

# Qatar banking sector resilient: Top banker

THE PENINSULA — DOHA

Qatar Trade Summit began yesterday with the theme “Transcending into a self-reliant economy amidst COVID-19”. Dr. R Seetharaman, CEO of Doha Bank spoke on “Qatar Banking Growth 2020: Reflecting on Qatari resilience” during the summit.

Giving insight on Qatar economy, he said “Qatar economy is expected to contract by 4.5 percent in 2020 and recover by 2.5 percent in 2021. On the hydrocarbon sector, the first phase of the North Field expansion project will increase Qatar’s LNG production capacity from 77 million tons per annum (Mtpa) to 110 Mtpa. The second phase of the expansion project, called the North Field South Project (NFS), is set to further boost Qatar’s LNG production capacity from 110 Mtpa to 126 Mtpa. This could contribute to both economic growth and lending in Qatar. Qatar trade exceeded \$100bn in 2019 with Asia contributing 80 percent of its exports.”



Dr. R Seetharaman (right) speaking during the Qatar Trade Summit.

Dr. Seetharaman highlighted the developments in Qatar during COVID-19. He said “Qatar sold \$10bn bonds in April 2020. It offered interest equivalent to 300 basis points (bps) over US Treasuries for a \$2-billion five-year tranche, 305 bps over the same benchmark for a \$3-bn 10-year tranche and 4.4 percent for the 30-year paper of \$5bn. The Lending growth is close to 7 percent Year-To-Date (YTD) till third quarter 2020. The Money supply (M1, M2 and M3) has increased during the year. The Qatar banking sector has demonstrated its resilience to COVID-19 on account of these measures.”

Dr. R. Seetharaman gave insight on reforms in Qatar. He said “The Law no 1 of 2019 regulate the investment of Non – Qatari capital opens way for ownership. Investment incentives include allocation of land. This has improved the investment climate in Qatar. In May 2020, the Public – private partnership law was introduced. It covered various PPP models including BOT Model. The Private sector is expected to leverage from this new law. In October 2020, Qatar has allowed foreigners to own property. Non-Qatari individuals could own properties in nine areas, up from three before, while the number of

areas where foreigners may use real estate subject to usufruct has also been increased to 16, bringing the total number of areas designated for ownership and usufruct by non-Qataris to 25. This can give boost to property sector lending.”

Dr. Seetharaman highlighted on technology and development in Qatar. He said “Qatar FinTech Hub “QFTH”, which is co-founded by Qatar Development Bank (QDB) aims to develop the Fintech industry in Qatar, in accordance with the Qatar National Fintech Strategy created by Qatar Central Bank “QCB”, and to contribute and reiterate Qatar’s position as a leading international FinTech hub in the region, as outlined in the Qatar National Vision 2030. TASMU SMART Qatar program will serve as a platform for the realization of a digital economy and a smart future. It aims to transform Qatar into a world-class smart city that has the latest digital solutions to increase the standard of living and increase Qatar’s competitiveness, internationally.”