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Topic: Qatar Qatar Qatar stands amongst the rapidest developing countries in the world. The primary source of income is revenues from oil and gas. Qatars financial growth has been telescoped into an astoundingly short period. The hydrocarbon business has been the main thing that has brought striking change. Qatar has likewise utilized its assets to hedge against instability and to create a legacy for the future. In the recent years, the need for finances from the government to cater to various economic needs has been on the rise. This fact has thereby given the government headache on how it can maintain a healthy and a stable economy in the future. The main challenge of managing more flourishing and a stable economy in Qatar is that most of the citizens living in this region are foreigners who usually come because of employment related businesses. It is important to note that Qatar has an overall population of about 1. 8 million people, whereby 1. 5 million of them are expatriates (QFINANCE, 2013). Therefore, the government has been forced to rely mainly on oil and gas in meeting its budget needs. In order for the Qatar government to maintain a healthy and a stable economy in the future, it ought to expand revenue sources, utilize its assets to hedge against instability and create a legacy for the future in by measures mentioned below.

Firstly, the government needs to apply a tax on water and electricity as part of expanding its revenue sources. In this case all the households should pay a given fraction of tax to the state so that it can continue sustaining provision of the water and electricity to the people of Qatar. The revenue raised from the water and electricity will be useful in maintaining and expanding the country's national power grid in the future to cater for the

growing demand for electricity from investors in the recent years (QFINANCE, 2013). Additionally, given Qatar is a desert country the taxes on water will be critical in digging more boreholes. This idea will in turn improve the national water supply with an end goal of handling the increasing demand for water used for domestic and commercial purposes.

Secondly, the government needs to lease its land for 99 years whereby those who rent the land will be expected to pay a certain percentage of annual rates to the government. It is important to note that the government will be leasing land to expatriates who plans to use the land for various economic activities. Given that currently most of the land in Qatar is not leased to any expatriate, renting the land for some years to come will be a critical step by the government (QFINANCE, 2013). This move will be towards enhancing financial stability by increasing its revenues to cater for its raising expenditure in the recent years. The funds collected will be useful in helping the government to finance various projects, such as school and healthcare facility expansions to satisfy the desires of an increasing population in the country.

In the recent years, the country has become a gateway to Europe and Asian countries. Consequently, the government should take advantage of this situation and raise import duties and tariffs for goods that pass through its borders as they go to other destinations. Import duties are expected when importing products into Qatar whether by a private person or a business element. The valuation technique is CIF that implies that the import duties and expenses payable are figured on the complete delivery value (QFINANCE, 2013). However, it is crucial for the state to ensure it implement

reasonable taxes on goods passing through its seas so as to maintain its status as a gateway to Europe and Asian countries. On the other side, the state needs to raise the tax rate that a multinational pay for using resources in Qatar for their business activities. This decision should be taken with the aim of getting more revenues for providing essential services of the people of Qatar. It is necessary for the state to introduce regulations aimed at curbing tax evasion among the multinational companies. This point has been a major problem in the country, resulting in the government losing billions of money in the form of unpaid taxes by some multinational firms. If, the country is to maintain a healthier and more stable economy, it needs to seal this tax loopholes so that the government can have enough financial resources to run its functions in a smooth way.

It is also critical for the Qatar government to invest heavily in a number of sectors in the economic segment in order for the country to enjoy a stable economy (QFINANCE, 2013). Firstly, the government ought to invest more in the tourism sector. The tourism industry is characterized by a high possibility to provide more revenues to the government, particularly in the current time when the nation is expecting to host the 2022 FIFA World Cup. In addition, given that the country gateway to Asia and Europe it needs to invest heavily in infrastructure. The infrastructure includes roads, security, water and other social amenities in order to attract more tourists from various parts of the globe. Investing in the tourism sector will help the government in expanding its sources of income, rather than relying only on oil and gas reserves. On the other side, the government of Qatar ought to invest massively in the agriculture sector so that the country can sustain its food needs in the

future. The agricultural practices in Qatar concentrates on creating current irrigation frameworks. For instance, classifying farms, enhancing the nature of farming production, presenting advanced scientific and technological procedures. Despite, the country being a desert it has the potential of using modern technology. The use of technology is mainly to ensure there is enough water to allow people to engage in irrigation farming to produce different food products (QFINANCE, 2013). The country can learn a lot from Egypt and other desert countries which have been able to use irrigation to produce food, ensuring that there is food security. Food security is an important component of any given economy, given that long-term development cannot be achieved by a hungry population.

On the other end, the government should put in place economic policies aimed attracting more foreign investors to establish manufacturing plants in the country for purposes of expanding the country's economy. To pull in foreign investments in various divisions, Qatar offers an extensive variety of motivators (QFINANCE, 2013). These incentives include sponsored rates for gas and power, no import obligation on machines, supplies and extra parts for mechanical activities, tax exceptions to corporate duty for foreordained periods among others. Investments in the education, health, service, and manufacturing long overdue if Qatar will maintain a stable and a healthier economy. It is the mandate of the government to come up with macroeconomic policies that will make the Qatar economy an investment hub of different multinational companies. The country should invest a lot in education for both women and men, given that it cannot continue relying only on expatriates to provide all the critical services (QFINANCE, 2013). The

citizens of this Qatar also need to have the skills required to push the economy forward in the future. A healthier nation is also necessary; therefore, it is vital for the government to invest heavily in this sector to deal with the growing number of health challenges in the economy.

In conclusion, with the aim of maintaining a healthier and a stable economy the Qatar government should do the following measures. Increase its types of taxes and at the same time expand its investments, with the objective of increasing its revenue base, to meet the future budgetary needs in a more sustainable way.

References

QFINANCE-THE ULTIMATE RESOURCE. (2013). Financing and Raising Capital. Bloomsbury.