

Pestle analysis of qatar



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(P)OLITICS

Qatar has an emirate -type government. Qatar claims that it is developing into a constitutional monarchy but it doesnt allow political parties nor hold elections on a national level yet. Suffrage is currently limited to municipal elections (for both males and females aged 18 years or more). Expatriate residents are excluded, as are the vast number of residents who are prevented from applying for citizenship. The elected Municipal Council has no executive powers but may offer advice to the Minister.

Qatar is divided into ten municipalities, also occasionally or rarely translated as governorates or provinces:

- Ad Dawhah
- Al Ghuwariyah
- Al Jumaliyah

- Al Khawr
- Al Wakrah
- Ar Rayyan
- Jariyan al Batnah
- Ash Shamal
- Umm Salal
- Mesaieed

Since 2004, Qatar has been divided into eight municipalities. A new municipality, Al Daayen, was created under Resolution No. 13 formed from parts of Umm Salal and Al Khawr; at the same time, Al Ghuwariyah was merged with Al Khawr; Al Jumaliyah was merged with Ar Rayyan; and Jarayan al Batnah was split between Ar Rayyan and Al Wakrah.

(E)CONOMY

Basic Economic Facts

GDP: US\$71. 2 billion (2007 est, Qatar Statistic Authority)

GDP per capita: US\$74, 000

Annual Growth: 14. 2%

Inflation: 13. 73%

Major Industries: Petrochemicals, Financial Services, Construction

Major trading partners: Japan, US, UK, Singapore, South Korea, Italy, Germany, UAE, France, Saudi Arabia

Exchange rate: £1 = QR 5. 97 (October 2009) US\$1 = QR 3. 64 (fixed)

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AVERAGE OIL PRODUCTION

Global economy expected to grow 3.9% in 2010, emerging economies to expand 6.0%. US economy registered 5.6% growth in Q4 2009, fastest since third quarter of 2003. Global composite PMI indicates continued expansion of manufacturing and services industry activity. Qatar's real GDP is expected to expand by 18.1% in 2010. Continued government support and increased hydrocarbon revenues to boost the economy. Central Bank's net reserves estimated at US\$ 19.3 bn (2009), up from US\$ 9.8 bn in 2008. Business optimism in the non hydrocarbon sector has stabilized in last two quarters. Drop in selling price optimism becomes a drag on the hydrocarbon sector outlook. Global construction sector currently driven by infrastructure spending as commercial property undergoes correction. Demand outlook for Qatar's construction sector shows signs of improvement with increasing optimism on new orders. Profitability levels are expected to stay muted due to higher raw material costs. While income from oil, currently produced at around 800,000 barrels per day, accounts for most of the government's revenue, Qatar's future economy will depend increasingly on gas. Qatar has invested heavily in world class Liquefied Natural Gas (LNG) facilities including a deep-water port at Ras Laffan to exploit the North Dome gas field. This field is the world's largest non-associated gas field, holding 14-16% of world reserves. At current planned rates of extraction the field will last for over two hundred years. Qatar is already the leading global supplier of LNG and output is expected to increase to 77 million tonnes per year by 2012. There are two national gas companies, Qatargas and RasGas. Through the South Hook LNG terminal in Wales, Qatar is capable of supplying up to 20% of the

UK's gas needs. Government efforts to diversify the economy have led to the establishment of petrochemical, oil-refining, and fertiliser industries, as well as the establishment of Qatar Airways, the Qatar Science and Technology Park and the growth of Doha as a regional conference centre. Qatar pursues a vigorous program of "Qatarization," under which all joint venture industries and government departments strive to move Qatari nationals into positions of greater authority. Growing numbers of foreign-educated Qataris, including many educated in the U. S., are returning home to assume key positions formerly occupied by expatriates. In order to control the influx of expatriate workers, Qatar has tightened the administration of its foreign manpower programs over the past several years. Security is the principal basis for Qatar's strict entry and immigration rules and regulations.

(S)OCIAL

Nationality: Noun and adjective–Qatari(s).

Population (May 2008 est.): 1, 448, 446; males 1, 096, 815 (75. 7%); females 351, 630 (24. 3%).

Population growth rate (May 2008 est.): 59. 6%.

Ethnic groups: Qatari (Arab) 20%; other Arab 20%; Indian 20%; Filipino 10%; Nepali 13%; Pakistani 7%; Sri Lankan 5%; other 5%.

Religion: Islam (state religion, claimed by virtually all of the indigenous population).

Languages: Arabic (official); English (widely spoken).

Education: Compulsory–ages 6-16. Attendance–98%. Literacy (2004 est.)–89% total population, 89. 1% male, 88. 6% female.

Health (2007 est.): Infant mortality rate–17. 46/1, 000 live births. Life expectancy–74. 14 years.

Work force (2006): 508, 000. Private sector–61. 2%; mixed sector–28. 5%; government–5. 6%.

Public health services and education are provided free by the state through the Ministry of Labor and Social Affairs, which also provides help to orphans, widows, and other Qatari nationals in need of assistance. Both law and Islamic customs closely restrict the activities of Qatari women, who are largely limited to roles within the home. Women are not allowed to obtain a driver's license without the permission of her husband. Shari'ah law governs inheritance and child custody matters and favors men. However, growing numbers of woman are receiving government scholarships to study abroad, and some women work in education, medicine, and the media. Women comprise two-thirds of the student body at Qatar University. Although domestic violence occurs, it is not a widespread problem. Non-Muslims and Shi'a Muslims experience discrimination in employment and education. They are also unable to bring suits as plaintiffs in Shari'ah courts. Noncitizens make up 75% of the workforce yet are discriminated against and sometimes mistreated. A constitutional committee convened in 1999 to draft a permanent constitution that would allow for parliamentary elections. Corporal punishment is allowed by law, although amputation is not. In 1995, an American received 90 lashes for alleged homosexual activities.

(T)ECHNOLOGY

Qatar's strength is derived from its oil and gas revenues which have made it one of the wealthiest countries in the world in terms of per capita income.

The Government of Qatar has ownership interests in several economic sectors, including oil and gases production, petrochemicals, and the steel and fertilizer industries. Impressive Technology is the main reason for Qatar winning bid for 2022 FIFA world cup. Qatar may not have the largest IT market but in 2010 it appeared better than many other markets. The IT services market is forecast to be the fastest-growing segment of the Qatari IT market between 2010 and 2014, outperforming the hardware and software sectors. Indeed, it has steadily increased for the last 10 years. With IT services spending estimated to grow to US\$151mn by 2014, the next period promises to see more opportunities in sectors such as financial services, healthcare, education and communications. Nanotechnology in fields helping to make best quality products at lower cost. IT companies collaborating to access the market. Inventions and innovation rate. Mechanization trend in the country.

(E)NVIRONMENTAL

Environmental responsibility is vested in the Ministry of Industry and Agriculture. An Environmental Protection Committee was created in 1984 to monitor environmental problems. Conservation of oil supplies, preservation of the natural wildlife heritage, and increasing the water supply through desalination are high on Qatar's environmental priority list. Air, water, and land pollution are also significant environmental issues in Qatar. In addition to smog and acid rain, the nation has been affected by the air pollution

generated during the Persian Gulf War. Pollution from the oil industry poses a threat to the nation's water. The nation's soils have been damaged by pesticides and fertilizers, and its agricultural land is in danger of desertification. Endangered species include the hawksbill turtle, green sea turtle, and white oryx. Limited natural fresh water resources are increasing dependence on large-scale desalination facilities. The State of Qatar is a peninsula located between 24° 27' and 26° 10' N latitude and 50° 45' and 51° 40' E longitude. It is about 180 km long and 85 km wide, covering an area of 11,437 km². Qatar is surrounded on three sides by the waters of the Arabian Gulf and connected to the south by land to Saudi Arabia. As Qatar is subjected to an arid climate, it mainly possesses an arid soil, with coarse texture, shallow depth and low retention of soluble substances.

(L)EGAL

Qatar has a discretionary system of law controlled by the emir, although civil codes are being implemented; Islamic law is significant in personal matters. When contrasted with other Arab states such as Saudi Arabia, for instance, Qatar has comparatively liberal laws, but is still not as liberal as some of its neighbours like UAE or Bahrain. Qatar is a civil law jurisdiction. However, Shari'a or Islamic law is applied to aspects of family law, inheritance and certain criminal acts. Women can legally drive in Qatar, whereas they may not in Saudi Arabia and there is a strong emphasis in equality and human rights brought by the HRA. The country has not accepted compulsory International Court of Justice jurisdiction. On February 24, 2010, Qatar and Iran signed a defense co-operation agreement in which the two countries stressed the need to expand their defense cooperation.

Iran and Qatar will:-

- exchange specialized and technical committees
- expand cooperation in training
- conduct joint campaigns against terrorism and insecurity in the region

March 10, 2010. Qatari Prime Minister Sheikh Hamad bin Jassim bin Jaber Al Thani has given his support to Iran's right to nuclear technology, and considers Iran's nuclear project to be for peaceful nuclear energy purposes.

ANALYSIS

If we evaluate Qatar on the basis of Porter's diamond model:-

RELATED AND SUPPORTING INDUSTRIES

Qatar is one of the richest country of the Arab. Mostly it is dependent on its Oil and Gas resources. It is improving in IT sector and emerging as great threat to many markets because it performed exceptionally well in 2010. Oil and Gas industries are the major industries. Vodafone also entered the telecomm market.

FACTOR CONDITION

Qatar may look small, but in commercial terms it is a rising giant. This Persian Gulf Emirate is just larger than Connecticut and its population is less than 1 million. But its reform-minded government has ambitious plans to transform this peninsula into an international hub for tourism, finance, and education. U. S. companies interested in international opportunities should consider current trends and future projects in Qatar.

CONSIDER THIS –

- Qatar has the third largest reserves of natural gas in the world.
- Qatar's per capita GDP is one the highest in the world at around \$30,000.
- Multi-billion dollar projects in numerous sectors in the coming years.
- Pro-American business climate and strengthening U. S.-Qatar relations.
- Business-friendly commercial procedures and political stability.

Strong general government balance sheet. Substantial external liquidity.

Good economic prospects and high per capita income. There is great optimism and excitement among the business community in Qatar. By transforming hydrocarbon wealth into modern health facilities, tourism infrastructure, and western-style education institutions, the Qatari Government aims to engender a forward-looking and highly-skilled population. The Qatari Government has established credibility among the population and the business community. When plans and projects are announced, they are usually realized, and contracts are awarded in a generally efficient and transparent manner. Qatar is very amenable to western visitors, and security experts consider Qatar to have one of the lowest crime countries on earth. U. S. firms also report that industrial standards that are applied in Qatar are favorable to U. S. exports. Also, Qatar has a stable currency and the country imposes no foreign exchange controls. There are well-capitalized financial institutions in Qatar, most notably Qatar National Bank. Furthermore, Qatar allows up to 100% of foreign ownership in agriculture, manufacturing, health, education, tourism, power, and projects

involved in the development and exploitation of natural resources, pending approval from the Qatari Government.

DEMAND CONDITION

Qatar demand condition is not so good. Qatar's trade and hospitality sector expect better demand conditions in the second quarter. Sales volume and new orders seen declining . Most real estate businesses expect a decline in sales. It is the world's largest LNG exporter of more than 31 million metric tons per year this shows the huge demand for QATAR'S natural gas in the world.

STRATEGY AND RIVALRY

Qatar pursues a vigorous program of “ Qatarization,” under which all joint venture industries and government departments strive to move Qatari nationals into positions of greater authority. The biggest rivalry is in telecomm sector between Qtel and Vodafone.