

BANKING ON KNOWLEDGE

Growing opportunities exist between Qatar and UK

By Dr R Seetharaman

The Qatar Day is being hosted in London, the UK, this week in association with the UK's Department of International Trade, seeking to promote the Qatar National Vision 2030, which will also touch upon the opportunities presented by 2022 FIFA World Cup.

In light of this forthcoming occasion, I would like to highlight the bilateral relationship between Qatar and the UK. The UK is ranked as Qatar's 8th largest trade partner, with a total of \$3bn worth of traded goods in 2017. Imports from the UK was worth close to \$1.4bn and exports to the UK was worth close to \$1.6bn in 2017. Qatar's exports to the UK mainly comprise of hydrocarbon related products. Qatar's import of goods includes power-generating machinery and equipment, general industrial machinery, road vehicles, general transport equipment, chemicals, luxury goods and scientific equipment. Qatar's import of services includes professional services, consultancy and banking,



insurance and financial services. There is clearly a demand for UK goods and services in Qatar. Qatar is one of the main partners of the UK in the energy sector, where it provides nearly 30% of Britain's natural gas needs. In the second quarter of 2017, a contract was signed between Qatar Gas Operat-

ing Company Limited and Royal Dutch Shell. According to the contract, Qatargas Operating Company Limited is expected to supply 1.1mn tonnes per annum (mtpa) of LNG from the Qatar Gas IV terminal in Qatar to the Dragon Gate Terminal in the UK. The contract is for a period of five years, from 2019 to 2024.

In October 2016, Qatargas signed a five-year liquefied natural gas sale and purchase agreement (SPA) with Petronas LNG UK Limited (PLUK). Under the terms of the SPA, Qatar Gas will deliver LNG to PLUK until December 31, 2023.

Qatar's investment in the UK has surged to about QR180bn. Qatar has a large portfolio of investments in the UK, covering a wide range of investments such as the Shard skyscraper, the Olympic Village, the Shell Centre, shareholdings in Barclays, Sainsbury's, Heathrow Airport and Harrods Departmental Store. Qatari Diar is to build Rosewood hotel at former site of US Embassy in London's Mayfair neighbourhood.

Even after Brexit, the fundamentals of London will remain very strong due to



creative energy underpinned by rule of law, history, culture, diversity, education, taxation, regulation, innovation, infrastructure, time zone, language, security and a great working atmosphere. The UK seeks to invest more in the 2022 FIFA World Cup projects, especially in stadium security and cyber security.

Asset management firms in Qatar are either licensed at Qatar Financial Centre or at Qatar Central Bank. The Qatar Stock Exchange performed well in 2018 and there is significant demand from customers in Qatar for asset management products. Qatar National Vision 2030 has given importance to sustainable development. Taking this into consideration the opportunities for sustainable finance can be looked in Qatar.

Fintech can help achieve the Qatar Cen-

tral Bank's goals set up in the financial sector strategy. There is momentum building in Qatar, with opportunity in the areas of digital payments, money management, lending, loyalty and rewards, remittances and investments and advisory.

Some 79 British companies and 672 Qatari-British companies are operating in the engineering, consulting, contracting, IT, commerce and services sectors in Qatar. Additionally, 35 British companies are licensed and fully operational under the umbrella of the Qatar Financial Centre. Many other British companies are also active in Qatar's infrastructure projects, in particular architectural firms, design, project management and engineering consultancy. Qatar plans to spend on infrastructure.

Qatar and the UK have explored opportunities in co-operating in cybersecurity, especially in view of the growing financial sector relations between the two countries.

The QFC has more than 60 UK firms registered on its platform. In May 2018, an MoU was inked between the Qatar Central Bank (QCB) and the UK's Department for International Trade Defence and Security Organisation for cybersecurity co-operation.

Majority of companies in the UK are SMEs; so they have a very strong entrepreneurial culture in driving forward because they are the ones who employ people. They can support Qatar to solve various issues where UK have vast experiences. The UK has been participating both in Qatar's hydrocarbon and non-hydrocarbon segment.

Similarly Qatar has also contributed to trade and investments with the UK. On the whole, growing opportunities exist between Qatar and the UK.

■ The author is Group CEO of Doha Bank.