Deutsche Bahn International provides support to Qatar Rail Services. It developed the plan for an integrated rail-based transport which encompasses the Doha metro service linking the city centre with the



2022 World Cup stadiums and also includes long-distance and freight rail routes.

Doha Bank has its banking presence in Germany through its representative office in Frankfurt since 2011 to explore various trade and investment relationships.

Qatar ranked 25th in 'the Global Competitiveness Report 2017-18'. In response to the economic blockade, Qatar has emerged strong and has brought various reforms to transform itself into a self-reliant economy which could encourage German investors. A new law for Public Private Partnership (PPP) businesses in Qatar will provide comfort to the private sector and foreign investors.

In February 2017, Qatar issued a new law on arbitration (the "Arbitration

Law"), inspired by the UNCITRAL Model Law (the "Model Law"), an international template for law on arbitration. Qatar's landmark residency plan introduced in 2017 is a welcoming social and economic reform and will attract skilled expats to have a career in Qatar. The upcoming law on foreign investment will allow non-Qatari businesses to have 100% capital in companies can evidence interest from German investors.

In 2017, Qatar has waived entry visa requirements for citizens of 80 countries, Germany is also entitled to benefit from this development. Germany is also a key partner in achieving Qatar's vision towards a technology-based economy. Qatar 2018 budget allocations for health, education and transportation

reached QR83.5bn or 41% of total expenditure. The transportation and other infrastructure projects were assigned the largest share in the 2018 budget with allocations of QR42.0bn, 21% of total expenditure.

Sports sector and 2022 FIFA World Cup projects amounted to a total allocation of QR11.2bn. Qatar's logistics services, such as Hamad Port and the economic zones would attract investments from Germany.

The ongoing projects of 2022 FIFA World Cup have attracted many German companies to take part in these mega projects.

Germany is a leader in food products and is a food exporter, Qatar can explore further in this segment with Germany. Qatar and Germany can explore relationships in the SME sector for its development. Qatar and Germany can enhance their strategic partnerships for mutual benefits.

■ Dr R Seetharaman is Group CEO of Doha Bank.