

MASHREQ GLOBAL DIGEST

Qatar

November 24 – November 30



This issue of Market Digest delves into key macroeconomic indicators and recent economic developments in Qatar, along with insights into notable deals and latest financial updates.

Macroeconomic News

Qatar's Economy to Grow 2% in 2024

The World Bank has projected Qatar's economy to grow by 2% in 2024, driven by stable performance in the hydrocarbon sector and strong growth in the non-oil sector, mainly tourism and construction. The hydrocarbon sector remains vital for long-term growth, especially with upcoming LNG production increases from 2026. Additionally, Qatar has secured key contracts with European countries and is diversifying its markets in East Asia. The country continues to focus on diversifying its economic base, supported by the third National Development Plan targeting sectors like tourism and IT.

Reference: [The Peninsula Qatar](#)



Qatar's Debt Servicing Costs to Stay Below 5% by 2027

Qatar's debt-servicing costs are expected to stay below 5% of government revenues by 2027, thanks to debt reduction strategies and higher income from the North Field Expansion (NFE), according to Standard & Poor's (S&P). In 2023, the government repaid approximately \$7.41bln (3.4% of GDP) of its debt and plans further reduction in 2024. S&P estimates Qatar's general government debt will fall from 50% of GDP in 2023 to about 33% by 2027, supported by rising nominal GDP and continued repayments. Strong net assets averaging 125% of GDP over 2024-27 and investments by the Qatar Investment Authority support Qatar's financial stability, despite risks from external banking liabilities.

Reference: [Zawya](#)



Qatar's Tourism Sector Sees Record Growth

Qatar's tourism sector has been experiencing significant growth, driven by investments in infrastructure and successful mega-events like the FIFA World Cup 2022 and the International Horticultural Expo 2023. In the first 10 months of 2024, Qatar welcomed nearly 4 million visitors, a 25% increase from the same period in 2023. Saudi Arabia remains the top source of visitors, followed by India and Bahrain. The growth is also attributed to streamlined visa processes via the Hayya platform and Qatar's expanding tourism offerings. The country is expected to continue seeing high visitor numbers, particularly with upcoming events like the Formula 1 Qatar Grand Prix and the MENA Fintech Festival.

Reference: [The Peninsula Qatar](#)



Demand for Qatar Office Market Remains Steady

Qatar's office space market remained stable in Q3 2024, with 38,000 sq m of new space added, bringing the total supply to over 7.2 million sq m of GLA. Office occupancy nationwide stood at 63%, with higher demand in premium locations. Office rents averaged QR66 per sq m, stable from the previous quarter but down 2.2% year-on-year. Meanwhile, mortgage transactions totaled 227 deals worth QR6.8 billion, reflecting a 10% decline from the previous quarter as buyers await more favorable interest rates following a 55-basis point cut by both the U.S. Federal Reserve and the Qatar Central Bank.

Reference: [Zawya](#)



Qatar Tops Regional Governance Rankings

Qatar ranked first in the region for key global governance indicators in 2024, according to the World Bank. It scored high in political stability (84.36%) and rule of law (80.19%). This improvement is due to Qatar's efforts in strengthening governance and sustainable development. Qatar also made notable progress in the UN E-Government Development Index, moving from 78th to 53rd place among 193 countries. It also advanced in the Human Capital Index and performed well in the World Competitiveness Booklet, securing top rankings in government efficiency, corporate board effectiveness, and energy infrastructure. These accomplishments underscore Qatar's continued focus on enhancing its global competitiveness.

Reference: [The Peninsula Qatar](#)

Financial News

Qatari Banks Record 6.2% Growth in Net Interest Income for Q3 2024

Qatari banks reported a 6.2% increase in net interest income in Q3 2024, reaching \$3.5 billion, contributing to broader growth across the GCC. The region's total net interest income hit a record \$22.1 billion, driven by higher central bank rates. Saudi-listed banks saw a 3.5% increase, while Omani and UAE banks grew by 1.2% and 1.8%, respectively. In Qatar, total bank revenues grew by 5.8% quarter-on-quarter, with non-interest income rising by 4.9%. This helped fuel the GCC's overall revenue growth of 4.1%, totaling \$32.9 billion in Q3 2024.

Reference: [The Peninsula Qatar](#)

QCB Auctions \$1.01B in Bills Amid Strong Demand

Qatar Central Bank successfully auctioned QR3.7 billion (\$1.01 billion) in QCB Bills amid QR12.2 billion in bids, reflecting strong investor confidence in Qatar's financial market. The auction featured tenors from 7 to 336 days with yields ranging from 4.653% to 4.91%, supporting liquidity management and market stability while aligning with Qatar's economic goals.

Reference: [Zawya](#)

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QIA Acquires 30% Stake in Audi's F1 Team

The Qatar Investment Authority (QIA) has acquired a significant 30% minority stake in Sauber Holding AG, which will become Audi's factory team in Formula 1 by 2026. This investment, reportedly worth hundreds of millions of dollars, marks QIA's first major venture into F1. The move strengthens the Gulf region's involvement in the sport, following Bahrain's full acquisition of McLaren and Saudi Aramco's partnerships with F1 and Aston Martin.

Reference: [Forbes](#)

Projects/Deals

Egypt and Qatar to Collaborate on North Coast Project

Egypt and Qatar have agreed to collaborate on a significant real estate investment project on Egypt's North Coast. This announcement came during a visit by Qatar's Prime Minister Sheikh Mohammed bin Abdulrahman al-Thani to Egypt. The cooperation centers on tourism investment opportunities along the Mediterranean coast. This comes shortly after Egypt signed a \$35 billion deal with the UAE to develop the Ras al-Hikma peninsula.

Reference: [Alarabiya](#)

Qatar Launches \$3B "Land of Legends" Project

Qatar has launched the "Land of Legends" tourist project in Simaisma, a \$3 billion initiative set to transform tourism and entertainment. The development, a partnership between FTG and Qatari Diar, spans 650,000 square meters and aims to attract 2 million visitors annually. Expected to finish by 2028, the project aligns with Qatar's Vision 2030, enhancing the country's tourism sector and fostering economic growth through public-private partnerships. It is part of the larger Simaisma Sustainable Project along Qatar's eastern coastline.

Reference: [Aljazeera](#)

Qatar Launches Largest Blue Ammonia Plant

Qatar has launched the world's largest blue ammonia plant in Mesaieed, set to produce 1.2 million tons annually starting in Q2 2026. The \$1.2 billion project includes carbon capture facilities that can capture 1.5 million tons of CO2 per year and generate 35 MW of solar power. This initiative supports Qatar's sustainability strategy to reduce greenhouse gas emissions and expand carbon capture technologies.

Reference: [Aljazeera](#)



Samsung C&T Wins \$2.82B Qatar Contract

Samsung C&T, a South Korean company, has won a \$2.82 billion contract to build a power plant and desalination facility near Doha, in partnership with Japan's Sumitomo Corporation. The project involves the construction of a power plant complex in the Ras Bufontas area. Upon completion in 2029, the plant is expected to supply 16% of Qatar's total electricity and 17% of its desalinated water.

Reference: [Alarabiya](#)

Events

Qatar International Tourism Expo Opens with Record Participation

The 2024 Qatar International Tourism and Travel Exhibition (QTM) opened in Doha with over 300 exhibitors from 60 countries. The event, attracting over 12,000 visitors, highlights Qatar's growing tourism sector, with a focus on sustainable and experiential travel. Key projects like the \$5.5 billion Smisma development were showcased. The exhibition aligns with Qatar's National Vision 2030 and introduces the "QTM B2B" app to enhance business networking by providing easy access to exhibitor details and conference schedules.

Reference: [Aljazeera](#)

Markets

Market Dashboard

- The S&P 500, Nasdaq, and Dow all saw gains for the week, with the S&P 500 up 1.06%, the Nasdaq rising 1.13%, and the Dow climbing 1.39%. Strong performances in tech stocks, led by Nvidia and Tesla, and retail stocks, driven by Black Friday sales, helped lift the market. Investor optimism was also fueled by expectations of pro-business policies following the U.S. elections, despite ongoing concerns about inflation and Federal Reserve actions. Looking ahead to 2025, Goldman Sachs forecasts the S&P 500 to return 10%, with earnings growth of 11% and a target index level of 6,500 by year-end.
- Bitcoin's market showed volatility this week, falling to the \$90,000 level before bouncing back, as traders assess whether the cryptocurrency can break above the \$100,000 mark. Despite the market's noisy behavior, the outlook remains positive. The presence of Bitcoin-backed ETFs adds confidence to the market, with investors likely to seize buying opportunities whenever the price drops.
- Gold is on track for its worst monthly loss in over a year, down 3% in November, due to a post-election sell-off triggered by Donald Trump's win. Although geopolitical tensions and a weaker dollar provided some support, higher tariffs from Trump's policies may increase inflation and pressure gold. Despite the challenges, gold remains a safe-haven investment amid global uncertainties.
- Oil prices fell on Friday and posted a weekly decline of around 3%, pressured by easing concerns about supply risks from the Israel-Hezbollah conflict and the expected increase in supply in 2025.
- The euro rose 0.25% on Friday, marking its first weekly gain in a month. Strong inflation data from Spain (2.4%) and Germany (2.2%) reduced the chances of a 0.25% ECB rate cut in December, supporting the currency.

Indicators	22-Nov-24	29-Nov-24	% Change
S&P 500	5,969.34	6,032.38	1.06%
Bitcoin	98,997.66	97,461.52	-1.55%
Gold	2,712.55	2,653.55	-2.18%
Crude Oil	75.17	72.94	-2.97%
EUR/USD	1.0469	1.0563	0.90%

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