Qatar: What Future Awaits the Emirate

Inexplicable Arab sanctions against Qatar are now in their fourth year. At the present time, only Saudi Arabia and its satellites - Egypt, Bahrain, and the UAE - maintain the embargo, and accuse Doha of some types of sins that those countries themselves don’t understand. At the same time, during all three years, the Emirate has constantly declared its readiness to cooperate with the other Persian Gulf states, and international agencies, to resolve the crisis on the basis of dialogue without preconditions, respect for the State of Qatar’s sovereignty, and non-intervention in its and other countries’ internal affairs.

Today, the crisis in Qatar has entered its fourth “anniversary.” To a large degree, the boycott has been forgotten, except for the party that has suffered most from this unjust action that threatens its freedom and sovereignty. The boycott isolated the Emirate from its Arab neighbors. But each year, each month, and each hour, Qatar has asserted that it became stronger than before June 5, 2017, when the embargo began. Political, diplomatic, media, and other strategies are based on policies that the country’s Emir, Sheikh Tamim bin Hamad al-Thani, has pursued, to a large degree, inside the country and beyond its borders, while at the same time desperately seeking regional and international mediation to put everything “back on track.” Therein lies a contradiction, since one who has become stronger after a boycott, cannot return to the time when he was “weaker.” How can someone, who has sworn to uphold the independence of his political decisions to resist hegemony, now surrender and allow others to manipulate the Emirate as they see fit? How can someone, who rejects being commanded in his foreign policies, and interference in internal affairs, permit his country to become an open arena for new Arab demands? What causes Qatar distress currently is not so much the isolation, which it has endured now for three years, but the inability to conduct its former policy of using special relationships with its Arab neighbors to maintain peace and stability in the region.

From the very beginning, Qatar considered the unprovoked sanctions unlawful, and its representatives lodged complaints with the International Criminal Court, and International Civil Aviation Organization, hoping to restore its air space, which, for the small Emirate is vitally important for supplying the nation with food. Interestingly, even the US recently attempted to exert pressure on Saudi Arabia and the United Arab Emirates to reopen their air space to Qatari airplanes. Until now, however, no progress has been achieved, although Qatar’s leadership, as before, has been maintaining constant contact with Washington on this matter.

From the influential newspaper Al-Watan:

“After three years since the start of the embargo, and unlawful measures against the State of Qatar, we are proud of the successes we’ve achieved and international partnership relations with countries of the world, with which we share respect for human rights, the rule of law, and international cooperation, while at the same time we deplore the activities of those forces which, by their irrational policies, promote only disunity among Arabs and a decline in their influence in the international arena.”

It is difficult not to agree with this viewpoint of the Qatari newspaper, when the global media report on the country’s steady and successful course, which aims for new achievements, in particular, in the fields of economics and finance. Despite the shock from the embargo, Qatar’s economy has proven more robust than those of its Persian Gulf competitors. The International Monetary Fund forecasts that in 2020 Qatar will become one of the few countries in the world, where observers will take note of budget surpluses. Qatar occupies first place in the Middle East for
food security, and 13th place in the world according to the latest rating by the global food security index, compiled by the Economist Intelligence Unit.

According to data published by British magazine The Economist, Qatar occupied 35th place in the rating, which comprised 66 countries with developing economies. At the same time, the Emirate receives high sovereign ratings from international credit rating agencies, Fitch, Moody’s, and Standard & Poor’s. And with that, it is worth recognizing that Qatar’s ratings are maintained by the country’s very strict foreign financial conditions, given the central government’s relatively low debt level, and large foreign assets, created by Qatar over several years.

In parallel, Qatar continues deliberately to increase its global investments through foreign sovereign assets of the Qatar Investment Authority (Sovereign Wealth Fund), which is geographically distributed over all the world’s continents, and includes investment symbols that ensure good returns, and serve as a broad defense against any potential financial shocks. The Fund occupies ninth place in the world in the list of the world’s largest sovereign funds, and it has a decent assortment of investments, which it obtained either directly, or via its own companies, such as Harrods and London’s Shard Tower, which is the tallest in Europe, and also solid shares in the banks of Barclay’s and Credit Suisse, along with automobile giants Volkswagen and Porsche, 9% of the stock of Glencore, the Anglo-Swiss commodities and mining company, and also a 22% ownership of Sainsbury’s stock. The Qatar Authority also opened an office in New York, and plans to invest 35 billion dollars in the United States of America. The Authority obtained approximately 10% of the Empire State Realty Trust which, since 2016, has owned the renowned Empire State Building. In addition to Miramax and Rosneft, the QIA owns 8.3% of Brookfield Property stock, 6% of the international oil and gas company, Royal Dutch Shell, along with Grosvenor House, shares in Bank of America, Total, the American jewelry company, Tiffany, and New York’s Plaza Hotel.

Qatar, the world’s largest producer of liquefied natural gas (LNG), has no plans to lower production, but maintains plans to increase the volume of LNG, from the current output of 77 million tons/year, to 110 M tons/year by 2025, and 126 M tons/year by 2027, reported Qatar Petroleum’s press center, citing information from the country’s Minister of Energy and company CEO, Saad Sherida Al-Kaabi. He noted that, in June, the company would reduce capital and operating expenses by 30% According to the Minister’s information, low costs of production will help Qatar withstand low gas prices, and the country at present is not considering a reduction in extraction. “In fact, we intend to expand and even produce more than the planned for 126 M tons of LNG per year,” said Saad Al-Kaabi.

As the Qatari newspaper Gulf Times noted: “Unfavorable circumstances and crises, which Qatar has borne and continues to bear, shall not be an obstacle for Qataris to continue the march toward our goals, activities, and efforts to achieve our national vision, Qatar 2030.” The country’s policies, and plans for managing projects, have produced many successes, both inside and outside of Qatar, as has also the budget for humanitarian assistance, which the Emirate supports through its programs all over the world.

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