Qatar

Vision and diversification drive new era of growth

Unlike many economies severely impacted by the Covid-19 pandemic, Qatar emerged from the crisis relatively unscathed. The Qatari economy started 2021 under relatively favorable conditions — although oil prices plummeted in 2020, its fiscal and current account were in good shape, with mid-term growth prospects significantly bolstered by plans to add new natural gas export capacity. Vast natural gas reserves will support near- and long-term growth, but the state is also investing heavily to transform into a knowledge economy, with recent non-oil growth underpinned by ongoing development in support of the upcoming FIFA 2022 World Cup.

Qatar’s sizeable oil and gas reserves have helped it become one of the richest countries in the world — GDP per capita was estimated at $52,211 in 2020 — and its economy has been resilient despite years of external volatility. GDP is forecast to rebound by more than five percentage points this year as the global economy recovers and energy demand soars. But the state’s emir, Sheikh Tamim bin Hamad Al Thani, is looking further into the future, as he highlighted at the 2021 Qatar Economic Forum:

“We are a natural gas exporting country, which is a low-carbon and least harmful energy to the environment, yet we are investing in research related to green, alternative and sustainable energy, and we plan to move Qatar towards that end. Moreover, we also contribute to global efforts to combat climate change. Days after his speech, news broke that Qatar Energy, one of the world’s largest liquefied natural gas (LNG) producers was in the process of establishing an environmental, social and governance framework that could allow it to tap international green bond markets for billions of new investment. Qatar and its leader are thinking ahead. A forward-thinking outlook has helped Qatar Energy, one of the world’s largest liquefied natural gas (LNG) producers, to do a research related to green, alternative and sustainable energy, and we plan to move Qatar towards that end. Moreover, we also contribute to global efforts to combat climate change. Days after his speech, news broke that Qatar Energy, one of the world’s largest liquefied natural gas (LNG) producers was in the process of establishing an environmental, social and governance framework that could allow it to tap international green bond markets for billions of new investment. Qatar and its leader are thinking ahead.

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Alfardan Group
Taking Qatar’s success story global

One of the world’s highest levels of GDP per capita, a flexible public finance structure, and large sovereign net foreign assets are key factors supporting Qatar’s high-grade credit rating, ratings agency Fitch stated in a June 2021 review of the Gulf country. Fitch affirmed Qatar’s high-grade status with stable outlook, despite the impact of the Covid-19 pandemic and lowering of energy prices. The State balanced its budget in 2020, a feat achieved by few developed economies worldwide, and will return to surplus this year. External debt to GDP is set to fall thanks to the governments’ proactive policy of paying down maturities, and the expected economic boon of the North Field gas project, anticipated to come onstream in 2025.

In this excellent macro-economic environment, and given the country’s wealth, it is perhaps little surprise that Qatar has the world’s fastest-growing luxury market, according to a recent report by Mordor Intelligence. The market intelligence and advisory company stated that the luxury industry has “huge potential to grow in the country”, with expenditure on luxury goods resilient to temporary fluctuations in GDP per capita. The State’s rapidly growing population and stronger consumer purchasing power are the two main drivers behind the sector’s buoyant outlook. Not only is the domestic market booming; Qatari companies are increasingly participating in the development of the global luxury industry.

Alfardan Group is at the front and centre of these developments. One of Qatar’s - and the region’s - leading family-owned conglomerates, it has created new benchmarks of excellence in its diverse portfolio of businesses, which now span jewellery, exchange, , automotive, property and hospitality, agriculture, marine services, and investment sectors. Originally founded as a pearl trading company, it is now leading the drive for Qatari success stories across the region and well beyond.

“When you do something well and successful, it’s the natural thing to replicate it in other countries,” says Omar Hussain Alfardan, the company’s president and CEO. “We do this with partners which carry and believe in the same values we have. It’s not just about numbers and figures, but a passion for what you do. At Alfardan, we live the lifestyle, and form partnerships with companies that want to develop a lifestyle beyond offering a mere product or service.”

Typical of these relationships is Alfardan’s partnership with Sotheby’s, the international fine arts and luxury brand. In March 2021, Alfardan launched a chapter of Sotheby’s International Realty in Oman. Sotheby’s International Realty is a global leader in real estate franchising and brokerage firm, and the Oman branch will be operated by Alfardan. The business will give buyers and investors exclusive access to exceptional properties around Oman and beyond, and provides a new opening for high net-worth investors in the Sultanate, a strategically-located country with a stable and growing economy. Alfardan will support Sotheby’s International Realty with its 65 years of experience operating in the region, and its extensive network and client pool.

Alfardan is also leading the global expansion of high-end restaurant brand Hakkasan. In early 2021, Hakkasan announced the launch of two new branches in Turkey, at the Mandarin Oriental Bodrum, and the Mandarin Oriental Bosphorus in Istanbul, in partnership with Alfardan Group. Alfardan already operates two Hakkasan restaurants in Doha and Muscat, and Hakkasan stated that the partnership has a “proven track record for creating restaurants that exude confidence and allow diners to transcend to a different world enveloped in intrigue, mystery and excitement”.

Indeed, Alfardan’s partners include other leading restaurant brands such Nozomi, as well as such luxury businesses as Rolls-Royce, Aston Martin, Ferrari and BMW.

“We feel that whatever we market as a product here needs to be an international standard product,” says Omar Hussain Alfardan. “At the same time, we are redefining what the Qatari brand means internationally.”

Alfardan is bullish about the outlook for business, observing sustained appetite from consumers, and double-digit growth across the company’s portfolio. But its success is not only founded on the strength of the market, but Alfardan Group’s own ethos and way of doing business. “Our company values are the same whichever way you approach us - trust, credibility, and passion,” Omar Hussain Alfardan says. “My father is 88 years old, and he comes to the office every day. We are customer-centric and invest attention and time in deepening our customers’ knowledge about our products and services through various communication channels. We value our heritage and culture, and are passionate to continue doing what we do best.”

Alfardan sees his company’s home market as developing in a similar way to Switzerland and Singapore - service and knowledge-based economies that are bywords for quality, efficiency, and hosting the world’s leading multinationals. And his company is playing a leading role in taking Qatar’s unique strengths to the world.

“We see Qatari businesspeople are actively looking for new investment opportunities in the region and beyond,” he says. “Doha’s success has helped us expand globally. Like the Qatari economy, businesses are diversifying and growing.”