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Turks invited to invest in Qatar

By Metin Demirsar

Istanbul (Dunya) – Turkish companies will get the lion's share of building contracts in Qatar that will be offered as part of the Gulf nation's staging of the FIFA 2022 World Cup, the chief executive officer of Doha Bank, said on Friday.

"Companies from Turkey are targeting up to US\$25bn-US\$30bn of contracts from Qatar in the run-up to the FIFA 2022 World Cup," R. Seetharaman, Ph.D. and chief executive officer of Doha Bank, predicted.

Qatar's fourth biggest bank, Doha Bank, hosted the "Opportunities in Qatar and the Cooperation Council for Arab States in the Gulf (GCC)" conference in Istanbul on Friday. Bankers, entrepreneurs and key corporates interested in exploring business opportunities in the six-nation trade bloc participated in the event.

Dr. Seetharaman spoke on developments in the global economy and in Turkey.

He urged Turkish companies to invest in Qatar and the other GCC countries — Bahrain, Kuwait, Oman, Saudi Arabia and the United Arab Emirates (UAE) — because they offered high stable growth and a plethora of contracts in sports facilities, real estate development, energy, telecommunications and other infrastructure.

"Doha Bank is ready to finance Turkish projects and investments in

Qatar and in the GCC," he stressed.

A small nation about the size of Lebanon, Qatar has a population of 1.9 million and the world's highest per capita Gross Domestic Product (GDP) at \$100,889, according to the International Monetary Fund.

The country's growth is fed by its ranking as the world's fifth biggest producer of natural gas at 116.7 billion cubic meters in 2012 and 18th largest oil producer at an estimated 1.631 million barrels a day in 2013.

"Qatar is shown as a model of governance and is a good country to invest in," Dr. Seetharaman said.

Turkish foreign direct investment (FDI) in Qatar was US\$1.4mn in 2012. Turkish direct investment in Qatar is led by the construction sector. FDI of Qatar in Turkey was US\$274mn in 2012.

Bilateral trade between Qatar and Turkey increased from US \$340mn in 2010 to US\$723mn in 2012 mainly on account of surge in imports from Qatar.

Major exports from Turkey to Qatar included electrical machinery, apparatus and appliances, iron and steel, metals, textile and non-metallic mineral products. The major imports from Qatar are natural gas, non-ferrous metals, plastics, organic chemicals and metals alloys.

Qatar is the 7th biggest market for Turkish contractors. Turkish firms are holding 108 projects in Qatar with a total value of US\$12.2bn as of May 2013.

Dr. R. Seetharaman also highlighted the bilateral trade between the GCC and Turkey. GCC – Turkey merchandise trade stood at US\$9bn in 2010, but surged to US\$19.6bn in 2012, mainly due to Saudi Arabia and UAE. Exports to GCC increased from US\$6.4bn in 2010 to US\$12.9bn in 2012, while Turkey imports from the GCC increased from US\$2.6bn in 2010 to US\$6.7bn in 2012.

Dr. R. Seetharaman gave his insights on bilateral developments between the GCC and Turkey.

"Saudi Arabia was Turkey's 12th largest goods export market in 2012. Saudi's bilateral trade with Turkey increased by 63% between 2010- 2012 and touched US\$5.8bn in 2012. Turkish foreign direct investment (FDI) in Saudi Arabia was US\$41 million," he noted.

Turkish direct investment in Saudi Arabia is led by the retail and contracting sectors. UAE was Turkey's third largest export market in the Middle East. UAE merchandise trade increased by 192% between 2010- 2012 mainly on account of increase in exports to UAE. Turkish foreign direct investment (FDI) in UAE from 2002 to 2012 amounted to US\$114 million.

As of May 2013, the total amount of the projects undertaken by Turkish firms in Bahrain was US\$ 284.7 million. Kuwaiti FDI in Turkey was US\$1.14 million in 2012.

Oman-Turkey bilateral trade exceeded US\$300m in 2012.