

# Qatar full of opportunities for Japanese firms: Seetharaman

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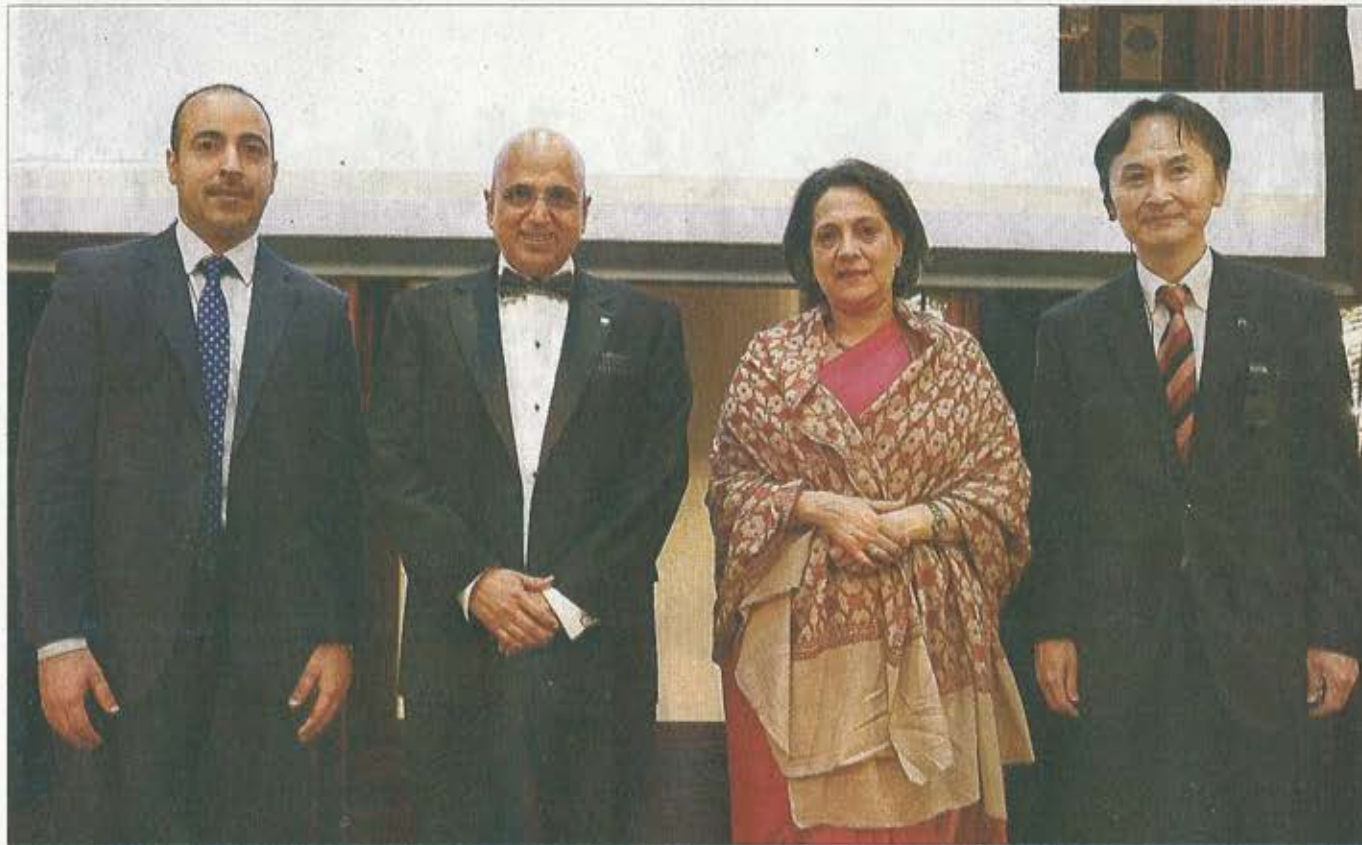
QATAR is full of opportunities for Japanese firms as projects worth more than \$31 billion are expected to be launched this year, Doha Bank Group CEO R Seetharaman said on Friday.

Addressing a knowledge sharing session 'Opportunities in Qatar' in Tokyo, Seetharaman said that Qatar can benefit from Japanese engineering and construction companies in the energy sector through their green construction technology and energy efficient designs.

Highlighting bilateral trade relations between the two countries, Seetharaman said, "Qatar is Japan's second-largest LNG supplier and third largest supplier of oil. In 2012, Japanese utility Kansai Electric Power Company signed a contract with the world's top LNG producer Qatargas to buy 500,000 tonnes per year (tpa) of liquefied natural gas (LNG) for 15 years from January 2013.

This is in addition to an existing contract for 290,000 tpa for 23 years from 1999 to 2021 which was signed with Qatargas 3. The move comes as the company has been increasing spot LNG purchases from Qatar to fill the void of nuclear power it had lost following the massive March 2011 earthquake and tsunami.

Tokyo Electric Power has signed a contract with Qatar gas 1 to purchase 1 million tonnes per year of LNG from 2012. In August 2013 memorandum signed between



Doha Bank Group CEO R Seetharaman (second left) with other dignitaries at a knowledge sharing session 'Opportunities in Qatar' in Tokyo on Friday.

Japan Oil, Gas and Metals National Corporation (JOGMEC) and Qatar Petroleum (QP) concerning development of oil and natural gas.

In August 2013 memorandum signed between Chiyoda Corporation and Qatar Petroleum (QP) concerning Acceptance of Trainees for development of oil and natural gas.

He said, "Qatar and Japan started formal relations in 1972. Qatar-Japan Fund of \$100m formed for the reconstruction of the areas affected by earthquakes and Tsunami which hit East of Japan in

March 2011. There are more than 40 Japanese companies in Qatar such as Itochu Corp, Nissho Iwai. Japanese companies Mitsubishi and Hitachi will participate in the construction of Ras Abu Fontas (RAF) A2 seawater desalination plant in Qatar."

In December 2014, Japan and Qatar signed agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, he said.

He said, "Bilateral trade between Japan and Qatar has increased from \$31.1 billion in 2011 to \$35.3 billion

in 2014 mainly due to surge in exports to Japan. Qatar's foray into the global LNG market was realised with the shipment of the first output from a Qatar gas plant in October 1996 to Japan's Chubu Electric Power. Japanese companies secured contracts to build the port at Ras Laffan.

"Japan mainly exports to Qatar vehicles, industrial materials and cables. Almost 70 percent of cars on the roads of Qatar are Japanese. Japan imports mainly crude oil and gas from Qatar. Other imports from Qatar were alumi-

num, organic chemicals, iron and plastics and fertilisers."

Highlighting the strength of Qatari economy, Seetharaman said, "Qatar's economic growth is expected to rise to 7 percent this year.

Qatar Central Bank's foreign currency reserves are more than \$40 billion and Qatar Investment Authority have about \$160 billion surplus. The spending to encourage Qatar's non-hydrocarbon diversification will remain. Hence the allocation towards health, education and infrastructure is expected to continue."

## Qatari economy grows fast despite falling oil prices: Report

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THE Qatari economy continued its strong performance and grew by 6.2 percent in 2014, according to the latest data released by the Ministry of Development Planning and Statistics.

Growth was driven by the non-hydrocarbon sector, which sustained its double-digit growth.

The strong growth data are evidence to the resilience of the Qatari economy and its ability to withstand the decline in oil prices thanks to its strong macroeconomic fundamentals, a weekly report published by Qatar National Bank (QNB) has said.

The non-hydrocarbon sector was the engine of growth in 2014, growing by 11.5 percent on large investment spending. The largest contributors to real GDP non-hydrocarbon growth were construction, finance, insurance, real estate and business services, trade, hotels and restaurants.

According to the report, construction expanded by 18 percent on the implementation of major infrastructure projects, such as the development of Lusail, Barwa City and Education City.

Finance, insurance, real estate and business services, trade, hotels and restaurants and government services benefited from the rapid population growth (estimated to have been 10.1 percent), which added a further boost to

**Construction sector expanded by 18 percent on the implementation of infrastructure projects such as Lusail, Barwa City and Education City.**

the expansion of the non-hydrocarbon sector.

Going forward, and given its substantial financial resources, Qatar has ample external and fiscal buffers to continue implementing its ambitious investment programme ahead of the FIFA 2022 World Cup.

In its 2014-15 budget, the government earmarked a capital spending of \$182 billion until 2018. The figure excludes the oil and gas sector, where annual investments are forecast to average \$3.4 billion over 2015-17.

In turn, this is expected to drive double-digit growth in the non-hydrocarbon sector, which will be further boosted by strong population growth.