

General Political Environment:

Qatar is a traditional monarchy in which decision-making authority rests with the Emir and his ruling Al-Thani family.

The majority of Qataris adhere to Wahhabi Islam, as is the case in Saudi Arabia. However, Qataris are enjoying greater social freedoms than their Saudi neighbours since reformist Emir Hamad bin Khalifa al-Thani came to power in 1995. New social liberties introduced include the lifting of the ban on alcohol, female suffrage, and the liberalization of media censorship.

Emir Hamad is introducing significant, albeit limited, democratic reforms. As the population is not mobilized in pursuit of political liberalization, the Emir can work to gradually introduce changes that will not irritate elder members of the Al-Thani family and traditional merchant families, who have vested interests in the maintenance of the status quo.

Qatar's new constitution came into force in mid-2005. It provides greater freedom of expression, an independent judiciary, and establishes a partially-elected consultative council which will have the power to question ministers and approve the budget. While significant, the changes do not undermine the power of the emir who must approve all laws passed by the council and can also dissolve the body.

While reform efforts may not be welcome by more conservative elements in Qatari society, the gradual pace of the reform effort buttressed by the high per capita incomes of Qatari nationals serve to help mute dissent.

Qatar's recent political history has been characterized by non-violent intra-family coups. While the ouster of the current Emir cannot be ruled out, it remains of low risk in the short to medium term. He has proven himself adept at controlling political dissent and has sought to integrate various members of the Al-Thani family into government to ensure that rival power bases cannot develop.

Investment Environment:

The Qatari government strongly encourages foreign investment, particularly in its hydrocarbons industry. That said, the licensing and investment approval process for foreign investment remains opaque, particularly as it relates to the government procurement process. By regional standards, corruption is not considered to be a significant obstacle for foreign investors.

The government permits for up to 100% foreign ownership in a number of sectors including agriculture, industry, health and natural resources (following government approval). Only a few sectors, such as fuel distribution, cement, steel and public transportation are not open to foreign investment.

Court proceedings can be difficult and time-consuming. While foreign arbitral judgments may be enforced, there is no legislation in place requiring the courts to do so.

Political Violence:

Qatar faces no serious external threats. Its long-running border dispute with neighbouring Bahrain was settled by the International Court of Justice in May 2001 to the satisfaction of both parties.

On 19 March 2005, a suicide car bomb attack on a theatre in the capital of Doha claimed the life of a British expatriate while injuring dozens of others. While a sustained extremist campaign is not expected to develop, further sporadic terror attacks remain of possibility.

Political

Political Structure

Traditional Monarchy

Head of State

Sheikh Hamad bin Khalifa bin Hamad al-Thani

Crown Prince

Sheikh Tamim bin Hamad bin Khalifa al-Thani

Prime Minister

Sheikh Hamad bin Jassim bin Jabr al-Thani

Main Bodies

As per the terms of the new constitution:

Advisory Council: appointed

Majlis al-Shura (Consultative Council): a 45-member body to be created following elections scheduled for end of 2007. 30 of its members will be elected, 15 appointed.

Major Parties

Illegal

Elections

The country's partial Consultative Council elections are expected to take place in 2008.

Press Freedom Survey:

• 2007 Score: 63 (Not Free)
freedomhouse.org

Control of Corruption Index:

• 2006 Score: +0.83
(-2.5: Worst; +2.5: Best)
worldbank.org

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Political Outlook

Qatar's short to medium-term outlook is one of continued political stability with the position of the Emir firmly entrenched.

While the economic and political reform process may lead to some uncertainty in the short-term, in the medium to long term it is expected to lead to greater political stability.