

Country Report: Qatar



By

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TRADE DEVELOPMENT AUTHORITY OF PAKISTAN

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List of Acronyms

<i>APEDA</i>	<i>Agricultural and Processed Food Products Export Development Authority</i>
<i>ASFCMP</i>	<i>Swiss Association of Precious Metals Manufacturers and Traders</i>
<i>FMD</i>	<i>foot and mouth disease</i>
<i>FSSAI</i>	<i>Food Safety and Standards Authority of India</i>
<i>GCC</i>	<i>Gulf Cooperation Council</i>
<i>GJEPC</i>	<i>Gems and jewelry export promotion council</i>
<i>GML</i>	<i>Gold Metal Loan</i>
<i>GOI</i>	<i>Government of India</i>
<i>HRI</i>	<i>Hotel and Restaurant Institute</i>
<i>ICMED</i>	<i>Indian Certification of Medical Devices</i>
<i>LNG</i>	<i>Liquefied Natural Gas</i>
<i>USD</i>	<i>US dollars</i>

EXECUTIVE SUMMARY

Being one of the high income countries of the Middle East, Qatar is primarily driven by hydrocarbon reserves. Gas and oil sector accounts for 84 percent of total export earnings. Economy's increase reliance on single source of revenue generation negatively affects Qatar's merchandise trade. Furthermore in 2017, Qatar's economy also faced diplomatic crisis of the blockade. The blockade challenge was however weakly insulated by the oil and gas price recovery and Qatar's growing share in non-hydrocarbon sector. Trade volume between Pakistan and Qatar is increasing since 2013 however Pakistan's trade deficit with Qatar is widening. In 2017, exports increased by 10 percent. Meanwhile, imports from Qatar showed massive increase because of the LNG agreement between Qatar and Pakistan in 2016 coupled with revival of hydrocarbon prices.

To increase our export base in Qatar's market, the report aims to find some products that Pakistan has potential to export. Pakistan's top potential item for Qatar's market is surgical instruments followed articles of jewelry and parts thereof and frozen boneless meat, Detailed analysis of major potential product by analysing demand and supply side issues, Pakistan's existing market share in Qatar, competitors share in Qatari market from past five years, their tariff rates, regional competitors competitive advantage and trade with Saudi led quartet is done. Participation of Trade Development Authority of Pakistan in international exhibitions is also summarized in the report.

Qatar imports 90 percent of the food items form the world with 40 percent share coming from Saudi Arabia. Keeping in view the current circumstances, Pakistan has an opportunity to increase economic and trade ties with Qatar.

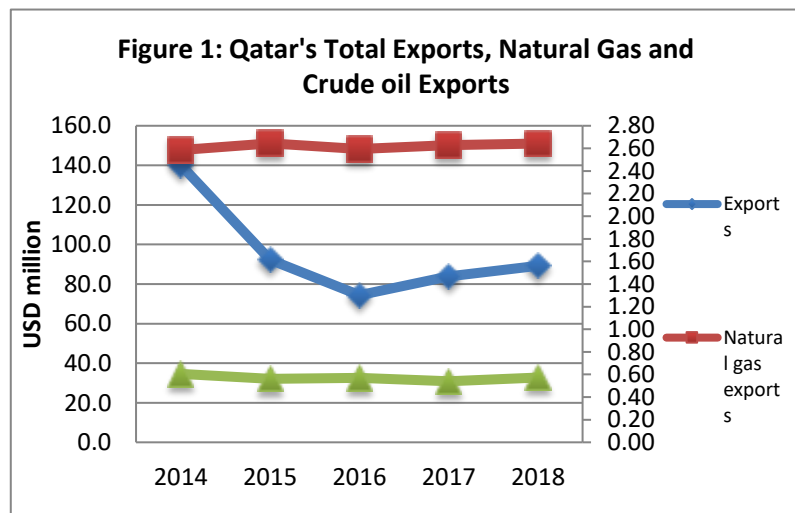
Economic overview

Qatar is situated in north eastern Arabian Peninsula. Qatar's economy is largely supported by hydrocarbon reserves. Since independence, oil reserves were the major source of revenue generation for Qatar's economy. However, the discovery of natural gas changed the growth trajectory in early 90's. The resource is located largely offshore in an area known as the North Gas Field. At present, Qatar owns 25.2 thousand million barrels¹ of proven oil reserves while the gas reserves stood at 24.9 trillion (2017). Qatar has 13 percent of the world gas reserves and is the third largest resource rich country after Russia and Iran.

Gas and oil are the major driving sectors of the economy. About 84 percent of the total exports receipts are earned from this sector. In addition to this, oil and gas contributes 82.7 percent to country's total revenue². It is estimated that if current rate of extraction is continued, Qatar's gas reserves will last for 300 years.

Heavy industries related to hydrocarbons such as petrochemicals, fertilizers and cement dominates Qatar's industrial sector.

Qatar's industrial sector contributes the highest



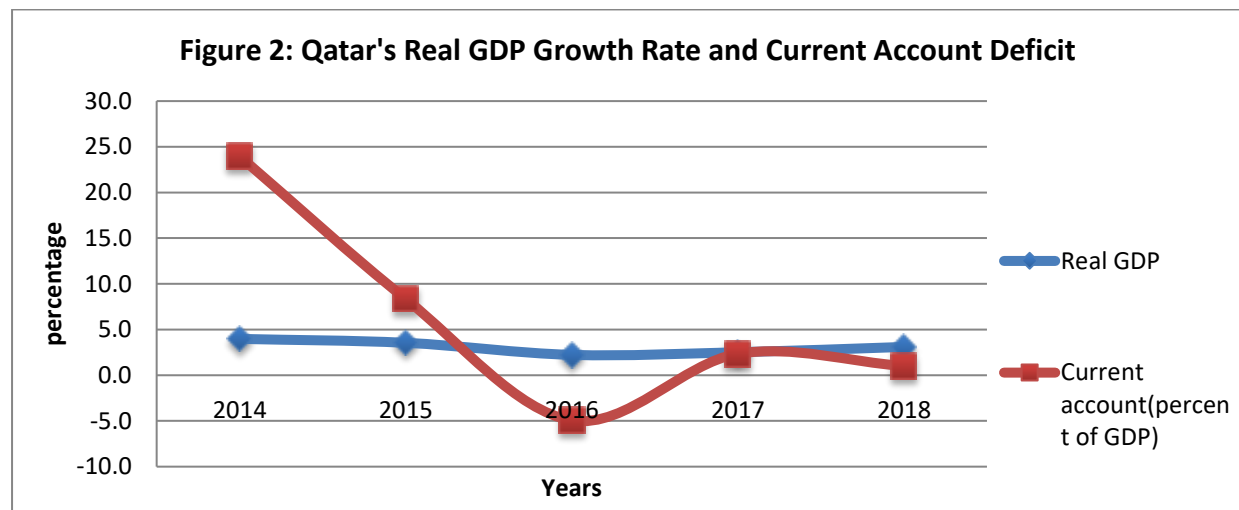
(50.3%) in the GDP while services sector has the share of 49.5 percent. Agriculture sector has the share of 0.2 percent. Qatar enjoys high per capita income of 66,202 USD (2018)³ which is the seventh highest nominal per capita income in the world. International oil and gas prices declined in the successive years from 2014 to 2016. Oil prices fell from USD 105.87 per barrel to USD 96.29 per barrel while gas prices decreased from USD 4.35 per

¹ BP Statistical Review of Energy, 2018

² National Accounts Bulletin 2018, Ministry of Development Planning and Statistics Qatar

³ World Bank, 2018

million Btu to USD 2.46 per million Btu⁴. These declining prices influenced the performance of different sectors. Mining and quarrying share in the nominal GDP decreased from the peak of 55.7 (2013) percent to 32.3 percent in 2017. Real GDP growth rate declined from 4 percent to 2.5 percent. Government revenues contracted and fiscal deficit further widened (see table 1). The co-movement of Qatar's real GDP and current account deficit is evident from the graph below



Government of Qatar introduced various structural reforms to overcome the macroeconomic imbalance and economy's increase reliance on energy sector. For this government initiated various plans such as Qatar's National Vision 2030 and Qatar's Second National Development Strategy 2018-2022. The basic agenda of the strategy is to move to more sustainable and balanced economy by managing the natural resources, private sector, international partnerships and human development.

Fiscal austerity measures taken by the government in wake of falling oil prices includes: increase in water, electricity and gasoline prices, increment in the cost of postal services, imposition of taxes on tobacco, soft drinks and introduction of value added tax (VAT). Beside this, government expanded the non-hydrocarbon sector by investing in foreign assets, boosting transportation, media and financial services. To increase productivity and facilitate business, single window system was introduced in Qatar.

In 2017, Qatar's economy faced diplomatic crisis of the *blockade*. Saudi Arabia, UAE, Bahrain and Egypt closed their borders, ports and air space with Qatar on the ground that Qatar

⁴ Henry hub natural gas spot price is used to access international gas prices. BTU is the British thermal unit

supports fundamental groups and terrorists. Qatar's economy was affected by the decision and its stimulus was felt by the industry and financial sectors.⁵ Qatar imports 90 percent of the food items from the world with 40 percent share coming from Saudi Arabia.⁶ Keeping in view the current circumstances, Pakistan has an opportunity to increase economic and trade ties with Qatar. The blockade challenge was however weakly insulated by the oil and gas price recovery and Qatar's growing share in non-hydrocarbon sector. In 2018, Qatar's construction sector investment projects related to FIFA world cup 2022 has increased. Beside this, Qatar is increasing ties with Turkey, Iran and Oman to offset the austere repercussions.

Table 1: Economic Indicators of Qatar 2014-2018					
Indicators	2014	2015	2016	2017	2018
Production and prices (annual percent change):					
Real GDP	4.0	3.6	2.2	2.5	3.1
Real oil GDP	-0.6	-0.5	-1.0	0.4	1.4
Real non-oil GDP	9.8	8.2	5.6	4.6	4.7
Nominal GDP (billions of U.S. dollars)	206.2	164.6	155.8	166.3	180.9
Consumer price index	3.4	1.8	2.7	0.9	4.8
Fiscal and Financial variables (percent of GDP):					
Central government revenue	48.7	47.1	33.3	32.5	31.9
Central government expenditure	33.4	41.5	37.2	33.5	31.4
Fiscal balance deficit	15.3	5.6	-3.9	-1.0	0.5
Broad money/ (annual percent change)	10.3	3.4	-4.4	5.2	4.3
External sector (US\$ billions):					
Exports	140.2	92.3	74.4	83.9	89.3
Crude oil exports(million barrel per day)	0.61	0.56	0.57	0.54	0.57
Natural gas exports(million barrel per day)	2.59	2.64	2.59	2.63	2.64
Imports	-64.0	-59.3	-64.9	-61.8	-68.5
Current account	49.4	13.8	-7.7	3.9	1.8
Current account (percent of GDP)	24.0	8.4	-4.9	2.3	1.0
Source: IMF, Global Competitive Report, 2017					

⁵ According to IMF, in 2017, Qatar's equity market declined by 18.3 percent while transportation industry and insurances indices lost 31, 21 and 22 percent share respectively.

⁶ Annual Business Plan for Qatar 2018-2019, TDAP

Trade Overview

Qatar is the 28th largest exporting country in the world. Qatar's exports are on decline since 2014. Oil and gas sector supports 85 percent of Qatar's export. Oil price volatility negatively affects Qatar's merchandise trade. Overall, trade volume declined in the period of falling prices. The major decrease (31.7 %) was found in the year 2015. Imports also showed decreasing trend but the magnitude of decline was less in relation to decline in exports. This was due to high per capita income and purchasing power of Qataris.

Table: 2 Qatar's Trade Scenario				
Year	Exports	Imports	Trade Volume	Trade Balance
Figure in USD million				
2013	136,855.12	27,034.10	163,889.22	109,821.01
2014	131,591.55	30,447.66	162,039.21	101,143.90
2015	77,971.08	32,610.46	110,581.54	45,360.62
2016	57,310.54	32,060.07	88,675.10	25,250.47
2017	63,651.18	27,762.63	91,413.81	35,888.55
Source: Trade Map, ITC. Data Retrieved : 06-08-18				
¹ Mirror Data 2017				

Qatar exports mineral fuels and oils (85.7%), plastic (3.6%), aluminium (2.1%), fertilisers (2.0%), organic chemicals (1.8%) and iron and steel (0.4%) (Details are shown in annex). The top export destinations for Qatar are: Japan (19.1%), Republic of Korea (15.6%), India (12.9%), China (7.8%), UAE (6.6%) and Singapore (5.2%). Pakistan has the share of 1.2 percent in Qatar's total exports. Pakistan is the 13th export partner of Qatar

The import basket of Qatar includes: Machinery and mechanical appliances (14.5%), Aircraft (14.05%), Electrical machinery (8.8%), Vehicles other than railway (8.4%), Natural or cultured pearls (5.2%), articles of iron and steel (3.1%) and furniture and bedding (2.6%). The major import partners of Qatar are: USA (14.4%), China (10.4%), Germany (9.3%), UAE (9.1%) and Japan (6.7%). Pakistan has the share of 0.3 percent in Qatar's total import. Pakistan is 40th import partner of Qatar.

Overview of Bilateral Trade

Pakistan's merchandise exports to Qatar stood at USD 67.3 million while Pakistan imports USD 1608 million worth of imports from Qatar. Trade volume between Pakistan and Qatar is increasing since 2013. Pakistan's trade deficit with Qatar is widening as exports to Qatar show decreasing trend (See table 3) while imports are constantly increasing. The highest decrease in exports was registered in the year 2015 when year on year exports declined by 15 percent. However, in 2017, exports increased by 10 percent. Meanwhile, imports from Qatar showed massive increase of 142.4 percent in 2016. This was due to the LNG agreement between Qatar and Pakistan in 2016.⁷ In 2017 imports showed upward trend due to revival of hydrocarbon prices.

Table 3: Bilateral Trade Between Pakistan and Qatar

Year	Pakistan exports to Qatar	Pakistan imports from Qatar	Trade Volume	Trade Balance
Figure in USD million				
2013	78.764	164.226	242.99	-85.462
2014	74.837	180.898	255.735	-106.061
2015	63.333	319.313	382.646	-255.98
2016	61.694	774.256	835.95	-712.562
2017	67.362	1,608.31	1,675.67	-1,540.94
Source: ITC, Trade Map				
1 Mirror Data 2017				









The current export basket for Qatar includes: rice, animal carcasses, potatoes, frozen fish, fruits, vegetables, construction materials, bedlinen and leather. Pakistan's frozen flat fish export increased by 118 percent year- on- year bases. Bedlinen, apparels and spices exports also surged (see table 4). Pakistan exports for tents increased by 113.8 percent. Exports for cereals, especially non-basmati rice, declined followed by decline in exports of cereal straw, boring machinery and fresh vegetables. Table 4 indicates year on year percentage change in Pakistan exports to Qatar at HS 6 level

⁷ The LNG deal of 16 billion dollar was signed between Pakistan and Qatar. The agreement also stated that 3.75 million metric tons of LNG will be imported annually over 15 years from Qatar.

Table 4: Pakistan Exports to Qatar				
Product Code	Product Label	2016	2017	Percentage Change
Values in USD million				
100630	Semi-milled or wholly milled rice, whether or not polished or glazed	18.87	17.617	-6.66
020110	Carcases or half-carcases of bovine animals, fresh or chilled	2.795	3.642	30.30↑
070190	Fresh or chilled potatoes (excluding seed)	3.19	2.676	-16.11↓
030339	Frozen flat fish "Pleuronectidae, Bothidae, Cynoglossidae, Soleidae...	1.172	2.566	118.94↑
080450	Fresh or dried guavas, mangoes and mangosteens	1.585	1.876	18.36↑
843049	Boring or sinking machinery for boring earth or extracting minerals	2.814	1.392	-50.53↓
630239	Bedlinen of textile materials (excluding of cotton and man-made fibres)	0.698	1.349	93.27↑
121300	Cereal straw and husks, unprepared, whether or not chopped, ground	2.025	1.315	-35.06↓
420329	Gloves, mittens and mitts, of leather (excluding spValue Chain Mappingal sports gloves)	1.211	1.225	1.16↑
091091	Mixtures of different types of spices	0.815	1.11	36.20↑
630210	Bedlinen, knitted or crocheted	0.78	1.037	32.95↑
630629	Tents of textile materials (excluding of synthetic fibres)	0.448	0.958	113.84↑
Source: ITC, Trade Map				

Pakistan's major import from Qatar includes liquefying gas, polyethylene, Urea, electric machinery, ship boats floating structures and organic chemicals. Pakistan imports from Qatar is increasing the major increase (140 percent) is registered in LNG import. The following table shows the Pakistan imports to Qatar.

Table 5: Pakistan Imports from Qatar

Product Code	Product Label	2016	2017	Percentage Change
Values in USD million				
271111	Natural gas, liquefied	582.137	1397.762	140.11 
390110	Polyethylene with a specific gravity of < 0,94, in primary forms	83.586	89.375	6.93 
390120	Polyethylene with a specific gravity of >= 0,94, in primary forms	41.818	48.818	16.74 
310210	Urea, whether or not in aqueous solution (excluding that in pellet or similar forms, or in	14.937	16.482	10.34 
381700	Mixed alkylbenzenes and mixed alkylnaphthalenes produced by the alkylation of benzene and naphthalene . . .	12.118	16.427	35.56 
854810	Waste and scrap of primary cells, primary batteries and electric accumulators; spent primary . . .	12.622	14.715	16.58 
290315	Ethylene dichloride "ISO" "1,2 dichloroethane"	3514	2671	-23.99 
890800	Vessels and other floating structures for breaking up	4.417	4.805	8.78 
Source: ITC, Trade Map				

Potential Products

Pakistan export basket for Qatar mainly consists of cereals (26.43%), other made up textile articles (9.56%), edible vegetables (8.62%), meat (7.11%), fish (5.14%), edible fruits and nuts (4.74) and articles of apparel (3.51%). To increase our export base in Qatar's market it is essential to find some potential products that Pakistan already export. Pakistan's overall export to the world is USD 21.87 billion while Qatar's total imports from the world are of USD 27.7 billion worth⁸. Threshold for potential product is defined keeping in view the current value of exports and imports of respective countries. The present study considers those products as potential product for Pakistan, having demand of more than 20 million in Qatar's market and Pakistan's capacity to supply in international market is more than USD 20 million.⁹ The potential products obtained by the above mention methodology are as under:

*Qatar's world
Import is USD 27.7
billion.*

Table 6: Pakistan's Potential Products for Qatar

SR. No	Product code	Product label	Qatar's imports from world mirror data	Pakistan's exports to world	Pakistan's Share in Qatar imports
Figures in USD Million					
1	'300490	Medicaments consisting of mixed or unmixed products	213.619	70.786	0%
2	'271019	Medium oils and preparations, of petroleum or bituminous	318.022	142.866	0%
3	'851712	Telephones for cellular networks "mobile telephones"	335.003	30.749	0%
4	'841199	Parts of gas turbines, n.e.s.	176.55	43.858	0%
5	'020230	Frozen, boneless meat of bovine animals	39.294	20.402	0%
6	'711319	Articles of jewelry and parts thereof, other than silver	1157.045	7.126	0%
7	'721049	Flat-rolled products of iron or non-alloy steel, >= 600	37.479	31.179	5%
9	'901890	Instruments and appliances in medical..	59.713	3,60.575	0%
10	'610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	24.592	197.757	0%
11	'040120	Milk and cream of a fat content by weight of > 1% but<= 6%	30.369	29.386	0%
12	'640399	Footwear with outer soles of rubber, plastic or composition leather	29.324	68.991	0%
13	'210690	Food preparations, n.e.s.	56.094	19.208	0%
14	'070999	Fresh or chilled vegetables n.e.s.	40.312	32.66	1%
16	'080410	Fresh or dried dates	9.474	102.596	0%
17	'151620	Vegetable fats and oils and their fractions, hydrogenated	0.72	52.997	0%

Source: ITC, Trade Map

⁸ Data for 2016 is used for import figure as for 2017 mirror data is available which is still being updated

⁹ Only products code 711319 and 210690 have supply less than USD 20 million.

Product: 711319



Articles of jewelry and parts thereof, of precious metal other than silver, whether or not plated or clad with precious metal (excluding articles > 100 years old)

Product Analysis

Pakistan's Export Trends

Pakistan exports USD 4.3 million worth of articles of jewelry in year 2017. However, Qatar's total import of articles of jewelry, from world market stood at USD 1157.045 million¹⁰. At present, Pakistan has no share in Qatar's market. Pakistan's exports show fluctuating trend (see figure 5).

Demand and Supply Issues

Pakistan's share in world export market significantly declined after 2013. Exports were at their peak in year 2012. In 2013, Pakistan's ministry of commerce and textile industry issued SRO 760(I)/2013¹¹ for *import and export of precious metals, jewelry and gemstones*. The document states that in order to trade jewelry, exporters and importers need to register with the Trade Development Authority of Pakistan. In addition to this, jewelry exporters (gold) should register under two different schemes *the self-consignment and entrustment scheme*.¹² After the imposition of the legislation, the number of registered exporters of gold jewelry shrunk. Although Pakistan's share in world export market has squeezed yet it can export value added jewelry and can earn greater share in the world market.

Pakistan can gain in terms of low labour cost and skilled craftsman but raw material for jewelry industry has to be imported. Moreover, strict regulations by government to import raw material (gold) in limited quantity at a time, constraints exporters to manufacture and export.¹³

Keeping in view the trade potential of this sector, Trade Development Authority of Pakistan initiated Pakistan's first *dazzle park of gems and jewelry* project. The project aimed to build clusters having modern equipment, infrastructure and business support facilities. In addition to this, it was decided that the park will be hallmark of integrated value chain with various

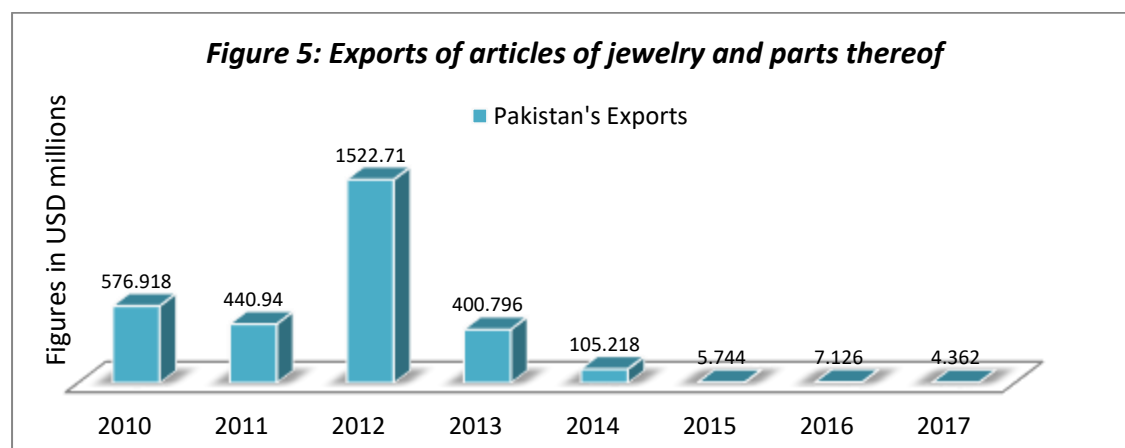
¹⁰ Mirror data is used to study 2017 figures for Qatar

¹¹ http://tdap.gov.pk/pdf3/SRO_760.pdf

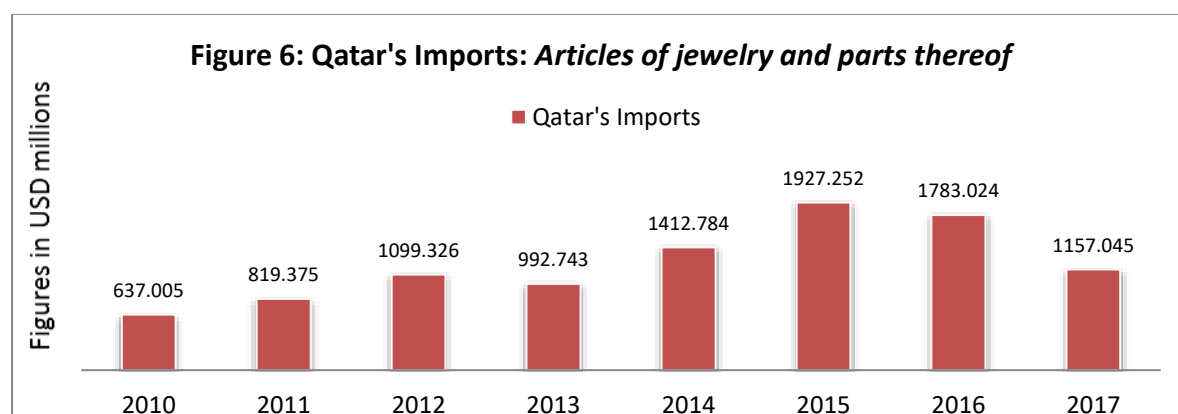
¹² In self-consignment scheme, exporters manufacture jewelry by purchasing gold from domestic market. Exporters are obliged to show their earnings in 120 days. In addition to this, form of earning is also specified. It is stated that the earnings should be in the form of gold (50%) and foreign currency (50%). Entrustment scheme states that 25kg gold can only be exported if manufactured jewelry, containing 13 percent value addition and 10 percent wastage, is to be exported.

¹³ Sectoral Competitiveness and Value Chain Analysis: Gems and Jewelry, 2016

activities to be performed within cluster. Unfortunately, this project is still pending and is not yet materialise. Government needs to revisit the project to facilitate the much needed park for development of gems and jewelry sector. As far as Pakistan's gold resources are concerned, Pakistan has gold and copper mines named as *Reko Dig* in Baluchistan province. Unfortunately, due to some legal reservations of government of Baluchistan with extraction company the project is still pending.¹⁴



Qatar's Import for articles of jewelry show increasing trend from 2010 -2015. Although imports have followed a downward trend since past two years yet Qatar ranks the tenth largest importer of articles of jewelry in the world. Thus keeping in view demand of Qatar's market and Pakistan's supply in the international market articles of jewelry is the potential product for Qatar market.



¹⁴For Details of issues in the project see: <https://www.dawn.com/news/1321955>

Competitors in Qatar's Market

The major supplying markets for Qatar are: Switzerland, UK, Hong Kong, India and Italy. About 58 percent of Qatar's jewelry market is captured by U.K followed by Switzerland (14.87%) and USA (5.1%). India has a share of 3.4 percent in Qatar's market. Switzerland is the top exporter of articles of jewelry in the world. USA, Hong Kong and Italy first imports and then export the same product with some value additions in the market (re-export).

Table 7(i): Competitors' share in Qatar's market

Exporters	India	Switzerland	France	Italy	Malaysia	United Kingdom	Hong Kong
Figures in USD million							
2013	4.028	212.206	13.627	19.714	0	94.576	12.891
2014	4.018	197.578	19.723	18.948	0	592.863	6.556
2015	24.594	353.302	29.315	18.998	6	633.359	5.346
2016	2.629	290.999	19.032	19.401	0	558.249	9.376
2017	39.375	172.131	34.619	17.472	2.968	675.916	44.834

Source: ITC, Trade Map, Mirror Data

India's Competitive Advantage

Indians are famous for their fine jewelry making art from minerals and metals. India's gems and jewelry industry is not self-sufficient in its basic raw material ¹⁵yet it is the largest commodity exporter. Competitive advantage for India stems from its cheap labour, cost efficiency in terms of cutting and polishing diamonds, its value addition capacity, distribution network and brand names in world market.

Government of India (GOI) has initiated various measures for the expansion of gems and jewelry sector. GOI has allowed 100 percent foreign ownership in this sector (100%FDI). From 2000 to 2017, total Foreign Direct Investment (FDI) inflows in diamond and gold was USD 1.1 billion. The expanding sector also presented a proposal to set up an International Diamond Exchange at Surat, with cost of USD 372 million. It is expected that project will be completed by 2020. In addition to this, import duty on platinum and rough coloured

¹⁶India's second largest import commodity after mineral fuel is gems and jewelry. About 90 percent of raw material is imported.

precious gemstones is exempted. In 2014, *Gold Metal Loan (GML)*, scheme was introduced to facilitate the procurement of gold.

Gems and jewelry export promotion council (GJEPC) has been set up by GOI. The council aims to build jewelry park worth of Rs 13.5 million, in Mumbai. GJEPC is also involved in trade promotional activities by organizing trade shows. India *International Jewelry Show (IIJS)*, *Signature IIJS*, *India Gem & Jewelry Machinery Expo (IGJME)* are important trade events structured by the council. To cater the needs of innovative world and to train its artisan and designers, GJEPC has established various institutes like Indian institute of gems and jewelry, Indian gemmological institute and gem testing lab.

Branded jewelry has also gained momentum in world jewelry market. India has established international brands for jewelry that are famous across the globe. Kaylan, Malabar, Joyalukkas and Atlas are famous Indian brands located in Qatar.

Switzerland's Competitive Advantage

Switzerland is one of the largest exporter and importer of gold in the world. This trading pattern follows from Switzerland's ability to refine 65 to 75 percent of world's gold output. Swiss refineries are global hub for providing refined and precious metals.¹⁶ These refineries are in close proximity with each other making *Switzerland's golden triangle*. Refineries are well equipped with world class technology to refine

2000 tonnes of gold per annum. 'Swiss Association of Precious Metals Manufacturers and Traders' (ASFCMP) manages Swiss companies. Strong management, skill workers and innovation have made them world's leading traders.

Switzerland's regulatory structure also facilitates their success in the world. For example assayers (hold legal title of precious metal manufacturers) are employed by Central Control Bureau of Precious Metals, headed by federal customs administration. Assayers' status and

Table:7(ii) Tariff for articles of jewelry applied by Qatar				
U.K	Switzerland	Hong Kong	India	France
Average tariff (estimated) (%)				
5	0	5	5	5
Number of non-tariff requirements applied				
2	2	2	2	2
Product quality and performance requirements (TBT) Labelling requirements (TBT)				

¹⁶ Big 4 refineries namely Argor-Heraeus, Valcambi, Produits Artistiques Métaux Précieux (PAMP), Metalor Technologies are in Switzerland

legal monopoly that they can hold is also stated in the law. Despite strict regulatory framework and high labour cost, Switzerland has still captured the world market with its skilled labour, innovation and technology. Switzerland has its business council in Qatar (SwissBCQ) to provide a platform for business facilitation and networking for its people.

Trade with Saudi led quartet

Table 7(iii): Trade with Saudi led quartet

Exporters	United Arab Emirates	Saudi Arabia	Bahrain
Values in USD million			
2013	249.332	18.665	7.642
2014	266.828	23.139	8.471
2015	612.680	23.878	3.083
2016	680.380	15.494	19.474
2017	477.607	5.415	
Source: ITC, Trade Map. Mirror data is used			

Product: 901890



Instruments and appliances used in medical, surgical or veterinary sciences

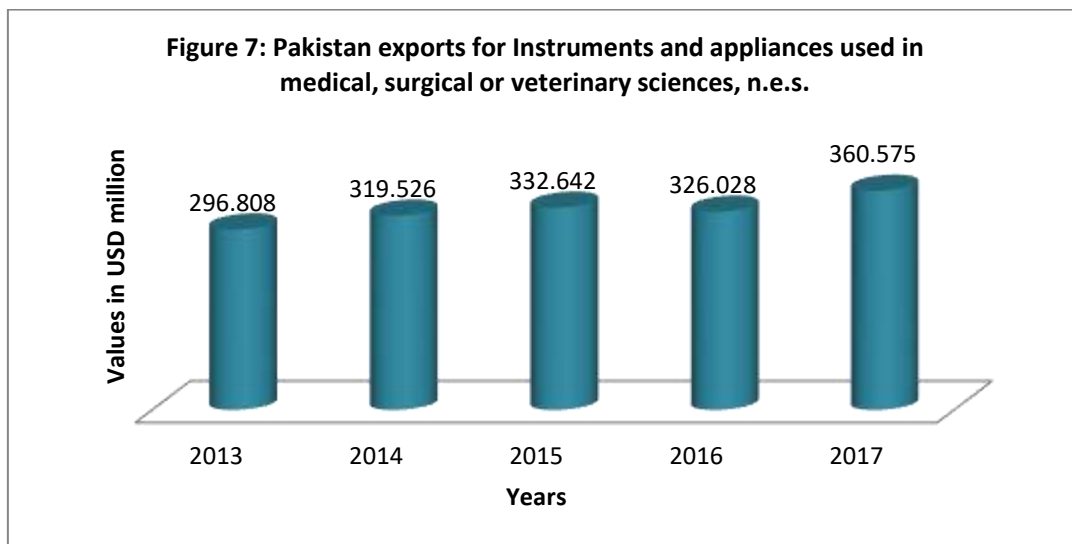
Product Analysis

Pakistan exported USD 360.5 million worth of medical instruments and appliances in year 2017. However, Qatar's total import for the said product from world market stood at USD 61.8 million¹⁷. At present, Pakistan has 0.2 percent share in Qatar's market. With respect to the world ranking, Pakistan is the twenty fifth largest exporter and Qatar is the 61st largest importer of surgical instruments in the world. Pakistan's exports show increasing trend (see figure 7). In 2017, Pakistan exports for surgical instrument, year- on- year basis, picked up by 10.5 percent.

Demand and Supply Issues

Sialkot is Pakistan's hub for manufacturing surgical instruments. Small and medium term enterprises are mostly responsible for exports. Over 95 percent of the total production by this sector is exported.

Qatar's imports represent 0.1% of world imports for this product. Its ranking in world imports is 61.



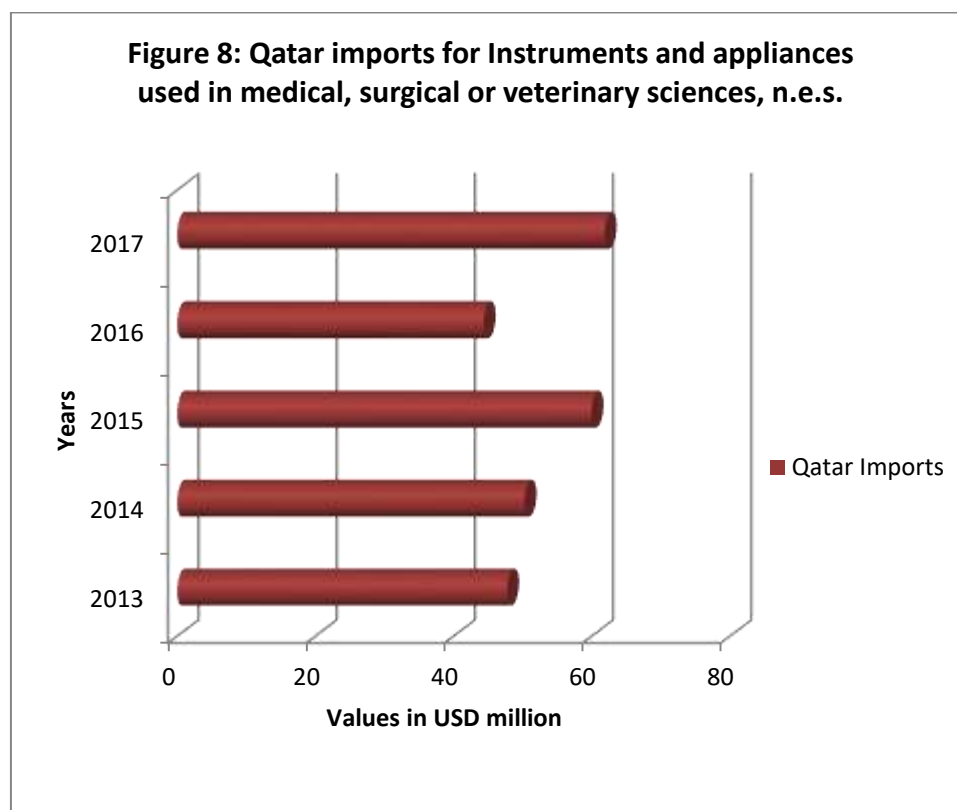
Provision of health care service is one the top priority of Qatar's development plan. Qatar's *Heath Care Facilities Master Plan 2013-2033* aims to build 31 heath care centers before 2022 FIFA world cup. Hamad Medical Corporation, an integrated medical complex with different specialised hospitals, is also expanding healthcare infrastructure by building

¹⁷ Mirror data is used to study 2017 figures for Qatar

associated medical complex with Pediatric Hospital, Orthopedic Hospital, Physical Medicine, Physiotherapy Hospital, Day Care Surgery Center, and Home Care Center for the elderly.

The *Supreme Council of Health* has also invited private sector to collaborate with hospital projects and the new national insurance plan *Seha*. Qatar has encouraged more patients to visit private facilities, adding to revenues. *Seha* provides health insurance to all Qatari citizens and requires the companies that hire expat workers to pay their health insurance premiums.

In Qatar medical services are subsidized or freely provided by government. Qatar has no production units for medical equipment and supplies. This sector is heavily dependent on imports from UK, USA, Germany and Asian economies. Growth prospects of this sector are encouraging as construction of new hospitals is under way. Qatar's health sector is expanding thus, opening new avenues for existing exporters of medical instruments and devices.



Competitors in Qatar's Market

Qatar's top import partner for surgical instrument is Germany followed by USA, Netherlands, and Belgium. Considering our regional competitors, China and India are ahead of Pakistan in Qatar's market. Although world ranking shows that China is the eighth and India is 32nd largest exporter of surgical instruments in the world. Pakistan's export value for surgical instrument is more than India but it has capture greater share in Qatar's market. Overtime export trend for regional competitors is given below

Table 8(i): Competitors' share in Qatar's market					
Exporters	Germany	USA	China	India	Pakistan
figures in USD million					
2013	9.46	8.61	0.58	0.11	0.03
2014	15.96	10.72	0.70	0.03	0.03
2015	16.28	15.74	0.41	0.57	0.07
2016	8.17	9.77	0.35	0.20	0.10
2017	15.18	12.79	0.73	0.24	0.12
Source: ITC Trade Map, Mirror Data					

The following table indicates tariff and non-tariff requirements for import partners. It is evident that requirements are same for mentioned competitors. Non-tariff barriers include *prohibition for TBT reasons - (TBT), authorization requirement for TBT reasons - (TBT), inspection requirement - (TBT) and labelling requirements.*¹⁸ Pakistan's unit value is less than India and all the leading players of Qatar market. Pakistan exports in terms of quantity are greater than India but still Pakistan's overall value is far behind India due to low prices.

¹⁸ **Prohibitions for TBT reasons** concern import prohibitions for reasons related, inter alia, to national security requirements, the prevention of deceptive practices, the protection of human health or safety, animal or plant life or health, or the environment

Authorisation requirements for TBT reasons concern measures requiring that the importer receive authorizations, permits or approval from a relevant government agency of the destination country, for reasons such as national security or environmental protection.

Table 8(ii): Competitors Trade Scenario				
Germany	USA	China	India	Pakistan
Share in Qatar's imports (%)				
24.5	20.7	1.2	0.4	0.2
Quantity imported in 2017				
83	*	70	28235	50311
Unit value (USD/unit)				
182855	*	10357	8.5	2.33
Share of partner countries in world exports (%)				
12.2	24.6	3.3	0.4	0.7
Average tariff (estimated) applied by Qatar (%)				
5	5	5	5	5
Ease of doing business ranking				
20	6	78	100	147
Number of non-tariff requirements applied by Qatar				
4	4	4	4	4
Source: ITC, Trade Map * data not available				

India's Competitive Advantage

The Indian medical devices industry is driven by medium and small enterprises. It is estimated that this industry holds a value of USD 5 billion. In terms of revenue and employment this sector is one of the leading sectors of India. Surgical instruments and related industries are growing significantly as India is moving towards more cost effective and high tech research and development in this field. Multinational companies are also contributing in India by setting their own plants (3M, Becton Dickinson, Hollister) or by acquiring domestic manufactures.

GOI's initiatives

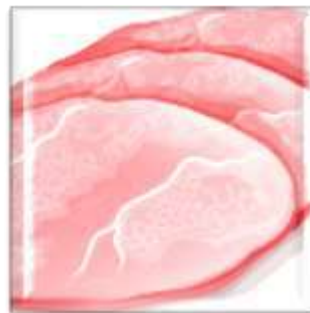
- To introduce Indian medical devices in world market with the recognition of made in India, government has introduced a scheme of '*Indian Certification of Medical Devices ICMED*'
- To encourage local manufacturing, GOI has allowed 100% FDI in this sector. A start-up policy has also been unveiled, to encourage domestic entrepreneurs

- MNCs in collaboration with domestic manufacturers have developed heart valve, low cost ACT Scanner, ultrasound and colour doppler, intraocular lens in their research centers in India.
- Government has announced to initiate three medical devices parks. The 200 acre park is being established in Vishakhapatnam, by Government of Andhra Pradesh. Similarly, the Maharashtra Government is considering a 200 acre park in Mihan, Nagpur, Maharashtra
- India's ministry of Commerce and engineering export promotion council of India has been organizing series of seminars and meet ups at major engineering exports clusters.

Trade with Saudi led quartet

Table 8(iii): Trade with Saudi led quartet			
Exporters	United Arab Emirates	Saudi Arabia	Bahrain
Values in USD million			
2013	4.199	0.043	0.001
2014	2.239	0.152	0.002
2015	0.409	0	0
2016	0.836	0	0
2017	2.642	0.03	

Product: 020230



Frozen, boneless meat of bovine animals

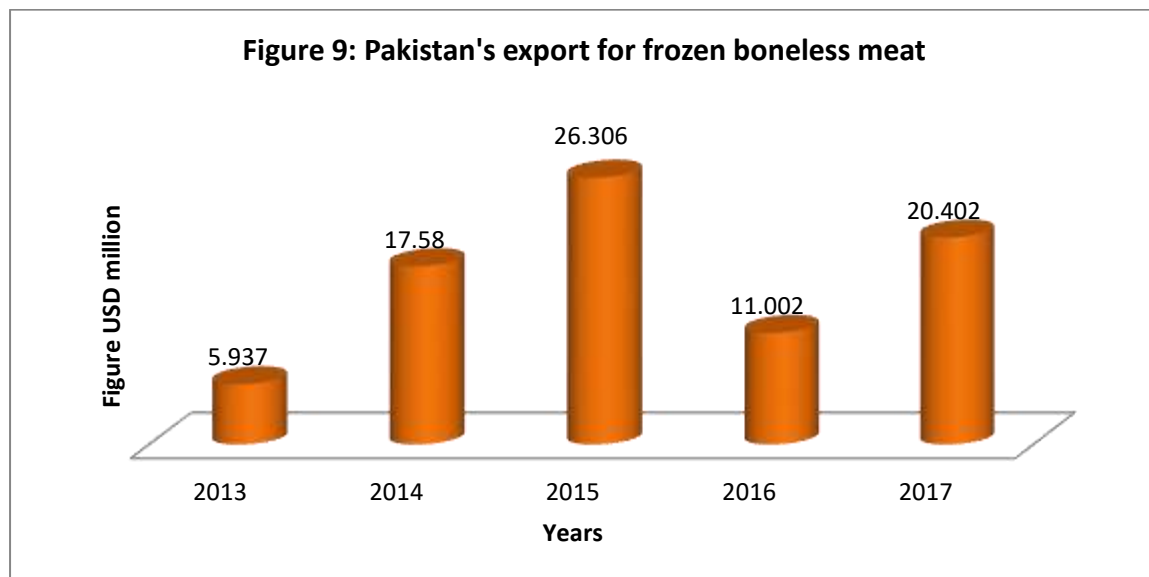
Product Analysis

Pakistan exports USD 20.4 million worth of frozen boneless meat in year 2017. However, Qatar's total import for the said product from world market stood at USD 39.2 million¹⁹. At present, Pakistan has no share in Qatar's market. With respect to the world ranking, Pakistan is the thirty first largest exporter and Qatar is 41st largest importer of boneless meat in the world. Pakistan's exports show increasing trend (see figure 7).

Qatar's imports represent **0.2%** of world imports for this product. Its ranking in world imports is **41**

Demand and Supply Issues

In 2017, Pakistan exports for boneless meat, year on year basis, increased by 85.4 percent.

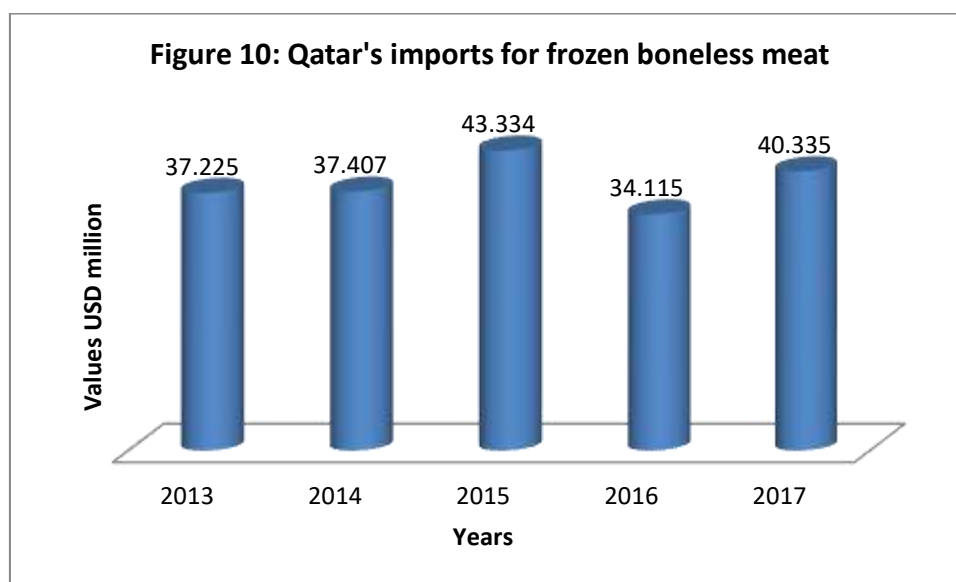


On Qatar's side, demand for boneless meat is expected to rise as Qatar will be hosting the World Cup in November 2022. Market opportunities for the halal meat market in particular to the food service industry will increase. In Qatar, the total volume growth of meat sold increased by 14% in 2015 over 2014, and this trend continued due to the strong economy, the increasing awareness of homemade meals, active hotel, restaurants, and institutional

¹⁹ Mirror data is used to study 2017 figures for Qatar

(HRI) sectors and the tendency to eat outside home during weekends contribute positively to increasing meat consumption.

In addition to this, lack of arable land and water shortages, persuade Qatar to import almost 90% of their food requirements. Other driving force behind rising food demand is a combination of population growth, rising incomes and urbanisation.



Competitors in Qatar's Market

India has captured major share in Qatar's market for frozen and boneless meat followed by USA and Brazil. India's average unit price is the lowest among competitors in the market. All countries face same tariff rate of 5 percent as applied by Qatar.

Year	India	USA	Brazil
Figure USD million			
2013	18.057	9.741	0
2014	15.198	10.732	0
2015	17.704	11.039	0
2016	15.412	6.895	3.245
2017	15.377	9.358	4.511
Source: ITC, Trade map			

India	USA	Brazil
Share in Qatar's imports (%)		
38.1	23.2	11.2
Quantity imported in 2017		
5704	940	907
Quantity unit		
Tons	Tons	Tons
Unit value (USD/unit)		
2696	9955	4974
Average tariff (estimated) applied by Qatar (%)		
5	5	5
Ease of doing business ranking		
100	6	125
Number of non-tariff requirements applied by Qatar		
7	7	7
Source ITC, Trade Map		

India's Competitive Advantage

India's pink revolution has made India world largest producer of cattle stocks. India is world second largest exporter of beef and veal in the world. According to India's 19th livestock survey India has 300 million bovines, 65.07million sheep, 135.2 million goats, 10.3million pigs and 729.2 million poultry. India has world class meat processing plants with OIE specified measures. Utter Pradesh and Maharashtra are famous for buffalo meat.

The major regulatory body responsible for meat export in India is Agricultural and Processed Food Products Export Development Authority (APEDA). India has 77 authorized abattoirs equipped with meat processing plants while there are 32 separate meat processing plants as well.

In addition to this, separate meat export processing plants have been established. Export oriented meat (EOM) processing plants are integrated with mechanised abattoirs-cum-meat processing plants. Livestock's identification and traceability is maintained by all EOM units. Indian meat is famous for its leanness and low fat attribute. OIE has declared Indian meat free from Bovine Spongiform Encephalopathy (BSE) but food and mouth disease (FMD) is still prevalent at some states

Trade with Saudi led quartet

Year	UAE	Saudi Arabia	Egypt	Bahrain
Figure USD million				
2013	1.033	0.396	0	0.001
2014	0.824	0.621	0	0.057
2015	0.609	1.37	0.002	0
2016	0.447	1.007	0.015	0
2017	1.041	0.334	0	
Source: ITC, Trade map				

Market Initiatives by TDAP

TDAP's participation in international exhibitions and trade delegations in the subject product / sector in Qatar is as under:

Table 10: TDAP market initiatives in Qatar

Name of the event	Product	Date
TDAP Exhibitions 2017-18		
Project Qatar, Doha	Construction material	May, 2018
Hospitality Qatar	Home Textiles, Food Products	Oct, 2017 Oct, 2018
Foodex Qatar	Halal Beef and Meat	April, 2018
New Proposed Exhibition		
Milipol Qatar	All fields of public and industrial security	Oct 2019
Source: https://www.tdap.gov.pk/international_exhibitions.php		

Trade Promotion Activities

Table 11: Trade promotion activities in Qatar

Month	Visit by	Remarks
July 2017	Mr. Mohammed Ahmed Twar Al-Kawari, Vice Chairman Qatar Chamber and Mr. Saleh Al-Sharqi, Director General Qatar Chamber to Islamabad, PAKISTAN	The 2-member delegation met the Commerce Minister, Commerce Secretary and President FPCCI during their visit to Islamabad in the immediate aftermath of the blockade. They invited President FPCCI to visit Qatar.
12th to 14th August 2017	Visit to Qatar by a delegation from FPCCI, Pakistan led by Mr. Zubair Tufail, President FPCCI and included Muhammad Adrees, Former President FPCCI & CHAIRMAN/CEO Faisalabad Industrial Estate Development & Management company (FIEDMC); Mr. Mehmood Arshad, Chairman Pakistan-Qatar Business Council of FPCCI & Proprietor, M/s Tawun; Mr. Mohammad Jawed Akhai, Chairman, M/s. Martin Dow Limited; Vice	<ul style="list-style-type: none"> • Meeting with CEO Hassad Food • Meeting with Own Factory Initiative for Medical Segment at the Ministry of Economy and Trade • Meeting with Mwani, Qatar (Qatar Ports Management Company) • Meeting with Qatar

	<p>Admiral (r) Azher Shamim Anwar, Managing Director, M/s. Bahria Foundation; Mr. Moeen Ahmad Warraich, General Manager (Maritime Services), M/s. Bahria Foundation; Mr. Muhammad Mustafa Kamal, MD, M/s. Big Bird Foods (Pvt) Ltd; Mr. Haroon Shafiq Chaudhary, CEO, Hac Agri Ltd; Syed Ali Aamir, Group Director Finance & IT, M/s Martin Dow Limited; Mr. Asim Mustafa, Director, Getz Pharma; Mr. Nadeem Rehmat, C.O.O (Plant & B.D), M/s. Pharmevo (Pvt) Ltd and Mr. Atiq Kochra, Korangi Association of Trade & Industry (KATI).</p>	<p>Investment Authority</p> <ul style="list-style-type: none"> • Meeting with Dr. Aisha Ibrahim Al-Ansari, Director, Pharmacy & Drug Control Department, Ministry of Public Health • Meeting with Engr.Sherif Shehata, General Manager of Aamal Medical Q.S.C/ Ibn-e-Sina Group (largest distributor of medicines in Qatar)
16th to 18th September 2017	<p>Visit to Qatar by a delegation from FPCCI, Pakistan led by Mr. Mehmood Arshad, Chairman Pak-Qatar Business Council, Mr.Javed Akhai, CEO Martin Dow Pharma, Mr. Ali Aamir, Group Director Finance & IT, Martin Dow Limited and Mr. Haroon Agha (Creek Engineering Works).</p>	<ul style="list-style-type: none"> • Meeting with Village Trading Group • Meeting with Mr.Ahmed Swaidi, Director (Operations), Qatar Primary Materials Co. • Meeting with Mr. Hamad Alhitmi, M.D. Qatar Quarries & Building Materials Co. • Meeting with acting Director Procurement Al Meera Hypermarket • Meeting with Dr. Ahmed Mohamed Hussein Babiker, Head of Drug Registration Unit, Pharmacy & Drug Control Department, Ministry of Public Health
26th to 27th September 2017	<p>Visit by Managing Director, Pakistan Tourism Development Corporation to Qatar</p>	<ul style="list-style-type: none"> • Proceedings of World Tourism Day on 27th September 2017 • Meeting with Mr.Hassan Al-Ibrahim, Chief Tourism Development Officer, Qatar Tourism Authority on 27th September 2017

10th to 11th October 2017	Visit to Qatar by Director Marketing and Manager Exports of Engro Foods.	<ul style="list-style-type: none"> • Meeting with Hassad Food • Meeting with Arabian Food Co.
26th to 29th October 2017	Visit to Qatar by a delegation from FPCCI, Pakistan led by Mr. Mehmood Arshad for participation in Food & Consumer Industries Exhibition (FCIE) including Bombi's Group, Chase International, Afeef Packages and Ahmed Associates Rice Mills.	<ul style="list-style-type: none"> • Participation at the Food & Consumer Industries Exhibition (FCIE)
9th to 11th November 2017	<p>Visit to Karachi, Pakistan for participation at the 10th Expo Pakistan along with representatives of the following Qatari companies:</p> <ul style="list-style-type: none"> • Lari Group of companies • Al-Mutaali Trading • Maraya Public Relations • Al-Jabber Construction • NAAAS Group • Noor Farms for Meat & Trading • Noor Milk & Juice • Royal Leaf Trading • Saba Trading Group • Al-Sharq 	<ul style="list-style-type: none"> • Participation at the 10th Expo Pakistan.
6th to 8th November 2017	<p>Visit to Qatar for participation in the Hospitality Qatar Exhibition by:</p> <ul style="list-style-type: none"> • M/s. H.K.M Industries (Rice) • M/s. The Organic Meat Co Pvt Ltd (Vacuum Pack Meat, Frozen Meat); • M/s. Aisha Enterprises (Potatoes, Mix Fruits, Mangoes) 	<ul style="list-style-type: none"> • Participation at Hospitality Qatar at Doha Exhibition & Convention Centre
9th to 10th November 2017	Visit by Qatar by a delegation of Lahore Chamber of Commerce & Industry led by Ms. Nasira Taskeen Vision Consulting Ltd, Mrs. Zeenat Soboochi Jianneys Interior Designer, Mr. Yaseen Ghumman Jianney's Food (Rice/Wheat and its	<ul style="list-style-type: none"> • Meeting with Vice Chairman, Qatar Chamber

	by-products and Mr. Sarfraz Ahmad Jianney's Food (Rice/Wheat and its by-products).	
2nd December 2017	Visit to Qatar by Mr. Younus Dagha, Secretary Commerce	<ul style="list-style-type: none"> • Visit of Doha Exhibition & Convention Centre • Meeting with the Ambassador of Pakistan
6th December 2017	<p>Visit to Qatar by delegation of Rawalpindi Chambers of Commerce comprising of:</p> <p>Mr. Zahid Latif, President RCCI Mr. Shimail Daud Arain, ex-President RCCI Mr. Irfan Manan Khan, Secretary General RCCI Mr. Fahad Barlas Mr. Shahid Raza Bhatti</p>	<ul style="list-style-type: none"> • Meeting with Vice Chairman, Qatar Chamber • Meeting with Ambassador of Pakistan at the Embassy of Pakistan
14th to 17th December, 2017	Setting up of Pakistan Pavilion at the "Made in Qatar" Exhibition from 14 th to 17 th December 2017 at Doha Exhibition & Convention Centre.	<p>Participation at the "Made in Qatar" Exhibition with representatives of the following entities:</p> <ul style="list-style-type: none"> • M/s Siddiqsons (Pvt.) Ltd • M/s Lucky Textile Mills (Pvt.) Ltd • M/s Seasons Food (Pvt.) Ltd • M/s Jazaa Food Pvt. Ltd • M/s United King • Pakistan Sports Goods Manufacturers Association / Raseo Sports.
14-15th December 2017	Visit of Commerce Minister Mr. Parvez Malik to Doha (in-transit)	<ul style="list-style-type: none"> • Briefing on the current economic scenario in Qatar.
27th February to 1st March 2018	Visit of a 62-member delegation led by President Rawalpindi Chambers of Commerce & Industry (RCCI),	Presentations/Speeches by President RCCI, Chairman SECP, Ambassador of Pakistan, Vice

	Chairman SECP and other prominent businesspersons.	Chairman Qatar Chamber, Director Manateq, Head of Taxation Deloitte and the Commercial Secretary.
	Participation at the Pak-Qatar Business & Investment Opportunities Conference on 28 th February 2018 at Hotel InterContinental Doha the City.	
20th to 22nd March 2018	Participation of a delegation from Lahore Chambers of Commerce & Industry (LCCI) and nominees from Government of the Punjab at AgriteQ held at Doha Exhibition & Convention Centre.	<p>Following companies/businesses participated:</p> <ul style="list-style-type: none"> • Ramna Pipe & General Mills (Pvt) Ltd. • M/s. PB Group • Punjab Agriculture & Meat Company (PAMCO) Govt. of Punjab • Agri Live Stock Green Farm • Yuksal Seeds Asia (Pvt) Ltd. • In-Out Trading (Pvt) Ltd. • Nizami Traders • M/s. TMC International • Kissan Engineering • Metron Innovative System Private Limited • Hussain Can Co. (Pvt) Ltd. • Iftekhar & Company • Farmhouse Export (Pvt.) Ltd. • Seasons Foods (Pvt.) Ltd • Naqahbandi Enterprises • Jazaa Foods (Pvt.) Limited
21st March 2018	Meeting of the delegation from LCCI with Vice Chairman, Qatar Chamber, Mr. Muhammad Bin Tuwar, Al-Kuwari.	<p>The delegates from LCCI included the following:</p> <ul style="list-style-type: none"> • Mian Shafqat Ali, Senior Vice President, LCCI; • Mr. Mumtaz Muhammad Khan, Punjab Agriculture & Meat Company (PAMCO) Govt. of the Punjab; • Mr. Mudassar Masood • Mr. Tasharraf Jawaid • Mr. Shoukat Ali • Mr. Masood Nizami • Mr. Mustafa Akbar

		<ul style="list-style-type: none"> • Mr. Sheharyar Ali • Mr. Tanvir Ahmad Sheikh, Additional Secretary LCCI
7th to 10th May 2018	<p>15th Edition of Project Qatar took place at Doha Exhibition & Convention Center. The Ambassador of Pakistan H.E Shahzad Ahmad inaugurated the Pakistan Pavilion on the first day of the Exhibition.</p>	<p>Following companies supported by TDAP attended the event:</p> <ul style="list-style-type: none"> • M/s. Rafiq Engineering Industries Pvt Ltd • (trading as Royal Fans) • M/s. Ihsan Sons Pvt Ltd • M/s. Marnite Industries • M/s. Ace logistics Services • M/s. Hilton Enterprises <p>There was also participation from self-funded companies including International Industries Limited (IIL), International Steel Limited (ISL) and Pakistan Cables Limited (PCL), all of which come under the umbrella of Chinoy Group of Companies and M/s Brighto Paints through its local distributor M/s Unique Trading.</p>
15th May 2018	<p>Visit of delegation from the Islamabad Chambers of Commerce & Industry (ICCI) and their meeting with the Deputy Head of Mission Mr. Murad Baseer.</p>	<p>The ICCI delegation comprised of the following:</p> <ul style="list-style-type: none"> • Mr. Muhammad Naveed, Senior Vice President • Mr. Muhammad Imran • Mr. Muhammad Najeeb Elahi Malik • Mr. Zahid Rasheed
12th June 2018	<p>Arrangement of Pakistan Mango Suhoor coinciding with 27th Ramadhan – the Islamic date for the 70th Independence Day Celebration at Ritz-Carlton Hotel, Doha.</p>	<p>Widespread participation of the diplomatic and business community at the Suhoor Dinner where the participants tasted the flavor of a diverse type of Pakistani Mangoes arranged by the Commercial Section with assistance from M/s Souvenir Trading.</p>
23rd to 24th June 2018	<p>The Department of Agriculture, Government of the Punjab arranged</p>	<p>Commercial Section nominated following potential buyers from</p>

the Agri Expo at Expo Centre, Lahore from 23rd to 24th June 2018. The objective of the Exhibition was to give the Agriculture Sector a boost.

Qatar to visit the Exhibition:

- NAAAS Group
- Alsulaiteen Agricultural And Industrial Complex
- Al Takreem
- Al Mutaaly Trading
- SAIC

Existence of International Brands

Some of the well-known Pakistani brands in Qatar are as under:

<i>Brand Name</i>	<i>Sector</i>
<i>K and Ns</i>	<i>Meat</i>
<i>Haleeb milk</i>	<i>Milk</i>
<i>Khaadi</i>	<i>Apparel</i>
<i>Mumtaz rice</i>	<i>Rice</i>
<i>National foods</i>	<i>Spices</i>
<i>Shan Foods</i>	<i>Spices</i>
<i>Shield Diapers</i>	<i>Rice</i>
<i>Punjab garden rice</i>	<i>Rice</i>
<i>Falak rice (Matco)</i>	<i>Rice</i>

Beside these brands Pakistan's food packaging companies namely afeef packages and packages limited are also penetrating in Qatar's market. Afeef packages since October 2017 is supplying food packaging to both Pizza Hut and KFC in Qatar. Also two Pakistani paint manufacturers namely brighto paints and happillac paints have entered Qatari market through local distributors. In the post blockade period three Pakistani pharmaceutical companies namely Martin Dow Limited, Getz Pharma and Pharmevo have got their registration and are currently negotiating their distribution agreements.

SWOT Analysis

The present section explains the SWOT analysis of Pakistan's export and its potential expansion in Qatar's market.

Strength

- ❖ Geographical proximity reduces the transportation cost and shipping time. With current blockade, trade route between Qatar and Pakistan has reduced. Prior land route between UAE and KSA was used to ship Pakistani exports to Qatar but now due to blockade shipping lines, Milaha and Wen Hui are being used to ship from Karachi to Hamad Port.
- ❖ Qatar has decided to launch its visa support center in Pakistan as well as other Asian countries. Currently there are more than 11500 Pakistanis living in Qatar more influx of people will increase the demand for Pakistani products.
- ❖ Pakistan is the eight largest producer of beef and veal with production 1.8 thousand metric ton.²⁰
- ❖ As Pakistan export basket consists of agricultural products, Pakistani exporters can export processed meat items to Qatar as domestic manufacturers (K and Ns, Sufi, Menu) for processed and ready to cook food is increasing.
- ❖ FAO and government of Pakistan has established *FMD Enzyme-Linked Immunosorbent Assay (ELISA)* diagnostic laboratory in Karachi for facilitation of foot and mouth disease (FMD)

Weakness

Some of the weakness that deters Pakistani exports to Qatar is as under:

- ❖ Pakistan has no halaal food authority to promote and facilitate trade for halaal products particularly halaal meat.
- ❖ Qataris are brand-conscious individuals. Most western brands have central procurement buying houses based in Europe or USA which make direct deals

²⁰ *Livestock and Poultry: World Markets and Trade, USDA 2018*

with the exporters worldwide. Additionally, India-based retailers like Max Fashion and R&B Fashion with multiple retail outlets are now operating across Qatar. They mostly sell stock produced in India which is of a superior quality and price-competitive.

- ❖ Few Pakistani exporters participate in Qatar exhibitions as compare to other Middle East countries.
- ❖ Quality assurance is also one of the major hurdles for Pakistani products.

Opportunities

- ❖ Qatar's percapita income is one of the highest in GCC which shows Qataris enjoy high standard of living with more affordability towards high prices.
- ❖ Tariff rates in Qatar range from 5 percent to 35 percent on some imports. Besides this the basic food items and raw materials are exempted from tariff.
- ❖ Pakistani halaal meat has considerable potential to capture Qatar's market. As only halaal products can enter Qatar. With proper management of supply chain and marketing strategies Pakistan can capture greater share in Qatar's meat import.
- ❖ FIFA world cup 2022 can serve potential for Pakistani sports good, food and I.T related industry.
- ❖ Qatar has proposed zero tariff for products under "cumulative origin"²¹. This will be an opportunity for Pakistan to sell value added products to Qatar.

Threats

- ❖ Qatar imports diversified and world class products from different regions. Number of international brands and suppliers are present in Qatar market. This leaves a very narrow scope for small and medium enterprises that focus less on innovation and investment in research and development.
- ❖ In the wake of current blockade Qatar has decided to protect and expand its local infant industries by introducing high tariffs for some specific products. For example Qatar has decided to levy high tariff on diary related products.²²

²¹ If Pakistan is using any raw material from Qatar in production of its products and re-exporting such products to Qatar after value-addition then these products will be considered as products with cumulative origin.

²² Annual Business Plan Qatar 2018-19, TDAP

Recommendations

- ❖ Trade & Economic Cooperation Agreement (TECA) with Qatar should be materialise keeping in view the mutual benefits of both countries.
- ❖ With respect to the blockade effect, Pakistan can provide food and consumer based products at lesser cost than Turkey and Iran.
- ❖ Qatar import halaal meat from non-muslim countries (India). Pakistan can increase its market share for value added meat products (boneless meat) in Qatar by complying quality standards
- ❖ Considering the potential for gems and jewellery Pakistan needs to revisit impediments in Reko dig copper and gold mine project and dazzle park project. Qatar is a huge market of USD 1.1 billion. In addition to this, Pakistan need to established gems and jewellery trading zone near tourist destinations in order to attract more foreign buyers in the country.

Annexure

Pakistan's Potential and Qatar's Trade with Blockade Countries

Product code	Product label	Pakistan's exports to Qatar		Qatar's imports from world		Pakistan's exports to world		KSA	UAE	Bahrain	Egypt
		2016	2017	2016	2017	2016	2017	2017			
Values in USD thousand											
'732690	Articles of iron or steel, n.e.s. (excluding cast articles or articles of iron or steel wire)	4	9	979	57612	4057	2752	24448	5313	1321	278
'730890	Structures and parts of structures, of iron or steel, n.e.s. (excluding bridges and bridge-sections, ...	0	3	198185	160915	24481	16853	16672	62024	542	95
'170199	Cane or beet sugar and chemically pure sucrose, in solid form (excluding cane and beet sugar ...	0	69	35379	22448	123078	342901	7569	17785	6887	0
'070999	Fresh or chilled vegetables n.e.s.	412	386	9357	40312	37501	32660	2586	9	0	141
'711319	Articles of jewellery and parts thereof, of precious metal other than silver, whether or not ...	287	0	331807	1157045	7126	4362	53	60658	6722	33
'070310	Fresh or chilled onions and shallots	664	957	24333	19496	13105	11893	1150	8	0	1416
'020230	Frozen, boneless meat of bovine animals	163	0	22826	39294	11002	20402	1031	887	0	0

'300490	<i>Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes, ...</i>	101	6	293601	213619	73317	70786	9913	2225	0	2183
'901890	<i>Instruments and appliances used in medical, surgical or veterinary sciences, n.e.s.</i>	97	117	58971	59713	326028	360575	70	612	0	27
'640399	<i>Footwear with outer soles of rubber, plastics or composition leather, with uppers of leather ...</i>	87	15	23517	29324	69018	68991	4	138	0	6
'610910	<i>T-shirts, singlets and other vests of cotton, knitted or crocheted</i>	25	71	43382	24592	205111	197757	113	886	11	189
Source: Trade Map											