QATAR

TRADE SUMMARY

The U.S. goods trade surplus with Qatar was $1.6 billion in 2011, a decrease of $1.1 billion 2010. U.S. goods exports in 2011 were $2.8 billion, down 11.5 percent from the previous year. Corresponding U.S. imports from Qatar were $1.2 billion, up 164.5 percent. Qatar is currently the 56th largest export market for U.S. goods.

The stock of U.S. foreign direct investment (FDI) in Qatar was $10.0 billion in 2010 (latest data available).

IMPORT POLICIES

Tariffs

As a member of the Gulf Cooperation Council (GCC), Qatar applies the GCC common external tariff of five percent for most products, with a limited number of exceptions. These exceptions include basic food products such as wheat, flour, rice, feed grains, and powdered milk. The tariff on alcoholic beverages is 100 percent, and on tobacco products it is 150 percent. According to the WTO, Qatar’s simple average applied tariff is 8 percent for agricultural goods and 4.6 percent for non-agricultural goods.

Import Licensing

Qatar requires importers to have a license for most products, and only issues import licenses to Qatari nationals. Only authorized local agents are allowed to import goods produced by the foreign firms they represent in the local market. However, this requirement may be waived if the local agent fails to provide the necessary spare parts and backup services for the product. Imports of pork and pork derivatives are generally prohibited.

The government has on occasion established special import procedures via government-owned companies to help ease demand pressures. For example, in 2006, the government established the Qatar Raw Materials Company to import construction materials and sell them to companies in Qatar at a marginal markup (to cover operating expenses).

Documentation Requirements

To clear goods from customs zones at ports or land borders in Qatar, importers must submit a variety of documents, including a bill of lading, certificate of origin, invoice, and where applicable, import license. The Qatari embassy, consulate, or chamber of commerce in the United States must authenticate all shipping documents, including the certificate of origin. Commercial consignments lacking a certificate of origin may be imported provided the appropriate documentation is submitted within 90 days of entry. In addition, foreign ratification fees are collected by customs officials. All imported beef and poultry products require a health certificate from the United States and a *halal* slaughter certificate issued by an approved Islamic center in the United States.

In 2008, the Ministry of Business and Trade established a “one-stop shop” to handle all services and relevant documentation for foreign investors and importers present in Qatar. This office assigns a case manager to each businessperson seeking to reside in Qatar to review, sign, and process the required materials for health and labor regulations, residency permits, and other documents.

Qatari customs authorities have prepared a list of importers and exporters who have good records of compliance with customs regulations and gives them priority in consignment clearance procedures.

In mid-2011, Qatar launched its Customs Clearance Single Window. The new electronic service allows authorized users to complete customs procedures electronically for goods entering and exiting Qatar ports, streamlining the process of customs clearance.

GOVERNMENT PROCUREMENT

Qatar gives preferential treatment to suppliers who use local content in tenders for government procurement. When competing for government procurement, tenders for goods with Qatari content are discounted by 10 percent and goods from other GCC countries receive a 5 percent discount.

As a rule, participation in tenders with a value of one million Qatari Riyal ($275,000) or less is confined to local contractors, suppliers, and merchants registered by the Qatar Chamber of Commerce.

Qatar is not a signatory to the WTO Agreement on Government Procurement.

INTELLECTUAL PROPERTY RIGHTS PROTECTION

The six Member States of the GCC are working to harmonize their intellectual property regimes. In connection with that effort, the GCC recently approved a common trademark law. Each Member State is expected to adopt that law. The United States has established a dialogue with GCC technical experts to discuss this law and other Customs Union efforts regarding intellectual property rights.

SERVICES BARRIERS

Agent and Distributor Rules

Only Qatari nationals are allowed to serve as local agents, distributors, or sponsors. However, there are exceptions granted for 100 percent foreign-owned firms in the agriculture, industry, tourism, education and health sectors, and some Qatari ministries waive the local agent requirement for foreign companies that have contracts directly with the government of Qatar. The Qatar Distribution Company has the exclusive right to import and distribute alcohol.

Banking

Foreign banks are permitted to open branches and authorized to conduct all types of business in the Qatar Financial Center (QFC), including provision of Islamic banking services, but are informally "advised" not to offer services related to retail banking business. Laws and regulations applied to foreign banks registered in the QFC are different from the ones adopted by the Central Bank, and more closely resemble international standards. The QFC tribunal is completely independent of the existing Qatari legal system and has jurisdiction for any dispute involving a registered QFC business.

INVESTMENT BARRIERS

The Organization of Foreign Capital Investment Law allows foreign investors to own up to 100 percent of projects in the agriculture, industry, health, education, tourism, development and exploitation of natural resources, energy, and mining sectors with prior government approval. In all other sectors, foreign equity is limited to 49 percent. Qatar amended this law in 2004 to allow 100 percent foreign investment in the insurance and banking sectors if the investment is approved by a decree from the Cabinet of Ministers.

In October 2009, the Council of Ministers agreed to further amendments to the law that permit 100 percent foreign ownership in consulting services, the information and technology sector, and distribution services. Although a decree has been issued, detailed regulations to implement the amendments have yet to be finalized.

The investment law permits foreign investors to lease land for up to 99 years, though renewal requires government approval. Foreign ownership of residential property is limited to select real estate projects. Foreigners can be issued residency permits without a local sponsor if they own residential or business property, but only if the property is in a designated "investment area."