Qatar: Background and U.S. Relations

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Summary

Qatar, a small peninsular country in the Persian Gulf, emerged as a partner of the United States in the mid-1990s and currently serves as host to major U.S. military facilities. Qatar holds the third-largest proven natural gas reserves in the world, and is the largest exporter of liquefied natural gas. Its small citizenry enjoys the world’s highest per capita income. Since the mid-1990s, Qatari leaders have overseen a course of major economic growth, increased diplomatic engagement, and very limited political liberalization. The Qatari monarchy founded Al Jazeera, the first all-news Arabic language satellite television network, in 1995. Over time, the network has proven to be as influential and, at times, as controversial as the policies of its founders, including during recent unrest in the Arab world.

In June 2013, Emir Hamad bin Khalifa al Thani abdicated in favor of his son Tamim bin Hamad, marking the first voluntary and planned transition of power in Qatar since it became an independent country in 1971. In an April 2003 referendum, Qatari voters approved a new constitution that officially granted women the right to vote and run for national office. The constitution envisions elections for two-thirds of the seats in a national Advisory Council. However, such elections have not been scheduled, and the term of the current Advisory Council has been extended to 2016. Central Municipal Council elections were last held in May 2011.

Following joint military operations during Operation Desert Storm in 1991, Qatar and the United States concluded a Defense Cooperation Agreement that has been subsequently expanded and was renewed in 2013. In April 2003, the U.S. Combat Air Operations Center for the Middle East moved from Prince Sultan Airbase in Saudi Arabia to Qatar’s Al Udeid airbase southwest of Doha, the Qatari capital. Al Udeid and other facilities in Qatar serve as logistics, command, and basing hubs for the U.S. Central Command (CENTCOM) area of operations. U.S. officials have described Qatar’s counterterrorism cooperation since 2001 as significant. However, some observers have raised questions about alleged support for Al Qaeda and other violent extremist groups by some Qatari citizens, including historic support by members of Qatar’s ruling family.

According to the 2012 U.S. State Department Country Report on Human Rights in Qatar, principal U.S. human rights concerns included the “inability of citizens to change their government peacefully, restriction of fundamental civil liberties, and pervasive denial of expatriate workers’ rights.” Political parties remain prohibited and civil liberties remain restricted. According to the report, “the government made efforts to prevent and eliminate forced labor during the year,” but “there were continuing indications of forced labor, especially in the construction and domestic labor sectors.” These concerns are drawing increased attention as Qatar implements large scale infrastructure projects in preparation for hosting the 2022 World Cup.

Qatari officials have positioned themselves as mediators and interlocutors in a number of regional conflicts in recent years. Qatar’s deployment of military aircraft to support NATO-led operations in Libya signaled a new assertiveness, as has reported Qatari support for armed elements of the Syrian opposition. Some of Qatar’s positions have drawn U.S. scrutiny, including its willingness to embrace Iran, Hezbollah, Hamas, and the Taliban as part of its mediation initiatives and allegations of its support for extremists in Syria. It remains unclear whether Qatar’s active and—for the United States—at times vexing policies may change under Emir Tamim’s leadership. To date, the Obama Administration has sought to expand military and counterterrorism cooperation with the ambitious leaders of this wealthy, strategically located country.
Country and Leadership Profile

Qatar, a small peninsular state bordering Saudi Arabia in the Persian Gulf (see Figure 1), declared its independence on September 3, 1971. It is a constitutional monarchy governed by the Al Thani family, and the constitution reflects the previously contested principle that successors to the throne will follow the hereditary line of the emir’s male offspring. The Emir of Qatar, Tamim bin Hamad bin Khalifa Al Thani, began his rule in June 2013 when his father, Shaykh Hamad bin Khalifah, abdicated, marking the first voluntary and planned transition of power in Qatar since its independence. Shaykh Hamad raised the global profile and influence of the small, energy-rich country after replacing his own father in a palace coup in 1995. Emir Tamim’s mother, Shaykha Mohza, is active in leading education, health, and women’s initiatives.

Figure 1. Qatar: Map and Country Data

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1 Treaties signed in 1868 and 1916 between the Al Thani family and the United Kingdom recognized the Al Thani family’s authority in Qatar but placed mutually agreed restrictions on Qatari sovereignty from 1868 through 1971.
Of the country’s approximately 2 million people, roughly 15% are citizens: the rest are foreign residents and temporary laborers. The country’s small native population is not publicly restive, and members of the fluid expatriate population of more than 1.7 million have no political rights. Public debate on some issues has been encouraged, although recent U.S. State Department human rights reports have noted Qatar’s ban on political parties and restrictions on freedom of speech, press, assembly, association, and religion for citizens and noncitizens alike.

In practice, the emir’s personal authority as Qatar’s constitutional monarch is tempered only by the need to maintain basic consensus within the Al Thani family and among other influential interest groups. Most experts regard the Al Thani family as having some significant, if manageable, internal rivalries. Religious conservatives have considerable social influence, and Qatar’s military and security forces answer to the emir. Elections for a Central Municipal Council were held in May 2011, and planned national Advisory Council elections were again delayed in mid-2013 in conjunction with the leadership transition (see below).

A broad shift in government leadership accompanied the recent royal transition and suggests that changes were managed in order to accommodate the interests of others than the emir and his immediate family. The emir appoints members of his extended family and other leading figures to a governing Council of Ministers, which serves as the national cabinet (see Table 1 below).

Emir Tamim has inherited the duties of leading a nation that transformed under his father’s tenure from a weak satellite of Saudi Arabia into an ambitious, independent regional power with large financial resources and considerable global influence relative to the country’s small population. In his initial public statements and actions, the new emir suggested that elements of both continuity and change would characterize Qatar’s official policies under his leadership. Upon taking office, he said:

...we are people who are committed to our principles and values. We do not live on the sidelines of life and we do not go adrift without a destination. We are not subservient waiting for guidance from anyone. This independent pattern of behavior has become factual in Qatar and people who deal with us. We are people with visions.

...we respect all sincere and active political trends in the region but we are not supportive of a trend against another. We are Muslims and Arab; we respect the diversity of religious schools of thoughts and respect all religions in our country and abroad. As Arabs, we reject dividing the Arab communities based on sectarianism or doctrine because this affects social and economic immunity and prevents its modernization and development on the basis of citizenship regardless of religious sects or thoughts.

At a December 2013 event in London, Qatari Foreign Minister Khaled al Attiyah said, “We have the same policy but it may be that our approach has changed.”

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2 The State Department 2013 Investment Climate Statement on Qatar estimated that there were approximately 250,000 Qatari citizens in November 2012, “less than one-sixth of the total population.”

3 Damien McElroy, “Assad should face war crimes trial… says Qatar,” Telegraph (UK), December 4, 2013.
Table 1. Chiefs of State and Select Qatari Leaders

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
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<tbody>
<tr>
<td>Emir and Defense Minister</td>
<td>Tamim bin Hamad bin Khalifa Al Thani</td>
</tr>
<tr>
<td>Prime Minister and Interior Minister</td>
<td>Abdullah bin Nasser bin Khalifa Al Thani</td>
</tr>
<tr>
<td>Deputy Prime Minister and Minister of State for the Council of Ministers</td>
<td>Ahmed bin Abdullah Al Mahmoud</td>
</tr>
<tr>
<td>Foreign Minister</td>
<td>Khalid Bin Mohammad Al Attiyah</td>
</tr>
<tr>
<td>Minister of Energy and Industry</td>
<td>Mohammed bin Saleh al Sada</td>
</tr>
<tr>
<td>Minister of State for Defense Affairs</td>
<td>MG Hamad bin Ali Al Attiyah</td>
</tr>
<tr>
<td>Chief of Staff, Qatari Armed Forces</td>
<td>MG Ghanim bin Shaheen al Ghanim</td>
</tr>
<tr>
<td>Ambassador to the United States (Departing 2014)</td>
<td>Mohammed bin Abdullah al Rumaihi</td>
</tr>
<tr>
<td>U.S. Ambassador to Qatar (September 2011-Present)</td>
<td>Susan L. Ziadeh</td>
</tr>
</tbody>
</table>

Qatar's 2003 Constitution, Political Reform, and Possible Elections

The 2003 constitution states that national legislative authority will reside in the hands of a 45-member Advisory Council (Majlis Al Shura), two-thirds of which will be directly elected and one-third appointed by the emir from among ministers or others. Until the 2003 constitution is fully implemented, the emir appoints all of the members of the current Advisory Council; members serve four-year terms at the emir’s discretion. A special electoral law for new Advisory Council elections was passed in May 2008 after concerns about voter franchise extension were resolved. The Advisory Council would have oversight authority over the Council of Ministers and would be able to propose legislation and review budgets. The constitution also would empower the Advisory Council to issue motions of no-confidence against government ministers, subject to the approval of two-thirds of the Advisory Council. Council members would serve four-year terms under the new arrangements.

Some observers doubt that the Qatari leadership intends to fully implement the changes anticipated in the 2003 constitution because democratic decision making could disrupt existing patronage relationships that ensure support for the monarchy from rival social and royal family factions. Although Qatar has not experienced domestic political unrest since 2011, regional unrest has likely affected Qatari citizens’ views of the planned Advisory Council elections and Qatari leaders’ calculations about instituting oversight changes outlined in the 2003 constitution. Citizens may fear the consequences of unrest while sharing enthusiasm for increased oversight of government affairs. The preponderance of non-citizen residents in Qatar and their transient status in the country suggests that regardless of the degree of implementation of expected reforms, most inhabitants will not participate in democratic decision making about the country’s development and orientation.

4 Prior to the establishment of a partially elected national assembly, Qatar had a fully appointed, 35-member advisory council that could only make recommendations to the Council of Ministers. Qatar’s old Provisional Constitution provided for a modified electoral procedure in choosing members of the Council and a three-year term; nevertheless, the Council remained appointive in practice, and terms of the Council members were extended in three or four-year increments since 1975.

5 Reportedly some members of the Al Thani family sought to restrict voting rights to so-called “native” Qatari citizens whose families have lived in Qatar since 1930 or before. The 2007 U.S. Department of State Human Rights report for Qatar estimated that an electorate with that criteria could be “less than 50,000.” Under a compromise, post-1930 naturalized citizens who have been citizens for ten years will have voting rights and will be eligible to run for office if their fathers were born in Qatar. Economist Intelligence Unit, “Advisory Council approves new electoral law,” June 1, 2008.

U.S.-Qatar Relations and Issues before Congress

The United States opened its embassy in Doha in 1973, but U.S. relations with Qatar did not blossom until after the 1991 Persian Gulf War. In the late 1980s, the United States and Qatar engaged in a prolonged diplomatic dispute regarding Qatar’s black market procurement of U.S.-made Stinger anti-aircraft missiles. The dispute froze planned economic and military cooperation, and Congress approved a ban on arms sales to Qatar (§566(d), P.L. 100-461) until the months leading up to the 1991 Gulf War, when Qatar allowed coalition forces to operate from Qatari territory and agreed to destroy the missiles in question. In January 1991, Qatari armored forces helped coalition troops repel an Iraqi attack on the Saudi Arabian town of Kafji, on the coastal road leading south from Kuwait into Saudi Arabia’s oil-rich Eastern Province. In June 1992, Qatar signed a defense cooperation agreement with the United States, opening a period of close coordination in military affairs that has continued to the present. The United States promptly recognized the assumption of power by Shaykh Hamad in June 1995 and welcomed Qatar’s defense cooperation, as well as Shaykh Hamad’s modest political, economic, and educational reform efforts.

President Obama congratulated Emir Tamim upon his accession to the throne in June 2013, and Qatari-U.S. relations remain cordial and close, amid some differences over regional security questions. Qatari-U.S. defense relations have expanded to include cooperative defense exercises, equipment pre-positioning, and base access agreements. U.S. concerns regarding alleged material support for terrorist groups by some Qataris, including reported past support by a prominent member of the royal family, have been balanced over time by Qatar’s counterterrorism efforts and its broader, long-term commitment to host and support U.S. military forces active in Iraq, Afghanistan, and the rest of the CENTCOM area of responsibility. In December 2013, U.S. Secretary of Defense Chuck Hagel visited Doha, met with Emir Tamim, and signed a new 10-year defense cooperation agreement with Qatar.

Qatari officials are quick to point out their commitment to the general goal of regional peace and their support for U.S. military operations, even as they maintain ties to Hamas and others critical of Arab-Israeli peace negotiations. In June 2009, U.S. Ambassador to Qatar Joseph LeBaron explained Qatar’s policy in the following terms: “I think of it as Qatar occupying a space in the middle of the ideological spectrum in the Islamic world, with the goal of having doors open to it across that ideological spectrum. They have the resources to accomplish that vision, and that’s rare.” By all accounts, Qatar’s balancing strategy toward its relationship with the United States and regional powers such as Iran and Saudi Arabia is likely to persist, which may continue to

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8 The ban was formally repealed by the Foreign Operations, Export Financing, and Related Programs Appropriations Act of 1991 (§568(b), P.L. 101-513). The conference report on H.R. 5114, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991 (H.Rept. 101-968) inserted Senate language (Amendment No. 144) that repealed the ban based on information provided by the Secretary of Defense “that it is in the national interest to reestablish United States-Qatari security relations because of their support for United States troops in the Middle East.”
place Doha and Washington on opposing sides of some important issues even amid close cooperation on others.

The United States has provided limited counterterrorism assistance to Qatar to support the development of its domestic security forces, and the Export-Import Bank has provided over $2 billion in loan guarantees to support various natural gas development projects in Qatar since 1996. The Obama Administration has phased out U.S. foreign assistance and has requested military construction funds for facilities in Qatar. Qatar donated $100 million to victims of Hurricane Katrina in the U.S. Gulf states, and Qatari state entities and private individuals continue to make large investments in the United States. Several prominent U.S. universities have established satellite campuses in Doha at Qatar’s Education City, where Qatari, American, and other students pursue undergraduate and graduate coursework across a broad range of subjects.

In Congress, legislative action related to Qatar remains relatively limited with the exception of appropriations and authorization legislation that affects U.S. defense programs and congressional review of proposed foreign military sales to the Qatari military. Qatar’s foreign and domestic policies are monitored by congressional foreign affairs, defense, and intelligence committees, while Qatar’s resource wealth and associated economic clout fuels congressional interest in U.S.-Qatari trade and investment ties. In the 113th Congress, H.Res. 297 would congratulate Emir Tamim “on his ascension to the throne”; express “thanks and appreciation” to Sheikh Hamad bin Khalifa Al Thani; and recognize “the continued friendship between the United States and the people of the State of Qatar.” A Congressional Caucus on Qatari-American Economic Strategic Defense, Cultural and Educational Partnership also remains active.

U.S. Military Cooperation and Foreign Assistance

With its small territory and narrow population base, Qatar relies to a large degree on external cooperation and support for its security. With 11,800 personnel, Qatar’s armed forces are the second smallest in the Middle East, and in November 2013, the government proposed mandatory short-term military service for Qatari males.11

A series of major proposed U.S. arms sales to Qatar since 2012 has marked a shift in Qatar’s defense planning toward the future use of advanced U.S. attack and transport helicopters and other weapons systems, including items for air defense and missile defense (see below). France has provided approximately 80% of Qatar’s arms inventory to date. Qatar’s purchase of U.S. weapons systems, including U.S. air and missile defense systems, corresponds to trends that have seen increased interest in such systems from other governments in the region, ostensibly to defend against potential missile attacks from Iran.

Qatar invested over $1 billion to construct the Al Udeid air base southwest of Doha during the 1990s; it did not have an air force of its own at the time. The U.S. Army Corps of Engineers also awarded over $100 million dollars in Military Construction Air Force (MCAF) contracts for the construction of U.S. storage, housing, service, command, and communication facilities. Qatar’s financing and construction of some of the state-of-the-art air force base at Al Udeid and its granting of permission for the construction of U.S.-funded facilities facilitated gradually deeper cooperation with U.S. military forces.

11 Bahrain, with an estimated 11,000-member force, has the smallest.
The Al Udeid airbase now serves as a logistics, command, and basing hub for U.S. operations in Afghanistan. Nearby Camp As Sayliyah houses significant U.S. military equipment pre-positioning and command facilities for the U.S. Central Command (CENTCOM) area of operations.12 Both Qatar and the United States have invested in the construction and expansion of these facilities since the mid-1990s, and they form the main hub of the CENTCOM air and ground logistical network in the AOR. Operations in Iraq and Afghanistan put U.S. and partner nation facilities in Qatar to greater use in recent years. These facilities may require further investment to meet current and potential future needs. From FY2003 to FY2011, Congress appropriated and authorized more than $457 million for U.S. military construction activities in Qatar.13 The Administration’s FY2013 and FY2014 Military Construction requests did not include funding for projects in Qatar.

Table 2. Proposed U.S.-Qatar Arms Sales 2012-2013

<table>
<thead>
<tr>
<th>Items</th>
<th>Estimated Cost ($, million)</th>
<th>Notification Date</th>
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<tbody>
<tr>
<td>UH-60M BLACK HAWK Helicopters</td>
<td>$1,112</td>
<td>June 13, 2012</td>
</tr>
<tr>
<td>MH-60R and MH-60S SEAHAWK Helicopters</td>
<td>$2,500</td>
<td>June 26, 2012</td>
</tr>
<tr>
<td>AH-64D APACHE Block III Longbow Helicopters; Related Missiles</td>
<td>$3,000</td>
<td>July 12, 2012</td>
</tr>
<tr>
<td>HELLFIRE Missiles</td>
<td>$137</td>
<td>July 12, 2012</td>
</tr>
<tr>
<td>Terminal High Altitude Area Defense (THAAD) Fire Units</td>
<td>$6,500</td>
<td>November 5, 2012</td>
</tr>
<tr>
<td>PATRIOT Configuration-3 Missile Fire Units and Missiles</td>
<td>$9,900</td>
<td>November 7, 2012</td>
</tr>
<tr>
<td>M142 High Mobility Artillery Rocket System (HiMARS); M57 Army Tactical Missile System (ATACMS) Block 1A T2K Rockets; M31A1 Guided Multiple Launch Rocket System (GMLRS) Rockets</td>
<td>$406</td>
<td>December 24, 2012</td>
</tr>
<tr>
<td>Javelin Guided Missiles</td>
<td>$122</td>
<td>March 28, 2013</td>
</tr>
<tr>
<td>Large Aircraft Infrared Countermeasures (LAIRCM) Systems</td>
<td>$110</td>
<td>May 15, 2013</td>
</tr>
<tr>
<td>C-17 Globemaster III Equipment and Support</td>
<td>$35</td>
<td>June 27, 2013</td>
</tr>
<tr>
<td>A/N FPS-132 Block 5 Early Warning Radar</td>
<td>$1,100</td>
<td>July 29, 2013</td>
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The Administration requested $10,000 in International Military Education and Training (IMET) assistance funds for Qatar in FY2010, and requested an additional $10,000 for FY2011 but did not allocate funds for Qatar during that fiscal year. The nominal IMET assistance had the administrative effect of making Qatar eligible to purchase other U.S. military training at the


reduced cost level available only to IMET recipients. The Obama Administration did not request IMET assistance for Qatar from FY2012 through FY2014.

**Counterterrorism Cooperation and Concerns**

U.S.-Qatari counterterrorism cooperation has improved since the 1990s when, according to the 9/11 Commission Report and former U.S. government officials, Qatari royal family member and later Interior Minister Shaykh Abdullah bin Khalid Al Thani provided support to Al Qaeda figures, including the suspected mastermind of the September 11 attacks, Khalid Shaykh Mohammed. The U.S. State Department has characterized Qatar’s counterterrorism support since September 11, 2001, as “significant,” but noted in its August 2011 report on terrorism issues that U.S. officials “continued to seek improved cooperation and information sharing” with their Qatari counterparts.

The 2012 State Department report (released in May 2013) stated that “Qatar’s monitoring of private individuals’ and charitable associations’ contributions to foreign entities remained inconsistent,” (see below) and noted that the Qatari government “maintained public ties to Hamas political leaders.” Hamas political chief Khaled Meshaal continues to operate from Doha after decamping there from Damascus in 2012. Yusuf al Qaradawi, an outspoken Egypt-born religious cleric, also continues to operate in Qatar, where he advocates support for armed Islamist groups in Syria and encourages Egyptians to rise up against the current government, which has sought his arrest.

In recent years, U.S. counterterrorism concerns with regard to Qatar have focused on support provided by some Qataris to extremist and terrorist groups abroad. The State Department reported in 2011 that Qatari authorities “did not adequately enforce its laws and international standards to track funds transfers to individuals and organizations (including charities) associated with extremists and terrorist facilitators outside Qatar.” During 2012, the Middle East and North Africa Financial Action Task Force (MENAFATF) completed a required review of Qatar after determining that “Qatar had improved its anti-money laundering/combatting the financing of terrorism regime and was either ‘Compliant or Largely Compliant’ with all of the Task Force’s recommendations.” The Qatari central bank operates a financial intelligence unit (FIU) that

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14 The Senate version of the FY2013 National Defense Authorization Act would have amended existing law to make Qatar eligible for such reduced cost purchases without having to receive IMET. §1204 of S. 2467 in the 112th Congress would have amended Section 546(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2347e(b)).


17 U.S. State Department—Office of the Coordinator for Counterterrorism, Country Reports on Terrorism, 2012, May 30, 2013. The Qatar Authority for Charitable Activities (QACA) is responsible for monitoring the activities of all Qatari domestic and international charitable organizations, including prominent organizations such as the Qatar Charitable Society and the Shaykh Eid bin Mohammed Al Thani Charitable Association. All international financial charity transfers and project verification fall within the jurisdiction of the QACA.

18 The MENAFATF findings did not address the enforcement of Qatar’s AML-CFT laws. For details, see (continued...)
monitors activity in Qatar’s banking system and serves as a liaison office to similar units in the United States and around the world.

In December 2013, the U.S. government designated Abdelrahman bin Umayr al Nuaymi, a Qatari national and human rights activist, as a Specially Designated Global Terrorist (SDGT) for allegedly acting as an Al Qaeda financier.19 Nuaymi is the president of the leadership council of the Switzerland-based Al Karama Foundation.

Qatar’s Foreign Policy

Qatar’s approach to regional affairs can be described as a multi-directional balancing act. To the chagrin of Saudi Arabia and other regional powers, Qatar has sought in recent years to mediate regional conflicts and political disputes by engaging a wide range of parties in Yemen, Lebanon, Sudan, and Gaza, some of whom are hostile to the United States. Qatari leaders responded boldly to the regional unrest that emerged in 2011, while increased Sunni-Shiite and Arab-Iranian tensions in the Gulf region have led Qatar to close ranks with its Sunni Arab allies in the Gulf Cooperation Council (GCC). Qatari leaders have embraced political change in Tunisia, Egypt, Libya, Syria, and Yemen, while offering support to their historic rivals in Bahrain’s ruling Al Khalifa family.

The former emir took a measured approach to unrest in Syria during 2011, but he and the current emir adopted a more confrontational approach as violence continued and worsened during 2012 and 2013. In December 2013, Qatari Foreign Minister Khaled al Attyah said that Syrian President Bashar al Asad and his government “should go to the Hague” for prosecution for war crimes rather than to Geneva for peace talks and argued, “the friends of Syria must do as much as we can to protect the people of Syria from the brutality of the regime.”20

While some regional voices clearly resent Qatar’s assertive diplomacy, the Qatari government’s agility in the face of uncertainty and the soft power of its government-supported Al Jazeera satellite television network have made Qatar a key player in regional unrest since 2011. Some critics assert that despite Qatar’s active foreign policy, its regional diplomacy has actually yielded few tangible results, with the exception of the 2008 Doha agreement that temporarily ended an 18-month long political crisis in Lebanon. Reported Qatari support for Sunni armed groups in Syria has the potential to have a more lasting impact on the region, but has challenged the traditional Qatari preference for remaining engaged with all sides in regional disputes.

Among the key questions for the region is whether or not Qatar's official embrace of some Sunni Islamist movements, including the Muslim Brotherhood, will change significantly under the leadership of Emir Tamim. Yusuf al Qaradawi’s controversial remarks on Syria and Egypt—Qaradawi has called for “jihad” in Syria and urged Egyptians to revolt against what he deems to have been a military coup against former president Mohammed Morsi—reportedly have led to private rebukes from Emir Tamim. However, Qaradawi continues to appear publicly and delivers

(...continued)


20 Damien McElroy, “Assad should face war crimes trial… says Qatar,” Telegraph (UK), December 4, 2013.
sermons in Qatar. Reported Qatari support for armed Islamist groups in Syria remains a subject of international scrutiny.

Afghan Taliban Political Office in Qatar

Multilateral diplomacy aimed at ending the insurgency in Afghanistan facilitated the opening in June 2013 of a political office by the Afghan Taliban in the Qatari capital, Doha, to engage with third parties. The Obama Administration supported the office initiative “for the purposes of negotiations between the Afghan High Peace Council and the authorized representatives of the Taliban.”21 However, a dispute over the nature of the office led to its closure weeks later in July 2013: Afghan government authorities protested the Taliban’s use of the name “Islamic Emirate of Afghanistan” and the display of the former Taliban government flag at the facility. The Obama Administration reiterated its view that, “The office must not be treated as or represent itself as an embassy or other office representing the Afghan Taliban as an emirate government or sovereign.”22 Qatari officials took steps to remove the disputed placards and flag. Afghan President Hamid Karzai had long been critical of plans for the office and said in December 2013 that “Qatar is no longer an option for us.”23 He has invited the Taliban to open a political office in Afghanistan, and some observers have speculated that U.S.-Pakistan facilitated talks among Afghans may be held in Saudi Arabia or another location without the formal opening of any office by the Taliban movement in Qatar or otherwise.

Qatar Hosts Hamas Leader, Aids Gaza, Supports Arab Consensus on Israel

Although Qatar and Israel do not have formal diplomatic ties, Qatar has supported the Arab League position backing internationally supported negotiations between the Palestinian Authority and Israel.24 In his first speech upon taking power, Emir Tamim said:

Qatar is committed to the solidarity with brotherly Palestinian people and struggles to achieve the legitimate rights and considers the realization of these rights a condition for just peace, which include the Israeli withdrawal from all the Arab territories occupied in 1967 including East Jerusalem, establishment of independence of the Palestinian State, the right for return for refugees as no settlement without a just peace.25

Qatari leaders regularly criticize Israeli decisions on settlements and Jerusalem that they feel undermine prospects for a two-state solution. Qatar, like other Arab states, continues to support

22 Ibid.
23 “Doha was not our choice in the first place, Doha, Qatar was an American choice and an American plan, we negotiated for almost two years, we told from the very beginning the Americans that is not our place, we want the peace process to be in Afghanistan and if not in Afghanistan, then Saudi Arabia or Turkey but the Americans insisted on Qatar and then we put conditions, the Americans agreed to those conditions and again , the US President gave me a letter of assurances but when the Office in Qatar opened, it was exactly the opposite to those assurances therefore Qatar is no longer an option for us.” OSC Report SAR2013121244787755, “Transcript of Interview by President Karzai with French Daily Le Monde News,” Office of the President of the Islamic Republic of Afghanistan, December 12, 2013.
the Palestinian bid for recognition and full membership at the United Nations. Qatar is investing hundreds of millions of dollars in construction projects in the Hamas-controlled Gaza Strip and financed the Palestinian Authority’s purchase of a fuel shipment for the Gaza electricity generation plant that Israel approved in December 2013.

In recent years, some observers have viewed Qatar’s diplomatic approach as supportive of Hamas, particularly since Hamas politburo chief Khaled Meshaal relocated to Doha at the Qatari government’s invitation in 2012. In the past, some Members of Congress, including then-Senator and now Secretary of State John Kerry, have criticized Qatar for providing financial and political support to Hamas. Qatari officials have long argued that their relationship with Hamas reflects a consistent policy of engagement with all sides in the interests of peace. Meshaal has been reported by some sources to be searching for an alternate base of operations, but his relationship with Emir Tamim has not shown any public signs of strain to date. Meshaal met with Emir Tamim following the transfer of power in mid-2013 and travelled to Jordan with the emir in January 2012 when the emir was serving as crown prince.

Qatar has been in the forefront of Arab-Israeli talks on expanding Arab economic ties with Israel during periods of progress in the peace process. Qatar’s position regarding the Arab boycott of Israel is governed by the September 1994 decision by the GCC to terminate enforcement of the indirect boycotts, while maintaining, at least in theory, the primary boycott. An Israeli trade office in Doha was shuttered by the Qatari government in response to the January 2009 Gaza war and has not been reopened.

Qatar’s Economy and U.S. Trade

Qatar has backed up its active diplomacy with increasing financial resources and economic influence over the last decade—a period of “unparalleled prosperity.” Between 2000 and 2012, Qatar’s nominal GDP skyrocketed from $35 billion to an estimated $185 billion. According to a January 2013 International Monetary Fund (IMF) report, annual GDP growth reached 16.7% in 2010 and 13% in 2011 before slowing to an estimated 6.6% in 2012. Hydrocarbon exports have led the way, but non-oil and gas sector growth reached 9% in 2012. Oil and natural gas export proceeds provide more than half of the government’s revenue, and private sector growth has been robust in recent years, while slowing slightly from 2008 to present.

For the second fiscal year in a row, Qatar based its 2013-2014 budget on an assumed oil price of $65 per barrel—well below current global market prices. In recent years, government spending has exceeded budget projections, but conservative energy export price estimates have ensured large surpluses. The IMF has estimated that Qatar’s fiscal surpluses will continue through at least 2015, but are likely to decrease in size. The government continues to invest surplus revenue abroad for future generations and has increased public spending in support of domestic infrastructure, housing, and health sector improvements. Qatari press outlets feature limited

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26 For example, then-Senator John Kerry voiced specific concerns about alleged Qatari government and private support to Hamas, arguing in April 2009 that “Qatar ... can’t continue to be an American ally on Monday that sends money to Hamas on Tuesday.” US Fed News, “Sen. Kerry Speaks on Middle East to Brookings Institute,” April 2, 2009.

27 In February 2010, the Middle East Economic Digest judged that “Qatar is enjoying a period of unparalleled prosperity.” Middle East Economic Digest, “Qatar’s peaking energy market,” February 12, 2010.

criticism of domestic budget transparency, spending priorities, foreign contractors, and government efficiency.

Some observers have raised questions about the long-term ability of Qatar to attract private sector investment and produce employment opportunities once the current phase of large state-supported infrastructure investment is complete. By all accounts, Qatari officials remain confident in their economic prospects and appear to have used the post-2008 downturn as an opportunity to assess lessons learned during the country’s boom, to reconsider planned projects, and, where possible, to take advantage of lower input costs by delaying project start dates or renegotiating contracts.

Managing the infrastructure and service needs created by the influx of laborers to the country remains an immediate challenge. The country’s population, including expatriates, more than tripled between 2000 and 2010, growing to over 2 million in 2013. As such, Qatar’s economic successes have been accompanied by new challenges in the areas of social cohesion; education; labor; national infrastructure; and energy, water, and food supplies. To respond to these challenges, Qatari authorities have embarked on a series of parallel national development strategies based on a comprehensive national vision document that seeks balanced, sustainable growth by the year 2030. Emir Tamim bin Hamad chaired the implementation oversight body for the Vision 2030 project in his role as heir apparent. The national development strategy for 2011 through 2016 sets ambitious infrastructure investment targets with over $65 billion in planned spending on housing, roads, water, airports, and shipping facilities.

Oil and Natural Gas

With proven oil reserves of 25.4 billion barrels, Qatar has far less oil than the major Persian Gulf producers, such as Kuwait (96.5 billion barrels), Iraq (112 billion barrels), and Saudi Arabia (252 billion barrels). However, Qatar has the third-largest gas reserves in the world, an estimated 25.2 trillion cubic meters (tcm). Qatar Petroleum (QP), the state-owned oil and natural gas company, increased its crude oil output from 593,000 barrels per day (b/d) in 1999 to approximately 824,000 b/d in December 2008. However, production has been lowered as investments are made in technology to extend the life of the country’s oil fields. In September 2013, Qatari officials stated that crude oil production averaged 726,000 b/d in the first seven months of 2013. According to the U.S. Energy Information Administration, Japan and South Korea are the top importers of Qatari oil.

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30 For more information, see the General Secretariat for Development Planning website at http://www.gsdp.gov.qa/portal/page/portal/GSDP_Vision_Root/GSDP_EN/What%20We%20Do/QNV_2030
31 See Qatar National Development Strategy 2011-2016, Chapter 3, Figure 3.2, p. 72, at http://www2.gsdp.gov.qa/www1_docs/NDS_EN.pdf.
32 For more information and analysis, see U.S. Energy Information Administration, Qatar Country Analysis Brief, January 2014.
33 Qatar’s supply of natural gas doubled in 2002, when surveys discovered new gas deposits in Qatar’s North Field.
34 Economist Intelligence Unit, “Qatar has cut oil production in line with OPEC’s decision,” December 8, 2008.
35 Pratap John, “Qatar’s crude oil output to touch 800,000bpd by 2017,” Gulf Times (Doha), September 17, 2013.
As part of a long-term development strategy, Qatar has tapped international financial markets and invited foreign investment in order to finance the expansion of its gas extraction and liquefied natural gas (LNG) production and export facilities.36 U.S. companies, particularly ExxonMobil, are partners in most of Qatar’s LNG export projects. The Export-Import Bank of the United States has provided over $1 billion in loan guarantees to support the development of Qatar’s gas production facilities in cooperation with a range of U.S., European, and Asian companies, banks, and export credit agencies.37 Qatar expanded its yearly natural gas production from 29.6 billion cubic meters annually in 2002 to 157 billion cubic meters in 2012, and is now the world’s largest exporter of LNG.38 Japan and India were the top importers of Qatari LNG in 2012. The large

36 Qatar’s government has a 60%-70% stake in two joint partnerships with foreign firms, including ExxonMobil (USA), TotalFinaElf (France), KoGas (South Korea), and Matsui (Japan). In February 2005, Qatar Petroleum signed a $7 billion agreement with Shell and a $12 billion agreement with ExxonMobil to export natural gas to the United States and Europe.

37 For example, since 1996, the Export Import Bank has provided loan guarantees to support the export of U.S. equipment and services for the construction of facilities at Ras Laffan, including most recently the construction of natural gas liquefaction plants and facilities associated with the QatarGas II and III projects. See Export Import Bank of the United States, “Ex-Im Bank $930 Million Guarantee Supports U.S. Exports to Build LNG Plant in Qatar,” November 18, 2004; and Export Import Bank of the United States, “Ex-Im Bank Finances QatarGas 3 Liquid Natural Gas Complex, December 15, 2005.

natural gas production and shipping facilities at the coastal city of Ras Laffan in northern Qatar serve as the main site for the country’s gas development projects, including the world’s largest gas-to-liquids facility. Qatar owns numerous LNG import terminals in other countries, including the United States. Qatar participates in and hosts the headquarters of the Gas Exporting Countries Forum, an assembly of major gas exporting countries that some have described as a potential natural gas OPEC.

Qatar has paused its rapid expansion of export-oriented natural gas projects through 2015 in expectation of clearer market signals about long-term investment needs. However, limited off-shore exploration activities are now underway. Global economic uncertainty and natural gas market changes have complicated global demand projections for Qatari energy exports. However, steady growth in regional energy consumption and the recent effects of regional unrest have created new opportunities for growth. For example, Qatar and Jordan continue to discuss potential Qatari LNG exports via a new LNG terminal at Aqaba to relieve pressure placed on Jordanian supplies by unrest in Egypt.

U.S.-Qatar Trade

According to the U.S. Census Bureau, the year-to-date value of U.S. exports to Qatar had reached $3.8 billion through September 2013, consisting mainly of transport equipment, manufactured goods, and machinery—up from $1.9 billion over the same period in 2012. The year-to-date value of U.S. imports from Qatar, mainly oil, totaled $1 billion through September 2013 up from $763 million over the same period in 2012. U.S. oil imports from Qatar remained below 500,000 barrels per month in 2013. Reflecting the impact of the increase in domestic natural gas production, U.S. liquefied natural gas imports from Qatar declined from a peak of 90.9 million cubic feet in 2011 to 7.7 million cubic feet year-to-date through September 2013.

According to the 2013 U.S. Investment Climate Statement for Qatar, “Qatar has not entered into a bilateral investment, trade, or taxation treaty with the United States. However, Qatar and the United States did sign a Trade and Investment Framework Agreement (TIFA) in April 2004.”

Qatar has made a series of large investments in the United States in recent years, including a real estate investment in the City Center project in Washington, DC. In November 2013, Qatar Airways signed a letter of intent to purchase 50 additional Boeing 777 airplanes in a deal that may be worth more than $19 billion.

Outlook

The leadership transition in Qatar signaled the opening of a new chapter in U.S.-Qatari relations that already had grown increasingly close in recent years, in spite of some abiding policy differences. Emir Tamim and his government appear to be taking an equally active, if quieter approach to diplomacy than that of the emir’s father and his counterparts. The new emir may be seeking to bolster key relationships with the United States and others before considering more

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39 U.S. Energy Information Administration (EIA), U.S. Imports from Qatar of Crude Oil and Petroleum Products (Thousand Barrels) and U.S. Liquefied Natural Gas Imports from Qatar (Million Cubic Feet), December 16, 2013.
40 U.S. State Department Bureau of Economic and Business Affairs, Qatar 2013 Investment Climate Statement, February 2013.
controversial policies or positions. Most observers expect Qatari policy makers to favor policies that will consolidate the political and economic gains Qatar has made in recent years and set the country on a sustainable path. Decision makers in the United States may debate how best to maintain improved defense and counterterrorism relations with Qatar while seeking to address more challenging issues related to regional security, human rights, political reform, and labor conditions.

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