

**Qatari Economic Minister Advisor
Alderbesti:**

"The Vision Is to Have A Liberal Economy Integrated With the Global Economy"



Dr. Khaled Yousef Alderbesti

Question: Dr. Khaled Yousef Alderbesti, director of the Economic and Commercial Promotion Department, Ministry of Economy and Commerce, Qatar, what is the economic condition in Qatar today?

Answer: The economic conditions are very fortunate, especially in the last five years. The economy is really booming. The average growth of GDP in Qatar is around 20% in the last five to six years. We are very fortunate because we have a very low inflation rate.

We have some inflation in the real estate market. In other sectors, inflation is up 2% in the last five years. The high growth rate and the low inflation rate provide us with an excellent recipe for investors to come and invest in Qatar.

Besides investing in oil and gas in Qatar, we are now moving to diversify and make this easier for other investors to come. For example, last year, we initiated the Qatar Financial Center. The Qatar Financial Center is a very promising project. It is for attracting banks to come and operate in Qatar from the venue of Qatar Financial Center.

The law was approved by the Emir early this year and we are hoping that before the end of this year, some foreign banks will come and operate in the coming year. Besides this, we have another project to do the free zone. It is going to make it easier for foreign companies to come and operate in these zones. These are initiatives that are being taken in this Ministry of Economy.

Beside this, we are trying to reform and modify investment laws. These Investment laws deals with foreign investors and specifies the sectors where foreign investors could come and operate in Qatar. These are mainly in the investment sector of education, health sector, tourism and agriculture. We are trying to add more sectors to it. We are very optimistic about the future of this economy. We think that this economic growth is going to continue. We need this growth to make Qatar an integral part of the world economy. We do not want this economy to be isolated based on oil and gas only. We want it to be based on some other investors.

Q: I discovered a very new Doha compared with my visit in 1977. You achieved a miracle here. What do you think is the main reason why Qatar developed so fast?

A: The main reason is the intention and the commitment of its people. If you came to Doha in the 80s, there was stagnation growing during that time. In the middle of 1990, we designed, along with the Emir, the vision to make Qatar a part of not only the economy but even the other fields and make it an integral part of the world.

There was a vision. There was intention, and there was commitment. These are the main sources of why we have been successful in the last 10 years. Definitely, we considered some other issues like the high turn from oil and gas prices. These are tools for our growth. But the main reason is the intention and the commitment that we put to have a better economy in Qatar.

We export much more than what we import. We have a surplus, and our trade balance is around US\$30 billion. We import around US\$20 billion and export around US\$30 billion.

This has something to do with the education and social education program. The educational program in Doha started a long time ago. It produced good results for us in the aspect of education.

The reform that we have in Qatar is multi-dimensional. We have social and economic reforms. We are liberalizing our economy. We are opening our markets for foreigners to come and invest here. We are also opening our market here for foreign products to come in Qatar.

We also have political reforms. Qatar is going to have an election for Congress next year. For the first time, we are going to have elected officials in Qatar. These three reforms are all going simultaneously. If you look at some other nations, sometimes there is a political reform. There is no economic reform. You see some other nations like for example, China, they have very strong economic reforms, but there is not political reform.

Compared with other nations, it is very rare for the nation to have reforms in all these sectors. I think that we are going with the same pace and speed.

Q: What is the vision of Qatar in the future?

A: I cannot speak for all the sectors but I will speak about the economy. The vision for the economy is to have a liberal economy, which would be integrated with the global economy. We are working very hard to achieve this vision. We are reforming our laws. The Investment Promotion Department was established at the beginning of this year to make it easier for the flow of investment in Qatar. There is a continued action here to make this vision a reality.

Q: What are the conditions to invest as foreigners?

A: We have some reservation for some sensitive sectors where foreign investors cannot come to Qatar to invest, for example, real estate. A foreign investor cannot purchase a land in Qatar. It is reserved only for Qatari. This is due basically to the limited space and land in Qatar and some other issues.

However, these major reserves will not prevent investors to come and invest in Qatar because they can lease a land. If any investor has a major project or an idea, he can come and we will be happy to lease him a land for 99 years. Other than this, most of other sectors are open foreign investors.

At the beginning of this year, there was a new law allowing foreign investors to invest even in the portfolio management at the Doha Security Market. Doha Security Market's shares was only around for Qatari. Now, foreigners can come and invest up to 25% of the shares. So we are very easy in terms of requirement for foreign investors to come and invest in Qatar.

Most investment come from Korea and Japan. We need to change this. Mostly it is geared toward capital investment

projects. We need to go into the middle and small-sized projects between Korea and Qatar. Usually, we should be handled by the private sector, but we need to facilitate things for that. We have the Qatar-U.S. Business Council. We have like 70 members from the American and Qatari business circles. They meet every year and exchange ideas and share opportunities for cooperation.

Q: What is your background in brief?

A: I joined the ministry about three years ago. I worked for the office of the minister for two years. Mainly, I was in charge at the beginning of the Magretive Agreement and some initiative regarding the private sector and how we can promote the private sector in Qatar.

Right now, I am in charge of the investment promotion department. As the director of this department, we would like to encourage foreign investors to come and invest in Qatar. We facilitate the process and besides, we have some awareness or program or open forum for our investors about what is going on in Doha, Qatar. I obtained my MBA in 1999 from Claremont University in California, University of California, and I have a doctoral degree from George Washington University in Management. ★