



THE DEBRIEF QATAR AT THE CROSSROADS OF THE WORLD

DIGITAL ROUNDTABLE

thebusiness|year

QFZ
هيئة المناطق الحرة - قطر
Qatar Free Zones Authority



THE BUSINESS YEAR: THE DEBRIEF - QATAR AT THE CROSSROADS OF THE WORLD

Qatar has set ambitious yet achievable targets to be fulfilled under Qatar National Vision 2030, which include, among others, SME empowerment, self-sufficiency, and, most importantly, economic diversification. FDI inflows and international trade—in this case, imports—seem crucial to reaching these goals since achieving a wealthy and stable economy in isolation is a utopia no longer realistic.

Among the many measures taken by the government of Qatar, the Qatar Free Zones Authority (QFZA) was established in 2018, its first two free zones being conceived during 2019. These milestones allow Qatar to look at a globalized economy with all the institutional and infrastructure guarantees necessary to benefit from regional and global commercial and industrial trends without giving up on the importance of local production and added value. Sectors that had traditionally been underrepresented or at least not developed to their full potential, such as chemicals, agriculture and food processing, health research and pharmaceuticals, logistics, and IT can find now an easy way to establish themselves in the country.

Qatar, thanks to its strategic geographical location and economic and commercial flexibility, is deemed to play a vital role at the crossroads of international economic relations. In times of extreme polarization and commercial uneasiness, few countries can rely on excellent commercial relationships with the US and China, not to mention other important partners such as the EU, Japan, South Korea, and Singapore.

Yet, COVID-19 has placed a mandatory time-out on the world that may disrupt global supply chains, while the hydrocarbons crisis will certainly not improve the situation. However, Qatar has the means and the partners to overcome both shocks and achieve the greatly desired diversified and self-sufficient economy.

Qatar at the Crossroads of the World was the first open-attendance digital event launched and co-hosted by QFZA and TBY in Qatar. The opening remarks were delivered by HE Ahmad Al-Sayed, Minister of State & Chairman of the Board of QFZA, and participants included guest experts Amitendu Palit, Senior Research Fellow, ISAS, National University of Singapore and World Economic Forum, and Oktawian Kuc, Investment Policy Officer of the Division on Investment and Enterprise, UNCTAD, who explained the importance of enhancing and deepening international economic relations to achieve full recovery in the post-pandemic world and the role of special economic zones.

Finally, a panel of high-profile sectorial representatives dealt with the benefits of tapping into new markets through FDI and the hurdles international corporations face in the process. The roundtable also analyzed the role of special economic zones in the balanced and diversified growth of modern economies, with a special focus on Qatar's case and the two free zones inaugurated by QFZA. ✖

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2 From the editor's desk

4 HE Ahmad Al-Sayed, Minister of State & Chairman of the Board, Qatar Free Zones Authority • Inside perspective

6 Lim Meng Hui, CEO, Qatar Free Zones Authority (QFZA) • Interview

8 On the verge of greatness • Focus: Qatar's free zones

9 Dr. Amitendu Palit, Senior Research Fellow, ISAS, National University of Singapore World Economic Forum • Interview

10 Oktawian Kuc, Investment Policy Officer of the Division on Investment and Enterprise, United Nations Conference on Trade and Development (UNCTAD) • Inside perspective

11 Clear & present value • Focus: Efforts to attract investments

12 Much to gain • Forum

14 Blueprint for the future • Photo essay: Free zones

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INSIDE PERSPECTIVE

The following is a transcript of remarks delivered at the opening of the *Qatar at the Crossroads of the World* digital event.

BUILT-IN *resilience*



HE Ahmad Al-Sayed
MINISTER OF STATE & CHAIRMAN OF
THE BOARD,
QATAR FREE ZONES AUTHORITY

I AM DELIGHTED TO OPEN THIS DIGITAL ROUNDTABLE ORGANIZED BY THE BUSINESS YEAR and co-hosted by Qatar Free Zones Authority (QFZA), with our esteemed guests from the World Economic Forum, UNCTAD, Bayer, Reybanpac, and DHL.

We have convened this panel of experts because the pandemic has exposed fundamental weaknesses in the world's global supply chains, and the purpose of this roundtable is to draw on the knowledge of our panelists and the expertise of their institutions to re-think how we design and operate the world's global supply chains—our ultimate aim is to make them robust enough to withstand the shocks caused by the pandemic.

As we all begin to move out of the immediate crisis caused by the pandemic, governments and companies are now faced with great uncertainty about what the future holds. At the heart of this uncertainty is what should be done to protect against any future disruptions, whilst being able to maintain effective and profitable operations. The logistics industry, in particular, has suffered extensively due to disruptions in the global supply chains, which were evident in the operations of factories and suppliers across the world.

Furthermore, the effects of the pandemic have added new stresses to a supply chain system suffering under the rising tide of economic nationalism and protectionism as noted by our colleagues from UNCTAD in their recent FDI report. Add to

this the disruptive technologies of the New Industrial Revolution like automated distribution and manufacturing hubs, or the digitalization of supply chains, and we can see that the world is now rapidly accelerating toward a decade of unparalleled change in how global supply chains create and add value. We therefore must accept the added complication of building resilience into supply chains while maintaining operational efficiency for our customers.

Cost-efficiency can no longer be the only guiding principle of supply chains, and the world must now ensure that supply chains not only deliver value for money, but have resilience built in so they are resistant to future disruptions so the global economy can keep moving.

Qatar and our free zones have a headstart on dealing with these problems due to the past experiences, which have given us and the companies that chose to call QFZ their home, a great advantage as we have already diversified our supply chains to make sure the world and Qatar remained connected. QFZ welcomes new economy businesses to set up very fast and enjoy brand-new infrastructure, tailor-made solutions, and the opportunity to partner with top Qatari companies such as Qatar Airways and Qatar Petroleum and support 2022 legacy projects.

We have a tried-and-tested a system that has proven its worth during the pandemic. However, there is still much more to be done by all of us. ✖

BIO

HE Ahmad Al-Sayed is the Minister of State & Chairman of the Board of Directors of QFZA. He is also the chairman and managing director of Doha Venture Capital Fund (DVC) and a board member of Qatar Development Bank and Msheireb Properties. He also served as CEO of Qatar Investment Authority and Qatar Holding. Prior to that, he held key roles in various local and international institutions, including the Supreme Council for Economic Affairs and Investment. He holds an MBA from TRIUM Global (from LSE, NYU Stern, HEC Paris), a master's of international banking and financial law from Boston University, and an LLB from Qatar University. He was awarded an honorary degree (DLitt) from Swansea University in the UK in 2019.



INTERVIEW



Lim Meng Hui
CEO,
QATAR FREE ZONES AUTHORITY (QFZA)

IN the zone

QFZA is at the forefront of Qatar's diversification plans, ensuring the right environment for a host of industries to set up successfully in the country.

What learnings has QFZA obtained from *Qatar at the Crossroads of the World*, and how do you plan to incorporate them into your strategy?

The global supply chain was a finely tuned machine that created and added value to developed and developing nations across the world, but the pandemic exposed just how brittle it was, as shelves and warehouses across the world emptied of products as companies and countries succumbed to the effects of COVID-19. We heard from all of the speakers on *Qatar at the Crossroads of the World* on the need to find a way to balance the efficiency of the supply chains we have built with the resilience needed to ensure we can overcome disruptions and allow producers and consumers to remain connected under adverse conditions. QFZA is heavily focused on bringing in the world's leading supply chain companies to ensure that Qatar and QFZA are leading the way on how the world can strike the right balance between resilience and efficiency in our supply chains. In particular, we expect several key trends to emerge and have an impact on our young organization. These are: shift in business and investment models as the reliance on technology and innovation increases and the growth of emerging technologies and advanced industries, including the Internet of Things, electric vehicles, autonomous vehicles, data centers, and more. The localization of strategic sectors such as food, life sciences, and oil and gas are also important to achieve self-sufficiency, as will be a redesign of supply chains to diversify value chains through activities such as logistics, e-commerce, regional distribution, and small-scale production lines.

Why were logistics, F&B, and pharmaceuticals the three topics selected for *Qatar at the Crossroads of the World*, and what other sectors will have to complement them to achieve QFZA's goals, in line with 2030 Qatar National Vision?

To make 2030 Qatar National Vision a reality, Qatar has been proactive in boosting activity and attracting investment, with a particular focus on key economic sectors. The logistics sector is a natural fit, as Qatar sits at the intersection of three continents and is one of the world's largest cargo hubs and currently a key logistics player. We also have powerful logistical infrastructure, including a leading airport and seaport and an advanced domestic transportation system. The logistics sector is also a key enabler to ensure secure and cost-efficient supply chains, which are critical for trading and manufacturing. The pandemic exposed significant weaknesses across the globe in strategically vital sectors like pharmaceuticals and food supplies, both of which require technically complex supply chains to prevent product degradation through the use of systems like cold chains to get products to market as intended. Qatar's strong logistics capabilities, particularly with Qatar Airways being one of the world's largest air cargo carriers, puts Qatar in a unique position to grow these sectors from a position of strength. Besides these, the downstream chemicals sector is an important sector for Qatar. As a global leader in the export of natural gas, the next step is to further develop the domestic downstream sector into other segments such as engineered materials, advanced textiles, and food ingredients. Lastly, new and disruptive technology are significant—both as an industry in itself and also as a catalyst for increased business activity in other sectors. Our ob-

jective is to build joint ventures and partnerships to support digital industries in a range of areas, such as digitalization, AI, the Internet of Things, cybersecurity, data analytics, and e-commerce.

Recently, Qatar issued Law No. 12 of 2020, regulating the partnership between the public and private sectors. Why will an increase in private-sector participation be good for Qatar? The private sector is an important engine of growth in most economies, including Qatar. This new law will encourage the private sector to participate more actively in projects that invest in the development of the Qatari economy as well as strengthen the partnership and co-operation between the large, small, and medium-sized enterprises and the public sector. Since its establishment, QFZA has worked tirelessly to connect the strategic objectives of our government outlined under the 2030 National Vision with the know-how of the private sector and the growth opportunities that they are seeking out. A great example is the establishment of the new Digital Competence Centre in Qatar Free Zones by Thales. The center will be a hub for software development and facilitate large-scale projects including events and security solutions, playing a key role in Qatar free zones' growing technology ecosystem. The free zones will give foreign companies a base from which to tailor their products and services for nearby markets across the Middle East, Europe, North Africa, and Western Asia.

How will physical and digital infrastructure be improved in parallel at Qatar's free zones in the medium term to encourage new companies and industries, and what is the key for QFZA to adapt to specific demands of sectors

with potential?

Our free zones have been built to the highest standard, and we are committed to ensuring that our tenants, both current and future, have access to the latest digital, physical, and legal infrastructure to optimize their operations. The government of Qatar has created an extremely welcoming regulatory environment for foreign companies in the free zones. A major concern for companies setting up overseas, particularly tech companies, is the protection of their intellectual property and customer data. The legal frameworks put in place by Qatar have proven robust enough for Google and Microsoft, both companies with a strong reputation for guarding their intellectual property, to set up operations in the free zones. The arrival of companies leading the fourth industrial revolution has paved the way for a whole new set of companies to enter into the free zones and value chains from a whole range of industries, so we can truly claim that the region's fourth industrial revolution will be led from our free zones. But we are not content on resting on the successes of today, and if we are to continue to be one of the world's most successful free zones, we must always look for ways to improve what we offer to current and future tenants. This ethos was summed up perfectly by His Excellency Ahmad bin Mohamed Al-Sayed, Minister of State and Chairman of QFZA, during a recent meeting with a trade delegation led by the US Chamber of Commerce: "Our intention is not to stop at what we are giving to you today. Rest assured that we will continue to upgrade and update our systems, and all our investors' ideas and challenges will be discussed and acted on. We will not stop serving you." ✖

BIO

Lim Meng Hui has been the CEO of the Qatar Free Zones Authority since its inception in 2018. He holds a bachelor's degree in social sciences, economics, and psychology. He also has an MBA and has attended executive management programs at INSEAD and Tsinghua University. He is an experienced CEO with a demonstrated history of working in the international trade and development industry. He has been holding top management positions for more than 10 years at Chinese, Singaporean, and Qatari companies. He also has five years of hands-on experience in diplomatic and international relations positions.

FOCUS

Qatar's free zones

ON THE VERGE OF GREATNESS

THE LAUNCH OF RAS BUFONTAS FREE ZONE AND UMM ALHOUL FREE ZONE IN 2019 HAS PUSHED QATAR ONE STEP CLOSER TO BECOMING THE LEADING BUSINESS HUB FOR REGIONAL EXPANSION.

QATAR HAS A POPULATION OF ONLY 2.8 MILLION, but for thousands of companies that have decided to open offices there, the Gulf state has proven to be a popular gateway to nearby markets of more than 600 million people.

A stable and modern economy, high living standards, and well-developed infrastructure are just some of the major factors that today make Qatar an ideal business hub and a great place to establish a company. Behind the scenes, the biggest factor has been the government's commitment to strengthening Qatar's fast-growing economy under a robust regulatory environment as well as a USD200-billion investment program that has seen the completion of major mega infrastructure projects, including two state-of-the-art free trade zones in 2019.

Located only 15km from each other, the 400-ha Ras Bufontas Free Zone and the 3,000-ha Umm Alhoul Free Zone are interconnected and strategically located close to Hamad International Airport and Hamad Port, the world's largest greenfield port. Notably, Umm Alhoul Free Zone also has its own port, MARSA, a fully integrated maritime ecosystem with amenities to support activities from boat building to maritime research to recreational yachting and water sports.

Both free zones offer unique benefits and services to companies looking to establish their businesses in Qatar and the wider region, with specific sections dedicated to particular industries, such as consumer products, pharmaceuticals, maritime industries, and plastics, allowing for optimal cluster growth and perfectly tailored infrastructure and fa-

cilities. Moreover, there are specialized clusters for sectors where Qatar has a strong value proposition, such as logistics, chemicals, and emerging technologies.

Companies establishing in either one of the two zones can enjoy tax exemptions, including 0% corporate tax for renewable 20-year periods; 100% foreign ownership with full capital repatriation; branch or LLC structuring options; access to investment funding; robust data protection and IP laws; zero customs duties; full repatriation of profits; full access to Qatar's double taxation treaty network with over 65 countries; and access to a massive government-backed fund for strategic investments in the free zones.

Moreover, what puts these two free zones in a completely different league is that they are managed by an independent regulatory body, the Qatar Free Zones Authority (QFZA), which was established in 2018 to oversee and regulate world-class free zones in Qatar. Apart from offering exceptional opportunities and benefits to businesses, the QFZA also acts as a one-stop shop for the entire set-up and management process. This acts as a boon not only to international businesses but also Qatar's ambitions to attract FDI and create a diverse knowledge-based economy.

By ensuring a smooth process for international businesses, QFZA plays an invaluable role in making Qatar a global trading hub and attracting the type of FDI that will take its logistical capabilities to the next level. And aiding QFZA in this goal is the government's New Emerging Belt Initiative (NEBI), an economic corridor that includes Kuwait, Oman, India, Turkey, and Pakistan, which have a combined GDP of more than USD4 trillion.

The Qatari government is strengthening relations with the five countries that are part of NEBI, making it even easier for multinational companies to use Qatar as a base to access a market of close to 2 billion people. Given its scale, NEBI will act as the icing on top of all the benefits offered by the Airport Free Zone and the Port Free Zone, enabling Qatar to realize its ambitions to become a major logistics hub. ✖

THE NEED for cooperation

The following is an extract from remarks delivered at the opening of the *Qatar at the Crossroads of the World* digital event.

Dr. Amitendu Palit
SENIOR RESEARCH FELLOW, ISAS,
NATIONAL UNIVERSITY OF SINGAPORE
WORLD ECONOMIC FORUM



THE COVID-19 CRISIS will bring many impacts to the economy that we are still to notice and that are far beyond the most evident consequences.

Global GDP growth is expected to decline by 4.9%, according to the IMF. Recessions are widespread across major economies of the world, both in advanced as well as emerging markets. COVID-19 has also brought on severe challenges for global trade. Even by the more optimistic scenarios, global trade volume is expected to decline by around 13% in the current year. It might not be as bad as it was after 2009, but the risks to the outlook are much larger given the possibility of a resurgence of COVID-19.

The impact will be severe on global labor markets. Though individual labor market outcomes would vary, there will be serious impacts on employment-intensive industries like civil aviation, tourism, hospitality, hotels, garments, construction, real estate, and so on. Furthermore, informal workers will be very hit hard.

Unsurprisingly, the pandemic is not an isolated circumstance independent from other global challenges, such as US-China relations and political divisions. Unlike in 2009, when the world had rallied together to tackle the financial crisis, this time the overarching support for a broad policy direction is much less convergent. COVID-19 has complicated US-China hostilities, forcing countries to make uncomfortable strategic choices and preventing the adoption of a multilateral position.

A comeback of protectionism in some parts of the world is already a reality and could intensify in the months and years to come, beginning with export restrictions as COVID-19-related

consequences advance. Slowly, more and more countries realize the futility of such restrictions. However, by and large, protective tendencies remain in several economies, as COVID-19 forces borders to remain shut.

Under this scenario, the role of international trade is vital. It is the only adequate reaction for reviving jobs and the world economy. It is certain that outward-oriented economies will have a major role to play in the economic turnaround. In that regard, the role of those economies that focus on trade as one of their highest priorities is particularly important. Countries like Singapore are important as is Qatar, which protects its local market through a globalized vision.

In the next generation of turnaround, some new elements will be crucial. Technology, for instance, will be of paramount importance. Digital trade will accelerate, and thus the importance of a number of industries will increase selectively. These include those influenced by COVID-19, such as pharmaceuticals, critical medical supplies, food, and logistics. Also, cross-border e-commerce, including data transfers and digital payment systems, will become important.

Finally, new supply chains will become shorter and more resilient. They will depend much more on digital practices and trade efficiencies. It is important for countries to create modern new-generation, trade-supportive infrastructure, embracing digital practices, logistics, and modern management methods. In this regard, initiatives like the Qatar Free Zone, and the outward-looking trade-oriented strategies of Qatar, could be a great example to revive global trade. ✖

BIO

Amitendu Palit is Senior Research Fellow and Research Lead (trade and economic policy) at the Institute of South Asian Studies in the National University of Singapore. He is an economist specializing in international trade and investment policies, FTAs, supply chains, connectivity, cross-border data flows, and the Indian economy. He sits on the World Economic Forum's Global Future Council on Trade and Investment. He is senior research fellow (honorary) at Wong Centre for Study of MNCs and an adviser for Athena Infonomics. Earlier, he worked for several years in the Ministry of Finance, government of India, and in the ministries of industry and civil supplies. He handled macroeconomic policies, including trade, investment, industrial development, SMEs, entrepreneurship, and futures trading.

INSIDE PERSPECTIVE



PRIORITY

one

The following is an extract from remarks delivered at the opening of the *Qatar at the Crossroads of the World* digital event.

BIO

Oktawian Kuc, an Investment Policy Officer in the division of investment and enterprise at UNCTAD, holds degrees from the Harvard Law School (LLM) and the University of Warsaw. He has been admitted to the bar in Poland and the US (New York). Oktawian taught at the Cardinal Stefan Wyszyński University in Warsaw, where he was an associate professor of law. Before joining the UN, he practiced law at an international law firm and later as an in-house counsel. He is currently based in Geneva, working on matters relating to foreign investment, development, and policy. He contributes to World Investment Reports.

Oktawian Kuc

INVESTMENT POLICY OFFICER OF THE DIVISION ON INVESTMENT AND ENTERPRISE,
UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD)

IN THE WORLD INVESTMENT REPORT 2019, UNCTAD made some findings in relation to special economic zones (SEZs). This annual report provides investors and policymakers with data and insights important for decision-making process.

Let's start with some background information and historical trends with regards to SEZs. Modern SEZs as we have come to think about them today first appeared in the 1960s and experienced rapid growth in the 1990s and 2000s, likely linked to rapid globalization and growth of supply chains. Globally, there are over 5,400 SEZs, with about 1,000 of them being established in the last five years and about 500 expected to become operational in the next few years. However, this estimated number of new SEZs was predicted before the onset of the COVID-19 pandemic, so it is still uncertain how the situation will finally unfold.

Nonetheless, historical trends show that SEZs remain a priority for industrial policymakers to boost investment attractiveness and competitiveness and to facilitate diversification. This is because they are an easy tool for implementing business reforms, sometimes the only feasible solution and often a steppingstone for broader business environment reforms. Secondly, SEZs also provide high-quality infrastructure in a contained geographical location.

Expanding further on the idea that SEZs promote investment, UNCTAD asked investment promotion agencies about the effectiveness of SEZs in this regard, and 47% said SEZs have given a significant boost to FDI. This is compared to 30% that feel SEZs have not succeeded in attracting significantly more FDI. With this in mind, UNCTAD tries to provide policymakers with holistic tools to best leverage SEZs to attract and promote investment.

One of those tools is the SEZ Sustainable Development "Profit and Loss Statement," which is aimed at looking at different cost-benefit areas that SEZs can

and should provide. These areas UNCTAD incorporates in its analysis are much broader than traditionally expected and are better at capturing the indirect economic contributions beyond attracting investment, creating jobs, and increasing exports. Those indirect benefits include creating linkages between international and local suppliers to shorten existing value chains, provide technology and expertise dissemination, and opening up of new areas for economic activities, particularly high-tech areas such as sophisticated pharmaceuticals and agriculture. Furthermore, SEZs could be a first step for broader reform. But this is not often considered when doing a cost-benefit analysis.

Moreover, as we see in the current situation with the COVID-19 pandemic, many of the SEZs are at the forefront with those challenges. With several SEZ authorities, UNCTAD saw a more rapid shift toward digitalization as a response measure, which helped them integrate technology into their operations and provide more client services remotely.

With regard to Qatar Free Zone Authority in particular, it has a special section dedicated to COVID-19 challenges to better serve investors. What's more, related to managing the impacts of the pandemic, SEZs have those linkages throughout the supply chain, particularly local suppliers, and the ability to find innovative solutions to change and enhance those linkages. This has allowed SEZs to respond to changes in demand and produce and procure items that are needed during these times, especially in the medical field.

All of this is to say that SEZs are important beyond FDI contributors and are a bigger part of the economic development of host country economies. The current situation with COVID-19 shows us that these benefits are greater when SEZs are well designed and administered properly with public sector facilitation. ✖

CLEAR & PRESENT VALUE

QATAR FREE ZONES AUTHORITY (QFZA) AIMS TO ADD VALUE ACROSS A RANGE OF KEY SECTORS IN ORDER TO BOOST INVESTMENT AND DIVERSIFY THE LOCAL ECONOMY.

QFZA was established with the aim of improving Qatar's investment environment and is hard at work developing the right infrastructure and regulatory environment to ensure a competitive advantage for incoming investors. And while general diversification is the ultimate goal, in the nearer term a number of sectors have come to the fore as key target areas, including logistics, chemicals, pharmaceuticals, food processing, and emerging technologies. And within these broader areas, the authority is specifically focusing on maritime services, energy and clean technology, food, healthcare and medical technologies, ICT, and industrial equipment.

And Qatar's value proposition is clear; 2 billion people live within a 3,000km radius of the peninsula, while the countries in that sphere have a combined GDP of USD6 trillion. And on top of that, Qatar's two free zones also enjoy enviable logistics links, with Ras Bufontas Free Zone located just 6km from an airport and Umm Alhoul Free Zone directly connected to a Hamad Port, which connects 40 different ports across three continents. And as the free zones have developed, so has foreign interest—DHL Express is just one firm to solidify its commitment to the country via a free zone, inking a deal that will see it establish a major logistics facility at Ras Bufontas.

On top of Germany-based DHL, a number of US firms have also expressed interest, with representatives from Apple, Boeing, and ExxonMobil recently joining discussions with HE Ahmad Al-Sayed, Minister of State and Chairman of the Board at QFZA to discuss the investment opportunities and concessions available to US companies. Google and Microsoft have signed data centers at the free zones, which will also add value for potential investors looking to protect their intellectual property on Qatari soil.

Indeed, in February 2020, it was announced that QAR3 billion worth of projects have been approved for the free zones so far, up from QAR1 billion in August 2019. The announcement coincided with the signing of an MoU between QFZA and the Qatari Businessmen Association, a prominent business organization, which should lead to enhanced investments and further development at the zones. Speaking in regard to the announcement, the Minister reaffirmed that the majority of funds would be pumped into projects surrounding the new economy, Internet of Things, sustainability, big data, communications, transport, logistics, medical services, aviation, cyberspace, and agri-tech.

And just a couple of months later, another MoU was announced, this time with Qatar Science & Technology Park (QSTP), which will assist in overseeing, regulating, and supporting R&D efforts and entrepreneurship at Qatar's free zones, with the ultimate aim of fostering a sustainable knowledge-based economy.

In other areas, it is hoped that Qatar can leverage its hydrocarbons experience to add value through downstream products such as chemicals. In that vein, a chemicals cluster has been proposed within the Umm Alhoul zone that will cover up to 6sqkm and offer chemicals firms of all sizes access to the best infrastructure, resources, and logistics in the region. Qatar's status as a gas giant is only likely to boost efforts in this area.

Pharmaceuticals is also in the crosshairs, with QFZA CEO Lim Meng Hui stating at the recent Qatar at the Crossroads of the World digital roundtable that, "For the pharmaceutical industry, its success depends on the availability of the appropriate and approved legal frameworks to protect the intellectual property rights of such companies. That's why the government of Qatar has worked so hard to implement a robust legal framework to protect companies' intellectual property." He went on to state that, "We hope that the arrival of companies, such as those previously announced by the free zones, will provide the reassurance needed by the big pharma companies that they can also set up operations here safely in the knowledge that the government of Qatar has enshrined in law the protection of their intellectual property."

And in one piece of particularly buoyant news, it was announced in April that Doha Craft Boat Manufacturing had delivered the first cabin boat built at a Qatar free zone to a client, a key milestone in plans to foster the emergence of a stronger maritime services sector. ✖

FORUM

MUCH TO GAIN

The following players recently came together at the Qatar At The Crossroads Of The World digital roundtable event to discuss the benefits of Qatar's free zone matrix. These are the highlights of their comments.



Amadou Diallo
CEO MIDDLE EAST & AFRICA,
DHL GLOBAL FORWARDING

QATAR IS A VERY STRATEGIC PLACE for us because it is one of the best-connected places in the world. When we talk about airlifting capabilities there is no comparison possible with Qatar. That is of paramount importance to us because sometimes we have to deliver goods extremely fast to certain markets. During the COVID-19 crisis, for example, we worked very closely with Qatar Airways to deliver quite a number of PPE to countries that were in need of it. That is where partners such as Qatar Airways or Qatar Free Zones Authority play a vital role for our work. Secondly, when we talk about Qatar Free Zones, and I have personally had the chance to visit His Excellency the Ministry of State and Chairman of the Qatar Free Zones Authority and some of his colleagues at Qatar Free Zones, and you realize the infrastructure they have in place, which is simply impressive. You can move between potential manufacturers and shipping companies without the need to enter the city. That is helpful in terms of reducing carbon emissions, costs, and time. The capabilities are impressive, like nowhere else in the world, so we can benefit from all these circumstances and work with huge efficiency. In conclusion, Qatar is very well placed, it has the right infrastructure, and it has an increasing number of manufacturers, circumstances that allow it to increase the export of sea freight goods. Consequently, we have a lot of exports from Qatar to Africa or Asia because it is logistically close and well prepared.



Quentin Descat
HEAD OF MARKETING &
MARKETING OPERATIONS
MIDDLE EAST,
BAYER PHARMACEUTICALS

THE WHOLE VALUE CHAIN that we operate has been extremely resilient to COVID-19 since the very beginning. We have not only managed not to suffer from the crisis, but we have also been able to accelerate some of the ongoing projects. The reason for Bayer's production and distribution activities not being as heavily affected as other industries may lay in pharmaceutical logistics. As a first necessity business, we operate a model based on the "just-in-time" and "just-in-case" concepts. Certainly, Qatar Free Zones brings certain benefits in terms of logistics, technology, and financials and tax that match this model. Despite this resilience, we still need to improve ourselves in terms of agility. We can do that through partners in different markets. We can do things better by leveraging digital technologies at every single step of the value chain: registration, import, and so on. There are some big steps that don't happen very often that are still done manually. If you do correct risk management planning from the beginning, those are the steps that can be digitalized when you design your system. Although we are not still located at Qatar Free Zones, we see a huge room for collaboration in this area. Registration is a big issue for us and, as it is said, necessity is the mother of innovation.



Vicente Andrés Wong
COMMERCIAL MANAGER,
REYBANPAC

IN TERMS OF WHAT WE ARE LOOKING FOR in South America and Ecuador, specifically for the food export industry, Qatar offers great deals in terms of import tariffs, including zero taxation for fresh products. I am also very impressed by the adaptability and resilience of Qatar's supply chains, as well as with the infrastructure available at Qatar Free Zones. All of this make Qatar an excellent getaway to the entire Middle East and Asia regions for Latin American producers. Particularly, the beneficial fiscal and trade regulations that Qatar offers to global agriculture and food exports allows us to compete under fair conditions with other closer producers, for example, from the Philippines or Europe. We obviously see a lot of potential in collaborating with Qatar and the Qatar Free Zones Authority. Moreover, it is a country with great capital availability and, therefore, huge investment and acquisition power. We produce and export value-added products that could definitely benefit from a partnership with local free zones. Ecuadorian banana exports still have a lot of room to grow, especially in the Asia region, which includes markets that can be very conveniently served from Qatar. Our product can handle much longer voyages as compared to other producing countries, so Qatar is a very valuable option for us to compete in Asian markets.



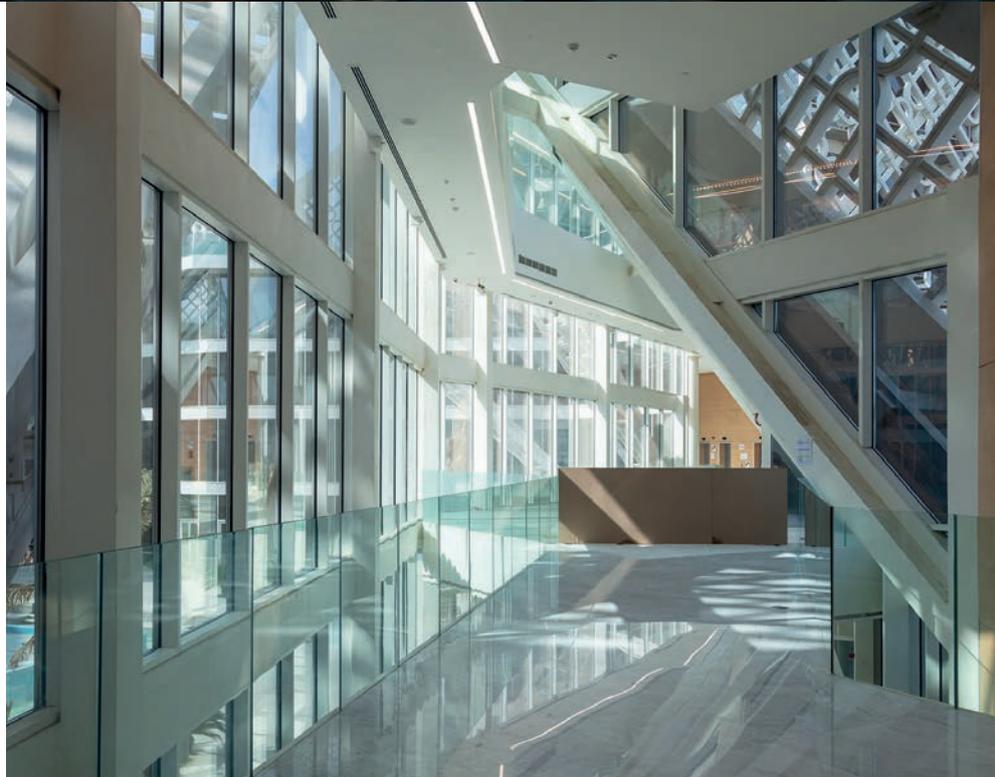
Lim Meng Hui
CEO,
QATAR FREE ZONES AUTHORITY
(QFZA)

WE ARE A VERY YOUNG ORGANIZATION, just over two years, but we want to continue growing and improving. So, we are constantly reviewing our services and processes to check what can be simplified. We want to make things easier for investors. For example, in terms of submission of documents or materials we want to go fully digital and automated. This flexibility to comply with obligations, is the sort of service we want to keep improving. That is just a small example, but now, especially after the COVID-19 crisis, we need to become very creative in the services and the flexibility we provide to our clients. We have to be empathetic about the situation they are facing. We have to be prepared to keep improving the lives of our existing investors, as well as to offer the best services to all potential investors that want to come on board. This digital event has allowed us to get closer to some of the most important industries for our strategy and to better understand their needs. For example, we hope that the arrival of companies like Google and Microsoft to the Qatar Free Zones will provide the reassurance needed by the big pharma companies that they can also set up operations here safe in the knowledge that the government of Qatar has enshrined in law the protection of their intellectual property. Also, the Qatar Free Zones Authority has made every effort to allow companies to set up their operations no matter what their industry requirements; whether that is off-the-shelf office space for operations from day one, to custom-built light industrial units ready to plug in to the investors' specific operational requirements to take full advantage of everything the free zones have to offer.

PHOTO ESSAY
Free zones

BLUEPRINT FOR THE FUTURE

Qatar's ambitious free zones initiatives are already yielding impressive results. The Ras Bufontas and Umm Alhoul zones are set to play an increasing role in the country's diversification efforts.





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