

Qatar's successful bond issuance demonstrates its resilience to blockade: Doha Bank CEO

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Most key sectors of the Qatari economy, including the banking sector, remains strong and vibrant. The successful bond issuance by Qatar demonstrates its resilience to the blockade, said the Group CEO of Doha Bank Dr R Seetharaman at a meeting yesterday.

Doha Bank hosted a meeting of African Ambassadors and the CEO of Doha Bank Dr Seetharaman at the bank's headquarters. The meeting was attended by African Ambassadors, Doha Bank Senior Management and other Key staff from leading corporates in Qatar.

Commenting the Qatari economy Seetharaman said: "IMF expects Qatar to grow by 2.7 percent in 2018 and 2.8 percent in 2019. Growth revised marginally up. Qatar plans to increase its LNG production capacity to 110mtpa from 77mtpa, this is likely to increase the Qatar's trade with various countries."

He added: "Qatar last week achieved a successful return to the international financial markets with a total of three tranches worth a total of \$12bn. The first tranche included five-year bonds worth \$2bn - Pricing 90 basis points over US Treasury bonds on five-year bonds and the second tranche for 10 years' worth \$4bn - was 135 basis points over US treasury basis points, while the third tranche is for 30 years' worth \$6bn, 175 basis points above US



Dr R Seetharaman, Group CEO of Doha Bank (centre), discussing Qatar's economic outlook with the African Ambassadors to Doha at a breakfast meeting hosted by Doha Bank at the bank's headquarters in Doha, yesterday.

Treasury bonds. The book was oversubscribed and the current issuance reflects Qatar's ability to borrow at cost effective rate. Qatar is the first country in the world to issue Formosa bonds on the Taipei Stock Exchange since 2018."

Dr Seetharaman also provided insights on Qatar banking sector. He said: "Qatar's banking sector remains sound. Foreign liabilities withdrawn in the immediate aftermath of the diplomatic rift have been partially replaced with greater attention being paid to the diversity of funding sources and deposit maturity structure. Official deposits placed with banks after the rift have been reduced. As higher oil prices and returning foreign liabilities have enhanced

banking liquidity, credit to the private sector has been growing at a healthy pace. Qatar Central Bank (QCB) continues to closely monitor developments in the real estate sector in view of the softening in prices and potential implications for the banking sector.

Seetharaman highlighted the reforms brought by Qatar. He said: "Qatar has amended various laws and one of them being investment law; In May 2018. The Cabinet took the necessary measures to issue a draft law that aims to attract non-Qatari capital to the country and promote economic development, after reviewing the Advisory Council's recommendations on the matter. The draft legislation was prepared to replace Law No

13 of 2000 regulating the investment of non-Qatari capital in the country's economic activity."

He added: "The draft law stipulates that non-Qatari investors "may invest in all economic sectors up to 100 percent of the capital, and may own no more than 49 percent of the share capital of Qatari listed companies on the Qatar Exchange, after the approval of the Ministry of Commerce and Industry on the percentage proposed in the company's memorandum of association and articles of association. They may also hold a percentage exceeding the mentioned percentage with the approval of the Cabinet upon a proposal by the minister concerned."