

Foreword

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Doing Business In Qatar A Construction Perspective

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Introduction

Qatar's economy, founded on the development of its oil and gas resources is one of the fastest growing economies of the world. Despite the global economic downturn, Qatar's real GDP growth is projected to be around 20% for 2011. In the recently released Qatar National Development Strategy 2011 – 2016, total gross domestic investment in the next five years is projected to be QR 820 billion, with public government investment is estimated at QR 347 billion; with large scale investment in all social and economic sectors. Qatar's economic performance is expected to remain strong in the next five years due to its robust gas and oil production, high price of oil and massive government's expenditure to upgrade its infrastructures.

Prior to winning the bid to host the 2022 FIFA World Cup Finals, the government has shown strong commitment to invest in economic diversification through continuous public spending on infrastructure by allocating 30% of its QR 117.9 billion 2010/11 budget on infrastructure developments. In its 2010/11 budget, infrastructure developments have been allocated a massive 40% of the overall spending budget of QR 139.9 billion.

It is expected that Qatar will spend up to USD 150 billion in development projects to prepare for the 2022 World Cup; including some USD 65 billion worth of committed projects as identified in Qatar's Bid Documents. Development projects which earlier have either been put on hold, scaled back or cancelled due to the recent economic downturn have been revived.

With multi-billion dollar projects in numerous sectors to be implemented in the years ahead coupled with business-friendly commercial procedures and political stability makes Qatar an attractive destination for companies from all over the world.

Doing Business in Qatar – A Construction Perspective is intended as a reference for Malaysian Contractors who are considering to invest or to take part in the development of Qatar. It focuses on construction projects and excludes the oil, gas and petrochemical sectors.

Doing Business in Qatar – A Construction Perspective offers a brief review of Qatar, its economy and business environment with special emphasis on the construction industry. It examines the legal and regulatory framework in doing business in Qatar.

Doing Business in Qatar – A Construction Perspective takes a close look at Qatar's construction industry; identifying its key factors, features, structure and future outlook. It provides background information on major projects, its prospects and opportunities in different sub-sectors of the industry.

Doing Business in Qatar – A Construction Perspective also offers a brief guide to Malaysian companies on the requirements of setting up a business in Qatar to advantage of opportunities in its booming construction industry.

Country Overview

2.1 MAP OF QATAR



More detailed maps of Qatar are available on-line at <http://www.explore-qatar.com/downloads/maps>

2.2 BASIC COUNTRY DATA

Full Country Name	: State of Qatar (in Arabic, <i>Ad Daulah Qatar</i>)
Location	: The Qatari peninsula lies between latitudes 24° and 27° N, and longitudes 50° and 52° E, just 161 km north into the Persian (Arabian) Gulf from Saudi Arabia.
Area	: 11,437 sq. km.
Population	: 1,699,435 (2010 census) of which 75.6% are males.
Capital	: Doha

Administrative Division	: Divided into 8 municipalities i.e. Ad Dawhah (Doha), Al Wakrah, Ar Rayyan, Al Daayen, Al Khor, Ash Shamal, Umm Salal and Mesaieed (Umm Saied).
Time Zone	: GMT + 3 hours. There is no summer-time saving time.
Principal Languages	: Arabic is the official and national language used in government while English is commonly used as a second language and in business. Other languages are Hindi, Tamil, Pashto, Malayalam, Punjabi, Urdu, Sindhi, Balochi, Telugu, Bengali, Tagalog, and Somali.
Official Religion	: Islam. Muslims constitute 77.5%, Christian 8.5% and others 14% of the population.
Ethnicity	: Arab 40%, Indian 18%, Pakistani 18%, Iranian 10%, others 14%.
Education & Literacy	: Qatar's literacy rate stands at 89%. Male: 89.1% Female: 88.6%
Currency	: Qatari Riyal (QR) divided into 100 Dirhams (Dh).
Exchange Rate	: Fixed to U.S. Dollar (USD) at USD 1.00 = QR 3.64.
Measurement System	: Metric System
Business Hours	: Government's Offices : 7.00 am – 2.00 pm; Sunday to Thursday Banking Hours : 7.30 am – 1.30 pm; Sunday to Thursday Private Sector Hours : 8.00 am – 12.30 pm & 4.00 pm – 7.30 pm; Saturday to Thursday Friday is a day of rest for all sectors.
Public Holidays	: Eid Il-Fitr (3 days), Eid Al-Adha (4 days) and Qatar's National Day, on 18th December.
Credit Cards	: VISA, MasterCard
National Airline	: Qatar Airways. Qatar Airways flies daily from Kuala Lumpur to Doha. The flight duration is about 7 hours 25 minutes.
Airport	: Doha International Airport
Railway Network	: None
Road Network	: 7,790 km
Ports and Harbours	: Port of Doha, Mesaieed Port and Ras Laffan Port
Land Entry Point	: Bu Samra at the Qatar/Saudi border
Main Exports	: Oil and gas
Internet Domain	: qa
International Dialling Code	: +974

2.3 QATAR AT A GLANCE

2.3.1 Geography & Climate

Geography

Qatar is a peninsular of 11,437 km² located halfway down the west coast of the Arabian Gulf. Its territory includes several islands including Haloul, Sheraouh, Al Beshairiya, Al Saffiya and Al Aaliya. The coastline covers 563 km with shallow coastal waters in most areas. The terrain is flat, dry and rocky, covered with sand flats and dunes with some exceptional low-rising limestone outcrops in the north and northwest. The country is centrally placed among the states of the Gulf Cooperation Council (GCC).

Climate

Qatar has a moderate desert climate with hot summers and mild winters. During summer days, temperatures can be well above 40°C. Winter nights can be cool but temperatures rarely drop below 7°C. Rainfall is scarce, averaging 70 mm per year; falling on isolated days mainly between October and March.

2.3.2 History

Although the peninsular land mass that makes up Qatar has sustained humans for thousands of years, for the bulk of its history, the arid climate fostered only short-term settlements by nomadic tribes. The Abbasid era (750-1258) saw the rise of several settlements. The Portuguese ruled from 1517 to 1538, when they lost to the Ottomans. For the duration of the 18th and 19th century, Qatar was independent, but in 1876, became a dependency of the Ottoman Empire, although not a part of it. But attempts by the Ottomans to annex Qatar outright soon led to the expulsion of the Ottomans from the Qatar Peninsula in March 1893, marking the emergence of modern Qatar as a nation.

During the 19th century, the Al Khalifa clan reigned over the northern Qatari peninsula from the nearby island of Bahrain, but resentment festered against the Al Khalifas along the eastern seaboard of Qatar peninsula. In 1867, the Al Khalifas launched a successful effort to quash the Qatari rebels, sending a massive naval force to Al Wakrah. However, the Bahraini aggression was in violation of the 1820 Anglo-Bahraini Treaty. The diplomatic response of the British to this violation set into motion the political forces that would eventuate in the founding of the state of Qatar on December 18, 1878 (for this reason, the date of December 18 is celebrated each year as the National Day of Qatar).

In addition to censuring Bahrain for its breach of agreement, the British Protectorate asked to negotiate with a representative from Qatar. The Qataris chose as their negotiator the respected long-time resident of Doha, Muhammed bin Thani. This ensured the Al Thani as the future ruling family, a dynasty that continues to this day. The results of the negotiations left Qatar with a new-found sense of political selfhood culminating in gaining official standing as a British protectorate in 1916. When Britain officially announced in 1968 that it would disengage politically from the Persian Gulf in three years' time, Qatar joined Bahrain and seven other Trucial States in a federation. Regional disputes, however, quickly compelled Qatar to resign and declare independence from the coalition that would evolve into the seven-emirate United Arab Emirates. On September 3, 1971, Qatar became an independent sovereign state.

2.3.3 The Ruling Family

The ruling Al Thani family was among a tribal group who had from the “Gibrin” oasis in southern Najd, who moved to and settled in Zubarah in northern Qatar in early 18th century; before moving to Doha in the mid-19th century.

The family is a branch of the ancient Arab tribe, the Bani Tameem, whose descent can be traced back to Mudar Bin Nizar. The name Al Thani is derived from that of the family’s ancestor Thani Bin Mohamad Bin Thani, who was the first sheikh to rule modern Qatar.

The current Emir is HH Sheikh Hamad Bin Khalifa Al Thani, who assumed power on 27th June 1995. On 5th August 2003, the Emir announced the appointment of his son, HH Sheikh Tamim Bin Hamad Al Thani as Heir Apparent. The Prime Minister is HE Sheikh Hamad Bin Jassim Al Thani.

2.3.4 Government

Qatar has a monarchic, emirate-type government. The Emir is the ruler of Qatar. Rule is hereditary within the family of Al Thani, whereby power is transferred from father to son.

Its legal system combines limited aspects of Islamic and civil law codes in a discretionary system of law totally controlled by the Emir. Although civil codes are being implemented, Islamic law is used in family and personal matters.

The Emir is the head of the constitutional authorities, holding both legislative and executive powers. The Emir appoints the prime minister and other ministers. The Council of Ministers (Cabinet), the supreme executive authority in the State, assists in implementing the general policies of the State. An appointed 35-members Advisory Council (Majlis As-Shura) debates economic, political and administrative matters referred to it by the Cabinet before recommending it to the Emir for approval and issuance as a Law via an Emiri Decree.

On 8th June 2005, after a referendum in 2003 Qatar adopted its permanent constitution. Since 1999, free elections were held every four years to elect a 29 member Central Municipal Council (CMC). This election is to precede a broader parliamentary election in future. Women were allowed to vote and run in these elections. There are no political parties in Qatar.

2.3.5 Demography

According to its 2010 Census, Qatar has a population of 1,699,435, of which 76% are males and 24% are females. The median age of the population is 31. Out of that, Qataris numbered less than 14% of the population; around only 225,000. The bulk of the population are between the ages of 20 to 45. Full detail of the result of Qatar Census 2010 is available at Qatar Statistics Authority’s website www.qsa.gov.qa.

Much of the population is made up of expatriates from South Asia (mainly India and to a lesser extent, Pakistan), South East Asian (mainly from the Philippines) and from non-oil-rich Arab states taking up employment in various sectors of the Qatari economy; working on temporary employment contracts and in most cases without their accompanying family members.

Because a large percentage of the expatriates are male, Qatar has a heavily skewed sex ratio, with 3.17 males per female especially in the ages 20 to 59.

Most of the population lives near the major employment centres of Doha and its surrounding suburb of Al Rayyan (about 83%), Al Khor, Al Wakrah, Mesaieed and Dukhan.

2.3.6 Economy

Before the discovery of oil, the economy of Qatar is focused on fishing and pearl hunting. After the introduction of the Japanese cultured pearl in the 1920s and 1930s, Qatar's pearling industry faltered.

However, the discovery of oil, beginning in the 1940s, completely transformed the state's economy. Qatar's national income primarily derives from oil and natural gas exports. Oil and gas have made Qatar the highest per capita income country and one of the world's fastest growing. Proved oil reserves of 15 billion barrels should enable continued output at current levels for 37 years. Qatar's proved reserves of natural gas are nearly 26 trillion m³; about 14% of the world's total and third largest in the world.

Qatar has experienced rapid economic growth over the last several years on the back of high oil prices. Its economic policy is focused on developing Qatar's non-associated natural gas reserves and increasing private and foreign investment in non-energy sectors, but oil and gas still account for more than 50% of GDP, roughly 85% of export earnings and 70% of government revenues.

Qataris' wealth and standard of living compare well with those of Western European states. Qatar has the highest GDP per capita in the Arab World according to the International Monetary Fund and the second highest GDP per capita in the world according to the CIA World Factbook (website: www.cia.gov). With no income tax, Qatar, along with Bahrain, is one of the countries with the lowest tax rates in the world.

The country has a high standard of living, with many social services and amenities offered to its citizens comparable to any modern state. It relies heavily on foreign labour to grow the economy to the extent that 94% of the labour is foreigners. Labour laws offer little protection for the foreign labour mostly coming from developing countries.

While oil and gas will probably remain the backbone of Qatar's economy for some time to come, the country seeks to stimulate the private sector and develop a "knowledge economy". Qatar aims to become a role model for economic and social transformation in the region. Large scale investment in all social and economic sectors will also lead to the development of a strong financial market.

Economy Overview

3.1 MARKET OVERVIEW

Qatar is a small country with a small native population but with the third largest reserves of natural gas in the world. With a population of 1.7 million, the bulk of which are expatriate workers. In 2010, Qatar's per capita GDP is the highest in the world, estimated at about USD 145,300.

Qatar is politically stable with a very low crime rate. There are no political parties, labour unions or trade associations. There is no known organised domestic political opposition.

Qatar has one of the fastest growing economies in the world. Despite the global economic downturn, Qatar's real GDP growth was 19.4% for 2010 and is projected to be around 18% for 2011. In 2010, Qatar's economy grew a hefty 20.4% in the second quarter to QR 98.4 billion from QR 81.7 billion a year earlier.

The main drivers for this rapid growth are attributed to ongoing increases in production and exports of LNG, oil, petrochemicals and related industries. The GDP share of the mining and quarrying sector, which includes oil and gas, was 49.8% of the total and its value increased 36.8% compared to a year ago.

Inflation remained negative at -4.9% through 2009 but is expected to increase to 1.1% in 2010, mostly due to high demand in the housing sector and for imported products.

The government is heavily involved in Qatar's economy, although it strongly encourages international investment in certain sectors such as energy. Qatar's investment liberalisation policies proceed on a gradual basis, based on a desire to protect local companies from rapid competition.

The main economic stimuli in Qatar are oil, gas, and related industries, in particular the development of the North Field, the largest non-associated natural gas field in the world. The energy industry will continue to be the most attractive sector for foreign investors, though significant opportunities exist for foreign investment in infrastructure development, medical, safety and security and education.

Qatar's economic performance is expected to remain strong in 2011, despite the current global economic downturn. Qatar's economy will continue to grow robustly because of its robust gas and oil production, high price of oil and massive government's expenditure to upgrade its infrastructures.

World Bank Report on Ease of Doing Business

The World Bank and the International Finance Corporation report *Doing Business 2011: Making a Difference for Entrepreneurs* presents quantitative indicators on business regulations and the protection of property rights compared across 183 economies. A set of regulations affecting 9 stages of a business's life are measured: starting a business, dealing with construction permits, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts and closing a business.

For ease of doing business; globally Qatar is ranked 50 out of 183 economies on the ease of doing business while Singapore is the top ranked economy. The following are Qatar's Global Ranking as a comparison to other countries:

• Ease of Doing Business	50
• Starting a Business	111
• Dealing with Construction Permits	30
• Registering Property	58
• Getting Credit	138
• Protecting Investors	93
• Paying Taxes	2
• Trading Across Borders	46
• Enforcing Contracts	95
• Closing a Business	36

The following are the summary of *Doing Business* indicators for Qatar:

i. Starting a Business	
Procedures (number)	8
Time (days)	12
Cost (% of income per capita)	9.7
Paid-in min. capital (% of income per capita)	79.8
ii. Dealing with Construction Permits	
Procedures (number)	19
Time (days)	76
Cost (% of income per capita)	0.8
iii. Registering Property	
Procedures (number)	10
Time (days)	16
Cost (% of property value)	0.3
iv. Getting Credit	
Strength of legal rights index (0-10)	3
Depth of credit information index (0-6)	2
Public registry coverage (% of adults)	0.1
Private bureau coverage (% of adults)	0.0
v. Protecting Investors	
Extent of disclosure index	5
Extent of director liability index (0-10)	6
Ease of shareholder suits index (0-10)	4
Strength of investor protection index (0-10)	5.0
vi. Paying Taxes	
Payments (number per year)	3
Time (hours per year)	36
Profit tax (%)	0.0
Labour tax and contributions (%)	11.3
Other taxes (%)	0.0
Total tax rate (% profit)	11.3

vii. Trading Across Borders

Documents to export (number)	5
Time to export (days)	21
Cost to export (USD per container)	735
Documents to import (number)	7
Time to import (days)	20
Cost to import (USD per container)	6573

viii. Enforcing Contracts

Procedures (number)	43
Time (days)	570
Cost (% of claim)	21.6

ix. Closing a Business

Recovery rate (cents on the dollar)	53.0
Time (years)	2.8
Cost (% of estate)	22

The data used for this economy profile come from a comparison with the economies in each region and also with the “good practice” economy for each indicator. Data in *Doing Business 2011* are current as of June 1, 2010. The data and full report are available on the *Doing Business* website (www.doingbusiness.org).

3.2 MARKET CHALLENGES

3.2.1 Limits on Foreign Investment

With certain exceptions, Qatar’s foreign investment law limits foreign ownership of local entities to 49% of the entity’s capital. Foreign investors must receive permission from the government to invest in the banking and insurance sectors. Foreign investment is not allowed in commercial agencies and real estate, although foreigners can own properties in select real estate projects in the West Bay Lagoon area, Al-Khor district, Pearl of Qatar development project and certain other designated zones.

3.2.2 Commercial Agents

The Commercial Agents Law requires all agency agreements to be exclusive arrangements.

3.2.3 Labour Market

With such a small native population, most of the work force is imported with variable skills and abilities. There are difficulties in recruitment due to immigration rules and sponsorship laws, based on the Government’s desire to manage a balanced spread of nationalities to control the population.

3.2.4 Government Procurement

There are concerns about transparency in government procurement, particularly regarding the lack of clarity in the conditions and criteria of tenders, improper notification or explanation to non-qualifying companies, irregularities in the awards process, and inability to formally challenge awards.

3.2.5 Inflation

The booming economy in Qatar is leading to shortages of materials and labour. This is compounded by a rapidly growing population, which is approaching two million people, up from just 700,000 five years ago. This has an inflationary effect on the economy, with housing prices particularly hard hit. The cost of living is high.

3.2.6 Congestion at Ports and Point of Entry

Insufficient port facilities caused congestions, delays and difficulty in importing materials and equipments. Goods also have to be imported through UAE which involve in-land transit through Saudi Arabia. There is only one land border entry point.

3.3 MARKET OPPORTUNITIES

3.3.1 Overview

The Government of Qatar has announced the largest budget in its history for the fiscal year 2011/12; with spending of QR 139.9 billion, an increase from QR 117.9 billion in the previous year. This reflects the government's strong commitment to invest in economic diversification through continuous public spending on transportation, health care, education, housing and infrastructure projects.

In 2010, the country enjoyed a surplus of QR 9.7 billion based on an oil price of USD 55 per barrel. Spending in the 2010/11 budget was QR 117.9 billion while revenue was at QR 127.5 billion. Spending in the 2011/12 is budgeted at QR 139.9 billion, up 18.7% from 2010/11; while revenue estimate is put at QR 162.5 billion, up 27.4% from previous year. The country is projecting a surplus of QR 22.5 billion, up 18.7% from the previous year; based on oil prices between USD 55-60 per barrel.

In its 2010/11 budget, infrastructure development accounts for 30% of the overall spending (QR 35.5 billion); while education and health sectors were allocated QR 17.3 billion (15%) and QR 8.6 billion (7%), respectively. For the education sector, out of the QR 17.3 billion allocated, QR 7.5 billion has been set aside for buildings alone. In its 2010/11 budget, infrastructure development has been allocated a massive 40% of the overall spending (QR 60 billion).

This will create multiplier effects on the rest of the economy, contributing to increased consumption and demand for better quality housing, office and retail facilities.

As a roadmap to achieve Qatar National Vision 2030, Qatar has in May 2011, released its National Development Strategy 2011 – 2016. In it, total gross domestic investment is projected to be QR 820 billion, with public government investment is estimated at QR 347 billion.

3.3.2 Energy Sector

Qatar enjoys a reserve of approximately 14.6 billion barrels of crude oil and 910 trillion cubic feet of natural gas. The State-owned Qatar Petroleum expects that more than USD 120 billion will be invested in Qatar's energy sector in the next ten years.

3.3.3 Construction Sector

It is estimated that Qatar will invest USD 60 billion in roads, infrastructure development, housing and real estate, health/medical and sanitation projects in the next decade. The public and private sectors rely heavily on international expertise in the area of architectural, construction and engineering services and there are a number of opportunities in this sector.

The government and private sector are actively seeking experienced construction companies and professionals, in addition to needed production inputs like cement and heavy machinery and equipment.

3.3.4 Food Industry

Qatar imports over 90% of its food. Major food suppliers to Qatar market include the EU, Australia and Saudi Arabia. Most of Qatar's food product imports transit through the United Arab Emirates.

3.3.5 Medical Equipment and Services

Health care is a priority concern for the Qatari leadership and the government is constantly upgrading the quality of health services using technology, international expertise and knowledge. In Qatar, healthcare services are either free or highly subsidized.

There are strong demands for medical equipment, medical supplies, equipment and supplies for persons with special needs, specialised medical services, healthcare technology and training. Qatar's strong interest in importing medical equipment, health care technology and supplies is driven by two factors:

- The rise of new construction projects for hospitals and healthcare centres.
- Qatar's lack of local production capacity in this area.

3.3.6 Other Sectors

Other sectors with significant opportunities include:

- Education and Training Services
- Information Communication Technologies
- Air Conditioning Equipment
- Safety and Security
- Oil and Gas Equipment and Services.

3.4 MARKET ENTRY STRATEGY

Interested Malaysian companies should at least consider the following as part of their strategy to enter into the booming Qatar market:

- a. Interested companies should beforehand undertake as much market research and planning as possible. It would be helpful to consider Qatar as a long term market as more than one visit is necessary for familiarization, establishing appropriate local contacts and gain market credibility.
- b. Visit the country. Not only to familiarise yourself with the local conditions but also to build personal contacts. Qatar is like many Middle Eastern countries in that personal contact with potential agents and partners is the key to successfully conducting business.

- c.** Appoint or nominate a local contact who can then carry out market intelligence, do follow-ups and other legworks, build up the necessary contacts and generally act as your representative in-country. It is a cheaper alternative than opening up an office in Qatar or travelling to and fro from Malaysia.
- d.** Feasibility study - carefully conduct a feasibility study about your product or service's chances for success in the Qatari market. This study should be based on such factors as pre-existing competition, market channels, and local tastes.
- e.** Acquire good legal representation. A good business lawyer is an important first step to entering the market. This helps you to establish and maintain good business relationships with Qatari partners. Hiring a lawyer is especially important before concluding commercial agreements. Occasionally, foreign firms, once their company starts making a profit, report difficulties with their Qatari sponsors and business partners. A good business lawyer can help you with such problems.
- f.** Vet partners - thoroughly vet prospective Qatari business partners and determine which Qatari companies would be best to work with.
- g.** Maintain independence - Having a reliable local partner can mean the difference between success and failure in Qatar. However, do not to rely too much on your local partner for all market intelligence and contacts affecting your business.
- h.** Negotiate expatriate labour visa issues with their sponsors, agents, and partners in the early stages of contract negotiation.
- i.** Have strong backing from financial institutions in terms of banking facilities such as bank guarantees or letter of credits as most tenders in Qatar have unreasonably high requirement for tender bonds and suppliers are reluctant to extend credit to unknown foreign companies.
- j.** Be prepared to adapt - doing business internationally always creates challenges, and doing business in Qatar is no exception. Learn to live with new procedures and laws by injecting a healthy dose of flexibility into your business plan. Allow for time - whatever you do allow for plenty of time, things will never go smoothly.
- k.** Always insist on payment by letter of credit to avoid costly payment delays or some form of advance payments. In Qatar, it is normal for companies to collect some payment before giving their services, e.g. legal firms, doctors, consultants etc.

Structures for Doing Business in Qatar

4.1 LEGISLATION

The Organization of Foreign Capital Investment Law (Law No. 13/2000) is the primary legislation governing foreign investment. Foreign investment is generally limited to 49% of the capital for most business activities, with a Qatari partner(s) holding at least 51%. However, the law allows, upon special government approval, up to 100% ownership by foreign investors in certain sectors including agriculture, industry, health, education, tourism, development and exploitation of natural resources, energy or mining sectors. Law No. 31/2004 further liberalized the investment regime and allows foreign investment in the banking and insurance sectors upon approval of the Cabinet of Ministers. It also allows foreigners to own residential property in a limited number of select projects. Foreign firms are required to use a local agent for matters related to sponsorship and residence of employees.

4.2 RULES ON FOREIGN OWNERSHIP

4.2.1 In Listed Companies

Foreigners are allowed to own up to 25% of the capital of companies listed on the Doha Securities Market. Foreign investors are not allowed to participate in any initial public offering (IPO). Only Qataris and sometimes Gulf Cooperation Council citizens have that privilege.

4.2.2 In Non-listed Companies

The general rule under Law No. 13/2000 (the “Foreign Investment Law”) is that non-Qataris may invest only through the medium of a joint venture company incorporated in Qatar in which one or more Qatari persons or 100 percent Qatari-owned entities hold no less than 51% of the share capital. Joint venture companies with Qatari partners are allowed in all sectors of the economy excluding commercial agencies and real estate.

4.2.3 Exceptions to the General Rules

Important exceptions to the general rule are as follows:

- **100% foreign investment:** Subject to an exemption from the Ministry of Business & Trade, the Foreign Investment Law allows foreign firms 100% ownership in companies developing projects in the fields of agriculture, industry, health, education and tourism sectors, as well as projects involved in the development and exploitation of natural resources or energy or mining.
- **By the approval of the Cabinet of Ministers:** The law specifically prohibits foreign investment in banking, insurance, commercial agencies and procurement of real estate. However, Law No. 31/2004 allows foreign investment in the banking and insurance sectors upon approval of the Cabinet of Ministers.

- **Article 68 companies:** The Foreign Investment Law provides that it shall not apply to companies and individuals whom the State entrusts with excavation, utilisation or management of natural wealth resources under a concession or agreement; or to companies that are established by the Government or in which the Government participates (so called “Article 68 Companies”). Special rules apply in these circumstances.
- **Representational office:** The Decision of the Minister of Economy and Commerce No. 142/2006 provides that foreign firms may open representational offices without a local partner. Such offices may not conduct any financial transactions related to the company’s commercial activities in Qatar and are therefore not subject to taxation. Though the representative office may be registered in the Commercial Registry and employ staff in its own name, it is really a “shop window” to source for business.
- **Branch registration:** The Minister of Business & Trade may allow an exemption under the Law to allow a branch of a foreign company to be registered in Qatar if that foreign company has a contract in Qatar to facilitate the rendering of a service or implies a public benefit. This has generally been interpreted to mean engaging in a contract with the government or a quasi-government entity. This registration does not allow the foreign company to conduct commercial activity that is not related to the subject of its registration. Foreign companies registered under this category do not need a sponsor or service agent.
- **Service agents or sponsorship:** In the past this type of agency consisted of appointing a Qatari entity to act as a service agent for a foreign firm. Specific services would be determined by the two parties and may include handling administrative and business matters in Qatar. Although the service agent remains a common business practice in the region, it is no longer appropriate as an option for doing business in Qatar, specifically in light of Law No. 25/2004 [commonly known as the “Proxy Law”]. The service agent relationship is considered a form of proxy business and fines and imprisonment penalties can be imposed on whoever infringes the law.
- **QFC, QSTP, and Free Zones:** The State of Qatar has established the Qatar Financial Centre [QFC] (website: www.qfc.com.qa) and the Qatar Science and Technology Park [QSTP] (website: www.qstp.com.qa). Both provide environments for international companies and institutions to operate under certain free zone type conditions. The criteria and limitations to operate in these environments are fairly stringent. The QFC is restricted to financial services and ancillary services companies and the QSTP is restricted to entities engaged in research and development activities in Qatar.

4.3 BUSINESS FORMS & REGISTRATION

International firms must apply for local registration through the Ministry of Business and Trade [MOBT] (website: www.investinqatar.gov.qa).

4.3.1 Commercial Registration

In order to do business in Qatar, foreign and local companies are required to obtain a commercial registration from MOBT. Under Law No. 25/2005, no individual person or entity may engage in commercial activity before registering in the Commercial Registry maintained by MOBT.

The following are required in order to incorporate a company and obtain a Commercial Registration:

- Memorandum & Articles of Association in Arabic which conform with the standard form provided by MOBT and have been approved by MOBT;
- Notarised, authenticated and consularised copies of the foreign company's Certificate of Incorporation, Memorandum and Articles of Association and board resolution or power of attorney authorising someone to act on its behalf to establish a company in Qatar;
 - Letter from a Qatar bank indicating the deposit of the share capital at that bank (minimum of QAR 200,000 – (USD 54,950));
 - Qatar Chamber of Commerce and Industry (website: www.qcci.org) Registration.

Once the company has been incorporated and the Commercial Registration issued, the share capital can be released to the company's directors or the general manager for the purposes of running the company. The following licences must then also be obtained:

- A lease contract for the office of the company;
- Municipal licence;
- Signage licence;
- Immigration card.

4.3.2 Business Forms

Any company incorporated in Qatar, shall take the form of either one of the following:

- One Man Company* - a company with a fully paid up capital of not less than QR 700,000.00 and completely owned by a natural person of Qatari nationality or legal person.
- Simple Partnership Company* – formed by two or more natural persons of Qatari nationality who are jointly responsible for the company's liabilities.
- Joint Partnership Company* – similar to Simple Partnership Company and all partners should be Qataris.
- Joint Venture Company* – formed by two or more natural or legal persons. If a non-Qatari is a partner, the company shall not carry out business prohibited by law for the non-Qataris.
- Limited Share Partnership Company* - formed by one or more joint partners and at least four trustee partners with a fully paid up capital of not less than QR 1 million. A trustee partner is not allowed to be involved or interfere with the company's management.
- Limited Liability Company*
- Public Shareholding Company*
- Holding Company*

As such, a foreigner may only invest in a joint venture company, a limited liability company or public shareholding company.

4.3.3 Limited Liability Company

This is the easiest and most appropriate option for foreign companies to operate in Qatar under Law No. 5/2002. Generally, foreign investors may own up to 49% and the Qatari partners no less than 51% of a limited liability concern. A foreign company who has secured a government contract may apply to the Investment Promotion Department at the MOBT to be exempted from having a local partner.

Foreign partners in such limited liability companies must pay the full amount of their contribution to authorized financial institutions in cash or in kind prior to the start of operations. These firms are normally required to set aside 10% of their profits each year in a statutory reserve, until it equals 50% of the venture's authorized capital. A limited liability company is prohibited from carrying out insurance, banking or investment brokerage activities whether as a principal or agent.

4.4 BUSINESS ENVIRONMENT

4.4.1 Taxation

Although there is no income tax on salaries in Qatar, foreign companies are subject to taxation of a flat rate of 10%. In certain circumstances foreign companies can obtain an exemption from income tax for periods of up to six years.

4.4.2 Imports & Exports

4.4.2.1 Import Permits and Licenses

Import licenses are issued only to Qatari nationals or companies. In practice, exceptions are sometimes made for foreign companies, such as those with government contracts.

4.4.2.2 Import Duties

The import duty for most goods is a flat 5% ad valorem. There is no import duty for live animals, fresh fruits and vegetables, seafood, grains, flours, tea, sugar, spices and seeds for planting and goods manufactured in GCC countries.

4.4.2.3 Import Restrictions

Qatar has no import quotas. However, non-tariff barriers arise occasionally. However, imports of pork products are prohibited in Qatar for cultural reasons.

4.4.2.4 Export Duties

No duties are levied on exports.

4.4.3 COMMERCIAL DISPUTES

Judicial decisions in commercial disputes are primarily based on contractual agreements, provided these agreements are not in conflict with applicable Qatari laws.

4.4.4 BANKING & FINANCIAL INSTITUTIONS

A total of 18 banks operate in Qatar, including 11 Qatari institutions and seven foreign branch banks. Out of the 11 Qatari banks, eight are commercial institutions; the other three are Islamic institutions.

4.4.5 SECTORS CLOSED TO COMPETITION

Certain sectors such as public transportation, steel, cement, and fuel distribution are not open for domestic or foreign competition. In these sectors, a single semi-public company has complete or predominant control.

4.4.6 CORRUPTION

Bribery is a crime in Qatar and the law imposes penalties on both parties for acts of corruption. Individuals convicted of corruption by the criminal court may receive up to ten years' imprisonment and/or a fine.

4.4.7 RULES REGARDING ISSUANCE OF CHEQUES

Issuance of bad cheques is considered as fraud and is a criminal offense and offenders can be imprisoned. Technically under the current regulation, a post-dated cheque can be cashed in at any time irrespective of its date.

Structures For Doing Construction Business

5.1 LOCAL CONSTRUCTION INDUSTRY

According to *Research and Markets* (website: www.researchandmarkets.com), a leading source for international market research and market data, Qatar's construction industry is projected to drive in more than USD 22 billion in new contract awards by 2012, an increase from the USD 20.21 billion worth of contracts awarded in 2010. Apart from driving up optimism in the local construction industry, it also signals an upcoming increase in the cost of materials and demands for higher wages and benefits.

Briefly, the major source providers for construction contracts in Qatar are:

- i. Public Work Authority [Ashghal] (website: www.ashghal.gov.qa); is an autonomous body set to oversee all infrastructure related projects as well as public amenities of the State. It is responsible for the development of the road and highway networks; wastewater, sewage treatment and drainage projects and construction of public buildings and amenities in Qatar; with the exception of those in areas controlled and administered by Qatar Petroleum [QP].
- ii. Qatar General Electricity and Water Corporation (KAHRAMAA), website: www.km.com.qa; is responsible for the transmission and distribution of electricity and water and is the sole transmission and distribution system owner and operator for the electricity and water sector in Qatar; outside of areas administered by QP. KAHRAMAA, as the sole transmission and distribution system owner and operator for the electricity and water sector buys, distributes and sells electricity and water as follows:
 - Formulate Power & Water Purchase Agreements and provide necessary technical and corporate support for establishment of generation & desalination ventures;
 - Own, construct and operate electricity & water transmission and distribution networks in the State of Qatar;
 - Set-up plans and programs for development of electricity & water transmission and distribution networks;
 - Lay out regulations, standards and codes of practices for electricity & water supplies to buildings and facilities;
 - Provide consultancy services related to its activities and operations.
- iii. Qatar Petroleum [QP] (website: www.qp.com.qa); is responsible for all the roads, wastewater, sewage treatment, drainage, public buildings and amenities in the areas it control and administer, such as Dukhan City and Dukhan Concession Area, Mesaieed Industrial City [MIC] (website: www.mic.com.qa) and Ras Laffan Industrial City [RLIC] (website: www.raslaffan.com).

Within these areas, QP or its subsidiaries, MIC and RLIC; maintains, upgrade and develop all infrastructure and utilities network and other facilities and services. In addition, it also manages the municipal role to ensure clean, orderly and hygienic public facilities, including restaurants, parks, recreation facilities, shopping centres, beaches, etc. On top of that, QP also plans and develops on-shore engineering facilities, buildings and infrastructure.

In real estate developments, some of the major developers in Qatar are:

- i. Qatari Diar Real Estate Investment Company (website: www.qataridiar.com); is wholly owned by Qatar Investment Authority. It is the developer of Lusail City. It is also a member of the consortium to build the Qatar – Bahrain Friendship Bridge, owns 100% in Qatar Railways Company and owns 51% in Qatar Railway Development Company, the developer for Qatar Rail Network Program.
- ii. Barwa Real Estate Company QSC (BRE) (website: www.barwa.com.qa); is a public shareholding company engaged in the real estate operations and development company. It is 45% owned by Qatari Diar Real Estate Investment Company. Among the projects developed by BRE are Barwa Village, Barwa City, Barwa Al Sadd, Barwa Commercial Avenue, Barwa Financial District and Baraha Motor City.
- iii. Qatar Foundation for Education, Science and Community Development (Qatar Foundation) (website: www.qf.org.qa); is the developer of Education City and owns Msheireb Properties, the developer of the 'Musheireb' - Heart of Doha development project. Qatar Foundation also owns Sidra Medical and Research Facility.
- iv. United Development Company (UDC) (website: www.udcqatar.com); is the developer of the Pearl of Qatar.

The local construction industry is dominated by a number of big foreign companies teaming up with local Qatari companies. The majority of the foreign companies are from Germany, USA, UAE, Turkey and other European countries. There are not many home-grown local construction companies.

Some of the distinctive features of the local construction industry are:

- i. Almost all engineering design consultancy firms operating in Qatar offered all-in consultancy services encompassing all disciplines; planning, architectural, civil, structural, mechanical and electrical design services, and quantity surveying services.
- ii. The industry also shows strong focus on compliance to strict environmental standards, health and safety requirements, project planning and quality control procedures. As an example, most projects require submission of detail environmental, health and safety plans, quality control/assurance plan, work method statements and detail work programme using 'Primavera' planning tools.
- iii. Lack of quality 'local' subcontractors. Any such subcontractors tend to be brought in by the foreign contractors from their home country. Most main contractors carry out work using their own direct labour and equipments, as compared to Malaysian contractors; with only specialised works such as MEP works being subcontracted out to specialist contractors.

- iv. Multi-national work force in the industry. This will add further complications in implementing construction projects due to language barrier, complexities of managing across cultures and other social issues at the work place.
- v. Almost all construction materials and parts, with the exception of sand, cement and steel reinforcement bars are imported. Supply of materials tend to be unreliable, either in delivery or adherence to previously agreed prices. Deliveries are especially bad during the month of Ramadan.
- vi. As a national initiative, all aggregate for construction in Qatar has been changed from local limestone to imported 'gabbro'.
- vii. Almost all tenders, including supply tenders require tender or bid bonds in the form of a bank guarantee or certified bank draft. The amount of the bonds are set abnormally high, sometimes it does not commensurate with the value of the contract.

It should be noted that Qatar also imposes strict regulation on the transportation of construction materials and disposal of construction waste.

5.2 REGISTRATION OF CONTRACTORS

There is no central registry of contractors. Contractors are to register with each individual Government departments, agencies or business entity. Normally, contractors can register on-line by visiting the appropriate departments or agencies' web site. Interested contractors may also write in with an expression of interest and normally will be sent a pre-qualification or registration form to be filled in.

However, all contractors including international contracting companies with authorized local agent in Qatar wishing to carry out their business in Qatar need to register with the Central Tenders Committee [CTC] (*website: www.ctc.gov.qa*) and obtain their classification certificates from CTC. CTC is the government's agency with the authority for issuance and renewal of contractors' classification certificates for the following categories: building, building maintenance, roads, drainage and water.

Its Classification of Contractors Committee reviews the contractor's documents and makes appropriate recommendation to the CTC of the proposed suitable grade in each category to be given to the contractor based on the contractor's technical and administrative staff, equipment, capital and past experience. Upon final assessment, decision and approval by CTC, a Contractor's Classification Certificate will be issued by the CTC Secretariat. Further details about the classification, classification system, classification conditions and terms and classification manual is available in Arabic at <http://www.ctc.gov.qa/Class-en.aspx>. Database on the classified contractors are kept by the CTC and is searchable at its website.

5.3 REGISTRATION OF A CONSTRUCTION COMPANY

Foreign architectural, contracting and engineering firms are not required to have a local presence for the bid process. However, by the time a contract is ready to be signed, participating foreign firms may need to have satisfied local establishment requirements.

As such, any foreign companies need to form a local company to obtain a commercial registration from MOBT before engaging in any commercial activity. The best available option is to form a limited liability company with a local Qatari partner. However, if the foreign company has secured a government contract, the company may apply to be exempted from having a local partner by submitting such request to the Investment Promotion Department at the MOBT, along with certified Arabic translation copies of the signed contract and its memorandum of association.

For architectural and engineering consultancy firms, the company also need to apply for a license to practice the propose profession to the Engineers and Consulting Offices Accrediting Committee at the Ministry of Municipality and Urban Planning (website: www.baladiya.gov.qa) before it can operate in Qatar.

5.4 PROCUREMENT PROCEDURES

Qatar government is the biggest end-user of a wide range of products and services. In principle, all government procurement contracts are administered under provisions of bidding and tender regulations included in Law No. 26/2005; mainly through a central procurement agency, the Central Tenders Committee (website: www.ctc.gov.qa) of the Ministry of Economy & Finance (website: www.mof.gov.qa).

The Central Tender Committee Law shall apply to all Ministries and other Government organisations except:

- a. The Armed Forces and the Police concerning the duties and works which are of confidential attribute whose conditions of contracts and tenders are regulated by an Emiri Decision.
- b. The Qatar General Petroleum Corporation [QP] concerning the petroleum industry in Qatar and abroad in all the stages of this industry.
- c. Any other authority in whose favour a decision by the Council of Ministers is issued on the basis of a proposal made by the Minister of Finance.

All contracts of public works, contracts of works, contracts of services, contracts for the supply of articles and their purchases shall be concluded through tenders subject to the provisions of this Law. With the Emir's approval, certain contracts of consultancy and technical services may be exempted from the provisions of this Law.

Tenders may be general, limited or local. General Tenders and Local Tenders are subject to the principles of publicity as regards procedure, equality and free competition. A Limited Tender is that in which participation is confined to firms who have been pre-qualified by the concerned government end-user subject to the approval of the CTC. Prior approval of the Minister of Finance shall be obtained for any limited tender. Besides that, all the provisions regulating the General Tenders shall apply to the Limited Tenders.

Some governmental entities such as Qatar Petroleum, Public Works Authority and Urban Planning and Development Authority have their own independent internal tender committees. Qatar Armed Forces and the Ministry of Interior are responsible for issuing tenders for classified materials and services.

In general, procurement procedures of these government entities and other semi-government bodies or government-linked companies tend to mirror those set by the government through its Central Tender Committee.

Bid and performance bonds are required in the form of unconditional bank guarantees with a local bank or certified local bank checks. The standard bid bond is 5% and performance bond is 10% of the contract. However, the above rate can be larger for certain projects.

5.5 CENTRAL TENDERS COMMITTEE [CTC]

The Central Tenders Committee [CTC] is established in accordance with Law No. 26/2005, amended by Law No. 22/2008 and Law No. 14/2010. The CTC has three main roles:

- Issuing and following up on government's tenders and auctions until its awards.
- Issuance and renewal of Contractors Classification Certificates.
- Purchasing and distribution of food items and animal feeds with subsidised prices for citizens.

In addition, it also handles requests from government's entities for calling of limited tenders and direct agreements. Besides its own technical affairs and supplies departments, CTC has three specialised committees: Tenders Committee to carry out tenders and auctions as per the financial ceilings set under the Tender Committee Law; Auction's Committee to carry out inspection and valuation of items, rental of real estate and movables intended for sale or leasing; and Classification of Contractors Committee for classifying contractors into various grades and categories and its renewals.

The Central Tenders Committee (CTC) is responsible for processing the majority of public sector tenders that are in excess of QR 1 million. The CTC applies standard tendering procedures and adheres to established performance practices. It also establishes the standards for rules that regulate bidding procedures. Information on CTC tenders may be obtained from the CTC office in Doha or on the Internet at <http://www.ctc.gov.qa/tender-en.aspx>.

5.5.1 General Tenders Committee (GTC)

The GTC is responsible for all tenders whose value is above QR 1 million, be it general or limited tenders. Technical bids submitted to the CTC, or other specialised tenders committees as the case may be, are referred to the appropriate government end-user for short-listing. The CTC then opens the commercial bids and recommends the lowest priced technically qualified bidder to the entity concerned, who will make the final award decision.

The recommendations of the CTC shall be approved by the Minister of Finance. If the value of the tender exceeds QR 50 million, it must be approved by the Emir on the basis of the proposal of the Minister of Finance. Inquiries about specific award decisions should be directed to the CTC.

5.5.2 Local Tenders Committee (LTC)

A Local Tender is a sort of General Tender but the value of which shall not exceed QR 1 million, whether in respect of supply of articles or contracts of works. Participation in such tender is confined to local contractors, suppliers and merchants registered in Qatar Chamber of Commerce, the Commercial Register and in any other register specified by Law.

The Local Tenders Committee shall review the local tenders received and submits its recommendations to the Minister of Finance for approval.

5.5.3 State Purchase Office (SPO)

The State Purchase Office (SPO), a division of the CTC, handles all local purchase orders (LPOs) for equipment and supplies required by various government ministries.

The SPO handles bids worth hundreds of millions of Qatari Riyals every year. The period for preparation of quotations is usually 30 days, but very often less than three weeks after the announcement of tenders. Under these circumstances, an established local distributor is very useful for successful bidding. Information on SPO tenders may be obtained from the newspapers in Doha or on the Internet at <http://www.ctc.gov.qa>.

5.6 TYPICAL TERMS OF GOVERNMENT CONTRACTS

5.6.1 Arbitration

Government contracts may include arbitration clauses. Unless stated otherwise in the contract, the standard clauses stipulate that disputes emanating from government contracts will be subject to arbitration in Qatar.

5.6.2 Payments

Foreign and local contractors are usually paid 20% of the contract awarded to them against unconditional bank guarantees. Further payments are made according to a standard payment schedule based on the progress of the project.

It should be noted that the payment schedule almost always authorizes the government to retain portions of payments due until after the completion and acceptance of the project. Foreign and local contractors may experience delayed payments, which do not accrue interest, usually due to bureaucratic red tape.

5.6.3 Language of the Contract

Arabic is the official language in Qatar though English is widely used. Bids should be in Arabic unless the tender document specifically indicates that English is required or accepted. It is quite normal to have the tender and contract documents in English.

5.6.4 Specifications

Specifications generally conform with British/European and, in recent years, American Standards.

Construction Outlook and Opportunities

6.1 THE CONSTRUCTION SCENARIO

Overview

A compelling statistic revealed in the *2011 GCC Infrastructure Guide* recently issued by *MEED Insight* (website: www.meed.com) is that the present value of major infrastructure projects currently under construction in Qatar amounts to over USD 55 billion, around half of the estimated USD 100 billion to be awarded. Apart from providing long term optimism of future growth, the report confirms that Qatar's infrastructure market is unique within the GCC as the vast majority of the investments being made are in the development of non-real estate sectors, such as the USD 35 billion ear-marked for an extensive national railway and metro network.

Qatar's construction industry has proven itself to be one of the most volatile in the region in terms of real growth, due mostly to the small size of the industry and the substantial scale of projects that have historically taken place. The industry experienced a deep contraction in 2009, until the third quarter of 2010.

Despite this weakness, the construction industry still holds some of the best opportunities for investors in the gulf region, for the following reasons:

- Large infrastructure and commercial construction projects are under way and upcoming, which relative to the small size of the construction industry, should considerably boost industry value such as USD 7 billion New Doha Port project, USD 13 billion Qatar-Bahrain Causeway, and USD 17 billion development of a national rail network.
- Construction companies entering the market based on perceived contract opportunities especially after Qatar won the bid to host the 2022 FIFA World Cup Finals.
- Strong Project Finance and Infrastructure Business Environment indicating an attractive and safe project finance environment and a stable business environment with numerous opportunities; and
- Government investment plans: 36.9% of 2010/2011 fiscal budget (QR 43.5 billion) has been allocated for major capital projects, with infrastructure set to account for the majority of this – QR 35.5 billion. The 2011/12 budget adds another QR 60 billion for development of infrastructure projects. The country's comfortable fiscal position will enable it to continue to allocate large sums to the infrastructure sector.

Infrastructure is definitely the area where there are the most opportunities as there is still going to be a lot of expansion in this area, partly because there is huge demand for infrastructure and partly because the government has a lot of ambitions. And yet, infrastructure is not the only area of opportunity. According to property analysts Colliers International (website: www.colliers-me.com), there is also a large amount of scope in the residential and retail sectors.

SWOT Analysis of the Construction Industry:

- Strengths**
- Construction of large-scale transport infrastructure projects is under way which will ease the strain on existing infrastructure.
 - A number of international companies have a presence in the country, which is open to international private sector involvement.
- Weaknesses**
- Single mode of overland transport (roads).
 - Much of the transport and ports infrastructure is nearing capacity.
 - Power generation infrastructure is strained to its limits.
- Opportunities**
- Qatar is developing its non-oil sector, which will herald supporting infrastructure developments.
 - Qatar need to develop brand new infrastructures and facilities for the 2022 World Cup Finals.
- Threats**
- The global credit crunch and slower world growth has implications for oil and gas prices, potentially undermining government revenues and therefore ability to procure infrastructure projects.
 - Poor planning and slow delivery of pre-construction technical documents could delay projects implementation.
 - Deep contraction in industry value in 2009.
 - Contract dispute between Ashghal and Bilfinger Berger (a German construction company who was terminated by Ashghal) and between Ashghal and UEM may lead to perceptions of regulatory issues.

Impact from the Successful Qatar 2022 Bid Win

Current reports indicate a major push for developments and population growth within Qatar. Numerous projects will be realised that weren't viable to date. The Government's willingness to support Qatar's development ahead of FIFA 2022 World Cup presents tremendous opportunities for contractors. The immediate sectors to benefit will be Infrastructure (Transport & Logistics) and Construction/Development. Several further sectors will benefit due to ancillary development needs (Healthcare, Financial Sector, Education and Power).

There are three pillars of investment initiatives in Qatar's winning bid:

- i. Stadiums (USD 3bn):
 - 7 host cities and 12 stadiums - renovation of 3 stadiums and construction of 9 new stadiums.
- ii. Accommodation (USD 12.4bn):
 - Team base camp hotels, etc. - 64 proposed of which 54 to be constructed.
 - Accommodation - 240 different properties proposed (90,000 rooms), mainly in four star category. 100 properties existing, 140 planned to be constructed (55,000 rooms).

iii. Infrastructure (USD 44bn):

- Four-line metro network (340 kilometers length) including a line running from the New Doha International Airport to the centre of Doha.
- Rail freight line between Ras Laffan port to Mesaieed port, via Doha, and then on to Saudi Arabia and Bahrain.
- New port to be completed by 2014 with subsequent phases due to be finished by 2030.
- New airport currently under construction (expected first phase completion in 2012, second phase in 2017).
- The construction of Qatar-Bahrain causeway and road network improvements.

A breakdown of the above spending and the expected timeline of spending are given in Appendix I. Actual spending is likely to exceed the projected amounts

Projects Announced in Budget 2011/12

200 Projects were announced to be initiated in 2011, consisting of:

- 22 Primary Infrastructure Development projects
- 35 Healthcare projects
- 27 Education projects
- 10 Social Security linked projects
- 11 Environment linked projects
- 95 Projects in other sectors

Detailed information not yet available since decision-making is ongoing. Healthcare and Education are the key sectors with 72 out of 200 announced projects.

Snapshot of Major Projects

A snapshot of Qatar's major projects is given in the Appendices.

- Appendix II – On-going Projects
- Appendix III – Unawarded Projects
- Appendix IV – Delayed or Cancelled Projects

These factors should drive medium-term (2010-2014) growth in the construction industry and ensure international contractors continue to be attracted to the sector. However, the expected boom in construction is likely to have an impact on the price of materials.

This positive outlook is further confirmed by a recent statement made by the Finance Minister of Qatar confirming that as much as 40% of the budget between now and 2016 would be allocated to infrastructure projects, with approximately USD 140 billion to be spent on the sector over the next ten years.

6.2 PROJECT FINANCING FOR CONSTRUCTION PROJECTS

Based on its GDP per capita, Qatar is one of the richest countries in the world. According to a report in January 2011 by the Qatar Central Bank (website: www.qcb.gov.qa), it has foreign currency reserves of QR 83.3 billion and gold reserves of QR 1.7 billion. The country is both oil and gas rich, and it is one of the top three gas producers in the world. High oil

and gas prices have provided huge windfalls to the state, which were then re-invested into construction in the country. Its 2011/12 budget, projecting a surplus of QR 22.5 billion is based on oil prices not exceeding USD 60 per barrel. The country's good credit ratings also enabled it to borrow internationally at low rates.

Due to Qatar's comfortable financial position, it does not need any outside funding from multilateral agencies. It is quite easy for contractors to obtain project financing from banks in Qatar especially for government projects or projects from government-linked companies. Contractors also have the option of turning to the Qatar Financial Centre Authority for project financing.

6.3 CONSTRUCTION SECTOR PROSPECTS AND STRATEGIES

6.3.1 Roads, Highways and Expressway

Overview

Qatar's overland transport network is wholly dependent upon roads. Qatar has 7,790 km of roads according to the latest available data from the CIA World Factbook. The network, as the main method of transporting freight and passengers across the country, is struggling to cope with growing demand from population expansion and economic growth. To alleviate the problem, Qatar government has committed USD 20 billion to expand and upgrade the current road network over the next five years.

The development of the road networks in Qatar is managed by Ashghal, with the exception of those in areas controlled and administered by QP. Within these areas the road network is developed and managed by QP or by its subsidiaries. The road network planning and development is based on the Transport Master Plan for Qatar (TMPQ) released in June 2008 by Qatar's Urban Planning and Development Authority.

Regulating Authority - Ashghal

Prospects

Upcoming major projects planned by Ashghal include major new roads connecting the New Doha International Airport to all cities in Qatar. Within Doha, improvements to the road network that include a multi-lane road tunnel linking the Corniche and current airport area with the West Bay business district.

In February 2010, it was reported that Qatar was to move ahead with the construction of a 12 km long subsea tunnel that will link Doha's new airport with the financial centres of Lusail and West Bay. The development of the tunnel is expected to cost over USD 1 billion. Denmark's engineering consultant COWI has submitted its report on feasibility and concept design, which are awaiting approval from the Urban Planning and Development Authority. The project is expected to reduce travelling time and traffic congestion. Based on reports regarding the initial design of the project, the tunnel would have three lanes in each direction. The government has not identified the entity that will be responsible for the project.

In early July 2011, Ashghal has called for a pre-qualification of contractors for work packages of the Doha Expressway (DXW) Programme.

The DXW Programme

Project Overview

The DXW Programme, totalling 601.6 km of roads; has been subdivided into multiple construction packages, of varying sizes and complexity and will be implemented in a staged program over the next 5 to 7 years. To date, 30 contract packages have been identified. The estimated construction duration for the contract packages varies from approximately 18 to 37 months.

Ashghal has appointed Kellogg Brown & Root International, Inc [KBR] (website: www.kbr.com), as the Programme Manager to manage the Expressway Programme on its behalf.

Client

Ashghal

Estimated Cost

Not confirmed at this stage

Project Description/Scope

A typical scope of work for each package includes some or all of the following: urban/rural freeways; interchanges; parallel frontage roads; signalised intersections; installation of all utilities including, where necessary, diversion of existing utilities; construction of structures; fencing; drainage; lighting; signage and road markings; and the provision of Intelligent Transportation Systems.

Breakdown of the contract packages are as follows:

Project No.	Project Name	Approximate	
		Length (Months)	Duration (km)
1	F Ring Road	9	24
2	Salwa Road Phase 2	7	21
3	Lusail Expressway	5.5	37
4	Dukhan Central Contract	15	30
5	Dukhan East Contract	7	36
6	East Industrial Road	3.5	18
7	Khalifa, Rayyan & Al Bustan Streets	27	24
8	E Ring Road & Wholesale Market Street	21	24
9	Al Furosiya, Huwar & Al Khafji Streets	20	24
10	East/West Corridor	15	24
11	East/West Corridor	6	24
12	Al Muntazah Street	10	30
13	Salwa Road Phase 3	3.4	30

DWX Programme con't

Project No.	Project Name	Approximate	
		Length (Months)	Duration (km)
14	Al Asiri to Al Matar Street	3.3	24
15	Wakrah Bypass	10.6	24
16	North Road Phase 4	35	24
17	Wakrah Main Road	24	24
18	Mekeines - Umm Bab Link Road	38	24
19	Al Jemaliya/Al Otoriyah/Al Shahaniyah Link Road	31	24
20	Al Jemaliya / AbuSidra / Bussaiyer Link Road	18.3	N/A
21	Howailah Link Road	16	21
22	Al Khor Link Road	16	24
23	New Orbital Highway and Truck Road	107	30
25	Al Khor Expressway 4	2.5	32
26	Northwest of Al Dafna	15	32
27	Major Roads West of Westby	14.5	24
28	Major Roads in Centre of Doha	11	24
29	Al Sadd/Rasheeda Street	8	24
30	Roads and Infrastructure South of Industrial Area	8	24
59	North Road Additional works	94	N/A

Completion Dates

Next 5 to 7 years

Current Status

Pre-qualification of Contractors

6.3.2 Bridges

As Qatar is flat, dry and with no river, there is hardly any bridge in Qatar except for the highway bridges and flyovers. However there is a plan to have a road and rail network linking all GCC countries. This requires building of a bridge to connect Qatar with the island of Bahrain and a bridge to connect Qatar to the UAE. Qatar has announced that it will soon construct the longest bridge in the world, the planned 45 km long road and rail causeway linking Bahrain to Qatar known as the Qatar Bahrain Friendship Bridge (also referred to as the Qatar Bahrain Causeway).

Regulating Authority

There is no regulating authority. A special purpose vehicle is set up to oversee the construction.

Prospects

The Qatar Bahrain Friendship Bridge, to be undertaken by Qatar Bahrain Causeway Foundation [QBCF] (website: www.qbcf.gov.qa); is often announced and often delayed due to political, financing, changes in the scope of work and costs issues. When first announced on the 13th of December 2008, construction was to start in early 2009 and would cost approximately USD 2.3 billion to complete. The latest announcement on April 27, 2011 stated that construction would start in 2011 for completion in 2015 at the cost of approximately USD 5 billion.

Qatar is also currently studying the feasibility of constructing a bridge between Abu Dhabi and Qatar to cut the travel time between Qatar and the UAE and to bypass Saudi Arabia. However, this proposal is still at a very preliminary stage.

The Qatar Bahrain Friendship Bridge

Project Overview

Plans for its construction were first made in September 2001, when the Danish consultancy COWI signed a contract with Qatar's Ministry of Municipal Affairs and Agriculture for the project's preliminary engineering and environmental investigations. The project was reportedly approved for construction on 28 February 2005. Subsequently a formal agreement was signed between the two countries on 11 June 2006 to form a company (QBCF) that would raise the necessary capital and initiate construction.

In September 2007, a memorandum of understanding for the construction of the project was signed between QBCF and a consortium of companies led by Vinci Construction (website: www.vinci.com). Other members of the consortium are Hochtief Construction AG (website: www.hochtief-construction.com), Consolidated Contractors Company (website: www.ccc.gr) and Qatari Diar Real Estate Investment Company.

On 15 November 2008, QBCF awarded a contract to KBR to provide design, project and construction management services to the project.

Client

The Qatar Bahrain Causeway Foundation (QBCF)

Estimated Cost

Estimates floated so far differs from approximately USD 5 to 17 billion.

Project Description/Scope

The link between the two countries would be approximately 40 km in length, and support both a road and a railway. The link is expected to consist of a number of bridges and will be a natural extension of the King Fahd Causeway that connects Bahrain and Saudi Arabia, thus linking the entire region. The eastern-end of the causeway in Qatar will be located at Ras Ashairij, 5 km south of the city of Zubarah. The opposite end of the causeway would link North of Askar in the Kingdom of Bahrain.

Due to its length, the causeway will not consist of a single bridge but of a number of roads on a total of 14 km of dams connected by 22 km of bridges and viaducts over deep water. These bridges would be 40 m in height at places to allow maritime navigation. This will include two 400 metre cable stayed bridges over shipping channels. There are also plans for a central island.

Completion Dates

The latest announcement on April 27, 2011 stated that construction would start in 2011 for completion in 2015

Current Status

The consortium led by Vinci Construction has already started preliminary works.

6.3.3 Railways

Currently there is no rail network in Qatar. In June 2008, Qatar Urban Planning and Development Authority completed the Transport Master Plan for Qatar (TMPQ). Part of the TMPQ called for a comprehensive three-tier rail based network hierarchy based on state-of-the-art; safe and environment-friendly design technology for the national and metropolitan public transport system. The backbone of the national public transport system shall be the East Coast Rail Link, a 115 km rail service operating along the densely populated corridor of Qatar's east coast between Mesaieed and Ras Laffan.



Qatar Rail Network Program

The Qatar Rail Network Program is being developed by the Qatar Railway Development Company (QRDC), which is 51% owned by Qatari Diar Real Estate Investment Company; while the balance is held by Deutsche Bahn International. The proposed rail network shall consist of the following:

- i. A *National Network* comprising of a high speed link with trains capable of reaching speeds of 350 km per hour between the New Doha International Airport, Doha City Center and Kingdom of Bahrain via the planned 45 km Qatar - Bahrain Friendship Bridge; a freight rail link based on the GCC rail network and an East Coast Rail Link, a passenger and freight railway linking Ras Laffan Industrial City in the north and Mesaieed Industrial City on the southern part of Qatar via Doha.

- ii. The *Doha Metro Network* which consists of a 300 km Metro rail network is the backbone of the metropolitan public transport system, providing infrastructure for 4 metro lines. The system's main objective is to link the hubs of demand within the Greater Doha Area (GDA). Bus Rapid Transit service is planned for the connective links serving the western and northern sub-centers of the GDA.
- iii. *Light Rail/People Mover Networks* - Light rail networks are being planned for major development areas currently under construction such as Lusail City, Education City and West Bay Areas. These will be undertaken by the respective developers; which by the way are all either directly or partly owned by the Government. Only Lusail City has so far started planning for the construction of a light rail system.

The rail project is expected to be finished in phases with three major sections being the focus of the scheme - the metro network within Greater Doha, the over-ground railways covering the whole of Qatar and then, linking it to the rest of the GCC region and cargo trains. The metro rail section of the project is expected to cover a total distance of 300 km with the trains running at speeds of 80 to 160 km per hour. The ground rail network will, on the other hand, cover a total distance of 345 km and traverse the entire country with passenger electric trains running at between 220 and 350 km per hour. This network will be linked to the GCC railways by 2017. Cargo trains covering major economic centres in Qatar will be running at 120 km per hour.

In 2022, major parts of the project is expected to be completed in time for the World Cup Finals and by 2026, the whole project including regional freight and passenger trains is expected to be completed.

Regulating Authority

The Qatar Railways Company, a special purpose vehicle 100% owned by Qatari Diar Real Estate Development Company

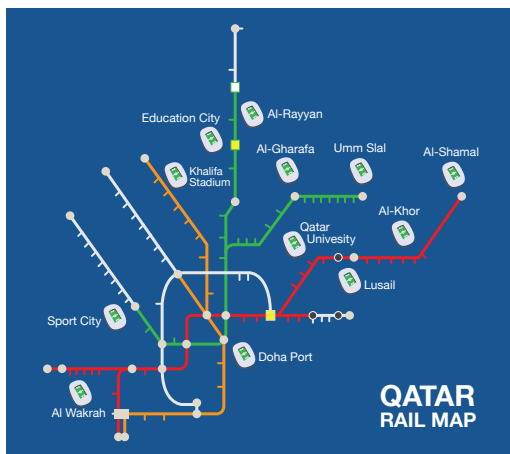
Prospects

There are opportunities for the construction the rail tracks, civil infrastructure and building of underground and above ground stations. Projects anticipated to be constructed in the near future are for the construction of:

- i. A high speed rail link between the New Doha International Airport, and Doha City Center with trains capable of reaching speeds of 350 km per hour. This rail link will later be extended to Bahrain via the planned 45 km Qatar - Bahrain Friendship Bridge. Reports so far indicate that the part of the NDIA to Doha city centre's hotel and business district in West Bay area shall be constructed underground.
- ii. The Doha Metro which is expected to cover a total distance of 300 km with the trains running at speeds of 80 to 160 km per hour.
- iii. The 115 km East Coast Rail Link for both passenger and cargo between Ras Laffan and Mesaieed via Doha; with passenger electric trains running at between 220 and 350 km per hour and cargo trains running at 120 km per hour.

- iv. A 345 km ground passenger rail network connecting other parts of the whole country.
- v. An 18.8 km light rail/people mover network for Lusail City, of which 7.6 km shall be underground.
- vi. A freight rail link to connect to the GCC Rail Network based on common specification of the GCC Rail Network.

So far, the government has allocated USD 17 billion for the development of a national rail network.



Doha Metro Network

Overview

The Doha Metro Network is a metro rail network covering Greater Doha and linking all major World Cup 2022 venues, villages and the hotels district. It will also be linked to the New Doha International Airport and the Doha Port.

Client

QRDC

Estimated Cost

QR 22.790 billion

Project Description/Scope

The Doha Metro Network, estimated to cost is made up of four lines (Red, Yellow, Green and Blue lines) stretching 300 km long with 98 stations linking locations such as Education City and West Bay, Lusail Urban Development Area, Doha Airport and Business and Conference Centre.

Completion Dates

The Red Line is expected to be completed by 2016.

Current Status

By late 2011, the Invitation to Bid for the construction contract of the Red Line is expected to be issued and the detailed design is expected to start.

Lusail Light Rail Transit Network

Overview

The Lusail Light Rail Transit Network, estimated to cost USD 1.8 billion will be built to cater for Lusail City, a new development covering an area of 38 km² of waterfront land located on the east coast of Qatar, 15 km north of the city centre of Doha. Lusail City will accommodate approximately 200,000 residents. It's tourist, recreation and cultural facilities are expected to attract further 80,000 visitors.

Client

Qatari Diar Real Estate Development Company/Lusail Real estate Development Company

Estimated Cost

QR 6.5 billion

Project Description/Scope

Four light rail operating lines with lengths of 21.2 km at grade, 7.6 km underground, 25 at grade stations, and 8 underground stations. It will be connected to the national rail network at 2 points of interchange along the Al Khor Highway.

Completion Dates

Not determined yet

Current Status

Planning stage

6.3.4 Ports

Qatar has three main ports, Port of Doha, Port of Ras Laffan and Port of Mesaieed. The main commercial port is Doha Port in Doha City. Mesaieed and Ras Laffan ports are at present mainly devoted to oil and natural gas shipping. Ras Laffan Port is the largest LNG exporting facility in the world, with an area of 8.5 km². Mesaieed Port also provides the only facilities for 'gabbro' (granite stone aggregates for use in construction) imports into Qatar. Mesaieed Port and Ras Laffan Port are under the jurisdiction of Mesaieed Industrial City [MIC] and Ras Laffan Industrial City [RLIC], respectively. Both MIC and RLIC are subsidiaries of QP. There are also several fishing ports, most notably those at Al Wakrah and Al Khor.

Regulating Authority

General Authority for Customs and Ports (website: www.customs.gov.qa).

Prospects

Currently, Qatar is undertaking the world's largest Greenfield port development project to replace Doha Port. The New Doha Port Project (website: www.newdohaport.com.qa); will have five cargo terminals and four container terminals. The port is set to become the country's main port, with operations being transferred from the Port of Doha to the New Doha Port over a period of six months, once the new port opens in 2014. On opening, the port will have the capacity for 2mn twenty-foot equivalent units (TEUs) and 2mn tonnes a year and this capacity is set to be expanded over the following four phases of development at the port, which run until 2030.

In January 2010, it was reported that the New Doha Port was still on schedule for phase one completion in November 2014; with a total of 21 contracts for the port's development are set to be launched in March 2010 and awarded in July 2010. The projects to be awarded will centre on the excavation of the port followed by two to three years of dredging.

NDPP has started calling for prequalification of contractors and tenders for contract packages. Tenders and prequalification notices are published in local newspapers and online at <http://www.newdohaport.com.qa/Contracting/opentenders.html>. Details' regarding NDPP's prequalification, tendering and contract procedures are also available from its website.

Mesaieed Port is upgrading the infrastructure for the storage area and additional berths in for the 'gabbro' imports on a fast track basis to cope with the current and anticipated upsurge in local construction industry. There are also plans to expand the port to cater to the increasing needs of the industries located within Mesaieed Industrial City. The planned extension shall be carried out by Qatar Petroleum through its subsidiary Mesaieed Industrial City.

The New Doha Port Project [NDPP]

Project Overview

The new port is to be constructed in four phases; the initial phase is due for completion in 2014 and the final in 2030. It is being constructed 5 km offshore, with a bridge connecting it to the mainline; at an estimated value of USD 7 billion.

Phase I of the NDPP envisions commercial terminals for containers, general cargo, bulk grain, vehicles, and livestock. The Phase I Container Terminal will include a 71 hectare shore side facility with a 1,200 m quay and a berth depth alongside of 17 m CD. The Container Terminal is planned to have an ultimate throughput capacity of 2 million TEUs.

The NDPP Steering Committee has selected AECOM as the Programme Management Consultant; WorleyParsons in association with Royal Haskoning to prepare the Master Plan and serve as the Engineering Design Consultants; and COWI will serve as the Environmental Consultants. On November 10th 2008, the NDPP Steering Committee signed contracts with Cansult Maunsell and WorleyParsons Qatar to provide project management services and engineering design for the development and construction of the New Doha Port.

Client

The New Doha Port Project Steering Committee.

Estimated Cost

QR 19 billion

Project Description/Scope

The scope of work includes construction of new Doha port with a container capacity of 6 million 20 foot equivalent units (TEUs) located in Economic Zone 3, Al Wakra, (an area south of Doha between Mesaieed and Al Wakra) and will be linked to the mainland by an 8.5 km long trestle bridge. The port will cover an area of 20 km². The NDPP will boast a draught of 17 m, allowing it to cater for the largest ocean-going vessels. Cruise ships will also be able to berth at the port to accommodate visitors.

Phase 1 of the project, which is due for completion by 2014, includes a 1200 m long, 3-berth container terminal, a 1200 m long general cargo terminal, and separate terminals for grain, car carriers, livestock and offshore supply vessels. Phase 2 comprises of the expansion of the northern basin and a new 1200 m long container terminal, as does Phase 3 with associated basin deepening and widening works.

The new port is planned to have direct links to the new and upgraded highway systems and also links to the proposed new railway system. This will also locate the port in the neighbourhood of major commercial and industrial development areas to provide synergy between such developments and cater for Qatar future needs.

Completion Dates

The port is to be constructed in four phases; the initial phase is due for completion in 2014 and the final in 2030

Current Status

On 13 March 2011, NDPP Steering Committee awarded the first construction contract for Phase 1 of the NDPP (Contract Package NDPP/0009 - Port Basin and Breakwaters) to the China Harbour Engineering Company Limited. The QR 3.2 billion contract package includes excavation of the harbour basin and construction of the quay walls and inner breakwaters. In June 2011, nine companies have submitted their bids for the second main tender for the port.

In July 2011, NDPP called for a prequalification of contractors for Package NDPP/0026: Container Terminal Infrastructure & Utility Buildings. The package is for the construction of container terminal (approximately 75 hectares), onshore infrastructure, utility buildings, internal port roads and utilities (approximately 17 km) and external access roads and highway intersections.

6.3.5 Airports

Qatar has three airports with paved runways. Currently the only international airport is Doha International Airport, which has both a passenger and cargo terminal. The airport's capacity is 12 mn passengers per year; however, it is currently operating over capacity, with 2007 data showing a passenger throughput of 14.9 mn passengers.

Regulating Authority

Qatar General Civil Aviation Authority (website: www.caa.gov.qa).

Prospects

The existing airport is undergoing significant upgrading to handle the increase in passenger growth until the new airport is opened.

A new airport is currently under construction, the New Doha International Airport (NDIA) (website: www.ndiaproject.com). Once NDIA opens, it will position Qatar as a leading regional aviation hub. It will be able to handle around 50 million passengers and 320,000 aircraft landings and take-offs each year. The terminal will have 24 contact gates in the first phase and will accommodate up to six A380-800 Super Jumbos when fully developed.

The New Doha International Airport (NDIA)

Project Overview

The project started in 2004 and is being constructed on an area the size of Doha city, 22 km², with half of this being formed of reclaimed land. It will have a capacity of 24 mn passengers and 750,000 tonnes of cargo annually. Facilities include a passenger main terminal complex, a private Emiri Terminal complex, a control tower, two runways, a mosque and a hotel. Over 100 hectares alongside the new airport have been reserved for commercial development, including free trade zone, offices, retail mall and hotels including three high-star classification hotels for the convenience of visitors. The opening of the new airport has been subject to delays, with the opening date pushed back a number of times. The most recent announcement stated that the airport will be opened in 2012.

Client

The New Doha International Airport Steering Committee.

Estimated Cost

The cost of the airport has increased substantially from when it was launched in 2004, from USD 5.5 billion then to around USD 14 billion now.

Project Description/Scope

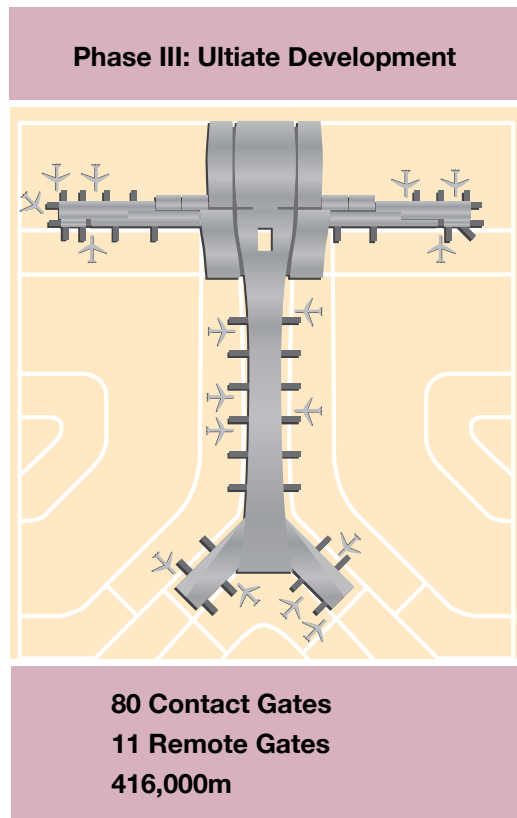
The project include two runways, at 4.2 km and 4.85 km; the main terminal complex, a private Emiri terminal complex, a mosque and a hotel. The main terminal will have 24 contact gates in the first phase. The project will be developed in three stages until final completion of the ultimate development scheduled for 2015. Phase I (indicated blue in the accompanied diagram) – Opening Day - will have 24 contact gates, 7 remote gates and a built-up area of 130,000 m²; Phase II (yellow) – Mid-term Development - will have 40 contact gates, 12 remote gates and an area of 219,000 m² and Phase III (green) – Ultimate Development - will have 80 contact gates, 11 remote gates and an area of 416,000 m².

Completion Dates

Phase I – expected to be in 2012. The final completion is scheduled to be in 2015.

Current Status

Under construction. In July 2010, Besix - Midmac Contracting JV was awarded a USD 750 million contract to build the third phase of NDIA's passenger terminal complex.



6.3.6 Power and Energy Sector

Sector Overview

Qatar has no renewable electricity generating capacity but boasts excellent solar resources. All its power is generated from thermal power plants, mostly developed as integrated water and power plant. In the past two years there have been hints the country might invest USD 5 billion in its solar capability. The most recent report suggests that a USD 1 billion solar plant might be built, although details have yet to be made available. Potentially related to this, Qatar Foundation in March 2010 form a joint venture called Qatar Solar Technologies (QSTec) with German company SolarWorld AG and Qatar Development Bank to establish a USD 500 million solar cell plant on a 1.2 million m² piece of land in Ras Laffan Industrial City. Stage One is scheduled for completion in 2012 and is expected to initially produce 4,000 tonnes of polysilicon each year is designed to expand as demand grows.

Qatar Electricity and Water Company [QEWCo] (website: www.qewc.com); is responsible for the production of electricity and sell it to Qatar General Electricity and Water Corporation [KAHRAMAA]. KAHRAMAA is responsible for the transmission and distribution of electricity and water and is the sole transmission and distribution system owner and operator for the electricity and water sector in Qatar; outside of areas administered by QP.

Electricity production is about 7,600 MW now and is set to increase to 8,800 MW by 2011 and to 9,309 MW by 2013. Current demand is about 6,572 MW and could grow to 8,500 by 2015. Average electricity consumption per capita had increased from 12.963 kilowatt hours (kWh) in 1997 to 17.774 kWh in 2007 while electricity customers' number increased as well the from 132,429 in 1998 to 191,476 in 2007.

Qatar plans to sell its excess electricity to other GCC counties via the proposed GCC Interconnection Grid. Several 400 kV transmission substations, overhead lines, cable circuits and NCC development projects are under construction to meet the GCC electricity interconnection requirements.

With such increase in power generation capacity, KAHRAMAA has correspondingly undertaken a massive expansion of its transmission networks in a series of phased projects. The development and expansion projects of Qatar Electricity Transmission Networks attract the attention of major international companies as they are deemed among the largest package projects in the world.

Regulating Authority

KAHRAMAA

Prospects

A recent report by Business Monitor International (website: www.businessmonitor.com) predicts that between 2010 and 2014, Qatar's annual GDP growth will average 8.2%, GDP per capita will rise by 21% and per capita electricity consumption will increase by 28%. On this basis, electricity demand is expected to rise from an estimated 20 kWh in 2010 to 33 kWh in 2014, a rise of 65% in just five years. In order to meet this demand, generating capacity need to increase by 49% between 2010 and 2014. Over the longer term a further rise in generating capacity of 52% is predicted to come between 2014 and 2019, equating to a ten-year increase of 127%. Most of this extra capacity is expected to be provided by thermal power plants.

Power Generation

Despite its current power surplus, QEWC plans to set up an electricity plant with a capacity of up to 5,000 MW by 2016 to meet rising demand. Work on the plant is expected to begin by 2013.

These capital intensive projects are normally carried out through independent power projects on EPCC basis. Beside the usual opportunities in the engineering and construction works, there are opportunities for investors to invest in these projects as their returns are quite guaranteed.

Among the projects under consideration are the construction of a 5,000 MW Power Station scheduled to start by 2013 for completion by 2016 and a Solar Power Complex - Qatar 5000 Greenfield project; scheduled to start construction in Mar 2014, although details have yet to be made available.

Electricity Network Expansion

KAHRAMAA is currently undertaking the next phase of its electricity expansion projects – Phase IX, which is expected to be worth more than that of Phase VIII. As a comparison, contracts for the last phase, Phase VIII; worth more than QR 12.75 billion were signed in June 2008. In total, Phase VIII involved 19 contracts for 37 new 66, 132 & 220 kV substations and three 400 kV substations, as well as 835 km of new transmission and distribution power lines.

Phase IX Electricity Network Expansion Project

Project Overview

KAHRAMAA's IX phase of transmission expansion project represents a new stage to continue the reinforcement to the main transmission networks and to secure the power supply to industrial and domestic sectors. This phase has been divided into a number of subprojects. In May 2010, KAHRAMAA scaled back its original plans for the Phase IX expansion by cancelling 10% of its planned substations and staggering the construction of the remainder.

Client

KAHRAMAA

Estimated Cost

On April 13, 2010, several Phase IX subprojects contracts worth QR 4.285 billion were signed

Project Description/Scope

The original plan consisted of 54 substations split between 10 packages, the new strategy limits the number of packages to 8. Under the new expansion project, KAHRAMAA will set up 22 primary substations and upgrade 8 existing substations. The project will also cover the construction of 437 km of 400 kV, 220 kV, 132 kV and 66 kV lines, the upgrade of 297.7 km new cable and modification of 61.6 km-long cable network. As part of Phase IX, one 400 kV substation will be constructed, which will be connected to the Gulf Cooperation Council power grid. This network currently interconnects Kuwait, Bahrain, Saudi Arabia and Qatar.

Completion Dates

Not confirmed as scope of work is under review.

Current Status

In view of the recent development, KAHRAMAA is reviewing the scope of works to be carried out under Phase IX to cater for the anticipated increase in the development and infrastructure projects associated with the preparation for 2022 World Cup Finals.

6.3.7 Water Supply and Waste Water Treatment

Overview

Qatar is a small country in terms of population, but it is one of the world's largest water consumers on a per capita basis. More than half of the country's water goes to the agricultural sector, but increasing demand is coming from the country's growing urban population. It is a country with limited and declining groundwater resources and the state is therefore investing heavily in desalination plants. It has one of the longest-standing desalination programmes in the Middle East. Qatar is also increasing its efforts to treat and reuse waste water for the agriculture sectors and to irrigate its parks and landscape areas.

KAHRAMAA is the regulator and sole owner and operator of the transmission and distribution system for the water sector in Qatar. It is also responsible for setting water tariffs, which have been heavily subsidised for decades. QEWC is responsible for the production of desalination of water and selling it to KAHRAMAA;

The main ministries and institutions responsible for water development, planning and management in Qatar are:

- The Ministry of Environment (website: www.moe.gov.qa) represented by the General Directorate of Research and Agricultural Development, responsible for the management of groundwater use in agriculture.
- Drainage Affairs of Ashghal, which is responsible for the collection of wastewater and its treatment and distribution to the farms and the Doha landscape;
- KAHRAMAA, responsible for providing desalinated water for drinking and industrial use is the sole owner and operator of the water transmission and distribution system; in areas not under the administration of QP.
- QEWC, responsible for the desalination of water and selling it to the KAHRAMAA;
- Supreme Council for Environment and Natural Reserves (SCENR), (website: www.qatarenv.org.qa) responsible for the protection of water resources;
- Planning Council of the General Secretariat for Development Planning (website: www.planning.gov.qa), concerned with planning for water and other resources;
- The Central Laboratory, Ministry of Public Health, which is responsible for analysis of chemical and biological contaminants in drinking water and TSE.

Water Sector - Total investment in water sector during the period from 2000 to 2008 was QR 11 billion, while QR 10 billion has been budgeted for projects planned during the period from 2009 to 2012.

Production capacity of potable desalinated water in Qatar in 2008 is 216 Million Imperial Gallon per Day [MIGD] and is expected to reach 325 MIGD by 2011. Main water network in 2000 measured 1,926 km and is planned to reach a total length of 4,682 km by 2012. Since 1990, the country's storing capacity has gone up 281% to 290 million gallons currently. At present, 22 storage reservoirs, linked to 3,622 km of water pipe network, carry 259 million gallons of water per year. Water consumer numbers have increased from 89,811 in 1998 to 166,000 in 2009. This remarkable growth in the water demand is due to substantial growth in Qatar's urban areas and rapid expansion of both agriculture and industry. The population of the country is projected to reach 2.7 million by 2017 from the current 1.7 million.

Production capacity of potable desalinated water is expected to reach 325 MIGD by 2011 after the new stations join service. Much of the expansion in Qatar's desalination programme is being achieved through independent water and power projects (IWPPs). The largest of these is the Ras Girtas project recently completed in the Ras Laffan industrial complex.

Treated Waste Water Sector - Qatar is also making serious efforts to increase treatment and reuse of wastewater. The volume of treated sewage effluent (TSE) has been increased through the connection of more residential areas to the public sewer and extension to Doha South and Doha West Treatment Plants.

Ashghal is continuously upgrading its sewage treatment plants [STP], sewerage reticulation and TSE waste water reticulation networks. These STPs can produce high quality treated water on par with international standards in order to serve the needs of irrigation and cultivation, and to keep environmental balance.

The amount of TSE increased from 46 million m³ in 2004 to 58 million m³ in 2006 and the amount reused in forage production and irrigation of landscape increased from 39 million m³ to 44 million m³ during the same period.

Regulating Authority

KAHRAMAA (for water) & Ashghal (for wastewater)

Prospects

Further expansions are foreseen, as the demand for water is on the rise and capacity addition in the near future is expected.

Water Desalination Projects - QEWC is scheduled to start a reverse osmosis desalination plant and an IWPP construction in 2013 for completion by 2016. These types of capital intensive projects are normally carried out on EPCC basis. Beside the usual opportunities in the engineering and construction works, there are opportunities for investors to invest in these projects as their returns are quite guaranteed.

Development of Water Network - The main water distribution network is subject to parallel upgrading plans to cope with production increase. KAHRAMAA plans to spend USD 9 billion in the next 5 years to augment its water distribution network across the country. Tenders have been floated for several key projects for enhancing the country's water distribution system to meet the burgeoning demands. KAHRAMAA has also launched several projects to replace the old and obsolete water distribution networks. At present, QR 90 million works for replacing the water network system in Doha is in progress.

These replacements coupled with the development of new main water transmission network and expansion of its sub networks represent KAHRAMAA's vital strategic move to cope with the current urban development.

KAHRAMAA is currently planning a series of water network improvement and development projects to further increase the number of reservoirs and the network of water pipes throughout Qatar to cater for the increase in the production capacity, for the expected increase of population by 1 million in 2017 and for the unexpected increase in demand due to the construction of new development projects and sports facilities for the 2022 World Cup; such as an additional 70,000 hotel rooms and 9 new stadiums at locations spread all over the country. KAHRAMAA is also finalising its strategic water storage project with plans to develop a huge underground tank to store piped water equivalent to the country's 7 days demand in case of any emergencies.

Sewage Treatment and Treated Water Projects - Besides upgrading existing sewage treatment plants and pumping stations, Ashghal has planned for the construction of new sewage treatment works and increase the sewerage and treated water reticulation networks for agriculture usage. Some of the projects planned are:

- i. Doha West STW (Sewage Treatment Works) - The project is aimed to serve the increased population to the west of Doha and will cater for a population of 500,000 until 2020. The project includes construction, operation and maintenances for 10 years.
- ii. Doha North STW - This project will serve north Doha area including north of Gharafa, Umm Salal, Simaisma and Lusail areas. By the end of project, in addition to the areas mentioned, Pearl Island and North Costal Road will receive irrigation water. The project work comprises construction, operation and maintenance of the plant for 10 years. As a comparison to its cost, Doha South STW Phase II Expansion was awarded recently to Larsen & Toubro Ltd-Galfar JV for QR 691.2 million.
- iii. Pumping Station N25 - The project will serve the elite areas north of Doha city, Towers area and West Bay. The salient components of this project are a major pumping station with capacity of 3,300 l/s and 5 km twin 1.2 m diameter rising mains. The proposed pumping station will collect and pump the sewage to the new STW at Doha North.
- iv. Civil Project 505 - This project will serve the Industrial area of Doha. The project comprises construction of a pumping station and 26 km of sewerage pipelines.
- v. C5/208 Maintenance of Pumping Stations Phase 6 - The project includes maintenance and upgrading of the electro- mechanical system for a number of pumping stations until 2030.

- vi. C652 - Al Thakhira STW Phase 2 - The project includes designing and construction of sewage treatment plant for 70,000 residents in Al Thakhira area and connecting it with the main sewerage network and treated water network.
- vii. C565 - Markhia Drainage & Outfall System - The project will cover Al Markhia area, south of Rayyan Road, D-Ring Road and up to Old Rayyan. The project is to collect surface and groundwater from these areas to the existing PS No. 5.
- viii. C693 Aziziyya Sewage Network - The project will serve the Al Aziziyya zone, located at north of Salwa Road and Al Waab Street. The proposed network will collect and pump rainwater and groundwater from the areas to the existing PS No 13.
- ix. PS 16 Upgrading and Catchment Sewerage - The contract for professional consultancy design services was recently awarded to Hyder Consulting Middle East Ltd in early December 2010.

6.3.8 Building Construction – Housing

The housing market in Doha is undersupplied by as much as 40,000 units. Current demand is 142,000 units but existing supply is only around 102,000. The residential sector has traditionally been undersupplied and it remains undersupplied in the overall sense. However, demand is really only at the low end and in the middle end of the market; the more expensive sub-sector having been oversupplied by luxury developments previously. The high end of the market is actually becoming saturated as developers have been focusing on this end due to its larger profits margins.

The greatest demand for residential space comes from the expatriate population, which is far bigger than the local population. So as the expatriate population is growing, so is demand for mid-high end properties, things like townhouses, villas and apartments inside and outside of Doha. That is an area of the market which could quite lucratively be looked at by developers, either local or foreign.

6.3.9 Building Construction – Real Estate Development

There are several large real estate developments either currently being developed or being planned. Briefly, some of the developments currently in progress are:

- i. *Education City* - an educational district located on the outskirts of Doha is an initiative of Qatar Foundation for Education, Science and Community Development (Qatar Foundation). It covers 14 km² and will house educational institutions including schools, research centres, university campuses for the branch campuses of some of the world's leading universities and an equestrian centre. Education City aims to be the centre of educational excellence in the region, instructing students in fields of critical importance to the Gulf Cooperation Council region. It is also conceived of as a forum where universities share research and forge relationships with businesses and institutions in public and private sectors.

Value: N.A.

Developer: Qatar Foundation

- ii. *Lusail City* (website: www.lusail.com) - located on the east coast of Qatar, approximately 15 km north of the city centre of Doha. It covers an area of 38 km² of waterfront land subdivided into 19 integrated and diverse mixed-use districts. Lusail City encompasses not only new residential, commercial, hospitality, and retail facilities, but a full array of community needs, such schools, medical facilities, sport, entertainment, cultural facilities and shopping centres. It will accommodate approximately 200,000 residents. An estimated 170,000 people are anticipated to work at the different districts. Tourism, recreation and cultural facilities are expected to attract a further 80,000 visitors.

Value: QR 18.2 billion

Developer: Lusail Real Estate Development Company

- iii. *Barwa City* – Barwa City is being developed in two phases on a 2.7 million m² in Mesaimeer. Phase I includes the construction of 128 residential buildings with 6,000 apartments, schools, kindergartens, mosques, a health club, food and sports courts, bank, a shopping mall and multi-purpose hall plus other amenities. The development also includes district cooling for cold water and climate control and LPG for hot water and cooking. Phase II will include major additional projects including further schools, kindergartens, residential and commercial complexes, a 250 bed hospital and a hotel.

Value: Phase I - QR 7.5 billion

Developer: Barwa Real Estate Development Company

- iv. *Barwa Al Sadd* – a top end commercial and residential complex covering an area of 27,654 m² in Al Sadd. The project consists of 3 office towers (2 blocks of 21-storey and one 18-storey block), a 238 room five star hotel tower, a 4-storey podium block, three 10-storey apartment blocks, a 3-storey recreational building and a 5-storey car park.

Value: QR 2.3 billion

Developer: Barwa Real Estate Development Company

- v. *Barwa Commercial Avenue* – An 8 km long mixed use development targeted at Qatar's young entrepreneurs and investors with its modern and flexible design being developed close to Qatar's industrial area city; it offers 547 retail spaces and 460 residential units and offices with a total built-up area of 1 million m². Its spacious public areas will have food courts, groceries, pharmacies, restaurants, shopping malls and other amenities.

Value: QR 8.8 billion

Developer: Barwa Real Estate Development Company

- vi. *Barwa Financial District* – integrated mixed use development on a 71,000 m² plot at a prestigious location in Doha West Bay area consisting of 9 office tower and a luxury hotel tower blocks. The towers range in heights from 21 to 52 storeys.

Value: QR 8.2 billion

Developer: Barwa Real Estate Development Company

- vii. *'Musheireb' - Heart of Doha* (<http://hod.dohaland.com/>) - a 35-hectare of multi-purpose urban redevelopment.

Value: USD 5.5 billion

Developer: Msheireb Properties (website: www.msheireb.com)

viii. *The Pearl - Qatar* (website: www.thepearlqatar.com) – Mixed development for 30,000 residents on a man-made island 350 meters off the coast of Doha's West Bay Lagoon.

Value: USD 2.5 billion

Developer: United Development Company (UDC)

Some of the developments that has been planned but yet to take off are:

i. *Energy City Qatar* (website: www.energycity.com/qatar/home.html) - Commercial centre for companies in the energy industry, to be built in three phases.

Value: USD 3.5 billion

Developer: Energy City Development Company (website: www.energycity.com)

ii. *Urjuan* - an integrated city development located in Al Khor for 63,000 residents.

Value: QR 35 billion

Developer: Barwa Al Khor (a subsidiary of Barwa Real Estate Development Company)

There are some more major developments that are currently being planned. One of them is Baraha Motor City – a special development related to the motor industry to be developed in three phases on a 1.8 million m² plot southwest of Doha close to the Industrial Area. The aim is to create a modern, attractive and functional destination which among other will offer used car services and a car auction facility to the general public and truck wash services and other facilities to the commercial vehicle market. The estimated value of this development is QR 1.2 billion and the developer is Barwa Real Estate Development Company.

6.3.10 Building Construction – Commercial & Tourism

Hospitality Sector

Currently the market is heading for huge oversupply with another 4,200 hotel rooms slated for delivery by 2012 on top of 9,454 hotel rooms available at the end of 2010. Average room rates in Doha have dropped 17% since 2009 while revenue per room has declined by almost a third. According to Qatar Tourism Authority (website: www.qatartourism.gov.qa), out of 42 new hotels that were scheduled to open by the end of 2010, just 28 were actually opened with the remaining will only open in 2011. All in all, about 40 new hotels are expected to open in the next 12 months.

In their bid for 2022 FIFA World Cup Finals, Qatar has promised FIFA to more than double hotel and apartment rooms to 84,000, at a cost of USD 17 billion. There are 100 existing properties, with a further 130 to be built, all but 13 of which will be built after 2016. They will all be located within 20 km radius from the stadiums.

Qatar is planning to have more than 90,000 hotel rooms in place for the World Cup. Since Qatar already have a lot of five-star luxury hotels, it wants to develop more and more three and four-star hotels to cater to spectators from different income groups visiting the country for the 2022 event as not everyone can afford a five-star hotel.

In their bid for, Qatar also proposed 64 five-star training camps based on two models: the pairing of 32 hotels with 32 training sites and the other of two villages containing 16 clusters each of luxury houses, facilities and a training pitch. Only 10 of the 64 currently exist, and all cluster developments are still on the drawing board.

Commercial Sector

The outlook is not optimistic for the office market, which is heading towards total saturation. Doha has seen rates for A-grade office space fall by as much as 15% in the last year. Margins are likely to be further squeezed with the addition of another 200,000 m² of office space scheduled to come on line in 2011.

Qatar also proposed to build a new International Broadcast Centre for the World Cup by 2020, though no plans have yet been finalised over the location of the new facility. There is an argument that supports basing the facility in Media City, which is central to all main venues; however final plans were to be made after the AFC Asian Cup in January 2011. The Cup event was to give Qatar a chance to consult with international media over their requirements.

Retail Sector

With just 630,000 m² of gross leasable area (GLA) available presently and with the potential for up to 1,000,000 m² of space in total, Doha continues to be under-supplied in this sector, even after an increase of 31% GLA in 2009. This, combined with high disposable incomes among individuals, would point to huge opportunities in this sector as there is a gap in the Doha market and a strong demand for proper, super-regional, retail and entertainment destinations. Despite good purchasing power yet Doha is probably the richest city in the world without a world-class retail destination. Thus, the Doha retail market is under-supplied both in terms of quantity and quality.

Doha Festival City - a joint venture between Al Futtaim Capital (a member of UAE's Al Futtaim Group (website: www.futtaim.com), Qatar Islamic Bank, Aqar Real Estate Investment Company and a private investor; is a 2.5 km mall development. It is slated to be Qatar's largest mall that includes a shopping complex, an entertainment park and two international hotels.

Located 15 km north of the capital on Al Shamal Road, it will be a 433,847-square metre entertainment, retail, hospitality and commercial facility worth QR 6 billion. Construction of phase one which includes Swedish furniture giant IKEA, is slated for completion in the second half of 2012; while phase two is scheduled to be completed by 2014.

It is designed by DP Architects with Arab Engineering Bureau appointed as project architects. MACE International has been named project manager while Al Futtaim Investment Management is the investment manager.

Medical Facilities

Hamad Medical City, [owned and funded by Hamad Medical Corporation (website: www.hmc.org.qa) - the sole public healthcare service provider in Qatar] is a USD 900 million integrated medical complex consisting of several specialty hospitals. Work is underway to build an associated medical complex that will consist of a 338-bed Paediatrics Hospital, a 200-bed Orthopaedics Hospital, a 230-bed Physical Medicine and Physiotherapy Hospital, a 40-bed Day Care Surgery Centre and a 228-room Home Care Centre for the elderly.

Sidra Medical and Research Facility (SMRF) (website: www.sidra.org) is owned and funded by Qatar Foundation with USD 8 billion endowment. SMRF main focus is to provide world-class medical care for women and children, to train medical students and clinicians, and to specialize in pregnancy health, infertility, genetic abnormalities, and other diseases specific to females.

SMRF is constructing the Sidra Digital Medical Care & Research Centre; a 550-bed teaching hospital, which will serve as the primary teaching hospital for Weil Cornell Medical College. The project is valued at USD 2.3 billion and is set to open in 2012.

Qatar Foundation's Capital Projects Department is overseeing all elements of the design and construction of Sidra Medical and Research Centre. Qatar Petroleum serves as the Client Representative on behalf of Qatar Foundation, KEO International is the Program/Construction Manager, serving as the link between Qatar Foundation, Qatar Petroleum, the Executive Architect, and all other parties. Construction contract has been awarded to an international consortium including OHL and Contrack.

6.3.11 Stadium Construction

For the 2022 FIFA World Cup, Qatar will spread the tournament over seven host cities, all within a 25 km radius. Host cities include capital Doha, Al-Rayyan, Al-Daayen, Umm Salal, Al-Khor, Al-Wakrah and Al-Shamal.

In the run-up to the tournament, Qatar will build nine stadia and refurbish three more; with seating capacities of each stadium greater than 40,000; thus increasing the total seating capacity from 92,964 seats currently to 605,830 seats. All the stadia will be eco-friendly, carbon-neutral and equipped with solar-powered air conditioning.

The list of the stadium is given in the table below:

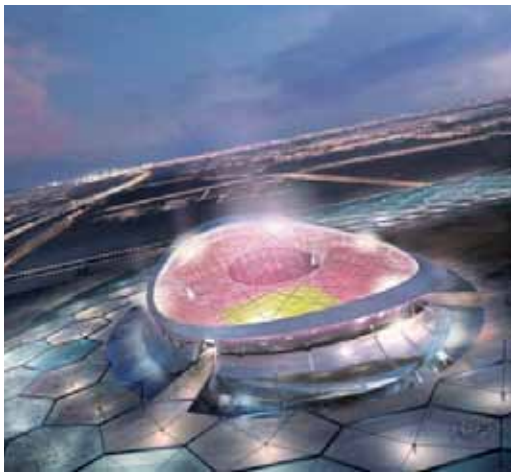
No	Location	Name of Stadium	Existing Capacity	Planned Capacity
1	Al Daayen	Lusail Iconic Stadium		86,250
2	Doha	Khalifa International Stadium	50,000	68,030
3	Doha	Sports City Stadium		47,560
4	Doha	Doha Port Stadium		44,950
5	Doha	Qatar University Stadium		43,520
6	Al-Khor	Al-Khor Stadium		45,330
7	Al-Shamal	Al-Shamal Stadium		45,120
8	Al-Wakrah	Al-Wakrah Stadium		45,120
9	Umm Salal	Umm Salal Stadium		45,120
10	Al Rayyan	Education City Stadium		45,350
11	Al Rayyan	Al Rayyan Stadium	21,282	44,740
12	Al Rayyan	Al-Gharafa Stadium	21,282	44,740
Total			92,564	605,830

Qatar will not need this level of seating capacity after the World Cup. To solve the problem of possible “white elephants” while ensuring a lasting legacy, modular components will be used in building most of these stadia. After the tournament, Qatar will donate 170,000 seats of this modular seating from the stadia to developing nations around the world, creating 22 new beautiful stadia. The upper tier of 9 of the stadia will be removed after the tournament. One, Doha Port Stadium, will be completely modular and will be deconstructed following the FIFA World Cup.

More than QR 2.3 billion has been allocated to construct each of the nine stadiums, in addition to three that need major renovation.

Currently, all of these stadia are still in the planning and design stages and will take some time yet - up to a year - before contracts start filtering through.

Home Stadium - Lusail Iconic Stadium



The 86,250 seat Lusail Iconic Stadium, designed by architects Foster & Partners is due to be completed by 2019 and will host the opening and final matches of the competition. The stadium will be surrounded by water and built in the Al Daayen section of Lusail City. It is set to be the most iconic of all the stadia and estimated to cost USD 662 million to build. It includes a fully retractable roof (the world's largest cable-net roof) and environmentally friendly, solar technology that will cool the stadium to 27 degrees Celsius. Located on an east-west orientation, it will also have shade across the entire pitch.

The stadium takes its inspiration from the sail of a traditional dhow boat and is surrounded by water. After the World Cup, the stadium will be used to host other spectacular sporting and cultural events.

Doha Port Stadium

The new Doha Port Stadium will be a completely modular stadium with 44,950 seats. The stadium, which will sit on an artificial peninsula in the Gulf, is designed to evoke its marine setting. Water from the Gulf will run over its outer facade, aiding in the cooling process and adding to its visual allure. Fans will have the option of arriving on a water taxi or ferry. After the World Cup, the whole stadium will be disassembled.



Sports City Stadium

Drawing inspiration from traditional Arab tents, Sports City Stadium will have 47,560 seats. A retractable roof, partly retractable pitch and retractable stands will make the stadium Qatar's premiere multi-use facility in the decades following the FIFA World Cup. The stadium's innovative features will make it an ideal venue for football matches, but also concerts, theatre performances and non-football related athletic events.



Education City Stadium



Education City Stadium takes the form of a jagged diamond, glittering by day and glowing by night. The 45,350 seat stadium will be located in the midst of several university campuses at Education City, which will be only 51 minutes away from the stadium by high-speed rail. Following the World Cup, the stadium will retain 25,000 seats for use by university athletic teams.

Umm Salal Stadium

Umm Salal Stadium, located in the vicinity of one of Qatar's most historically important forts, will have 45,120 seats. The design is a modern interpretation of traditional Arab forts, like the one in nearby Umm Salal Mohammed. After the World Cup, seating capacity will be reduced to 25,500. The stadium will be used by Umm Salal F.C.



Qatar University Stadium

Replacing an existing track and field stadium on Qatar University's campus, Qatar University Stadium will have 43,520 seats. The stadium's gold facade blends traditional Arabic geometric patterns with free-form open surfaces, conjuring both past and future. The stadium will be used by student athletes following the FIFA World Cup, with a seating capacity of 23,500.



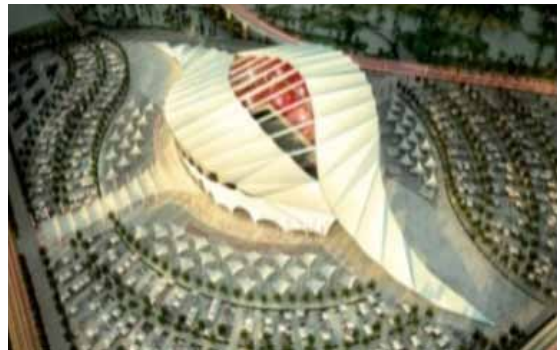
Al-Gharafa Stadium



The existing 21,175 capacity Al-Gharafa stadium will be expanded to 44,740 seats using modular elements forming an upper tier. The facade will be made up of ribbons representing the nations that qualify for the 2022 FIFA World Cup and will symbolize football and the mutual friendship, tolerance and respect that the tournament represents. The stadium will be downscaled to its existing capacity after the tournament ends.

Al-Khor Stadium

Al-Khor is a brand new 45,330 capacity stadium with a stunning seashell motif and a flexible roof. The permanent lower tier seats 25,500 and the modular upper tier seats 19,830. The stadium offers spectators a stunning view of the Arabian Gulf from their seats and will be located in a sports and recreation zone.



Al-Rayyan Stadium



The existing Al-Rayyan Stadium with a seating capacity of 21,282 will be expanded to 44,740 seats using modular elements to form an upper tier. The stadium is designed with a special "media membrane" facade that acts as a screen for projecting news, updates and current matches. The stadium will be downsized to its current capacity after the tournament.



Khalifa International Stadium

Redesigned for Qatar's successful hosting of the 2006 Asian Games, Khalifa International Stadium's current capacity of 50,000 will be expanded to 68,030 for the World Cup. The stadium, which includes sweeping arcs and partially covered stands, is the centrepiece of Aspire Zone, a sports complex that includes the Aspire Academy for Sports Excellence, ASPETAR Sports Medicine Hospital and many other sporting venues.

Al-Wakrah Stadium

Al-Wakrah is one of Qatar's oldest cities, with a long history of commercial fishing and pearl diving. Al-Wakrah stadium, with a capacity of 45,120, takes its cues from the sea that has played such an important role in the city's history. After the World Cup, the stadium's capacity will be reduced to 25,500 seats.



Al-Shamal Stadium



Al-Shamal stadium will have a capacity of 45,120, with a permanent lower tier of 25,500 seats and a modular upper tier of 19,620 seats. The stadium's shape is derived from the "dhow" fishing boat used in the Gulf.

6.4 PUBLIC PRIVATE PARTNERSHIPS (PPPs)

One of the most interesting trends to have emerged from the GCC projects boom over the past 10 years has been the development of public-private partnerships (PPPs), projects funded and operated through a partnership between the government and the private sector. By 2010, more than 50 projects had been developed using the PPP concept through long term concession agreements. Over the past five years, more than USD 70 billion worth of infrastructure schemes in the region has been project financed. The use of private finance models to fund the delivery of key infrastructure and public services is one of the most important trends shaping the Middle East of the future.

There are opportunities for interested Malaysian companies to undertake potential IPP projects such as the upcoming 5000MW Independent Water Power Project planned by QEWC to be constructed in 2013 and the construction of the Doha Metro Rail Network. Financing for such projects can be arranged through collaboration with Qatar Financial Centre Authority (website: www.qfc.com.qa), the commercial arm of the Qatar Financial Centre.

Banking and Finance

Qatar Central Bank (website: www.qcb.gov.qa), incorporated in 1993 supervises and regulates the banking and financial sector. The establishment and operations of all categories of financial institution are under its supervisory and regulatory purview. The Central Bank is also the monetary authority of the country, the sole bank of issue, the financial adviser to the government and administers monetary policy.

Qatar's banking sector comprises a combination of national and foreign banks offering both conventional and Islamic banking services. A total of 18 banks operate in Qatar, including 11 Qatari institutions and seven foreign branch banks. Out of the 11 Qatari banks, eight are commercial institutions; the other three are Islamic institutions. There is also a specialised government-owned institution, Qatar Development Bank (website: www.qdb.com.qa) which provides financing to small and medium scale industries. There are over 100 bank branches and hundreds of ATM throughout Qatar.

Qatar Financial Centre

There is a separate Qatar Financial Centre [QFC], (website: www.qfc.com.qa); that allows major international financial institutions and corporations to set up offices with 100% foreign ownership. QFC is a business and financial centre located in Doha, providing legal and business infrastructure for financial services. QFC firms are limited to providing services to wholesale clients, except for insurance companies, which can provide services to both wholesale and retail clients. The QFC Authority is the commercial arm of the QFC. Set up by the Government of Qatar in 2005, QFC also consists of an independent financial regulator, the QFC Regulatory Authority (website: www.qfcra.com.qa) and an independent judiciary comprising a Civil and Commercial Court and a Regulatory Tribunal. The QFC's legal system meets global standards of excellence.

QFC provides Qatari and international firms with access to local and regional investment opportunities, including over USD 137 billion of prospective infrastructure investment in Qatar through to 2015, as well as over USD 1.2 trillion of planned investment across the GCC. It has been created with a long-term perspective to support the development of Qatar and the wider region, develop local and regional markets, and strengthen the links between the energy based economies and global financial markets.

Exchange Control, Conversion, Remittances and Transfer Policies

There are no exchange control regulations in Qatar, but movement of money in and out of local accounts is monitored. Banks also require account holders to provide a declaration of origin for large cash deposits.

There are no barriers, legal or otherwise, to the expeditious remitting of corporate profits and dividends for foreign enterprises doing business in Qatar. Remittance of business fees (management fees, royalties and licensing fees) is also freely permitted

There are many exchange houses where currency can be exchanged, buy drafts and make international money transfers. Full details of both sender and recipient are required for any transaction. All the exchange houses are licensed by the Qatar Central Bank and are open daily, generally from 8.00 am to noon and 4.00 pm to 8 pm, Saturday to Thursday and 4.00 pm to 8.00 pm on Friday.

Labour Environment

8.1 OVERVIEW

With such a small native population, most of the work force is imported with variable skills and abilities. Out of Qatar's current population of 1.7 million, Qataris are estimated to number only 225,000 - less than one-sixth of the total population. Qatar's labour force consists primarily of expatriate workers. The largest group of foreign workers comes from the Indian sub-continent, (mainly India and to a lesser extent, Pakistan), South East Asian (mainly the Philippines) and from non-oil-rich Arab states.

There are difficulties in recruitment due to immigration rules and sponsorship laws, based on the Government's desire to manage a balanced spread of nationalities to control the population. Employers have to obtain approval from the Ministry of Labour (website: www.mol.gov.qa) and Ministry of Interior (website: www.moi.gov.qa) for every employee they wish to recruit.

8.2 LEGISLATION

Except for Qatar Petroleum (and its related companies), security guards, housemaids and agricultural workers, all private contracts of employment are governed by the Qatar Labour Law. The Ministry of Interior and the Ministry of Labour regulate recruitment of expatriate labour. An English copy of the labour law is available online and can be downloaded at http://www.qatarembassy.net/Qatar_Labour_Law.asp.

8.3 SPONSORSHIP

All expatriate labour must have a Qatari sponsor. Employees are not allowed to work for anyone other than their sponsor, even on a part-time basis. The Ministry of Interior and the current sponsor must approve all transfers of sponsorship. Employee cannot normally transfer sponsorship unless they have worked for two years. They will also need a clearance letter from their sponsor in order to do so. A sponsor can ban a departing employee from returning to the country for two years. Employees also need an exit permit from their employer to leave the country.

8.4 EMPLOYMENT CONTRACT

A written contract of employment embodying terms and conditions of service including the designation or category of the employee, normal hours of works, rate of pay, period of training if any, probationary period, leave holidays and other entitlements, has to be issued to every employee including trainees and due acknowledgement obtained by the employer.

Employment contracts must be drawn up in Arabic. While a contract may be translated into another language, where there is a dispute over translation the Arabic version will always prevail. One copy of the contract must be given to the employee and one to the employer, while a further copy is kept at the Ministry of Labour and Social Affairs.

There should be no discrimination between male and female workers in terms of remunerations and facilities. While women are entitled to the same pay, training and promotion prospects, they are not allowed to undertake hazardous work.

Qatar does not have a minimum wage regulation. It is common practice in Qatar for expatriate workers to be provided accommodation, end of service benefits and homeward passage allowance, in addition to salaries

8.5 WORKING HOURS

48 hours is the maximum amount of time an employee may be required to work under Qatar Labour Law without payment of overtime. Normal working hours consist of 8 hours a day, 6 days a week. However, during Ramadan these hours should be reduced to 6 hours a day with a maximum of 36 hours a week. Working hours should include at least an hour for rest, eating and prayer. Even with overtime, an employee should not work more than 10 hours a day. Overtime rate shall be at the rate of 1 times the normal hourly rate of wages. There are no restrictions on employment of male workers on night shifts but employment of female workers is subjected to certain conditions.

8.6 LEAVES

8.6.1 Holidays & Rest Days

Employees are entitled to a minimum of two weeks leave a year. Friday is a designated rest day and a worker should never be required to work more two consecutive Fridays. Workers are also entitled to leave with full pay on Eid Il Fitr, Eid Al Adha, Independence day and three other non-specified days. Muslims are allowed two weeks of unpaid leave to perform the pilgrimage.

8.6.2 Sick Leave

Workers are entitled to two weeks sick leave on full pay and half pay for another four weeks, after which they are not entitled to any further pay. After 12 weeks of sick leave the employee can be dismissed. The sick leave must be supported by a medical certificate.

8.6.3 Maternity Leave

After a year's employment women are entitled to 50 days paid maternity leave. A woman may not be dismissed because of marriage or maternity. There is no limit on the number of maternity leave per employee.

8.7 SUPERANNUATION AND RETIREMENT BENEFITS

There is no provision for any superannuation or retirement benefits under the Labour Law.

8.8 PART TIME WORK

Until recently employees were not allowed to take on additional work outside their primary job. This has now changed, and workers can now take on additional part time work if they have the permission of the sponsor.

8.9 END OF SERVICE BENEFITS

In addition to any sums to which the worker is entitled to upon the expiry of his service, the employer shall pay the end of service gratuity to the worker who has completed employment of one year or more.

This gratuity shall be agreed upon by the two parties, provided that it is not less than a three-week wage for every year of employment. The worker shall be entitled to gratuity for the fractions of the year in proportion to the duration of employment. The last basic wage shall be the base for the calculation of the gratuity. The employer is entitled to deduct from the service gratuity any amount due to him by the worker. Expatriate employees must be provided with an air ticket to their home country at the end of their contract.

8.10 HEALTH AND SAFETY FOR WORKERS

The law stipulates that satisfactory standards must be maintained at all work places with respect to ventilation, lighting, welfare amenities and health and safety.

8.11 DISMISSAL AND RESIGNATION

During the probation period of a job, which can last up to six months; an employee can be dismissed by giving a three days notice. Otherwise either the employer or the employee can terminate a contract without giving any reason, the notice period required varies depending on the length of service and how the employee is paid, but can be anything from a week to two months.

8.12 DISPUTES

Disputes between companies and workers can be referred to the Department of Labour Relations of the Ministry Labour. If the Labour Relations Department cannot resolve the problem it will be referred first to a reconciliation committee and then to an arbitration committee. In the event of being dismissed, an employee may appeal to the Labour Relations Department, but must do so within seven days of receiving his or her dismissal. For serious cases and as a final resort a worker may refer his or her case to the National Human Rights Committee (website: www.nhrc.org.qa).

8.13 LABOUR OR TRADE UNIONS

It is illegal for expatriate workers to form labour or trade unions. Labour unions are only allowed for Qatari employers.

Taxation

9.1 OVERVIEW

Income tax is levied on partnerships and companies operating in Qatar whether they operate through branches or in partnership with foreign companies. According to Law No. 9 of 1989, GCC Nationals are to be treated as Qatari Citizens for income tax purposes. Qatari and GCC nationals and their corresponding wholly owned companies are not subject to income tax in Qatar.

There is no personal income tax in Qatar and hence no taxes from salaries and wages paid in Qatar; or any general sales and service tax (GST) or value added tax (VAT).

9.1.1 Legislation

A new Income Tax Law (Law No. 21 of 2009) came into force 1 January 2010. This law repealed Law No. 11 of 1993, along with Tax Practice Directives Law No. 3 of 1995 and the Decision of the Minister of Economy and Finance No. 10 of 2011 regulate of the implementation of the Income Tax Law.

9.1.2 Tax Authority

The Director of the Public Revenues and Taxes Department of the Ministry of Economy and Finance (website: www.mof.gov.qa) and ultimately the Minister of Economy and Finance is the authority to regulate and collect taxes.

9.1.3 General Provisions

The government's right to claim taxes due under the Law lapses after 5 years commencing from the day following the expiry of the term prescribed for submitting the tax declaration. The taxpayer's right to claim refund of the taxes unduly collected shall lapse after 3 years from the date of notification of tax assessment decision.

Upon the Minister's approval, the Director of the Public Revenues and Taxes Department may issue an order of attachment of tax payers' property for the purpose of tax recovery under circumstances where he believes the State is at risk of loss of revenue. Such property shall not be disposed off unless the attachment order is lifted by the Director or by the courts. The person concerned may appeal against the order of attachment to the court within 30 days from the date of levying the attachment otherwise the right of appeal shall lapse.

9.2 TAXABLE INCOME

In general, the Law provides that all business activity carried out in Qatar shall be subject to taxation. The income from any type of business activity including any profits resulting from any contract executed in Qatar, profits resulting from sale of fixed assets, agency commission whether accrued inside or outside of Qatar, fees paid for consultancy services, estate rents, amounts realised from selling, letting or granting a franchise to use or utilise any trade mark, design, patent or copyrights, bad debts recovered and net profit of liquidation are subject to tax. Income from private professions such as legal practice, consultancy services, and other sole trader activities are also subject to income tax.

9.3 TAX STRUCTURE

A new Income Tax Law No. 21 of 2009 came into force 1 January 2010. This law brought along a number of changes, most importantly establishing a flat 10% corporate tax rate, replacing the sliding scale tax rate applicable before January 2010. A 10% flat rate income tax is levied on businesses other than those wholly owned by Gulf Cooperation Council (“GCC”) nationals. Income up to QR 100,000.00 is exempt from tax.

9.4 WITHHOLDING TAX

The new Tax Law also established a new withholding tax regime on payments to non-residents, as follows:

- 5% of the gross amount of royalties and technical fees;
- 7% of the gross amount of interest, commissions, brokerage fees, director's fees, attendance fees and any other payments for services carried out wholly or partly in the State of Qatar.

However, the Public Revenues and Tax Department of the Ministry of Economy & Finance has announced that the applications of the interest provisions are postponed until further notice.

9.5 WITHHOLDING TAX – CONTRACT PAYMENT

A directive issued by the Director of Income Tax in January 1993 requires all ministries, government departments, public and semi public establishments and other tax payers to withhold final payments to contractors and subcontractors until such entities present a tax clearance certificate issued by the Income Tax Department.

9.6 COMPUTATION OF TAXABLE INCOME

The accrual method of commercial accounting shall be applied for the computation of taxable income; to use a different method, approval should be obtained from the Tax Department in advance. The taxable income shall be determined after deducting all business expenditures and costs incurred. There are specified rates of depreciation for different categories of assets that are permitted as deduction expenses.

9.6.1 Taxable Year

The Income Tax law defines taxable year as a period of 12 months starting from the 1st day of January and ending on 31st day of December of the same year. The accounting period shall coincide with the taxable year unless prior approval is obtained from the Tax Department.

9.6.2 Deductions

The taxable income shall be determined after deducting all operational and administration expenses and costs incurred in the realisation of the gross income. Expenses incurred to earn the taxable income are deductible, including fees and taxes other than income tax and bad debts approved by the Department. Expenses not directly related to business such as donation, gifts, humanitarian and charitable expenses etc paid to institutions so authorised in Qatar are deductible provided that such amounts do not exceed 5% of the taxable net profit for the taxable year prior to making the deduction.

9.6.3 Depreciation

If depreciation rates used in the financial statements are greater than those allowed based on the Income Tax law, the excess is disallowed. If rates used are lower than those stated in the Law, the claim for the difference is not allowed

9.6.4 Head Office Charges

Charges of a general or administrative nature raised by a head office on its Qatar branch are allowed as deduction, subject to a ceiling of 3% of the turnover less sub-contract costs. In the case of banks and insurance companies, the limit is 1%

9.6.5 Carry Forward of Losses

If a tax payer sustains a loss for any taxable year, the Law contains provisions, which allow for the carry forward of trading losses for set off against subsequent years profit; for a maximum period of 3 years from the end of the tax year in which the losses were incurred. Losses cannot be set off against prior year income.

9.7 TAX DECLARATION AND TAX PAYMENT

9.7.1 Filing Requirement

A taxpayer shall submit annual tax declaration to the Department within 4 months from the expiry date of the taxable year or accounting period. Any delay in filing tax returns and payment of due taxes will attract a charge of QR 10,000.00 per month or 2% of the tax due, whichever is greater. If the tax payer fails to include any information with regard to his tax obligations, he shall pay an additional sum equal to 25% of the amount of tax due on the income which has not been included in the declaration.

9.7.2 Documentation – Income Tax Returns

All firms are required to file income tax returns along with their financial statements which include Balance Sheet, Operating or Trading Account, Profit & Loss or Income & Expense Statement Account and Funds Flow Statement. The other required documents include list of capital assets, depreciation statement and detailed breakdown of income and expenditure.

9.7.3 Tax Assessment

The taxable income shall be assessed as per the declaration submitted by the tax payer, provided it is acceptable to the Tax Department. The tax shall be computed on taxable income for every taxable year with varying rates of tax depending on the amount of profit

9.8 TAX EXEMPTION

A tax exemption can be granted under the Tax Law for a period of up to 6 years for major projects if they meet certain criteria. Application for tax exemption of projects is evaluated by the Tax Exemption Committee. Tax payers benefitting from tax exemptions are required to maintain proper accounting records and should submit a budget and financial statements showing profits or losses to the tax authorities within 4 months after the end of the tax year.

9.9 ACCOUNTING RECORDS

9.9.1 Accounting Period

The accounting period shall coincide with the taxable year. Subject to approval from the tax authority, a tax payer can adopt a different accounting period other than the taxable year. The first accounting period may be more or less than 12 months but should not be a period less than 6 months or more than 18 months.

9.9.2 Accounting Method

The method of accounting is the accrual method of accounting unless specific approval is obtained for different method.

9.9.3 Books and Records

A tax payer shall keep records and documents like general ledger, inventory book and any subsidiary books pertaining to the business activity for 5 years following the last taxable year. The taxpayer is required to keep all original documents related to his activity during the taxable accounting period. The original or their true copies for all the works performed abroad must be introduced into accounts and be documented by a report of an auditor registered in Qatar.

9.9.4 Currency

All accounting records are to be in Qatari Riyals unless prior permission is obtained from the tax administration for them to be kept in a foreign currency.

9.10 AUDIT AND FINANCIAL STATEMENTS

9.10.1 Audit Requirement

For tax purposes, companies whose capital or profit exceeds QR 100,000.00, an audit report by an accredited auditor is required to be filed. The return and all accompanying documentation must be signed by both the taxpayer and auditor. The Commercial Companies law also requires appointment of auditors for various limited liability companies.

9.10.2 Auditing Standards

All firms required to submit an audited financial statement along with the tax return should apply International Accounting Standards (IAS) when preparing the accounts unless specific approval is obtained from the tax authority.

Business Visits To Qatar

10.1 BEST PERIOD TO VISIT

The best period for foreign business trips to Qatar is from October through June as public and private sector officials usually vacation during some part of the period from July to September. Business trips during Ramadan are not advisable as most Qatari focus on family and worship.

10.2 VISA REQUIREMENT

Malaysian Nationals visiting Qatar are permitted to enter Qatar without prior visa and will be given 30 day visas on arrival and upon payment of QR 100 visa fee. This visa can be renewed for another 30 days at any Immigration Offices without having to leave the country. Payment for the visa can only be made by either credit cards or eCash cards. eCash cards can be purchased and renewed at all QNB branches. There is a QNB branch at the arrival hall, before the immigration counters.

10.3 QATAR EMBASSY IN MALAYSIA

For further information relating to Qatar, its embassy in Malaysia can be contacted at:

113 Jalan Ampang Hilir
P.O. Box 13118
50450 Kuala Lumpur
Malaysia
Telephone: (+603) 4256 5552
Fax: (+603) 4256 5553
E-mail: kualalumpur@mofa.gov.qa

Office Hours : 9.30 am – 1.00 pm
Head of Mission : Mr. Rashid Mairza Al-Mulla
Chargé d'Affaires

10.4 FLIGHTS AND AIRPORTS

The only international airport in Qatar is Doha International Airport (website: www.dohaairport.com), which is located within the city itself. It is the hub of Qatar Airways (website: www.qatarairways.com), the national carrier of Qatar. The New Doha International Airport is expected to be opened by 2012.

There are many regular flights between Kuala Lumpur and Qatar; however the only airlines offering direct flights from Kuala Lumpur to Doha are Qatar Airways and Malaysia Airlines (website: www.malaysiaairlines.com) on a code sharing basis with Qatar Airways. Qatar Airways operate daily flights between Doha and KLIA; with 13 flights every week. Flight time is 7 hours 25 minutes.

10.5 HOTELS

There are quite a large number of hotels and service apartments in Doha, ranging from 3 stars to 5 stars. Rates are high compared to Malaysia but generally comparable to other GCC countries. Recently, Holiday Villa opened its 734 rooms Holiday Villa Hotel and Residence City Centre Doha (www.holidayvilladoha.com), located 10 minutes from Doha International Airport and 15 minutes from the central business district. The hotel's rate for a Superior Room is QR 900.00 net per night.

10.6 TIME ZONE

Qatar is 5.0 hours behind Malaysian Standard time.

10.7 GROUND TRANSPORT

Turquoise coloured 'Karwa' metered taxis (operated by Mowasalat, a state managed and operated company, website www.eng.mowasalat.com) and limousines are easy to find. There are limousine booths at the arrivals hall after exiting customs. Taxi booth is situated outside the arrivals hall.

Even though there is a reliable and comfortable public bus service operated by Karwa (also turquoise coloured), it is advisable to either take a taxi or rent a car to move around. There are numerous rent-a-car companies offering a wide range of models at reasonable prices. International driving license is required and note that vehicles drive on the right hand side of the road and seat belts are mandatory.

10.8 SECURITY AND HEALTH

Qatar is one of the safest places in the world with a very low crime rate. No vaccination is required to enter Qatar. Medical facilities and pharmacies are easily available. Medical care is generally of high standards but private medical care is expensive. Even though it is safe to drink water at source, many people prefer to drink bottled water which is readily available. Water supply in Qatar is from desalination plants.

10.9 CLIMATE AND BUSINESS ATTIRE

10.9.1 Climate

The long summer (May through September) is characterized by intense heat and alternating dryness and humidity, with temperatures reaching 50°C (122°F). Temperatures are moderate from November through May, although winter temperatures may fall to 5°C (41°F). Rainfall is negligible, averaging 100 millimetres (3.9 in) per year, confined to the winter months, and falling in brief, sometimes heavy storms. Sudden, violent dust storms occasionally descend on the country, blotting out the sun, causing wind damage, and momentarily disrupting transport and other services.

10.9.2 Business Attire

It is best for men and women to wear conservative clothing in a business setting in Qatar. Men should wear dark-coloured business suits. Women can wear skirt business suits, but sleeveless blouses, short skirts and extremely form-fitting attire is considered inappropriate. A woman should not show too much of her legs in public.

Business casual attire, such as slacks, khaki pants and polo shirts, are not to be worn at an initial business meeting, but may be appropriate for subsequent meetings.

10.10 BUSINESS HOURS AND PUBLIC HOLIDAYS

10.10.1 Business Hours

Business hours are generally as follows:

- Government's Offices - 7:00 am to 2:00 pm; Sunday to Thursday.
- Banking Hours - 7:30 am to 1:30 pm; Sunday to Thursday.
- Private Sector Hours - 8:00 am to 12:30 pm and 4:00 pm to 7:30 pm; Saturday to Thursday.

During Ramadan, business hours are restricted to five hours per day. Friday is a day of rest for all sectors; however shops and shopping malls are open in the evenings

10.10.2 Public Holidays

There are only three public holidays in Qatar:

- Eid Al-Fitr - 3 days
- Eid Al-Adha – 4 days

Qatar's National Day, on December 18. Government ministries are generally closed for a longer period than private and partially private entities during the Eid holidays.

10.11 TIPPING

A 10% service charge is added to most restaurant and hotel bills. Tipping is a customary way to show appreciation for almost all services and small amounts are sufficient, otherwise 10% of the amount due is standard. There is no need to tip taxi drivers, but some drivers do expect it.

10.12 CURRENCY

The basic monetary unit in Qatar is the Qatar Riyal (QR) which is divided into 100 Dirhams (Dh). Currency notes are in denominations of QR 500, 100, 50, 10, 5 and 1. Coins are in denominations of Dh 50, 25 and 1. There is no exchange control regulation in Qatar. There are many exchange houses especially within Doha and are open daily, generally from 8.00 am to noon and 4.00 pm to 8 pm, Saturday to Thursday and 4.00 pm to 8.00 pm on Friday

10.13 TELECOMMUNICATION

The country code for Qatar is 974. For calls from Qatar to Malaysia dial 00 + 60 + area code + telephone number. For calls from Malaysia to Qatar dial 00 + 974 + telephone number. There are two mobile service providers in Qatar i.e. Q-tel (website: www.qtel.com.qa) and Vodafone Qatar (website: www.vodafone.com.qa). Pre-paid SIM cards can be purchased easily at any Q-tel or Vodafone outlets upon presentation of a passport and top-up cards are available from grocery stores.

10.14 INTERNET SERVICES

Most hotels offer internet connections and there are a number of internet cafes in Doha. Free wireless internet access is offered at certain public parks (iParks).

10.15 ELECTRICITY

Qatar's power supply is 220 - 240 volts, 40 ~ 50 Hz. Sockets are three-pin (rectangular).

10.16 MALAYSIAN EMBASSY IN QATAR

In cases of emergency, the Malaysian embassy in Qatar can be contacted at:

Al Esteklal Street
West Bay-Dafna, Doha, Qatar
Telephone: +974 4483 6493 – 4483 6463
Fax: +974 44836453
E-mail: *maldoha@kln.gov.my*

Opening Hours : 8.00 am - 12.00 noon & 1.00 pm - 5.00 pm;
Sunday - Thursday

10.17 BUSINESS CUSTOMS

Expect to have business meetings in the morning or evening. The ability to say a few Arabic greetings or words will impress Qatari contacts.

Always use the right hand when shaking hands and eating. Do not show the palms of your hands or the soles of your feet/shoes. Be prepared for small talk and then business discussion. Always accept tea, coffee or other refreshments during meetings. Invitations to lunch, dinner, receptions and other hospitalities are normally offered and should always be accepted.

10.18 LOCAL CUSTOMS

As a show of respect towards the culture and tradition of Qatar, visitors should dress modestly and conservatively when in public especially during Ramadan. Public displays of affection between men and women are discouraged. Exercise discretion and caution when taking photographs especially when taking photographs of local residents or government buildings. Do not stare at or ask an Arab lady for information or directions if you are a man. Some Arab ladies are very private people in public places.

10.19 GUIDE ON DOING BUSINESS IN QATAR

As important as the general social mores and customs in Qatar, is the right way to act and respond in business. Always keep in mind that in Qatar progress of almost anything is slow. However, it's their "game", so when the decision to "go" is arrived at be ready to move and don't quibble about having been held up "by them".

10.19.1 The First Contact

Trust and personal chemistry is vital to the pursuit of successful business. The first meeting is hugely important. The first few minutes may dictate how well – or badly – the relationship develops. In fact, it may take some time to actually get to those first few minutes. Having made the initial appointment, it is advisable to check from time to time (gently by phone) that it is still on course. And having established a definite time and place; get there in good time and be prepared to wait.

10.19.2 Knowing and Recognising Your Contact

During the first meeting, which in all probability he will not be alone; try to identify and fix in mind the name of the person you are meant to be talking to, since Qatari men dressed in essentially the same way and it is quite easy to be confused.

Exchange business cards and make eye contact, a most necessary plus point especially on the first contact. A few words of greeting in Arabic as you enter and shake hands go a long way. Starting with a few simple greetings like “assalam alaikum” or “wa alaikum assalam” in response if he says it first and the enquiry “kayf halek” to ask how he is will break the ice and show the right spirit.

10.19.3 Business Cards

The exchange of business cards must take place. It helps, and also creates a good impression, to have Arabic printed on one side of the card. Just make sure that the Arabic is done professionally by someone reliable.

When accepting someone's card, do not just shove it in the pocket. Read it, and make a show of so doing, perhaps by asking a question about the style or the contents. Keep it in your hand or put it on the table in front of you and don't forget to take it with you on departure. That person's card says a lot about them and they appreciate you paying some attention.

10.19.4 Opening Moves

Pleasantries follow and they can be as inane as you like but don't ask about wife and family. Keep it general. Sports especially soccer or the weather is always an opener. Show your interest in the country by mentioning some local news from the morning paper. Refreshment will be offered. The visitor should graciously accept one cup and even two if enjoyable. Say “shukran” (thank you) to the tea-boy. It shows respect and is often noted by the host.

10.19.5 Down To Business

Following refreshment business starts. The scope of the conversation will, of course, vary from case by case, but there are some generalities that it might be as well to observe:

- a. Time is usually on their side. If you are in “sell” mode, it is important to bear this in mind. They know you have a plane to catch and will position themselves accordingly. You can disarm them by having a flexible itinerary.

- b. Your contact will want to deal with decision-makers and are not impressed by the “I’ll have to clear that with head office” line. Know your authority.
- c. Qatari’s respect straight but gentle talking. The worst thing you can do is lose your temper or appear immoderate in any way. They admire calmness and a wry sense of humour but don’t tell jokes.
- d. Don’t be thrown or annoyed if your host answers the phone – or even makes a call in the middle of “your” meeting. Others in the room may be doing the same thing. Underlings will come in to obtain signatures.
- e. Speak simply and clearly but never in a patronising way. Speak evenly and don’t get excited or agitated. Loss of composure in any form is seen as somewhat vulgar. If you are doing a presentation, keep it clear, succinct and short. Punchiness without razzamatazz is what you should be seeking to achieve. Think carefully about the use of illustrations – girls in revealing clothes and displays of alcohol should be avoided.
- f. Be wary of throw-away remarks, especially if they could be construed as offers. These can be interpreted as being binding and could fatally damage trust if they have to be withdrawn

10.19.6 Materials for Presentation

Use Arabic in written material. Even if your translation budget does not stretch to having extensive product literature turned into Arabic, at least have a summary sheet done. It may not be strictly necessary but it is an excellent sign of serious intent and consideration.

10.19.7 Additional Pointers

Be prepared to bargain, but avoid starting with what will look like a rip-off price if you come down dramatically. Know the worth of your product and make it clear. You will rarely hear the word “no”. But its absence does not mean “yes”.

Business matters are considered very private and a matter only for the parties involved. If your business partner discovers that you have been blathering about the deal all over town, you will be dead in the water.

Keep any written agreements simple and clear. Local law will prevail if – and try to avoid this at all costs – matters go to court.

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Appendices

Appendix I – Breakdown & Timeline of Spending for 2022 FIFA World Cup Facilities

Appendix II – Qatar On-going Projects

Appendix III – Qatar Unawarded Projects

Appendix IV – Qatar Delayed or Cancelled Projects

Appendix II – Qatar On-going Projects

Power and Water Contracts	
Project Name	Value (USDm)
Ras Girtas Power Company - Ras Girtas IWPP	3,850
GCC Grid Interconnection Phase III	2,300
ASHGHAL - Doha North Wastewater Treatment Plant	1,500
Qatalum Power Plant	1,000
KAHRAMAA - Qatar Power Transmission System Expansion - Phase VIII - Power Cables	1,000
Qatar Integrated Domestic Solid Waste Management Center (DSWMC)	1,000
KAHRAMAA - Qatar Power Transmission System Expansion - Phase IX - Substation Package	750
QP - Ras Laffan Common Cooling Seawater System - Phase II (Part 2)	600
QEWG - Ras Abu Fontas A1 (RAF A1) Desalination Plant	577
ASHGHAL - Doha North Sewerage Treatment & Associated Works pS 70 & Pumping	490
ASHGHAL - Doha North Pumping Station and Pumping Mains - Phase 2	489
ASHGHAL - Upgrade & Expansion of Doha Residential Wastewater Services	365
KAHRAMAA - Doha Submarine Cable	210
KAHRAMAA - Qatar Power Transmission System Expansion - Phase VIII - Substations (2)	201
Qatari Diar - Lusail Development - Sewage Transfer and Treatment System	200
QP - Ras Laffan 4 Substations and Associated Cable Works	154
ASHGHAL - Doha South Wastewater Treatment Plant - Phase II	150

Appendix II – Qatar On-going Projects

Real Estate Contracts	
Project Name	Value (USDm)
UDC - The Pearl Qatar	14,000
Lusail Real Estate Development Company - Lusail Development	5,500
Al Waab City	3,200
Abu Dhabi Investment House - Qatar Entertainment City	3,000
Gulf Finance House - Energy City Qatar - Commercial Hub	2,600
Qatar Foundation - Sidra Medical and Research Center	2,300
Qatari Diar - Doha Convention Center and Tower (DCCT)	1,500
Barwa Al Khor Company - Barwa Al Khor - Phase 1	1,400
Barwa Real Estate Company - Barwa City	1,400
Barwa Real Estate Company - Barwa Financial District	1,301
Qatari Diar Real Estate Investment Company (QDREIC) - Lusail Developmnet Phase II - Fox Hills	1,200
Qatar Foundation - Qatar National Convention Center	1,100
Barwa Real Estate Company - Ain Khalid Commercial Avenue	1,100
Sama Dubai - Dubai Towers Doha	632
Gulf Ware Housing Company - Logistics Village Qatar: Phase I & II	549
Barwa Real Estate Company - Al-Dhahiya Housing Complex - Phase I	500
Rikaz Development & Planning - Doha Gardens	500
Al Rayyan Tourism Investment Company - Doha City Centre Expansion	433
The Land - Perlita Gardens	330
Qatar General Insurance and Reinsurance Company - World Trade Centre	250
Bridge Towers	191
Qatar Foundation - Sidra Residential Compound	137
Lusail Real Estate Development Company - Lusail Development - Infrastructure - Package 2	100

Appendix II – Qatar On-going Projects

Infrastructure Contracts	
Project Name	Value (USDm)
NDIASC - New Doha International Airport	11,000
ASHGHAL - North Road - (Phase 2 and Phase 3)	597
ASHGHAL - Doha Expressway Phase 7 / Salwa Road Phase 2	522
ASHGHAL - Doha Expressway - 22 February Interchange (Phase I and II)	274
QP - Ras Laffan Industrial and Metal City: Khalifa Road Extention	225
ASHGHAL - Al Ruwais Port	215
ASHGHAL - Primary Routes Project: Doha Dukhan Highway: Western Section	209
Qp - Mesaieed Community: Gabbro Support Area: Earthwork, Roads & Infrastructure Works	203

Announced Stadium Contracts	
Project Name	Value (USDm)
QFA - Lusail Iconic Stadium	662
QFA - Qatar University Stadium	300
QFA - Al Khor Stadium	251
QFA - Al Shamal Stadium	251
QFA - Sports City Stadium	251
QFA - Doha Port Stadium	202
QFA - Al Gharafa Stadium	135
QFA - Al Rayyan Stadium	135

Appendix III – Qatar Unawarded Projects

Selected Unawarded Education Projects		
Project Name	Value (USDm)	Project Status
ASHGHAL - School Modifications: Package 3	549	EPC Bid
Qatar Foundation for Education, Science & Community Development (QF) - Northwestern University	350	EPC Bid
Qatar Foundation for Education, Science & Community Development (QF) - Qatar Foundation	275	EPC Bid
Qatar Foundation for Education, Science & Community Development (QF) - Central Library	70	EPC Bid
Qatar Foundation for Education, Science & Community Development (QF) - North East Underground Car	70	EPC Bid

Appendix III – Qatar Unawarded Projects

Selected Unawarded Real Estate Projects		
Project Name	Value (USDm)	Project Status
Barwa Al Khor - Al Khor City: Urjuan Mixed-use Development	10,000	Planned
Dohaland - Musheireb: Stage II	4,072	Design
Arcapita Bank / Al-Imtiaz Investment Company - Lusail Development: Al-Sidra Golf Residential Development	3,500	Design
Urban Planning and Development Authority (UPDA) - Al Wakrah & Al Khor Cities	2,000	Study
Majid Al Futtaim / ADIH - Lusail Entertainment City: Downtown Precint	1,500	Design
Barwa Real Estate Company - Al Khor Development	1,400	Design
Barwa Al Baraga - Barwa Al Baraha Project (Labourers City)	1,100	EPC Bid
First Qatar Real Estate - Pearl Qatar: Abraj Quartier	1,000	Design
Diyar Al Kuwait - Lusail Mixed-use Development	800	Design
Qatar National Bank - Head Office Building	700	EPC Bid

Appendix III – Qatar Unawarded Projects

Selected Unawarded Infrastructure Projects		
Project Name	Value (USDm)	Project Status
ASHGHAL - Doha, Lusail & Dukhan Highway Projects	1,000	Planned
Urban Planning and Development Authority (UPDA) - Doha Bay Crossing	1,000	Study
ASHGHAL - Primary Routes Project: North Road: Phase IV	604	Design
ASHGHAL - Primary Routes Project: Doha Dukhan Highway: Central Section	300	EPC Bid
QP - Qatar Industrial & Metal Highway	300	Planned
ASHGHAL - Development of Roads in Zone 46	190	EPC Bid
ASHGHAL - Peripheral Roads to Barwa City	164	EPC Bid
ASHGHAL - Primary Routes Project: Doha Dukhan Highway: Eastern Section	150	Design
ASHGHAL - Primary Routes Project: Doha Expressway: G Ring Road	130	Design
ASHGHAL - Lusail Road: Phase I	100	Design

Selected Unawarded Water and Power Projects		
Project Name	Value (USDm)	Project Status
Government of Qatar / Darco Water Technologies Ltd - Water Recycling Plant	5,000	Planned
QEWG - Ras Abu Fontas A2 (RAF A2) Desalination Plant	350	Study
Marafeq Qatar: Doha Waste Collection Plant	350	Planned
KAHRAMAA - Water Security Mega Reservoirs	200	Study
ASHGHAL - Waste Water Treatment Plant	100	Study
ASHGHAL - Al Khor Sewerage Network for Northern Region: Phase II	82	EPC Bid
QP - Dukhan Township Potable Water & Sewage Treatment Plant Upgrade	50	Study
ASHGHAL - Peripheral Roads to Barwa City	164	EPC Bid
ASHGHAL - Lusail Road: Phase I	100	Design

Appendix IV – Qatar Delayed or Cancelled Projects

Delayed or Cancelled Projects in Qatar		
Project Name	Value (USDm)	Project Status
Barwa Al Khor Company - Barwa Al Khor	8,200	Real Estate
Qatar Bahrain Causeway Foundation - Qatar Bahrain Causeway	4,000	Infrastructure
QEWC - West Coast IWPP	3,000	Infrastructure
Masraf Al Rayan - Smart Industrial City	2,000	Real Estate
QREIC - Mesaieed Industrial City Housing Project - Phase II	2,000	Real Estate
ADIH - Porta Moda	1,200	Real Estate
Barwa Real Estate Company - Barwa Al Baraha	1,100	Real Estate
Barwa Al Doha - Barwa Al Doha Development	824	Real Estate
Al Jaber Group - Abu Dhabi Mixed-use Tower	700	Real Estate
Ezdan Real Estate Company - Asia Towers	687	Real Estate
QNHC - Lusail Twin Towers	500	Real Estate
The Land Investment & Real Estate Company - Energy City: The Atrium	439	Real Estate
QIMC - Ras Laffan Polysilicon Production Facility	400	Industry
QP - Qatar Petroleum Complex	275	Real Estate
QP - Qatar National Library	274	Real Estate
Salam Bounian - Lusail Development - Salam 4 Towers	274	Real Estate
Qatar National Bank - Head Office Building	250	Real Estate
Real Estate Services Group - Mash'oor Tower	150	Real Estate
Tanmiyat Investment Company - West Bay Bin Samakh Mix-use Tower	140	Real Estate
Government of Qatar - Luxury Villas	130	Real Estate
International Bank of Qatar (IBQ) - International Bank of Qatar Tower	125	Real Estate
Darwish Real Estate - Darwish Tower	120	Real Estate
Salam Bounian - Lusail Development - Blues Tower	100	Real Estate
QP - Ras Laffan Industrial City - Infrastructure (Multiple Administration Complex)	-	Infrastructure
Qasco / GCC - Lime Factory	-	Industry

Notes