

MASHREQ GLOBAL DIGEST

Qatar

January 26 – February 1



This edition of Market Digest highlights Qatar's key macroeconomic indicators, financial updates, and major deals, providing insights into current economic trends.

Macroeconomic News

Qatar's Economy to Grow by 2.7% in 2025

The World Bank expects Qatar's economic growth to accelerate from 2% in 2024 to 2.7% in 2025, with momentum surging to 5.5% by 2026 as the first phase of the North Field expansion begins production. Average growth is projected to reach 4.1% in 2025-2026, driven by increased gas production capacity. Meanwhile, non-oil GDP is expected to remain strong at 2.3%, supported by new infrastructure projects and industrial sector expansion, with an average growth of 3.4% over 2025-2026.

Reference: [CNBC](#)



Qatar Achieves \$246M Budget Surplus in Q4 2024

Qatar recorded a budget surplus of 900 million riyals (\$245.6 million) in Q4 2024, up from 100 million riyals in the previous quarter. The surplus will be used to reduce public debt. Revenues totaled 48.7 billion riyals, down 12.5% year-on-year, while expenditures declined by 12% to 47.8 billion riyals. Key sectors like health, energy, and the environment showed strong performance, with 20% of the new budget allocated to health and education. Despite lower oil revenues, non-oil revenues grew, reflecting Qatar's economic resilience. In 2024, Qatar's total surplus reached 5.63 billion riyals, surpassing initial estimates of 1.1 billion riyals, although it marked an 87% decline from the previous year's surplus.

Reference: [Arab News](#), [CNBC](#)



Qatar Targets \$100B in Foreign Investment by 2030

Qatar is planning to introduce new laws to boost foreign investment, including legislation on bankruptcy, public-private partnerships (PPP), and commercial registration. These reforms are part of a broader review of 27 laws across 17 government ministries, covering over 500 activities. The government aims to attract \$100 billion in foreign direct investment (FDI) by 2030, but FDI inflows have significantly lagged behind neighbors like Saudi Arabia and the UAE. In 2023, Qatar's FDI inflows were negative \$474 million, indicating more disinvestment than new investments, a sharp contrast to Saudi Arabia's \$26 billion and the UAE's \$30 billion. The new laws are expected to help Qatar transition towards a more private sector-driven economy, alongside activating reforms to improve its business climate.

Reference: [Reuters](#)



Qatar's Real Estate Market Shows Steady Growth in 2024

Qatar's real estate market showed steady growth in 2024, with overall stability and a slight recovery in the second half, particularly in the residential sector. While some segments saw modest declines, the market rebounded strongly in Q4, with mortgage transactions increasing by 25% year-on-year and a remarkable 168% growth in transaction value. Notable developments included luxury waterfront townhouses, theme parks, and new projects like Barwa Hills in Lusail. The outlook for 2025 remains optimistic with signs of improvement across the market.

Reference: [Zawya](#)

Qatar Urges EU to Rethink ESG Rule Impacting LNG Trade

Qatar's Finance Minister, Ali Al-Kuwari, criticized the EU's new ESG regulations, warning they could harm Qatar's LNG exports to Europe by creating unfair competition. He urged the EU to reconsider the rules, which require companies to address human rights and climate impacts. With Qatar's LNG exports to the EU already declining from 18% in 2022 to 13% in 2024, Al-Kuwari noted the country may look for alternative markets. He also highlighted Qatar's strong ties with China and the US.

Reference: [MENA FN](#)

Financial News

QFC Sees Major Growth in 2024 with 800+ New Firms

In 2024, Qatar Financial Centre (QFC) saw impressive growth with 836 new firms, a 156% increase from 2023, bringing the total to 2,489 firms and assets under management exceeding USD 33 billion. These firms came from 90 countries, including the UK, India, the US, and Qatar, spanning sectors like fintech, consulting, media, IT, and wealth management. QFC attracted tech firms, especially through the Web Summit Qatar, and signed 24 memoranda of understanding. The center also hosted major events and launched the Digital Assets Lab, issuing a framework to regulate digital assets in line with Qatar's FinTech strategy.

Reference: [The Peninsula Qatar](#)



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Qatar Banks' Asset Quality to Improve Amid Lower Rates: S&P

S&P predicts that Qatar's banking industry will see improved asset quality due to a lower interest rate environment, despite a modest decline in margins (by 10-20 bps) by the end of 2025. While lower rates will reduce net interest income, factors such as reduced risk costs are expected to buffer the impact. The oversupply in Qatar's real estate sector, driven by the World Cup, is likely to ease, further supporting banks' asset quality. Credit growth is anticipated to slow to 5% in 2025, down from the 8% average between 2019-2022. Additionally, external factors like U.S. and ECB rate cuts may influence Qatar's banking sector.

Reference: [Gulf Times](#)

Deals

Qatar-Oman Trade Hits \$1.8B in 2024

Trade between Qatar and Oman has exceeded \$1.8 billion in 2024, according to a statement from Qatar's Minister of Commerce and Industry. This marks a significant increase in trade relations between the two countries, which have been strengthening their economic ties. The Qatari minister highlighted ongoing efforts to improve trade and investment between Qatar and Oman, focusing on sectors like energy, construction, and manufacturing. The positive trade performance is seen as a reflection of the growing economic cooperation between the Gulf nations.

Reference: [Economy Middle East](#)

Qatar-Saudi Trade Mission 2025 Concluded

The Qatar-Saudi Trade Mission 2025 took place at the Hilton Riyadh Hotel, successfully promoting economic ties between Qatar and Saudi Arabia. Organized by Qatar Development Bank, the event facilitated trade relations and partnerships across various sectors. During the mission, Qatar Development Bank CEO Abdulrahman Hisham Al Suwaidi announced the opening of Qatar Exports Office in Riyadh in Q1 2025.

Reference: [Gulf Times](#)



Qatar Sees \$19 Billion in Contracts Driven by Oil Sector

In 2024, Qatar's total contract value reached \$19 billion, reflecting a 4.5% increase from the previous year. The oil sector drove this growth, with contracts rising nearly eight-fold to \$6.3 billion, while the gas sector saw a 49.5% decline, totaling \$6 billion. The power sector also experienced a notable surge, increasing by 7.5 times to \$3.4 billion. Major projects included oil field and LNG developments, contributing to a record year for contract awards in the GCC, with a strong outlook for 2025 due to economic growth, government support, and favorable market conditions.

Reference: [Zawya](#)



Markets

Market Dashboard

- U.S. stocks saw a mixed week with the Dow gaining 0.3%, while the S&P 500 and Nasdaq fell by 1% and 1.6%, respectively. The market was hit by tariff announcements from President Trump, causing uncertainty, especially in industries sensitive to trade. Tech stocks suffered after DeepSeek, a Chinese startup, unveiled a breakthrough in AI. Economic data showing strong consumer spending reinforced expectations that the Federal Reserve would keep rates unchanged, contributing to the market's volatility.
- Bitcoin dropped after Trump confirmed tariffs on China, Mexico, and Canada, causing over a 2% decline. The tariffs could strengthen the U.S. dollar and reduce market liquidity, negatively impacting crypto prices. Elliott Management warns that Trump's support for cryptocurrencies, especially bitcoin, could lead to an "inevitable collapse" of the crypto bubble, with potential consequences for the U.S. dollar and global markets.
- Gold prices surged past \$2,800, hitting a record high, driven by uncertainty over U.S. President Trump's tariff threats on Canada, Mexico, and China, which fueled concerns about global economic growth and inflation. Gold recorded its best monthly performance since March 2024, while other metals like silver also showed gains.
- Oil prices fell for the second consecutive week, driven by concerns over proposed U.S. tariffs on Canadian and Mexican oil. However, prices rose slightly after President Trump suggested lowering the tariff on Canadian oil from 25% to 10%. The market is also watching the upcoming OPEC+ meeting, with no major changes expected in output plans.
- The euro weakened against the U.S. dollar, falling to \$1.0397 for the week. This was driven by slower-than-expected U.S. economic growth, which led to expectations that the Federal Reserve might not aggressively cut rates. Meanwhile, the European Central Bank's rate cut added pressure on the euro, making the dollar more attractive to investors.

Indicators	24-Jan-25	31-Jan-25	% Change
S&P 500	6,101.24	6,040.53	-1.00%
Bitcoin	104,819.48	102,405.02	-2.30%
Gold	2,771.30	2,801.00	1.07%
Crude Oil	78.50	76.40	-2.68%
EUR/USD	1.0416	1.0397	-0.18%

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