

Qatar's economy to be 'sustainable in long-term', says Doha Bank CEO

Qatar's economy will be sustainable in the long-term despite "short-term challenges," Doha Bank CEO Dr R Seetharaman has said.

Speaking at the seminar "Growing Opportunities in Qatar" at the Doha Bank headquarters, Seetharaman said Qatar's growth in 2016 is expected to be 4.3%. "Qatar has budgeted for revenues of QR156bn and expenditures of QR202.5bn in 2016."

"Health, education, and infrastructure accounted for the largest share of the 2016 expenditure. Major infrastructure expenditures amounting to QR50.6bn would include railways, the new Doha port, several large roadways, and the expansion of electricity, water, and sewage networks," he explained.

He said Qatar's banking balance sheet growth was more than 10% year-to-date in December 2015 and loan growth was more than 15% YTD. In 2015, Seetharaman added that real estate sector lending was more than 27% YTD.

"The retail sector was close to 17% YTD, contracting sector more than 23% YTD, and service sector was more than 6% YTD. The customer deposit growth was more than 8% YTD," he said.

Citing a recent Standard & Poor's report, Seetharaman said Qatar has "significant" strength in defending its fixed exchange parity with the dollar due to availability of reserves to cover the monetary base and current account payments over the next four years.

"Qatar's economy is sustainable in the long term amidst short term challenges," Seetharaman emphasised.

During the seminar, Seetharaman was joined by Qatar Stock Exchange CEO Rashid bin Ali al-Mansoori, Qatar Finan-



Doha Bank CEO Dr R Seetharaman and other members of the panel during the seminar "Growing Opportunities in Qatar."
PICTURE: Jayan Orma

cial Centre (QFC) Authority CEO Yousuf Mohamed al-Jaida, and Amwal CEO Fahmi Alghussein.

Aside from the panel, ambassadors and embassy attaches of Japan, the UK, India, Singapore, Mexico, Kenya, and Canada also participated in the discussion.

Al-Mansoori said: "Qatar is one of the fastest growing economy and youngest stock market. Qatar has become an emerging market in recent years. Qatar

Exchange's mission is to support the Qatari economy. It has 43 listed companies. We have programmes to improve sentiment for retail investors.

"We have introduced government bonds and are planning to introduce Exchange Trade Funds (ETFs) and provide alternatives for investors. We would like to increase the presence of both foreign and local institutional investors in Qatar Exchange."

Alghussein, on the other hand, highlighted the initiatives of Amwal. He said only 2% of wealth is managed by professionals in Qatar as against 5% in Saudi Arabia, which is even higher in developed countries.

"Hence, it is a great opportunity to be in Qatar. However the challenges of oil remain for investors. The private wealth of GCC lying overseas should also be channelised into the regional markets."

'Draft law on economic zones to beef up FDI flows to Qatar'

By Peter Alagos
Business Reporter

The recently-approved draft law on economic zones reflects the trend in the GCC region and in Qatar to open up Gulf economies to more foreign direct investments (FDIs), an official of Qatar Financial Centre (QFC) Authority has said.

QFC Authority CEO Yousuf Mohamed al-Jaidah, during Doha Bank's recently-held seminar entitled "Growing Opportunities in Qatar," said: "Despite lower oil prices, the government is very excited about diversification."

"The draft law on economic zones has been recently approved, and there is a trend in the GCC and Qatar to open up to more FDIs, which is one of the income revenues that these governments must maintain and sustain for the next decade and further," al-Jaidah explained.

Aside from the draft law on economic zones, which was approved on February 2, al-Jaidah said the new QFC law, which is expected to be passed this year, also aims to attract more FDIs to Qatar and to allow international investors access to the local market.

"The new QFC law is going to give the QFC a sounder, legal positioning in the Qatar economy. The QFC has been an off-shore centre since day one and we've had some chal-

lenges in the beginning in terms of access to the local environment.

"However, with the draft law being approved, the QFC law is also going through a revision to stay in line with other free zone laws with on-shore access so all these revisions will just give the QFC companies better positioning in the local economy," he explained.

Al-Jaidah said the QFC law, which is still undergoing a final revision, will be raised to the Council of Ministers next week. He added that he "is looking at two to three months" before the law is approved.

"Just like any other law in Qatar, the QFC law will go through the usual legal process...the QFC law will also give its courts better positioning in the local markets, which means the QFC courts will be open to non-QFC companies as well. We're getting a bigger role in the judicial environment and a better role in the regulatory environment as well," al-Jaidah said.

On the increase of QFC companies in 2016, al-Jaidah said he is looking at a 20% growth this year. Last year, he said QFC has 65 companies under its wing.

Asked about listing QFC companies in the Qatar Stock Exchange, al-Jaidah told *Gulf Times* there are two companies approved for listing this year.