

# QATAR

## Economic Freedom Score



World Rank: **34**

Regional Rank: **3**

**Q**atar has undertaken a number of structural reforms intended to enhance the entrepreneurial and investment regimes and help transition away from dependence on the hydrocarbon sector. The country's openness to global commerce, reinforced by its aspiration to be a leading financial and business hub, has facilitated private-sector growth outside of the oil and gas industries.

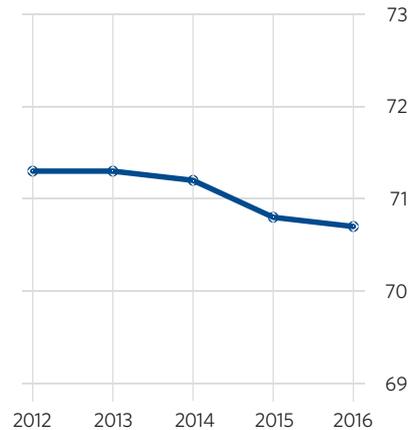
### ECONOMIC FREEDOM SNAPSHOT

- 2016 Economic Freedom Score: **70.7 (down 0.1 point)**
- Economic Freedom Status: **Mostly Free**
- Global Ranking: **34th**
- Regional Ranking: **3rd in the Middle East/North Africa Region**
- Notable Successes: **Open Markets and Fiscal Freedom**
- Concerns: **Labor Freedom**
- Overall Score Change Since 2012: **-0.6**

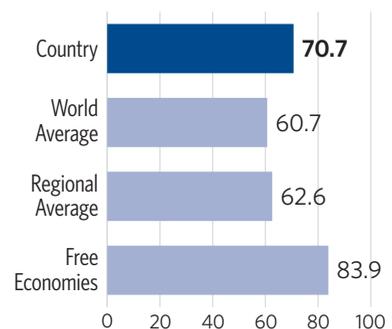
By and large, Qatar's high standard of living has been enjoyed and shared by almost all Qataris. The small Gulf state has been largely unaffected by social unrest and civil conflicts that have fragmented some other countries in the region and benefits from a relatively high level of political stability and respect for the rule of law.

**BACKGROUND:** The Al-Thani family has ruled Qatar since independence from Great Britain in 1971. Sheikh Tamim bin Hamad Al-Thani, in power since 2013, has emphasized such domestic issues as enhancing infrastructure, health care, and education. Qatar has largely avoided problems generated elsewhere by the Arab Spring uprisings, but it has come under fire for its support of radical Islamist groups. The government permits extensive foreign investment in energy enterprises. Oil and gas account for about 85 percent of export revenues and over 50 percent of GDP. Qatar's proven oil reserves exceed 25 billion barrels, and its natural gas reserves are the world's third largest.

## Freedom Trend



## Country Comparisons



## Quick Facts

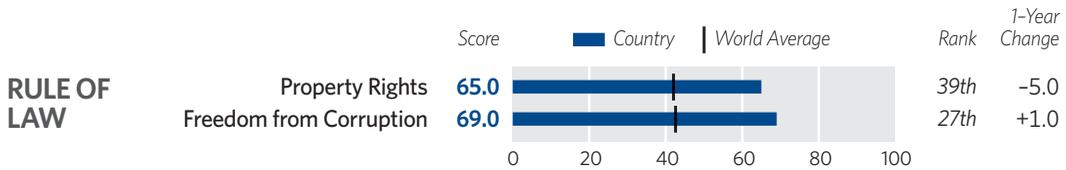
- Population:** 2.2 million
- GDP (PPP):** \$320.5 billion
- 6.1% growth in 2014
- 5-year compound annual growth 9.7%
- \$143,427 per capita
- Unemployment:** 0.3%
- Inflation (CPI):** 3.0%
- FDI Inflow:** \$1.0 billion
- Public Debt:** 31.5% of GDP

### How Do We Measure Economic Freedom?

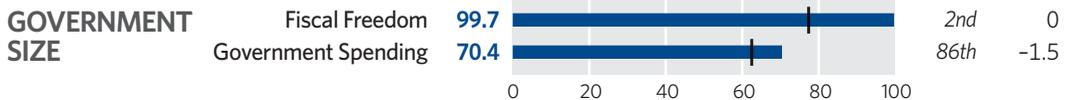
See page 467 for an explanation of the methodology or visit the *Index* Web site at [heritage.org/index](http://heritage.org/index).

2014 data unless otherwise noted.  
Data compiled as of September 2015.

**THE TEN ECONOMIC FREEDOMS**



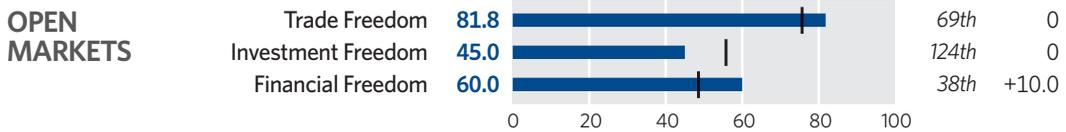
Critics have complained about a lack of transparency and the influence of personal connections in government procurement. Qatar has faced ongoing allegations of corrupt practices in securing the winning bid to host the 2022 World Cup. Migrant workers are denied property rights. Despite constitutional guarantees, the judiciary is not independent. The majority of judges are foreign nationals who are appointed and removed by the emir.



There is no income tax or domestic corporate tax. Foreign corporations operating in Qatar are subject to a flat 10 percent corporate tax rate. Aside from customs duties, there are no other major taxes. The tax burden equals 5.2 percent of GDP, and government spending amounts to 31.4 percent of GDP. Public debt hovers at a level around 30 percent of annual economic output.



The business environment is generally conducive to the operation of new companies. The labor force consists primarily of expatriate workers. The government does not mandate a minimum wage. Qatar has one of the world’s highest levels of per capita subsidies. Commercial airlines in the U.S. and Europe have accused the state of abusing “Open Skies” agreements by giving billions in subsidies to state-owned Qatar Airways.



Qatar’s average tariff rate is 4.1 percent. Goods with domestic content are favored in government purchases. Foreign investment levels are often capped. State-owned enterprises distort the economy. The financial sector, in which the state continues to retain ownership, has undergone modernization. The stable banking sector remains competitive, and investment laws have been amended to attract greater foreign investment in banking.

**Long-Term Score Change (since 1999)**

RULE OF LAW		GOVERNMENT SIZE		REGULATORY EFFICIENCY		OPEN MARKETS	
Property Rights	<b>+15.0</b>	Fiscal Freedom	<b>+12.2</b>	Business Freedom	<b>+16.4</b>	Trade Freedom	<b>+6.8</b>
Freedom from Corruption	<b>-21.0</b>	Government Spending	<b>+22.6</b>	Labor Freedom	<b>+10.7</b>	Investment Freedom	<b>-5.0</b>
				Monetary Freedom	<b>+1.4</b>	Financial Freedom	<b>+30.0</b>