

India-Qatar Bilateral Economic relations

India and Qatar enjoy historical bonds of friendship based on strong foundation of a very close people to people contacts. The multifaceted bilateral cooperation includes very vibrant ties in fields of trade, energy, investment, connectivity, culture, education, health, defence, security among others.

Bilateral Exchanges

2. There has been regular exchange of high-level bilateral visits. HH Sheikh Tamim Bin Hamad Al Thani, the Emir of Qatar, visited India on March 2015 and Hon'ble Prime Minister Mr. Narendra Modi paid a visit to the State of Qatar in June 2016. The then Qatari PM Sheikh Abdullah bin Nasser Al Thani visited India in December 2016. External Affairs Minister of India Smt. Sushma Swaraj have visited Qatar in October 2018. EAM Dr. S. Jaishankar, made official visits to Doha in December 2020, June 2021 and August 2021. These visits enhanced the momentum in our bilateral relations. Both sides decided to deepen the partnership in the sectors of energy, economy, trade, investment, education, culture, health, human resource, media and information technology. A number of mutually beneficial MOUs/Agreements were signed in sectors like Investment and Infrastructure, Customs Matters, Exchange of Intelligence related to money laundering, Terrorism Financing related Crimes, Development and Recognition of Qualifications, Tourism, Health and in the field of Youth and Sports.

Bilateral Trade

3. India and Qatar enjoy strong trade and economic relations. These have grown steadily over the past years. Bilateral trade for the financial year 2020-21 has been in the range of US\$ 9.21 billion. This includes US\$ 7.93 billion as Qatar's exports to India and US\$ 1.2 billion Indian exports to Qatar. The trend in bilateral trade over the past years can be seen at Table 1 & Graph I below:

Graph: Bilateral Trade Trend

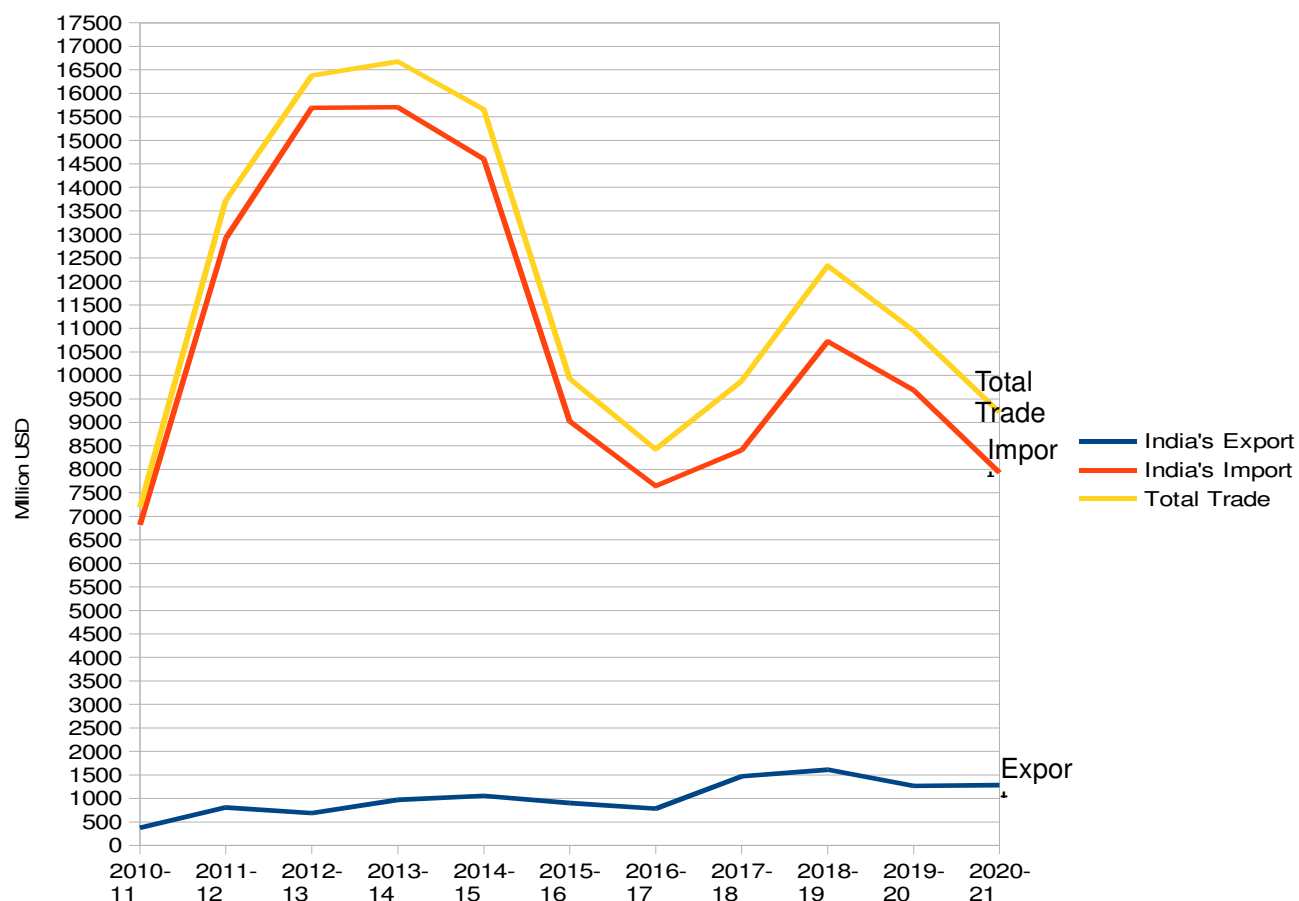


Table 1: Bilateral Trade Data

(Figures in US\$ million)

	FY 2016-17	% Growth	FY 2017-18	% Growth	FY 2018-19	% Growth	FY 2019-20	% Growth	FY 2020-21	% Growth
Indian Export to Qatar	784.56	-13.02	1,471.88	87.61	1,611.16	9.46	1,268.35	-21.28	1,284.82	1.30
Indian Import from Qatar	7,646.22	-15.25	8,409.08	9.98	10,721.70	27.50	9,685.98	-9.66	7,930.15	-18.13
Total Bilateral Trade	8,430.78	-15.05	9,880.96	17.20	12,332.86	24.82	10,954.33	-11.18	9,214.97	-15.88

(Source: Ministry of Commerce and Industry, India)

4. Qatar's key exports to India include LNG, LPG, chemicals and petrochemicals, plastics, and aluminium articles, while India's key exports to Qatar include cereals, copper articles, iron and steel articles, vegetables, fruits, spices, and processed food products, electrical and other machinery, plastic products, construction material, textiles & garments, chemicals, precious stones and rubber. The trade in top 10 commodities of export and import in 2020 can be seen in Table 2 and 3 below:

Table 2: Top 10 commodities exported by India to Qatar (2020)

(Value in US\$ million)

S.No	Commodity	2020	%Growth
1.	Rice	147.14	19.33
2.	Articles Of Jewellery And Parts Thereof; Of Precious Metal/Of Metal Clad With Precious Metal	101.72	31.70
3.	Ceramic Flags And Paving, Hearth Or Wall Tls Ceramic Mosaic Cubes And Like, Whether Or Not On A Backing; Finishing Ceramics	28.52	27.63
4.	Cane/Beet Sugar Chemically Pure Sucrose In Solid	25.12	77.22
5.	Copper Wire	21.83	228.39
6.	Other Vegetables, Fresh Or Chilled	21.48	3.34
7.	Motor Cars And Other Motor Vehicles For Transport Of Persons(Excl Of 8702)Incl Racing Cars Etc	19.70	-64.39
8.	Petroleum Coke Petroleum Bitumin And Other Residues Of Petroleum Oils/Oils Obtained From Bituminous Minerals	18.94	-20.28
9.	Acyclic Hydrocarbons	18.09	-57.64
10.	Other Cast Articles Of Iron Or Steel	18.08	-20.33

(Source: Dept of Commerce, India)

Table 3: Top 10 commodities imported by India from Qatar (2020)

(Value in US\$ million)

S.No	Commodity	2020	%Growth
1.	Petroleum Gases And Other Gaseous Hydrocarbons	5,598.44	-17.77
2.	Petroleum Oils And Oils Obtained From Bituminous Minerals, Crude	1,300.64	11.74
3.	Halogenated Derivatives Of Hydrocarbons	260.24	-17.76
4.	Petroleum Oils and Oils Obtained Frm Bitmns Mnrlotner Than Crude Prpn Nes;Cntng70% Or More by Weight Of These Oils	179.39	-20.45
5.	Polymers Of Ethylene In Primary Forms	147.37	-31.69
6.	Ammonia, Anhydrous Or In Aqueous Solution	129.46	-20.82
7.	Acyclic Alcohols And Their Halogenated, Sulphonated, Nitrated Or Nitrosated Derivatives	112.81	171.31
8.	Mineral Or Chemical Fertilisers, Nitrogenous	86.92	-42.59
9.	Unwrought Aluminium	57.56	7.85
10.	Mixed Alkylbenzebes And Mxd Alkyl naphthalenes Othr Than Those Of Hdg No. 2707/2902	51.15	-37.08

(Source: Dept of Commerce, India)

LNG Trade

5. Qatar is the largest supplier of LNG to India, accounting for over 40% of India's global LNG imports and 15% of Qatar's export of LNG. On 31 December, 2015, Petronet LNG, India's largest natural gas importer, and Qatar's RasGas Co. Ltd had signed an agreement for an additional supply of 1 million tonnes of LNG annually from the RasGas through the remainder of the 25-year contract, ending in 2028. The original SPA was for 7.5 mm tpy implemented in 2004. Besides LNG, India also imports ethylene, propylene, ammonia, urea and polyethylene from Qatar.

Logistics & Banking

6. The substantial increase in Qatar's imports from India was facilitated by the opening of direct shipping lines named "India Qatar Express Service" linking Indian ports with Qatar. The line links Hamad Port in Qatar with Mundra (Gujarat) and Nhava Sheva Port (Maharashtra) in India.

7. India-Qatar is well connected with direct flights between various international airports in India and Doha. Air India, Air India Express, Indigo, Vistara, GoAir and Qatar Airways operate direct flights between both the countries.

8. Qatar's two major banks are operating in India with Doha Bank having its branches in Mumbai, Kochi and Chennai; and Qatar National bank [QNB (India) Pvt. Limited] in Mumbai.

Indian investments in Qatar

9. According to Qatar Chamber of Commerce and Industry (QCCI), there are over 6000 big and small Indian companies operating in Qatar. Indian companies are today pursuing collaborations in infrastructure, communications and information technology, energy and other areas in Qatar. Some of the them are Larsen & Toubro, Voltas, Shapoorji Pallonji, Wipro, TCS and Tech Mahindra. There has been expansion in business operations of Indian companies in infrastructure and IT sectors present in Qatar, including prestigious projects such as Al Rayyan Stadium (which was inaugurated during Emir Cup Final 2020), Gold Line Metro and Wakra Bypass highway.

Qatari Investments in India

10. Qatar Investment Authority (QIA) invested about US\$450 million for a 25.1% stake in a unit of Adani Transmission Ltd. Byju's, an Indian learning app, received an investment of US\$150 million by Qatar Investment Authority. Verse Innovation, the parent company of vernacular news aggregator Dailyhunt and maker of short video entertainment app Josh, has received US\$100 million from a consortium led by Qatar Investment Authority. QIA along with other investors (GIC of Singapore, Falcon Edge, Amansa Capital, Think Investments, Carmignac and Goldman Sachs) invested US\$ 800 million in Swiggy's. Qatar Investment Authority (QIA) is planning to open an office in India.

Qatar Economy

11. Qatar's natural gas resources are the country's main economic engine and government revenue source, driving Qatar's high economic growth and per capita income levels. Qatar is the world's fifth-largest gas producer, second-largest gas and liquefied natural gas (LNG) exporter. Qatar has begun new investments which will total around US\$29 billion expanding LNG capacity from the maritime North Field, which will take LNG production capacity to 110 million tons per annum by 2026 (mtpa) up from the current production rate of 77 million mtpa. Qatar's GDP stood at US\$ billion 146.3 in 2020. Despite the dominance of oil and natural gas, Qatar has made significant gains in strengthening non-oil sectors, such as manufacturing, construction, and financial services, leading non-oil GDP to steadily rise in recent years to just over half the total.

12. Qatar has adopted an economic diversification policy, stimulating the participation and role of the private sector, developing national industries and exports, and attracting investment in non-energy sectors. Total volume of investments in the industrial sector in 2020 amounted to approximately QR263bn and industrial sector had witnessed remarkable growth in conjunction with the progress made in the projects of developing the SMEs industrial zone. The total number of factories in Qatar in 2020 stood at 927, registering a 6% increase compared to 2019. Qatar has worked to enhance the flow of commodities and support maintaining regular supply operations by strengthening its co-operation with countries and trade partners, providing raw materials for various industrial sectors as well as adopting a series of economic measures, incentives and legislation put in place by Qatar to attract and encourage investment, including the law regulating the Public-Private Partnership (PPP). This law provided investors with the opportunity to finance, develop, and operate projects in a variety of priority sectors, including food security, sports, tourism, health, education, and logistics. That resulted in establishing of eight new schools and launching the tourist resorts project, spanning an area exceeding 450,000sqm.

13. Another major initiative by Qatar is the establishment of the Investment Promotion Agency. Established in July 2019, Investment Promotion Agency Qatar (IPA Qatar)'s mandate is to support high-value inward foreign direct investment (FDI) into the country.

14. The overview of key economic parameters and annual trade of Qatar can be seen at Table 4 and 5 respectively.

Table 4: Qatar Economic Overview in Figures

	2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GDP(Billions US\$)	168.1	163.4	167.5	159.6	152.2	116.6	127.8	134.8
Inflation Rate y-o-y	-1.3	-0.6	0.1	-0.7	-0.8	-3.4	-3.5	-3.5
Budget Surplus (Deficit)/GDP	1.2	4.2	1.4	-3.1	-0.2	-1.0	-2.1	-0.1
Current Account/GDP	4.2	3.8	1.0	0.8	2.4	-7.5	-6.6	0.2

(Source: Qatar Central Bank)

Table 5: Qatar's Annual Trade Data

(Figures in US\$ million)

Period	Imports		Exports		Trade Balance	
	Value	% change (Y-o-Y)	Value	% change (Y-o-Y)	Value	% change (Y-o-Y)
2017	29,888.22	-6.7	67,479.53	17.8	37,591.31	48.9
2018	31,687.17	6.0	84,271.07	24.9	52,583.9	39.9
2019	29,170.01	-7.9	72,914.85	-13.5	43,744.86	-16.8
2020	25,827.79	-11.5	51,489.97	29.4	25,662.18	-41.3

(Source: Ministry of Development Planning and Statistics, Qatar)

15. **Opportunities in Qatar**

- Qatar is hosting FIFA World Cup in 2022. 22nd Edition of the tournament is scheduled to take place from 21 November to 18 December. Infrastructure planned for the event has reached completion. Although many opportunities will be created for service sector as 1.5 million fans are expected to visit the country during the event.

- Qatar recently won the rights to host 2030 Asian Games. The games will reinforce Qatar's tourism ambitions and status as the region's leading sports hub.
- North Field Expansion Project will generate substantial demand for infrastructure, engineering goods and services during the construction phase and beyond.
- As Qatar population constitute about 7 lakhs of Indians (which is nearly 25% of the total population in Qatar) and South Asian countries, the demand of Indian food products is always high.
- About 90% of the pharma products are imported to Qatar. Even though, Qatar imports from India on the basis of USFDA or EC clearances, India's share is only around 1%. The prospects of enhancing trade in this sector are substantial.
- Qatar Petroleum's decision to expand LNG output from the North Field to 110 million tonnes by 2024, liberalisation of visa regulations, changes introduced to Company Law, the new Free Zone regulations and the proposed Permanent Residency scheme for longstanding foreign residents, are developments that offer new opportunities.

16. Recent Initiatives

- Joint Task Force has been formed between both the countries in the fields of investment flows and energy security, to facilitate investments by Qatar Investment Authority into India, and also to explore Qatari investments in the entire energy value-chain in India.
- A Joint Working Group on Trade and Investment has been set-up between the both countries.
- IBPC (Indian Business & Professional Council), the Business and Professional Organization functioning under the aegis of the Embassy of India has been providing a forum for the promotion of trade and commerce and manufacturing & trading joint ventures between Indian and Qatar in addition to promoting investment in either country on a bilateral basis.
- Over the years, many Indian and Qatari trade and commerce delegations have visited and participated in events in both the countries. In the recent past Embassy organised and participated in some events/virtual meetings :
 - Virtual Business Networking event on October 21, 2020.
 - Business Roundtable Meeting of EAM with prominent Qatari businessmen on 27

December 2020.

- Webinar on Indian Budget 2021-22 on 03 February 2021.
- Webinar on “Opportunities in Agri sector between India and Qatar” on 17 February 2021 in coordination with APEDA.
- Webinar on “India-Qatar synergies in Pharma Sector” on March 01, 2021 in coordination with Pharmexil.
- Interactive session on India Qatar trade in Engineering & Allied sectors” on March 06, 2021 in coordination with EEPC.
- Participation in Agriteq Exhibition held in Doha from 23-27 March 2021.
- Virtual Buyer Seller meeting on Seafood in association with MPEDA on 17th August 2021.

Commercial Representative

Ms. T. Angeline Premalatha

Counsellor

Contact No: 974-44255710

Email Id: dcm.doha@mea.gov.in; com.doha@mea.gov.in;

Useful links:

Indian Business and Professionals Council- Qatar

Website: www.ibpcqatar.com

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