

**Transcription of the Interview with:
His Excellency Yousef Hussain Kamal
Minister of Finance of the State of Qatar
2 March 2010**

Nathalie Martin-Bea – Project Director for PM Communications

PM COMMUNICATIONS: Today in Qatar the economy is doing well and there are many positive indicators. Growth has been very impressive over the last few years and is expected to be close to 16% in 2010. How will you ensure sustainable growth for the years to come?

HE Yousef Hussain Kamal: To answer the question, I think the best thing to do is go and read the report that was recently issued by the International Monetary Fund (IMF). Expectations for 2010, according to the IMF, are actually higher than the figure that you mentioned. Now they are talking about almost more than 30%. It depends on which price of oil you take into consideration. If you take the price of oil today it will be very close to that. As you know with the increase in capacity of the production of liquefied natural gas (LNG) and adding more petrochemicals and gas-to-liquid (GTL) within this year, I think the growth will be high. Until the year 2014 we will have average double-digit growth.

PM COMMUNICATIONS: I think that parallel to this really amazing growth that is boosted by the revenues of the oil and gas sector as you mentioned, Qatar is doing a lot to diversify its economy and stimulate foreign investment. You recently opened three sectors to allow 100% foreign ownership; consultative and technical work services, information and communications technology (ICT) and distribution services. Can you tell me how you expect this to affect the Qatari economy?

HE Yousef Hussain Kamal: As you know our main sector is oil and gas. I think that it takes up at least 60% or more of our GDP. But the oil and gas industry needs a lot of services such as insurance, banking, transportation, housing and telecommunications. The employees that come to run the oil and gas industries need services, houses, restaurants, hotels and retail shopping. The catalyst itself is the oil and gas. This is one thing. The other factor is that we actually have a good environment for anyone who wants to come and invest. Not just invest in the State of Qatar, but for them to actually have their hub in the State of Qatar. We are surrounded by more than 200 million people if you take into account Iran, Iraq, part of India, part of Pakistan and the Gulf Cooperation Council (GCC) itself. Also, the tax regime has become much easier. It is a flat 10% for everyone.

PM COMMUNICATIONS: In the spirit of liberalisation and diversification, will you be allowing more sectors to be fully foreign-owned?

HE Yousef Hussain Kamal: Why not? If an investor comes and does business according to our rules and regulations, he is most welcome. If he is going to pay me a tax of 10%, why should I close the door and not welcome him?

PM COMMUNICATIONS: I know that the private sector is a major factor of growth in a diversified economy. It is a big priority to attract those foreign investors as well. Can you tell me how you will make sure that those companies are really seduced by the Qatari model and how you will bring



them here in sectors that have been traditionally dominated by government owned companies?

HE Yousef Hussain Kamal: First of all we have to be very clear about which sectors are welcome to Qatar. On many occasions I have mentioned education and health. We need a lot in these sectors and there are many opportunities. Then you have the services as you've mentioned. But the most important thing is that we have the feedstock for many small and medium industries. We already have decisions from the Emir's Cabinet to establish an organisation within the Ministry of Business & Trade to encourage the participation of public and private together, to encourage them to be involved in small and medium industries. I think there are many opportunities for farmers within these small and medium sized industries but I have to say that this should be capital-intensive, not labour intensive. If it is labour-intensive, they are not welcome.

PM COMMUNICATIONS: Which sectors specifically do you believe will see the most growth, as in what they bring to the GDP?

HE Yousef Hussain Kamal: I can say that all of the sectors should increase their contribution to the GDP.

PM COMMUNICATIONS: In 2007 you spoke about a possible deregulation in the financial sector. When do you envision a full deregulation and one regulator?

HE Yousef Hussain Kamal: Within this year.

PM COMMUNICATIONS: What are the next measures you would like to implement to further improve the investment climate here in Qatar?

HE Yousef Hussain Kamal: One of them is the single regulator. The second thing is to finish our infrastructure. We still have bottlenecks in the airports, ports, schools and hospitals. All of these things should be done within the coming three years. I think I also mentioned a year ago that we are also in appropriation of having what we call an 'economic zone', a Free Zone. This is almost 82 square kilometres with a channel connecting to the sea for almost 5 kilometres. Both sides of this channel have been done to be ready for any factories that would like to have a direct outlet to the sea.

PM COMMUNICATIONS: What would be your message to the international investment community?

HE Yousef Hussain Kamal: Very simple. They have to look at the map, see where the best environment for their investment is and go there, including Qatar. I do not just say 'come to Qatar'; I say choose what you think is right for you, but you will find that Qatar is the best place for your investments. The size of our economy is expected to be over \$150- \$160 billion US dollars. If within five years the economy is growing close to 60% or 70%, this means that other sectors have got to grow by 100%. These are the opportunities that I think the foreign investors can look for.

PM COMMUNICATIONS: Thank you very much.