



## The State of Qatar

**U.S.\$2,000,000,000 3.400% Bonds due 2025**

**Issue Price: 99.690%**

**U.S.\$3,000,000,000 3.750% Bonds due 2030**

**Issue Price: 99.810%**

**U.S.\$5,000,000,000 4.400% Bonds due 2050**

**Issue Price: 100.000%**

The U.S.\$2,000,000,000 3.400% Bonds due 2025 (the “**2025 Bonds**”), the U.S.\$3,000,000,000 3.750% Bonds due 2030 (the “**2030 Bonds**”) and the U.S.\$5,000,000,000 4.400% Bonds due 2050 (the “**2050 Bonds**” and, together with the 2025 Bonds and the 2030 Bonds, the “**Bonds**”) are being offered inside the United States to qualified institutional buyers in reliance on Rule 144A under the United States Securities Act of 1933 (the “**Securities Act**”). In addition, the Bonds are being offered outside the United States in reliance on Regulation S under the Securities Act.

The State of Qatar, acting through the Ministry of Finance (“**Qatar**” or the “**State**”), will pay interest on each 2025 Bond at the rate of 3.400% per annum from and including April 16, 2020 semi-annually in arrear on April 16 and October 16 in each year until (and including) April 16, 2025 (the “**2025 Maturity Date**”), commencing on October 16, 2020. The State will pay interest on each 2030 Bond at the rate of 3.750% per annum from and including April 16, 2020 semi-annually in arrear on April 16 and October 16 in each year until (and including) April 16, 2030 (the “**2030 Maturity Date**”), commencing on October 16, 2020. The State will pay interest on each 2050 Bond at the rate of 4.400% per annum from and including April 16, 2020 semi-annually in arrear on April 16 and October 16 in each year until (and including) April 16, 2050 (the “**2050 Maturity Date**” and, together with the 2025 Maturity Date and the 2030 Maturity Date, the “**Maturity Dates**”), commencing on October 16, 2020.

Unless previously redeemed or purchased and cancelled, each series of Bonds will be redeemed at its principal amount together with accrued interest on the Maturity Date applicable to the relevant series of Bonds. The State may redeem any series of Bonds, in whole or in part, at any time at a redemption price equal to the greater of (a) 100% of the principal amount of the relevant series of Bonds plus accrued and unpaid interest and (b) the relevant Make-Whole Amount (as defined in the Terms and Conditions of the Bonds).

Except as set forth herein, payments in respect of the Bonds will be made without any deduction or withholding for or on account of taxes of Qatar or any political subdivision thereof or any authority therein or thereof having power to tax.

**An investment in the Bonds involves certain risks. Prospective investors should review the factors described under “Risk Factors” in this Prospectus.**

Application has been made to the Commission de Surveillance du Secteur Financier of the Grand Duchy of Luxembourg (the “**CSSF**”), as competent authority under Article 6(3) of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) and the Luxembourg law of July 16, 2019 on prospectuses for securities, as amended (the “**Prospectus Law 2019**”) to approve this document as a prospectus within the meaning of the Prospectus Regulation. Application has been made to the Luxembourg Stock Exchange for the Bonds to be admitted to trading on the Luxembourg Stock Exchange’s regulated market and to be listed on the official list of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange’s regulated market is a regulated market for purposes of Directive 2014/65/EU (as amended, “**MiFID II**”). The CSSF assumes no responsibility as to the economic and financial soundness of the Bonds and the quality or solvency of the State pursuant to provisions of the Prospectus Law 2019. The CSSF only approves this Prospectus (as defined below) as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the CSSF should not be considered as an endorsement of the State. By approving this Prospectus, the CSSF assumes no responsibility as to the economic and financial soundness of the transactions contemplated by this Prospectus or the quality or solvency of the State in accordance with the Prospectus Law 2019. This Prospectus shall be valid for 12 months after such approval. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when this Prospectus is no longer valid.

Application will be made to the Taipei Exchange (“**TPEX**”) for the listing of, and permission to sell or resell, the 2050 Bonds to “professional investors” as defined under Paragraph 1 of Article 2-1 of the Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds of the Republic of China (the “**TPEX Rules**”) only and such permission is expected to become effective on or about April 16, 2020. No assurance can be given that such application will be approved, or that the TPEX listing will be maintained.

Crédit Agricole Corporate and Investment Bank, Taipei Branch, Deutsche Bank AG, Taipei Branch and Standard Chartered Bank (Taiwan) Limited (together, the “**2050 Bonds Joint Bookrunning Managers**”) will offer and sell the 2050 Bonds in the Republic of China (the “**ROC**” or “**Taiwan**”). None of Barclays Bank PLC, J.P. Morgan Securities plc, QNG Capital LLC or UBS AG London Branch (together, the “**2050 Bonds Structuring Agents**”) is licensed in Taiwan and, accordingly, none of the 2050 Bonds Structuring Agents has offered or sold, or will subscribe for or sell or underwrite, any of the 2050 Bonds offered, sold or re-sold hereby.

No application is being made to the TPEX for the listing of the 2025 Bonds or the 2030 Bonds.

The TPEX is not responsible for the content of this Prospectus (as defined below) and/or any supplement or amendment thereto and no representation is made by the TPEX as to the accuracy or completeness of this Prospectus and/or any supplement or amendment thereto. The TPEX expressly disclaim any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of this Prospectus and/or any supplement or amendment thereto. The admission to the listing and trading of the 2050 Bonds on the TPEX shall not be taken as an indication of the merits of the State or the 2050 Bonds.

Qatar has been assigned a long-term credit rating of “AA-” with a stable outlook by S&P Global Ratings, a division of S&P Global Inc. (“**S&P**”), of “AA-” with a stable outlook by Fitch Ratings, Ltd. (“**Fitch**”), and of “Aa3” with a stable outlook by Moody’s Investors Service, Inc., a subsidiary of Moody’s Corporation (“**Moody’s**”).

It is expected that the Bonds will be rated “AA-” by S&P, “AA-” by Fitch and “Aa3” by Moody’s. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organization. The credit ratings included or referred

to in this prospectus (the “**Prospectus**”) will be treated for the purposes of Regulation (EC) No 1060/2009 on credit rating agencies, as amended by Regulation (EU) No 462/2013 (the “**CRA Regulation**”) as having been issued by S&P, Fitch and Moody’s. Each of S&P, Fitch and Moody’s is established in the European Union and is registered under the CRA Regulation. Each of these agencies is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Any change in the rating of the Bonds may adversely affect the price that a purchaser may be willing to pay for the Bonds.

**The Bonds have not been and will not be registered under the Securities Act and are being offered and sold in the United States only to qualified institutional buyers in reliance on Rule 144A under the Securities Act. Prospective purchasers that are qualified institutional buyers in the United States are hereby notified that the seller of the Bonds may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. Bonds sold to purchasers in the United States are not transferable except in accordance with the restrictions described under “Transfer Restrictions”.**

The Bonds will be offered and sold in registered form in denominations of U.S.\$200,000 or any amount in excess thereof which is an integral multiple of U.S.\$1,000. Bonds which are offered and sold in transactions outside the United States in compliance with Regulation S (the “**Unrestricted Bonds**”) will initially be represented by beneficial interests in a global Bond for each series of Bonds (the “**Unrestricted Global Bonds**”), in registered form, without interest coupons attached, which will be registered in the name of a nominee for, and shall be deposited on or about April 16, 2020 (the “**Closing Date**”) with, a common depository for, and in respect of interests held through, Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking, S.A. (“**Clearstream, Luxembourg**”). Bonds which are offered and sold in the United States in reliance on Rule 144A (the “**Restricted Bonds**”) will initially be represented by beneficial interests in one or more global Bonds for each series of Bonds (the “**Restricted Global Bonds**”), in registered form, without interest coupons attached, which will be deposited on or about the Closing Date with Deutsche Bank Trust Company Americas, as custodian (the “**Custodian**”) for, and registered in the name of Cede & Co. as nominee of, The Depository Trust Company (“**DTC**”). Interests in the Restricted Global Bonds will be subject to certain restrictions on transfer. See “*The Global Bonds—Transfers*”. Beneficial interests in the Unrestricted Global Bonds and the Restricted Global Bonds (together, the “**Global Bonds**”) will be shown on, and transfers thereof will be effected only through, records maintained by DTC, Euroclear and Clearstream, Luxembourg and their participants. Except as described herein, individual definitive certificates for Bonds will not be issued in exchange for beneficial interests in the Global Bonds.

*As to the 2025 Bonds and the 2030 Bonds*

*Joint Lead Managers and Joint Bookrunners*

Barclays  
J.P. Morgan

Crédit Agricole CIB  
QNB Capital  
UBS Investment Bank

Deutsche Bank  
Standard Chartered Bank

*As to the 2050 Bonds*

*Joint Bookrunning Managers*

Crédit Agricole Corporate and Investment  
Bank, Taipei Branch

Deutsche Bank AG, Taipei Branch

Standard Chartered Bank (Taiwan Limited)  
(Lead Manager)

*Structuring Agents*

Barclays

J.P. Morgan  
UBS Investment Bank

QNB Capital

Prospectus dated April 8, 2020

## TABLE OF CONTENTS

	Page
RISK FACTORS .....	1
RESPONSIBILITY STATEMENT.....	13
IMPORTANT NOTICE.....	14
OVERVIEW .....	16
NOTICE TO QATARI RESIDENTS .....	33
ENFORCEMENT OF CIVIL LIABILITIES .....	34
PRESENTATION OF FINANCIAL INFORMATION .....	36
PRESENTATION OF CERTAIN RESERVES INFORMATION.....	37
PRESENTATION OF HYDROCARBON DATA.....	38
PRESENTATION OF CERTAIN OTHER DATA RELATED TO QATAR.....	39
DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS .....	41
USE OF PROCEEDS .....	42
OVERVIEW OF THE STATE OF QATAR .....	43
THE ECONOMY OF QATAR.....	60
MONETARY AND FINANCIAL SYSTEM .....	100
PUBLIC FINANCE .....	115
INDEBTEDNESS .....	125
BALANCE OF PAYMENTS .....	131
TERMS AND CONDITIONS OF THE BONDS .....	140
THE GLOBAL BONDS .....	169
CLEARING AND SETTLEMENT .....	172
TAXATION .....	177
SUBSCRIPTION AND SALE .....	183
TRANSFER RESTRICTIONS .....	187
GENERAL INFORMATION .....	189

## **RISK FACTORS**

*The purchase of the Bonds involves substantial risk and is suitable only for, and should be made only by, investors that are fully familiar with the State in general and that have such other knowledge and experience in financial, business and foreign currency matters as may enable them to evaluate the risks and merits of an investment in the Bonds. Prior to making an investment decision, prospective investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information set forth herein and, in particular, the risk factors set forth below. Prospective investors in the Bonds should make such inquiries as they think appropriate regarding the Bonds and the State.*

### **Risks Relating to Qatar**

*Investing in securities involving emerging markets, such as Qatar, generally involves a higher degree of risk.*

Investing in securities involving emerging markets, such as Qatar, generally involves a higher degree of risk than investments in securities of issuers from more developed countries. Investors should also note that emerging markets such as Qatar are subject to rapid change and that the information set forth in this Prospectus may become outdated relatively quickly. Moreover, financial turmoil in any one emerging market country tends to demonstrate a contagion effect, in which an entire region or class of investment is disfavored by international investors. Therefore, Qatar could be adversely affected by negative economic or financial developments in other emerging market countries. As has happened in the past, financial problems or an increase in the perceived risks associated with investing in emerging economies could dampen foreign investment in Qatar and adversely affect its economy. Other higher risks relating to emerging markets such as Qatar include, but are not limited to governmental intervention, including expropriation or nationalization of assets or increased levels of protectionism; increased governmental regulations, or adverse governmental activities, with respect to price, import and export controls, the environment, customs and immigration, capital transfers, foreign exchange and currency controls, labor policies and land and water use and foreign ownership; arbitrary, inconsistent or unlawful government action; changing tax regimes, including the imposition or increase of taxes; and difficulties and delays in obtaining governmental and other approvals for operations or renewing existing ones. There can be no assurance that the market for securities bearing emerging market risk, such as the Bonds, will not be affected negatively by events elsewhere, especially in emerging markets.

*The fluctuations in hydrocarbon prices have impacted the State's revenues and its financial condition and may continue to do so in the foreseeable future.*

### *Oil*

Despite ongoing diversification efforts, the State's revenues are significantly affected by international oil and natural gas prices, which have fluctuated significantly over the past two decades. International prices for crude oil have fluctuated substantially as a result of many factors, including global demand for oil and natural gas, factors which affect available supplies, such as the ability or willingness of the OPEC and non-OPEC countries, such as Russia, to set and maintain oil production levels, changes in governmental regulations and international relations, weather, general economic conditions and competition from other energy sources.

World oil prices had recovered from the lows of U.S.\$43.32 (monthly Europe Brent Spot Price FOB) per barrel witnessed in February 2009, in the wake of the global economic crisis, generally averaging between U.S.\$95 and U.S.\$125 per barrel (monthly Europe Brent Spot Price FOB) for most of 2011 to 2013 and for the first three quarters of 2014. However, in October 2014, crude oil prices began to fall sharply, reaching U.S.\$38.01 per barrel in December 2015 (monthly Europe Brent Spot Price FOB) and U.S.\$30.70 per barrel in January 2016 (monthly Europe Brent Spot Price FOB). The price of crude oil has recovered since early 2016 and increased to U.S.\$53.31 per barrel in December 2016 (monthly Europe Brent Spot Price FOB) and U.S.\$64.37 per barrel in December 2017 (monthly

Europe Brent Spot Price FOB) and then decreased to U.S.\$57.36 in December 2018 (monthly Europe Brent Spot Price FOB). Since January 2020, the coronavirus (COVID-19) outbreak and fear of further spread of coronavirus (COVID-19) have caused significant disruptions in international economies and international financial and oil markets, including a substantial decline in the price of oil. On March 9, 2020, the price of oil fell approximately 20% due to a dispute over production levels between Russia and Saudi Arabia, as a result of which Saudi Arabia has increased its production to record levels. As at March 30, 2020, the price of crude oil was U.S.\$19.07 per barrel (Europe Brent Spot Price FOB). There can be no assurance that oil prices will return to the higher prices seen in previous years or that prices will not decrease again in the future.

#### *Natural Gas and Petrochemicals*

Furthermore, as crude oil prices provide a benchmark for gas and petrochemical feedstock prices, changes in crude oil prices have also had an impact on gas and petrochemical prices. International prices for natural gas have fluctuated significantly in the past depending on global supply and demand and the availability and price of alternative energy sources. The development of fracking technology in the United States has increased both United States gas reserves and gas production, which has led to depressed gas prices in the United States and a divergence of those gas prices from prices in Asia and Europe. Qatar's ability to benefit from higher Asian and European gas prices may be negatively affected by a number of LNG projects that have come or are expected to come on stream in the next several years that will significantly increase the supply of LNG, including large LNG projects in Australia and Mozambique, which are close to the Asian market and, consequently, any surplus delivered to the Asian market may negatively impact the Asian gas market. This, together with other factors such as a global economic downturn, could put further downward pressure on natural gas prices.

#### *Limitations on Increased Production*

In the past, Qatar was able to partially offset lower hydrocarbon prices by increases in hydrocarbon production but, in recent years, hydrocarbon production has also decreased. Production of crude oil and condensates decreased in 2017, 2018, and 2019. Production of LNG decreased in 2019, but remained virtually unchanged in 2018 when compared to 2017. In addition, most of Qatar's oilfields are mature and oil production may have peaked in 2010. Qatar has reached the end of a 20-year development cycle for LNG projects and LNG production has plateaued. With a moratorium on the development of new gas projects in the North Field that had been in place since 2005 and only lifted in April 2017, and given the long lead time to develop gas projects, Qatar may not be able to significantly increase gas production in the near future through new gas projects.

QP, which manages the State's interests in all oil, gas, petrochemical and refining enterprises in Qatar and abroad, does not currently engage in hedging activities to mitigate against fluctuations in hydrocarbon prices and, accordingly, the recent material decrease in hydrocarbon prices has affected the financial condition of the State and any further decrease may continue to do so.

Continued low hydrocarbon production and any material reduction in the prices of natural gas, crude oil and other hydrocarbons will have a significant impact on the value of the State's reserves and may materially adversely impact the State's revenues and the financial condition of the State.

#### ***Lower hydrocarbon revenues may affect the ability of the State to invest in and diversify its economy.***

Although international prices for hydrocarbon products have recovered slightly in recent years, the prevailing low oil prices continue to have a significant adverse effect on the oil revenue dependent GCC economies, resulting in reduced fiscal budgets and public spending plans for 2016 and 2017, together with increased budgetary deficits across the GCC.

In Qatar, lower hydrocarbon prices in recent years have had a significant impact on the State's revenues and the financial condition of the State. Revenues from oil and gas were QR173,129 million

(U.S.\$47,563 million) for the year ended December 31, 2018, QR132,988 million (U.S.\$36,535 million) for the year ended December 31, 2017 and QR140,717 million (U.S.\$38,659 million) for the fiscal year ended December 31, 2016. According to preliminary data, revenues from oil and gas were QR129,295 million (U.S.\$35,520 million) for the nine months ended September 30, 2019.

The oil and gas sector contributed 83.3%, 81.5% and 82.7% to total revenues in the years ended December 31, 2018, 2017 and 2016, respectively. The oil and gas sector contributed 34.0%, 36.9%, 32.3%, 29.7% and 37.5% to Qatar's total nominal GDP for the years ended December 31, 2019, 2018, 2017, 2016 and 2015, respectively. This decreasing contribution of the oil and gas sector between 2015 and 2018 was primarily due to the decrease in hydrocarbon prices and the continued diversification of the economy, particularly in the services and construction sectors.

In the past, the State has used hydrocarbon revenues to invest in its economy, including through increased public sector wages, investment in downstream oil and gas projects and in non-hydrocarbon areas such as construction. Lower hydrocarbon revenue adversely affects the State's ability to continue to invest in these areas of its economy at the same level. Beginning in 2015, Qatar started to incur budget deficits and turned to deficit financing, including the issuance of bonds, as one way of continuing its investments in its economy. There can be no guarantee that the State can continue to raise debt financing in the future to finance projected deficits at either the same cost of funds or in similar amounts.

If lower current hydrocarbon revenues are sustained or become worse for an extended period, this will have a significant adverse effect on Qatar's economy, which in turn could adversely impact the capacity of the State to implement its economic investment and diversification programs. The combination of both lower hydrocarbon revenues and potentially lower revenues from non-hydrocarbon sources as a result of lower investments would adversely affect the State's financial condition.

***Qatar's efforts to further diversify its economy may not be successful.***

Qatar's economy remains dependent on hydrocarbons, though the Government has been working towards diversifying the economy in recent years. The Qatar National Vision 2030 is a comprehensive economic vision that outlines a path for the future development of Qatar's economy and is based on shifting Qatar's economy from a hydrocarbon-driven economy to a global diversified economy. However, there can be no assurance that Qatar's efforts to diversify its economy and reduce its dependence on hydrocarbons will be successful. A failure to diversify the economy would make the economy more susceptible to the risks associated with the sectors in which the economy is concentrated and any downturn in such sectors could result in the slowdown of the entire economy which, in turn, could have an adverse effect on the economic and financial condition of Qatar.

***Any further economic downturn may have an impact on the financial condition of Qatar, including the financial sector.***

Following the 2008-2009 global financial crisis, financial markets in the United States, Europe and Asia experienced a period of unprecedented turmoil and upheaval characterized by extreme volatility and declines in security prices, severely diminished liquidity and credit availability, inability to access capital markets, the bankruptcy, failure, collapse or sale of various financial institutions and an unprecedented level of intervention from the United States government and other governments. These circumstances were further exacerbated by the deteriorating economic situation in certain European countries during this period, such as Greece, Portugal, Spain and Ireland, among others, political instability, turmoil and conflict in the Middle East and North Africa region and natural disasters and other catastrophic events. More recently, capital flight from emerging markets has led to tighter financial conditions in a number of countries, including some countries in the Middle East and North Africa region.

These deteriorating economic conditions resulted in the State providing financial support to Qatar's banking sector by making equity and other investments in domestic commercial banks. Although

macroeconomic indicators have improved since the 2008-2009 global financial crisis, and the State's policies have generally resulted in improved economic performance in Qatar, there can be no assurance that such level of performance will be sustained. In addition, should there be a further deterioration in economic conditions in the Middle East and North Africa region, including Qatar, the State may find it necessary to assume responsibility for the financial liabilities of both State-owned and non-State-owned enterprises in Qatar, which are not currently reflected as either the direct or contingent liabilities of the State. Any such intervention by the State could materially adversely affect the economy and financial condition of the State, and expose the State to additional liabilities. Furthermore, while oil prices have recovered since early 2016, if a lower oil price environment is sustained for an extended period, the capacity of the State to support enterprises in Qatar could be eroded somewhat. Additionally, this could adversely impact the capacity of the State to implement its infrastructure investment program, which could lead to lower than expected medium-term growth.

***The worldwide economic effects of the outbreak of the coronavirus (COVID-19) could adversely affect Qatar's economy.***

In December 2019, the emergence of a new strain of the coronavirus (COVID-19) was reported in Wuhan, Hubei Province, China that has subsequently spread throughout the world, including Qatar. On January 30, 2020 the World Health Organization declared coronavirus (COVID-19) a public health emergency of international concern and on March 11, 2020 the World Health Organization declared coronavirus (COVID-19) a global pandemic. The coronavirus (COVID-19) outbreak is currently having an adverse impact on the global economy, the severity and duration of which is difficult to predict. Qatar has implemented restrictions to prevent the spread of coronavirus (COVID-19). These measures have included restricting travel into Qatar from certain countries, suspending non-essential businesses, banning public gatherings and closing down schools and universities. Currently the trajectory of the coronavirus (COVID-19) outbreak remains highly uncertain and we cannot predict the duration, severity or effect of the pandemic or any future containment efforts. However, there is a risk that the spread of coronavirus (COVID-19) and the measures taken to contain its spread may continue to have adverse effects on Qatar's economy and financial markets, including an economic recession.

***The future revenues of the State may be negatively impacted if QP and its joint ventures are unable to deliver LNG or natural gas under their long term sale and purchase agreements.***

Certain of QP's joint ventures have entered into long term sale and purchase agreements for the supply of LNG or natural gas to third parties. If any of QP's drilling, shipping or other transportation activities were to permanently cease to operate or be interrupted in the future, for reasons other than force majeure, these joint ventures may be exposed to significant contractual liabilities, which may negatively impact QP's financial condition and results of operations and, accordingly, the revenues of the State. Any such interruption in the supply of LNG or natural gas could materially adversely affect the revenues to the State generated by QP, thereby impacting the ability of the State to finance its obligations.

***The future revenues of the State may be negatively impacted if joint venture projects in which state owned entities have provided completion guarantees are delayed or cancelled.***

If any joint venture project in which QP or another state owned entity has provided a completion guarantee is delayed or cancelled with the result that the guarantee is called, this may negatively impact the financial condition and results of operations of the relevant entity and, accordingly, the revenues of the State.

***The production, processing, storage and shipping of hydrocarbons in Qatar subjects the State and QP to risks associated with hazardous materials.***

The oil and gas sector in Qatar consists of both upstream and downstream activities which include the production, processing, storage and shipping of oil, natural gas, petrochemicals and other

hydrocarbons in various physical states. Hydrocarbons, by their nature, are often hazardous materials which have the potential to harm or damage property, production facilities, people and the environment. A disaster involving hydrocarbons, such as an oil spill, could have a materially adverse effect on the revenues or assets of QP or the State, either from direct losses, such as the loss of export revenue, the loss of tax revenue or liability to third parties or from indirect losses, such as unrecovered clean-up costs from third parties or unmitigated environmental damage. Although Qatar has not experienced a significant disaster involving hydrocarbons, the State cannot guarantee that such an event will not occur in the future.

***The State is located in a region that is subject to ongoing geopolitical, political and security concerns, and the State has recently been subject to a blockade by four GCC countries.***

Although Qatar has historically enjoyed domestic political stability and good international relations, Qatar is located in a region that is strategically important and parts of this region are experiencing or have, at times, experienced political instability, geopolitical and diplomatic tensions, domestic turmoil and violence, and armed conflict. For example, there have been significant political changes in Tunisia and Egypt, armed conflicts in Iraq, Libya and Syria, an ongoing civil war in Yemen, an escalation in the Israeli-Palestinian conflict as well as the multinational conflict with the Islamic State, and protests and related activities in a number of other countries in the region. These recent and ongoing developments, along with terrorist acts, acts of maritime piracy and other forms of instability in the region, that may or may not directly involve Qatar, could have a material adverse effect on Qatar's economy, including an effect on Qatar's ability to engage in international trade and destabilizing effects on the oil and gas market. QP and its subsidiaries rely heavily on the ability to send and receive ships through the Straits of Hormuz and any closure of the Strait of Hormuz may have an adverse impact on GCC countries, including Qatar.

Relations between Qatar and certain of its neighbours in the Middle East and North Africa region have recently become more strained. On June 5, 2017, Bahrain, Egypt, Saudi Arabia and the United Arab Emirates (the "**Quartet**") took steps to cut trade, transport and diplomatic ties with Qatar (the "**Quartet Blockade**"). The measures adopted included a sudden and unprecedented closure of sea and air routes with Qatar and a closure of the land border between Qatar and Saudi Arabia (Qatar's only land border), which created logistical challenges for Qatar. The blockade disrupted historical trade routes that Qatar has depended on for the import of key consumer goods, food staples and industrial materials. As part of the Quartet Blockade, Qatari officials and diplomats were expelled from the Quartet countries. Qatari citizens were also expelled from the Quartet countries (other than Egypt), and citizens of the Quartet countries (other than Egypt) were forbidden by the Quartet countries from remaining in Qatar. Certain other countries, primarily in North Africa but also including Jordan and Yemen, also severed or reduced diplomatic relations with Qatar. Additionally, the Quartet Blockade placed significant pressure on Qatar's financial system and the Qatari riyal, leading, among other things, to significant outflows from non-resident and private sector customer deposits and a fall in Qatar's foreign currency reserves in its aftermath. Immediately following the imposition of the Quartet Blockade, deposits amounting to nearly U.S.\$20 billion were withdrawn from the Qatari banking system. Although the Government has undertaken a number of measures to counter the effects of the Quartet Blockade, additional pressures could build up in the future and there can be no assurance that such measures will be sufficient to adequately offset the economic, social or fiscal impact that the Quartet Blockade may have on Qatar in the future. The economic, social and fiscal impact of the Quartet Blockade on Qatar remains uncertain and it is unclear if the matter will be resolved in the near-term. Prolonged uncertainty may negatively affect business and investor confidence, which may reduce foreign investment and economic growth in Qatar. Furthermore, disruptions to trade and transport links could impact the implementation of key infrastructure projects and delay Qatar's long-term diversification plans. See "*Overview of the State of Qatar – Foreign Relations – Regional Relations*" and "*Economy – The Quartet Blockade and Qatar's Response*".

Additionally, Qatar is dependent on expatriate workforce, ranging from unskilled laborers to highly skilled professionals in several industry sectors. Should regional instability increase or foreign militants commence operations in Qatar, this could materially decrease the availability of expatriate



labor with appropriate skills, which could negatively impact Qatar's economy as a whole as the continued availability of skilled labor is an important aspect of the Qatar National Vision 2030. In addition, as the Government continues to diversify Qatar's economy into other sectors, the country's exposure to broader regional and global economic trends or geopolitical developments may increase. An escalation of the Quartet Blockade, or any deterioration in relations or deepening instability elsewhere in the region, should it materialize, could adversely impact Qatar and broader regional security and may have a material adverse effect on Qatar's economy.

***Prior to 2009, Qatar had a high rate of inflation which was caused, in part, by the failure of domestic real estate supply to meet levels of demand and a return of high rates of inflation in the future could adversely affect the economy.***

Prior to 2009, Qatar had high levels of inflation and the overall annual inflation rate was 15.2%, 13.6% and 11.8% in 2008, 2007 and 2006, respectively. The high levels of inflation prior to 2009 were primarily accounted for by the rapid and sustained increase in real estate prices, as well as an increase in international food and raw material prices. In 2009 and 2010, inflation rates were negative as a result of the decrease in housing costs. In 2011, Qatar made an exit from the deflation phase of the previous two years by recording positive inflation of 1.9%. In 2012, 2013 and 2014, consumer price inflation continued to increase, with the general index increasing by 2.32%, 3.20% and 3.36%, respectively and this was in contrast to global trends where inflation pressures eased considerably, especially in advanced economies. There can be no assurance that Qatar will not be subject to much higher inflation rates in the future. In 2017, 2018 and 2019, the consumer price inflation was 0.40%, 0.34% and (0.90%), respectively.

Although the Government and the QCB can use various monetary instruments to address price stability, including moving interest rates independently of the U.S. Federal Reserve despite the currency peg, there can be no guarantee that the Government or the QCB will be able to achieve or maintain price stability and thus control inflation. If Qatar were to face high rates of inflation in the future, this could adversely affect its economy.

***The statistical data contained in this Prospectus should be treated with caution by prospective investors.***

Statistics contained in this Prospectus, including those in relation to nominal GDP, balance of payments, revenues and expenditure, and indebtedness of the Government, have been obtained from, among others, the Ministry of Finance, QP, the QCB and the Planning and Statistics Authority. Such statistics, and the component data on which they are based, may be unreliable and may not have been compiled in the same manner as data provided by similar sources in Western Europe and the United States. Similar statistics may be obtainable from other sources, although the underlying assumptions and methodology and, consequently, the resulting data, may vary from source to source. There may also be material variances between preliminary or estimated statistical data set forth in this Prospectus and actual results, and between the statistical data set forth in this Prospectus and corresponding data previously published, or published in the future, by or on behalf of Qatar. In addition, due to deficiencies in the currency of certain data, some statistical information for recent years is not available as of the date of this Prospectus. Consequently, the statistical data contained in this Prospectus should be treated with caution by prospective investors.

***Information on hydrocarbon reserves is based on estimates that have not been reviewed by an independent consultant for the purposes of this offering.***

The information on oil, gas and other reserves contained in this Prospectus is based on an annual review of reserves compiled by QP as of December 31, 2018. Neither the State nor the Banks have engaged an independent consultant or any other person to conduct a review of Qatar's natural gas or crude oil reserves in connection with this offering. All reserve estimates presented herein are based on data maintained by QP.

Reserves valuation is a subjective process of estimating underground accumulations of crude oil and natural gas that cannot be measured in an exact manner. The accuracy of any reserve estimate depends on the quality and reliability of available data, engineering and geological interpretations and subjective judgment. Additionally, estimates may be revised based on subsequent results of drilling, testing and production. The proportion of reserves that can ultimately be produced, the rate of production and the costs of developing the fields are difficult to estimate and, therefore, the reserve estimates may differ materially from the ultimately recoverable quantities of crude oil and natural gas.

***Any alteration to, or abolition of, the foreign exchange “peg” of the Qatari riyal or other regional currencies at a fixed exchange rate to the U.S. dollar could lead to a devaluation of the Qatari riyal against the U.S. dollar and could adversely impact the banking system in Qatar and across the wider GCC region.***

Since 1980, the peg has been effectively set at a fixed exchange rate of 3.64 riyals per U.S. dollar and this rate was officially adopted in 2001. The following oil producing GCC countries also have their currencies pegged to the U.S. dollar as at the date of this Prospectus: the UAE; Saudi Arabia; the Sultanate of Oman; and Bahrain. In response to the ongoing volatility of oil price internationally, oil producing countries with currencies that have been traditionally pegged to the U.S. dollar have faced pressure to de-peg and, in certain cases, have de-pegged their currencies. For example, Kazakhstan de-pegged the Kazakhstani tenge from the U.S. dollar on August 20, 2015, which was followed on December 21, 2015 by the removal of the U.S. dollar peg against the Azerbaijani manat. There is a risk that, in response to the continuing oil price crisis, additional countries may choose to unwind their existing currency peg to the U.S. dollar, both in the GCC and the wider region.

Any future de-pegging by the GCC states, in the event that the current challenging market conditions persist for a prolonged period, would pose a systemic risk to the regional banking systems due to the devaluation of any de-pegged currency against the U.S. dollar and the impact this would have on the open cross currency positions held by regional banks. Given the levels of exposure amongst regional financial institutions to other pegged currencies, it is also likely that such currency de-valuation(s) would adversely impact the banking systems in Qatar and across the wider GCC.

Any such de-pegging either in Qatar or across the wider region could affect Qatar’s ability to perform its obligations in respect of the Bonds.

***Credit ratings may not reflect all risks.***

In 2017, Moody’s, S&P and Fitch downgraded Qatar’s rating to Aa3, AA- and AA-, respectively. Each rating agency also changed the sovereign’s outlook to negative in 2017, citing Qatar’s economic and financial risks and the ongoing recent events affecting regional relations as the primary reason for its rating downgrade. In 2018, each rating agency affirmed its rating, and changed Qatar’s outlook to stable. In 2020, Moody’s, S&P and Fitch affirmed Qatar’s rating and stable outlook.

Any downgrade or negative change in outlook in Qatar’s sovereign credit rating (whether solicited or unsolicited), or in the credit ratings of instruments issued, insured or guaranteed by related institutions or agencies, could negatively affect the price of the Bonds and could have a material adverse effect on Qatar’s cost of borrowing and could limit its access to debt capital markets.

The credit ratings included or referred to in this Prospectus will be treated for the purposes of the CRA Regulation as having been issued by S&P, Fitch and Moody’s. Each of S&P, Fitch and Moody’s is established in the European Union and is registered under the CRA Regulation. Each of these agencies is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation.

A credit rating is not a recommendation to buy, sell or hold the Bonds. Credit ratings are subject to revisions or withdrawal at any time by the assigning rating agency. The State cannot be certain that a credit rating will remain for any given period of time or that a credit rating will not be downgraded or

withdrawn entirely by the relevant rating agency if, in its judgment, circumstances in the future so warrant. The State has no obligation to inform the Bondholders of any such revision, downgrade or withdrawal. A suspension, downgrade or withdrawal at any time of the credit rating assigned to the State may adversely affect the market price of the Bonds.

***Qatari law relating to the enforcement of arbitral awards and foreign judgments is relatively untested and investors in the Bonds may be unable to recover in civil proceedings for US securities laws violations.***

Qatari law relating to the enforcement of arbitral awards and foreign judgments is relatively untested.

Pursuant to Decree No. (29) of 2003, the State of Qatar joined the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 1958. Accordingly, whenever this convention applies to a foreign arbitral award, that award should be recognized and enforced in compliance with the requirements of this convention.

The United States and the State of Qatar do not have any treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Qatari legal counsel has advised that, as a matter of Qatari law, Qatari courts will enforce a judgment or arbitral award upon the same conditions as would be determined in the foreign jurisdiction for the enforcements of Qatari judgments and arbitral awards as long as (a) the subject matter was not reserved for the exclusive jurisdiction of the Qatari courts and the foreign judgment or arbitral award has been handed down by a court of competent jurisdiction or a duly constituted arbitral panel, (b) the parties to the proceedings in which the judgment or award was rendered were properly served and represented, (c) the judgment or award is *res judicata* pursuant to the law of the court which rendered the judgment or the arbitration panel which rendered the award, and (d) the foreign judgment or arbitral award does not contradict a decision or order rendered by a court in Qatar or violates the public policy or morals of the State.

The State has recently adopted a new law organizing arbitration, including the enforcement mechanism of arbitral awards. The enforcement of arbitral awards in Qatari courts is organized by virtue of Articles No. (34) and (35) of the law No. (2) of 2017 regarding the Civil and Commercial Arbitration. Articles (34) and (35) provide, among other things, that arbitral awards shall enjoy “*res judicata*” and shall be enforceable regardless of the country where the award was issued. Recognition or enforcement of any arbitral award may not be refused, irrespective of the country where the award was rendered, except (1) where a party to the arbitration, at the time of the conclusion of the arbitration agreement, was incompetent or under some incapacity, (2) if the arbitration agreement is invalid, or (3) if the party against whom the enforcement is sought were not properly notified or not able to present his defense.

Notwithstanding the above, there can be no assurance that arbitration in connection with the Fiscal Agency Agreement and/or either series of Bonds would protect the interests of the relevant series of Bondholders to the same extent as would the United States or Qatari courts in original proceedings.

In addition, Qatar is a foreign sovereign state and a substantial portion of the assets of the State are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the State or to enforce in US courts judgments or arbitral awards against the State or to enforce in Qatari courts judgments obtained in US courts or arbitral awards obtained in the United States, including judgments predicated upon the civil liability provisions of United States federal securities laws. It may not be possible to enforce, in original actions in Qatari courts, liabilities predicated solely on United States federal securities laws. These factors create greater judicial uncertainty than would be expected in certain other jurisdictions.

To the extent that the State may, in any jurisdiction, claim for itself or its Sovereign Assets immunities from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or legal process and to the extent that in any such jurisdiction there may be attributed to itself or its Sovereign Assets such immunity (whether or not claimed), the State shall, in the

Conditions, agree for the benefit of the Bondholders not to claim and shall waive such immunity to the fullest extent permitted by the laws of such jurisdiction (including, without limitation, the United States Foreign Sovereign Immunities Act of 1976 and Decree Law No. (18) of 1996 Amending Certain Provisions of Law No. (10) of 1987 in respect of the Public and Private Properties of the State of Qatar). In addition, to the extent that the State or any of its Sovereign Assets shall be entitled in any jurisdiction to any immunity from set-off, banker's liens or any similar rights or remedies, and to the extent that there shall be attributed, in any jurisdiction, such an immunity, the State shall agree, by agreement or covenant, not to claim and shall agree to waive such immunity to the fullest extent permitted by the laws of such jurisdiction with respect to any claim, suit, action, proceeding, right or remedy arising out of or in connection with any of the Bonds. The waiver of sovereign immunity has never been tested before a Qatari court or any other authority in Qatar.

In addition, the enforcement of the terms of the Bonds may be affected by (i) Article 402 of Qatari Law Number (22) of 2004 (the “**Civil Law**”), which provides that if a debtor establishes that settlement of an obligation has become impossible due to an extraneous cause that is beyond the debtor's control and to which the debtor did not contribute, the obligation will be extinguished; (ii) Article (188) of the Civil Law, which provides that in bilateral contracts, if the performance of a party's obligation has become impossible because of an extraneous cause in which the party played no part, this obligation and reciprocal obligations will be extinguished and the contract is *ipso facto* rescinded; (iii) Article 171 of the Civil Law, which provides that should any exceptional event occur which could not be foreseen, and as a consequence of which the performance of a contractual obligation, though not impossible, has become a heavy burden to the debtor threatening the debtor with excessive loss, a Qatari court may, according to the circumstances, and after considering the relative interests of the parties, reduce the onerous obligation to a reasonable extent; (iv) Article (204) of the Civil Law, which provides that where a person proves that damages have arisen from a cause beyond his control, such as force majeure, unforeseen event or the fault of the victim or a third party, such person shall not be liable for such damages, unless there is a provision to the contrary; and (v) Article 256 of the Civil Law, which provides that a debtor will not be liable to compensate the creditor for any damages suffered by the creditor if the debtor proves that the non-performance or delay arose from a foreign cause beyond his control.

***The Qatar legal system continues to develop and this may create an uncertain environment for investment and business activity.***

Qatar is in the process of developing its legal and regulatory institutions. As a result, procedural safeguards as well as formal regulations and laws may not be applied consistently. In some circumstances, it may not be possible to obtain the legal remedies provided under Qatari laws and regulations in a timely manner. As the legal environment remains subject to continuous development, investors in Qatar may face uncertainty as to the security of their investments. Any unexpected changes in the legal systems in Qatar may have a material adverse effect on the rights of the relevant series of Bondholders.

***Future attitudes of Qatari courts regarding interest cannot be predicted.***

Although, under the laws of Qatar, contractual provisions for the charging and payment of interest are permissible and have been routinely enforced under Qatari law, a court applying Qatari law may not enforce such a provision either to pay interest on interest or to the extent that, on a given date, accrued but unpaid interest exceeded outstanding principal. The future attitude of Qatari courts and Qatari law regarding the payment of interest cannot be predicted.

***There is no principle of binding precedent in the Qatari courts.***

There is no doctrine of binding precedent in the Qatari courts; decisions of the Qatari courts are not routinely published and there is no comprehensive up-to-date reporting of court decisions. As a result, any experience with and knowledge of prior rulings of the Qatari courts may not be a reliable basis from which to predict decisions that Qatari courts may adopt in the future. The outcome of any legal dispute remains uncertain.

## **Risks Relating to the Bonds**

***The Bonds may not be suitable as an investment for all prospective investors in the Bonds.***

Each prospective investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each prospective investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Prospectus or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;
- understand thoroughly the terms of the Bonds; and
- be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A prospective investor should not invest in the Bonds unless it has the expertise (either alone or with the help of a financial advisor) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of such Bonds and the impact this investment will have on the prospective investor's overall investment portfolio.

***The minimum denomination of the Bonds may, in certain circumstances, make the Bonds difficult to trade.***

The Bonds will be issued in denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof. Accordingly, the Bonds may be traded in amounts in excess of U.S.\$200,000 that are not integral multiples of U.S.\$200,000. In such a case, a holder who, as a result of trading such amounts, holds a principal amount of less than U.S.\$200,000 in their account with the relevant clearing system at the relevant time may not receive a definitive Bond in respect of such holding (should definitive Bonds be printed) and would need to purchase a principal amount of Bonds such that its holding amounts to at least U.S.\$200,000 in order to receive a definitive Bond. If definitive Bonds are issued, holders should be aware that definitive Bonds that have a denomination that is not an integral multiple of U.S.\$200,000 may be illiquid and difficult to trade.

***The terms of the Bonds may be modified or waived without the consent of all the Bondholders.***

The Conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally and for the passing of written resolutions of Bondholders without the need for a meeting. Such provisions are commonly referred to as "collective action clauses". These provisions permit defined majorities to bind all Bondholders, including Bondholders who did not attend and vote at the relevant meeting or sign the relevant written resolution and Bondholders who voted in a manner contrary to the majority.

In the future, the State may issue debt securities which contain collective action clauses in the same form as the collective action clauses included in the Conditions of the Bonds. If this occurs, the Bonds could be capable of aggregation with any such future debt securities, meaning that a defined majority of the holders of such debt securities (when taken in the aggregate) would be able to bind all holders of all the relevant aggregated series of debt securities, including the Bonds.

Any modification or actions relating to any Reserved Matter (as defined in the Conditions of the Bonds), including in respect of payments and other important terms, may be made (a) to the Bonds with the consent of the holders of 75% of the aggregate principal amount of the outstanding Bonds, and (b) to multiple series of debt securities which may be issued by the State (including the Bonds) with the consent of both (i) the holders of at least two-thirds of the aggregate principal amount of all outstanding debt securities being aggregated and (ii) the holders of at least 50% of the aggregate principal amount of the outstanding debt securities of each series being aggregated. In addition, under certain circumstances, including the satisfaction of the Uniformly Applicable condition (as more particularly described in the Conditions of the Bonds), any such modification or action relating to any Reserved Matter may be made to multiple series of the State's debt securities (including the Bonds) with the consent of 75% of the aggregate principal amount of the outstanding debt securities of all affected series, without requiring a particular percentage of the holders of any individual affected debt securities to vote in favor of or approve any proposed modification or action. Any modification or action proposed by the State may, at the option of the State, be made in respect of certain series of the State's debt securities only and, for the avoidance of doubt, the collective action provisions may be used for different groups of two or more debt securities simultaneously. At the time of any proposed modification or action, the State will be obliged, *inter alia*, to specify which method or methods of aggregation will be used by the State.

There is therefore a risk that the Conditions of the Bonds may be amended, modified or waived in circumstances whereby the holders of debt securities voting in favor of, or signing a written resolution in respect of, an amendment, modification or waiver may be holders of different series of debt securities and, as such, the majority of Bondholders would not necessarily have voted in favor of, or signed a written resolution in respect of, such amendment, modification or waiver. In addition, there is a risk that the provisions allowing for aggregation across multiple series of debt securities may make the Bonds less attractive to purchasers in the secondary market on the occurrence of an Event of Default or in a distress situation.

The Conditions of the Bonds also contain a provision permitting the Bonds and the Conditions of the Bonds to be amended without the consent of the Bondholders to correct a manifest error, or where the modification is of a formal, minor or technical nature or is not materially prejudicial to the interests of the Bondholders. Any such amendment, modification or waiver in relation to the Bonds may adversely affect their trading price.

***The Bonds are unsecured obligations of the State, and there is no limitation on the State's ability to issue guarantees, pari passu securities or to incur additional indebtedness in the future.***

The Bondholders will not have the benefit of security and as a result will not have a claim to those assets that rank senior to the claims of other creditors of the State. The State has in the past issued guarantees and securities and incurred indebtedness and intends to continue to do so from time to time in the future. In addition, there is no restriction on the amount of guarantees or securities which the State may issue and which rank *pari passu* with the Bonds. The issue of any such guarantees, securities and the incurrence of any such additional indebtedness may reduce the amount recoverable by the Bondholders in certain scenarios.

***There is no established market for the Bonds.***

The Bonds are new securities for which there is currently no market. There can be no assurance that an active market for the Bonds will develop, or if it does develop, that it will continue. Moreover, if a market for the Bonds does develop, the Bonds may trade at prices that may be higher or lower than the initial offering price thereof, depending upon a number of factors, including prevailing interest rates, events in Qatar or elsewhere in the Middle East and the market for similar securities. If a market for the Bonds does not develop or continue, purchasers may be unable to resell the Bonds for an extended period of time, if at all. Consequently, an investor in the Bonds may not be able to liquidate its investment readily, and the Bonds may not be readily accepted as collateral for loans.

***The Bonds are held through DTC, Euroclear and Clearstream, Luxembourg and Bondholders must rely on procedures of those clearing systems to effect transfers of Bonds, receive payments in respect of Bonds and vote at meetings of Bondholders.***

The Bonds will be represented on issue by one or more Global Bonds that will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or with a nominee for DTC (see “*The Global Bonds*” and “*Clearing and Settlement*”). Except in the circumstances described in each Global Bond, investors will not be entitled to receive Bonds in definitive form. Each of DTC, Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Bond held through it.

While the Bonds are represented by a Global Bond, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants. While the Bonds are represented by Global Bonds, the State will discharge its payment obligations under the Bonds by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Bond must rely on the procedures of the relevant clearing system and its participants to receive payments under the Bonds. The State has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Bond.

Holders of beneficial interests in a Global Bond will not have a direct right to vote in respect of the Bonds so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

***Interest rate risk.***

The Bonds bear a fixed rate of interest. Investors of fixed rate debt securities are exposed to the risk that changes in market interest rates may adversely affect the value of the debt securities. For example, if interest rates subsequently increase above the rate paid on any series of Bonds, this may adversely affect the value of such series of Bonds.

## **RESPONSIBILITY STATEMENT**

The State accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the State (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

To the best of the knowledge and belief of the State, the information contained in this Prospectus is true and accurate in every material respect and is not misleading in any material respect and this Prospectus, insofar as it concerns such matters, does not omit to state any material fact necessary to make such information not misleading. The opinions, assumptions, intentions, projections and forecasts expressed in this Prospectus with regard to the State are honestly held by the State, have been reached after considering all relevant circumstances, and are based on reasonable assumptions.



## IMPORTANT NOTICE

No person has been authorized to give any information or to make any representation other than those contained in this Prospectus in connection with the offering of the Bonds and, if given or made, such information or representations must not be relied upon as having been authorized by the State or by any of Barclays Bank PLC, Crédit Agricole Corporate and Investment Bank, Crédit Agricole Corporate and Investment Bank, Taipei Branch, Deutsche Bank AG, London Branch, Deutsche Bank AG, Taipei Branch, J.P. Morgan Securities plc, QNB Capital LLC, Standard Chartered Bank, Standard Chartered Bank (Taiwan) Limited and UBS AG London Branch (together, the “**Banks**”). Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the State since the date hereof. This Prospectus may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorized or is unlawful.

This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the State or by any Bank that any recipient of this Prospectus should purchase any of the Bonds. Each investor contemplating purchasing Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the State.

In connection with the issue of the Bonds, Deutsche Bank AG, London Branch (the “**Stabilizing Manager**”) (or any person acting on behalf of it) may over-allot the Bonds or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail. However, stabilization may not necessarily occur. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Bonds is made and, if commenced, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Bonds and 60 days after the date of the allotment of the Bonds. Any stabilization action or over-allotment must be conducted by the Stabilizing Manager (or persons acting on behalf of the Stabilizing Manager) in accordance with all applicable laws and rules and, in respect of the 2050 Bonds, to the extent permitted by applicable laws and regulations of the ROC.

The State is relying on an exemption from registration under the Securities Act for offers and sales of securities that do not involve a public offering. By purchasing Bonds, each prospective investor will be deemed to have made the acknowledgements, representations, warranties and agreements described under “*Transfer Restrictions*” in this Prospectus. Each prospective investor should understand that it will be required to bear the financial risks of its investment for an indefinite period of time.

Neither the State nor the Banks are making any representation to any prospective investor in the Bonds regarding the legality of an investment in the Bonds by such prospective investor under any legal investment or similar laws or regulations. The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult with its own attorney, business advisor and tax advisor for legal, business and tax advice regarding an investment in the Bonds.

The distribution of this Prospectus and the offer or sale of Bonds may be restricted by law in certain jurisdictions. Neither the State nor the Banks represent that this Prospectus may be lawfully distributed, or that any Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the State (save for the approval of this Prospectus by the CSSF as a prospectus within the meaning of Article 6 of the Prospectus Regulation) or the Banks which would permit a public offering of any Bonds or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither

this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable securities laws and regulations. Persons into whose possession this Prospectus or any Bonds come must inform themselves about and observe any such restrictions. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Bonds in the United States. For a description of these and certain further restrictions on offers and sales of the Bonds and distribution of this Prospectus, see “*Subscription and Sale*” and “*Transfer Restrictions*”.

The Bonds have not been registered with, recommended by or approved or disapproved by, the United States Securities and Exchange Commission (the “**SEC**”) or any other federal or state securities commission in the United States, nor has the SEC or any other federal or state securities commission confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offense in the United States. The Bonds are subject to restrictions on transferability and resale. See “*Transfer Restrictions*”.

**MIFID II product governance/professional investors and ECPS only target market** – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

**Singapore SFA Product Classification** – Solely for the purposes of its obligations pursuant to sections Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Bonds are “prescribed capital markets products” (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in Singapore Monetary Authority (the “**MAS**”) Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

In this Prospectus, any reference to a “**series**” of Bonds or Bondholders shall be a reference to the 2025 Bonds, the 2030 Bonds or the 2050 Bonds or to their respective holders, as the case may be.

## OVERVIEW

### Introduction to Qatar and its Economy

Qatar is one of the most prosperous countries in the world, with a nominal gross domestic product (“GDP”) per capita of QR248,827 (U.S.\$68,359) (at current prices) in 2019, according to the Planning and Statistics Authority. For most of the past two decades, Qatar was one of the fastest growing economies in the world and its growth was driven by the development of its large natural gas reserves. Following the completion of its LNG projects in 2011, the rate of economic growth has slowed and this has been compounded more recently by lower revenues from hydrocarbon exports due to lower hydrocarbon production and prices. As a result, the contribution of the oil and gas sector to nominal GDP has declined from 52.5% in 2014 to 36.9% in 2018. However, the non-oil and gas sector is becoming stronger with the contribution of the non-oil and gas sector to total nominal GDP increasing from 47.5% in 2014 to 63.1% in 2018. In 2019, the oil and gas sector accounted for 34.0% of total nominal GDP, while the non-oil and gas sector accounted for 66.0%. In 2016, 2017 and 2018, Qatar’s real GDP grew by 2.1%, 1.6% and 1.5% respectively. In 2019, real GDP contracted by 0.2% (year-on-year).

### *Oil and Gas*

As of December 31, 2018, Qatar’s proven reserves of crude oil and natural gas (including condensate) amounted to approximately 172 billion barrels of oil equivalent. These hydrocarbons consisted of proven reserves of approximately 843.4 trillion standard cubic feet of natural gas (including condensate) and 2.53 billion barrels of crude oil. As of September 30, 2019, Qatar’s proven reserves of crude oil and natural gas (including condensate) amounted to approximately 171 billion barrels of oil equivalent. These hydrocarbons consist of proven reserves of approximately 837.2 trillion standard cubic feet of natural gas (including condensate) and 2.37 billion barrels of crude oil. Virtually all of Qatar’s proven reserves of natural gas and condensate are located in the North Field, which is estimated by the U.S. Energy Information Administration to be part of the largest non-associated gas field in the world as at January 2015. According to the U.S. Energy Information Administration, Qatar had the third largest natural gas deposits after Iran and Russia and owned 14% of the total gas reserves in the world in 2015.

In recent years, hydrocarbon prices have been volatile with a noticeable decline that began in the third quarter of 2014, although prices have begun to recover since January 2016. However, in early 2020, prices have decreased significantly from U.S.\$67.31 per barrel in December 2019 (monthly Europe Brent Spot Price FOB) to U.S.\$19.07 barrel as at March 30, 2020. Prices generally averaged between U.S.\$95 and U.S.\$125 per barrel (monthly Europe Brent Spot Price FOB) for most of 2011 to 2013 and for the first three quarters of 2014. However, in October 2014, crude oil prices began to fall sharply, reaching U.S.\$38.01 per barrel in December 2015 (monthly Europe Brent Spot Price FOB) and U.S.\$30.70 per barrel in January 2016 (monthly Europe Brent Spot Price FOB). Oil prices have recovered since early 2016 and increased to U.S.\$53.31 per barrel in December 2016 (monthly Europe Brent Spot Price FOB) and U.S.\$64.37 per barrel in December 2017 (monthly Europe Brent Spot Price FOB), before falling to U.S.\$57.36 in December 2018 (monthly Europe Brent Spot Price FOB) and then increasing to U.S.\$67.31 in December 2019 (monthly Europe Brent Spot Price FOB). In 2015, the oil and gas sector contributed 37.5% to Qatar’s total nominal GDP, compared with 29.7% in 2016. The lower contribution of the oil and gas sector was due to the continued diversification of the economy. The contribution of the oil and gas sector subsequently increased slightly to 32.3% in 2017, 36.9% in 2018, and decreased to 34.0% in 2019.

Following the conclusion of Qatar’s successful 20-year LNG development plan, LNG production has sustained a high, but steady, level since 2012. Future growth in gas production is expected to come from the Barzan project, which once completed and on stream will supply pipeline natural gas to Qatar’s domestic market, as well as a new gas field development in the North Field which, upon completion of its four liquefaction trains, would increase Qatar’s LNG production capacity by approximately 42%, from the current capacity of 77.5 mta to 110 mta in years 2024/2025. QP has also

started a project to use ethane produced by the North Field Expansion project as feedstock for a new 1.9 mta petrochemical production complex in Qatar. In November 2019, QP announced that it will raise Qatar's LNG production capacity by an additional 16 mta to 126 mta by end year 2027, representing an overall increase of 64% from the current 77 mta, via a new LNG project, North Field South. The North Field, considered one of the largest gas fields in the world, is located in the Persian Gulf, and is shared between Qatar and Iran.

### ***Non-oil and Gas***

In recent years, Qatar has focused on diversifying its economy, through increased spending on infrastructure, social programs, healthcare and education, in an effort to reduce its historical dependence on oil and gas revenues. Nominal GDP for the non-oil and gas sector reached QR439,571 million (U.S.\$120,761 million), or 63.1% of Qatar's total nominal GDP in 2018, compared to QR356,468 million (U.S.\$97,931 million), or 47.5% of Qatar's total nominal GDP in 2014. In the energy sector, Qatar is developing solar power to have a more diverse energy mix. The construction and real estate sectors have recently made substantial contributions to Qatar's economic growth. In addition, significant investments have been made to increase economic returns from, in particular, financial services, infrastructure development and tourism. Qatar's economic growth has also enabled it to diversify its economy through domestic and international investments into different classes of assets.

In 2005, the State set up the Qatar Investment Authority (the "QIA") to propose and implement investments for the State's financial reserves, both domestically and abroad. Through the QIA, Qatar has invested in private equity, the banking sector, real estate, publicly traded securities and alternative assets. With its growing portfolio of international and domestic long-term strategic investments, the QIA has contributed to the State's financial stability and diversified its sources of fiscal revenue for the future (although currently the QIA reinvests all income from its assets).

### ***Qatar Petroleum***

Qatar Petroleum ("QP"), which is wholly owned by the State and is the State's primary source of hydrocarbon revenues, is responsible for all phases of the oil and gas industry in Qatar. Oil was discovered in Qatar in late 1939 and crude oil exports began in 1949. Until recently, Qatar has steadily increased its levels of crude oil production, both directly and indirectly by entering into exploration and development production sharing agreements with leading international oil exploration and production companies, including Total and Occidental Petroleum. The U.S. Energy Information Administration estimated Qatar to be the 15<sup>th</sup> largest global producer of petroleum and other liquids (crude oil, lease condensate, natural gas liquids and other liquids) in 2017.

### ***LNG Development***

In the early 1990s, Qatar developed a long-term strategy to accelerate the commercialization of its substantial natural gas reserves as a means to diversify and ultimately modernize Qatar's economy. In furtherance of this strategy, Qatar has made large scale investments across the entire value chain of liquefied natural gas ("LNG") trains, tankers, and storage and receiving facilities. Qatar has been the leading LNG producing country in the world since 2006. In December 2010, Qatar reached its current LNG production capacity of 77.5 mta, which represented an increase of more than 150% since 2008 and production has remained close to capacity since then, including allowing for scheduled maintenance. In November 2019, QP announced its intention to raise Qatar's LNG production from 77 mta to 126 mta by 2027. Through LNG projects operated by its flagship Qatargas, Qatar has developed its LNG business through strategic partnerships with a number of the world's leading oil and gas companies, including Exxon Mobil Corporation, Shell, Total and ConocoPhillips. By investing across the entire LNG value chain, Qatar now enjoys meaningful cost advantages in the gas sector due to significant economies of scale and a low cost structure. Because most of the natural gas in the North Field is "wet", meaning it is associated with other hydrocarbons, such as condensate, Qatar's LNG projects also produce significant quantities of condensate and natural gas liquids which contribute to the diversification of the State's revenue sources and create downstream opportunities.

Qatar also has a central geographic location for global shipping to all major gas consuming regions of the world. LNG has been contracted to be sold globally under long-term take-or-pay agreements, thereby providing certainty of volume offtake, but is also sold in spot markets. In 2019, Qatar exported LNG to 21 countries, mainly in Asia (including Japan, South Korea, India, China and Taiwan) and Europe (including the UK, Italy, Spain and Belgium) but also in the Americas (Argentina and Brazil) and the Middle East (Kuwait and the UAE).

### ***Downstream Development***

Qatar continues to develop its natural gas resources beyond the LNG industry by implementing a downstream strategy driven by opportunities to generate additional revenue from its existing oil and gas production. QP has developed pipeline gas projects both for regional export markets and for domestic petrochemicals, power generation plants and industrial consumption. In addition, QP is the majority shareholder in a number of industrial companies located primarily at Ras Laffan Industrial City and Mesaieed Industrial City, which use natural gas as feedstock and/or fuel to produce various value-added products, such as refined products, petrochemicals, fertilizer, steel and aluminum, both for domestic consumption and for export. Qatar has also invested in exploiting various Gas-to-Liquid (“GTL”) technologies, and has two joint venture projects currently in operation to generate GTL products such as distillates and lubricants. These two joint ventures are Shell’s Pearl GTL, which is the largest project of its kind in the world, with a production of 140,000 barrels per day and Oryx GTL with a production of approximately 34,000 barrels per day. See “—Oil and Gas Sector—Natural Gas Operations—Gas-to-Liquids Projects”.

### ***Indebtedness***

Throughout a period characterized by rapid growth and development, Qatar has aimed to demonstrate fiscal responsibility by managing its budget and public finances prudently. The State has historically had low levels of indebtedness but there has been an increase in indebtedness since 2009 mainly due to the support given by the State to the commercial banking sector during the global financial crisis in 2009 and the issues of treasury bills (“T-bills”) and treasury bonds (“T-bonds”) by the Qatar Central Bank (the “QCB”) in 2010, 2011 and 2012 mainly for liquidity management and to develop the yield curve for riyal-denominated domestic bonds. The level of indebtedness further increased in 2013 due to new domestic bond and Sukuk issues. In 2015, Qatar repaid various internal debt obligations and external U.S. dollar-denominated bonds that came to maturity, resulting in a decrease in the country’s indebtedness. In May 2016, April 2018 and March 2019, Qatar issued U.S.\$9 billion, U.S.\$12 billion and U.S.\$12 billion, respectively, in aggregate bonds in the international capital markets. Most of Qatar’s significant energy projects are funded on a stand-alone, limited recourse basis. As at December 31, 2019, Qatar’s total outstanding indebtedness stood at QR 398,471 million (U.S.\$ 109,470 million).

### ***Public Finance***

Qatar had consistent budget surpluses over the 15-year period from 2001 to 2015. From 2016 to 2017, Qatar has had budget deficits. For the year ended December 31, 2016, the deficit was QR50,829 million (U.S.\$13,964 million), or 29.7% of total Government revenues. For the year ended December 31, 2017, the deficit was QR39,993 million (U.S.\$10,987 million). For the year ended December 31, 2018, the surplus was QR15,081 million (U.S.\$4,143 million). The 2019 budget estimated a surplus of QR4,346 million (U.S.\$1,194 million), reflecting Qatar’s continued commitment to capital expenditure for ongoing infrastructure projects combined with an oil price assumption of U.S.\$55 per barrel. Preliminary data for the nine months ended September 30, 2019 shows a budget surplus of QR11,252 million (U.S.\$3,091 million). The 2020 budget estimates that for the fiscal year ending December 31, 2020, Qatar will have a budget surplus of QR500 million (U.S.\$137.4 million), based on an assumed oil price of U.S.\$55 per barrel. The anticipated surplus in 2020 is due to higher projected oil and gas revenues and investment income from QP.

### ***Balance of Payments***

Qatar maintained a surplus in its balance of payments between 1999 and 2014, except in 2011. Qatar had a deficit from 2015 to 2017; however, recent years have shown a surplus again. The surplus in the balance of payments in 2014 represented an 85.7% decrease as compared with the surplus in 2013 and, in 2015, there was a deficit in Qatar's balance of payments. In 2016, there was a deficit in Qatar's balance of payments of QR20,510 million (U.S.\$5,635 million), primarily due to lower hydrocarbon production and prices. In 2017, the deficit in Qatar's balance of payments was QR65,071 million (U.S.\$17,877 million), primarily due to the deficit in the capital and financial account. In 2018, Qatar returned to a surplus in its balance of payments of QR57,716 million (U.S.\$15,856 million), largely as a result of the higher oil prices during the year which increased the value of exports.

In 2019, there was a surplus in the balance of payments of QR34,143 million (U.S.\$9,380 million), compared to a surplus of QR57,716 million (U.S.\$15,856 million) in 2018.

### ***Government Organization***

During his rule, the previous Emir instituted a number of governmental reforms, including the promulgation of the Constitution, which came into effect in 2005 and replaced the provisional constitution that had been created shortly after independence. The Constitution formally separates power among the executive branch, which is comprised of the Emir, with assistance from his Cabinet, the Council of Ministers, the legislature (the “**Advisory Council**”) and the judiciary. On June 25, 2013, the previous Emir stepped down and his fourth son, His Highness Sheikh Tamim bin Hamad bin Khalifa Al-Thani, became the ruler of Qatar (the “**Emir**”).

### ***Trade and International Relations***

The country has an organized set of institutions supporting the growth in trade and commerce, both internally and externally, including the Qatar Financial Centre Authority, the Qatar Stock Exchange (the “**QE**”) and regulators, namely the QCB, the Qatar Financial Markets Authority (the “**QFMA**”) and the Qatar Financial Centre Regulatory Authority (the “**QFCRA**”).

Qatar has historically had good relations with other members of the GCC and the wider Middle East in general, although recently relations between Qatar and certain of its neighbours in the Middle East and North Africa region have become more strained. See “*Risk Factors—The State is located in a region that is subject to ongoing geopolitical, political and security concerns, and the State has recently been subject to a blockade by four countries*” and “*Overview of the State of Qatar—Foreign Relations—Regional Relations*”. Qatar has significant trade and investment ties with the major Asian countries and Qatar also has strong ties with the West, notably the United States, which maintains a significant military presence in the country. Qatar is a member of, among other international organizations, the UN and the WTO. Qatar has low levels of corruption and has established a National Committee for Integrity and Transparency in relation to implementing its obligations as a member of the UN. The 2019 Corruption Perceptions Index published by Transparency International ranks Qatar 30 out of 180 countries with a score of 62%.

### ***World Cup***

Qatar views its upcoming hosting of the 2022 World Cup as an opportunity to further invest in its infrastructure and develop the non-oil and gas sector of its economy.

From the perspective of Qatar's economic diversification ambitions, the 2022 World Cup presents new opportunities for the country. Public-private partnerships may benefit some projects and may be considered within wider public investment decisions. On the business front, the 2022 World Cup is creating opportunities for domestic enterprises to form strategic alliances externally and to connect to global value chains.

The entity in charge of the 2022 World Cup is the Supreme Committee for Delivery and Legacy (formerly known as the Qatar 2022 Supreme Committee, which was formed in April 2011) (the “**Supreme Committee**”). The Supreme Committee ensures that all preparations for the 2022 World Cup align with Qatar’s other development imperatives as set out in the Qatar National Vision 2030, the National Development Strategy 2011-2016 and the National Development Strategy 2018-2022.

Eight stadiums are expected to be available for the 2022 World Cup, with some being newly built (including the Al Rayyan stadium and precinct, the Qatar Foundation stadium and the Al Wakrah stadium), while others are being expanded (including the Khalifa International stadium and the Al Bayt stadium). The total cost of investment in the 2022 World Cup-related sporting facilities is expected to be approximately QR18.5 billion (U.S.\$5.1 billion). Construction of the stadiums is rapidly advancing, with the first completed venue, the Khalifa International Stadium, having opened in May 2017. In 2019, the Al Janoub Stadium was opened.

### ***Credit Ratings***

Qatar’s long-term credit rating by S&P has improved from BBB as of February 1996 to AA as of July 2010, with such credit rating being affirmed on March 4, 2016 with a stable outlook. Similarly, Qatar’s long-term credit rating by Moody’s has improved from Baa2 as of December 1999 to Aa2 as of July 2007, with such credit rating being affirmed on January 31, 2017 with a negative outlook. Qatar was also assigned a long-term credit rating of AA by Fitch in its inaugural rating on March 6, 2015, with such credit rating being affirmed on March 31, 2016 with a stable outlook.

However, on May 26, 2017, Moody’s downgraded Qatar’s rating to Aa3 and changed the outlook to stable, later affirming the Aa3 rating and changing the outlook back to negative on July 4, 2017. On July 13, 2018, Moody’s revised the outlook back to stable. On August 1, 2019 and January 24, 2020 Moody’s affirmed Qatar’s rating at Aa3 and the outlook at stable. Similarly, S&P downgraded Qatar’s long-term credit rating to AA- on June 7, 2017 and put the rating on CreditWatch with negative implications. S&P later changed the outlook to negative on August 25, 2017. On December 7, 2018, S&P affirmed the AA- rating and revised the outlook to stable. On March 28, 2020, S&P affirmed Qatar’s rating at AA- and outlook at stable. On June 12, 2017, Fitch placed Qatar’s ratings on Rating Watch Negative, and on August 28, 2017, Fitch downgraded Qatar’s rating to AA- with a negative outlook. On June 5, 2018, Fitch revised the outlook back to stable and affirmed the AA- rating, which was affirmed again on October 16, 2018. On February 13, 2020 Fitch affirmed Qatar’s rating at AA- and outlook at stable. Each rating agency cited Qatar’s economic and financial risks and the ongoing recent events affecting regional relations as the primary reason for its rating downgrade.

### **Gross Domestic Product**

Qatar’s nominal GDP grew between 2013 and 2014, increasing from QR723,369 million (U.S.\$198,728 million) in 2013 to QR750,658 million (U.S.\$206,225 million) in 2014. However, in 2015, Qatar’s nominal GDP decreased by 21.6% as compared to 2014 to QR588,733 million (U.S.\$161,740 million). This decrease was mainly due to a decrease in hydrocarbon production and prices. In 2016, Qatar’s nominal GDP decreased by a further 6.2% to QR552,305 million (U.S.\$151,732 million), again due primarily to a decrease in hydrocarbon production and prices.

In 2017, Qatar’s nominal GDP was QR607,620 million (U.S.\$166,929 million), representing a 10.0% increase compared to 2016. This increase in nominal GDP is mainly attributable to the oil and gas sector’s nominal GDP growth of 19.5%, with the main driver being higher hydrocarbon prices. Additionally, nominal GDP in the construction sector and the manufacturing sector increased by 18.2% and 12.8%, respectively, further contributing to nominal GDP growth.

In 2018, Qatar’s nominal GDP was QR696,557 million (U.S.\$191,309 million), representing a 14.6% increase compared to 2017. This increase in nominal GDP is mainly attributable to increases in mining and quarrying activities, manufacturing, construction, transportation, financial activities and the activities of the Government.

In 2019, total nominal GDP contracted by 4.1% compared with 2018.

The following table sets forth certain information about Qatar's nominal GDP by economic sector and by percentage contribution to total nominal GDP for each of the five years ended December 31, 2019 at current prices.

	Year ended December 31,									
	2015		2016		2017		2018 <sup>(1)</sup>		2019 <sup>(1)</sup>	
	Value	%	Value	%	Value	%	Value	%	Value	%
<i>(in QR millions except percentages)</i>										
Oil and gas by sector:										
<b>Mining and quarrying</b>	<b>221,041</b>	<b>37.5</b>	<b>163,984</b>	<b>29.7</b>	<b>195,981</b>	<b>32.3</b>	<b>256,986</b>	<b>36.9</b>	<b>227,195</b>	<b>34.0</b>
<b>Total Oil and gas sector</b>	<b>221,041</b>	<b>37.5</b>	<b>163,984</b>	<b>29.7</b>	<b>195,981</b>	<b>32.3</b>	<b>256,986</b>	<b>36.9</b>	<b>227,195</b>	<b>34.0</b>
Non-oil and gas by sectors:										
Agriculture, forestry and fishing	950	0.2	1,016	0.2	1,129	0.2	1,222	0.2	1,213	0.2
Manufacturing <sup>(2)</sup>	52,489	8.9	46,814	8.5	52,785	8.7	64,107	9.2	57,464	8.6
Electricity, gas and water <sup>(3)</sup>	3,950	0.7	5,979	1.1	6,161	1.0	5,798	0.8	7,443	1.1
Construction	60,693	10.3	77,079	14.0	91,089	15.0	98,417	14.1	93,084	13.9
Wholesale and retail trade, repair of motor vehicles and motorcycles	51,465	8.7	46,981	8.5	47,575	7.8	48,971	7.0	49,400	7.4
Transportation and storage	21,657	3.7	24,927	4.5	25,778	4.2	28,219	4.1	29,970	4.5
Accommodation and food service activities	6,231	1.1	5,620	1.0	5,378	0.9	5,370	0.8	5,754	0.9
Information and communication	10,109	1.7	9,810	1.8	9,615	1.6	9,707	1.4	9,176	1.4
Financial and insurance activities	45,320	7.7	47,019	8.5	48,977	8.1	51,969	7.5	55,540	8.3
Real Estate	38,762	6.6	42,776	7.7	43,130	7.1	41,675	6.0	40,689	6.1
Professional, scientific and technical activities and administrative and support service activities	19,531	3.3	21,080	3.8	21,656	3.6	22,095	3.2	21,928	3.3
Public administration and defence; compulsory social security	44,294	7.5	43,857	7.9	44,373	7.3	47,247	6.8	52,352	7.8
Education	10,862	1.8	12,089	2.2	13,183	2.2	13,979	2.0	15,323	2.3
Human health and social work activities	11,397	1.9	14,009	2.5	13,901	2.3	14,762	2.1	16,102	2.4
Arts, entertainment and recreation and other service activities	8,119	1.4	8,466	1.5	8,589	1.4	9,030	1.3	9,783	1.5
Activities of households as employer <sup>(4)</sup>	3,473	0.6	3,817	0.7	4,006	0.7	4,172	0.6	4,342	0.7
Import duties...	1,795	0.3	1,137	0.2	720	0.1	779	0.1	738	0.1
FISIM .....	(23,404)	(4.0)	(24,153)	(4.4)	(26,405)	(4.3)	(27,948)	(4.0)	(29,677)	(4.4)
<b>Total non-oil and gas sector .....</b>	<b>367,692</b>	<b>62.5</b>	<b>388,321</b>	<b>70.3</b>	<b>411,639</b>	<b>67.7</b>	<b>439,571</b>	<b>63.1</b>	<b>440,622</b>	<b>66.0</b>
<b>Total nominal GDP</b>	<b>588,733</b>	<b>100.0</b>	<b>552,305</b>	<b>100.0</b>	<b>607,620</b>	<b>100.0</b>	<b>696,557</b>	<b>100.0</b>	<b>667,817</b>	<b>100.0</b>

Notes:

(1) Preliminary data.

(2) For purposes of calculating GDP, certain downstream activities generally associated with Qatar's oil and gas industry, such as the production and export of petrochemicals and fertilizer, steel, iron and metal coating, are included in the manufacturing sector as part of the non-oil and gas sector.

(3) Includes steam and air conditioning supply, sewage, waste management and remediation services.

(4) Includes undifferentiated goods and services producing activities of households for own use.

Source: Planning and Statistics Authority.



## Public Finance

The following table sets forth the revenues, expenditure and overall surplus or deficit of the Government for each of the periods indicated.

	Fiscal year ended March 31,		Nine-month fiscal period ended December 31,	Year ended December 31,		
	2014	2015	2015	2016	2017	2018
	<i>(in millions of QR)</i>					
Revenues:						
Oil and gas revenues:						
Oil revenues:						
Income tax .....	92,296	79,218	53,671	43,376	37,912	29,977
Royalties .....	17,029	12,848	5,318	5,687	6,416	26,757
Port fees and other oil revenues .....	9	172	625	169	6	-
<b>Total oil revenues .....</b>	<b>109,334</b>	<b>92,238</b>	<b>59,614</b>	<b>49,231</b>	<b>44,334</b>	<b>56,734</b>
Gas—royalties and taxes .....	86,080	71,797	31,748	31,890	39,711	57,319
<b>Total oil and gas royalties and taxes .....</b>	<b>195,414</b>	<b>164,035</b>	<b>91,362</b>	<b>81,121</b>	<b>84,045</b>	<b>114,053</b>
<b>Investment income (QP)<sup>(2)</sup> .....</b>	<b>97,822</b>	<b>111,640</b>	<b>61,925</b>	<b>59,596</b>	<b>48,943</b>	<b>59,076</b>
<b>Total oil and gas revenues<sup>(3)</sup> .....</b>	<b>293,236</b>	<b>275,675</b>	<b>153,287</b>	<b>140,717</b>	<b>132,988</b>	<b>173,129</b>
Non-oil and gas revenues:						
Investment income (non-QP) <sup>(4)</sup>						
Interest income .....	295	180	9	-	-	-
<b>Total investment income (non-QP) .....</b>	<b>295</b>	<b>180</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>
Customs duties .....	3,117	2,041	1,309	1,532	2,918	3,235
Business/corporate income tax .....	39,102	49,962	25,586	12,258	12,777	17,563
Public utility fees .....	340	372	439	-	-	-
Other .....	6,718	7,387	6,581	16,349	14,589	13,988
<b>Total non-oil and gas revenues<sup>(3)</sup> .....</b>	<b>49,572</b>	<b>59,942</b>	<b>33,924</b>	<b>30,139</b>	<b>30,284</b>	<b>34,786</b>
<b>Total revenues .....</b>	<b>342,809</b>	<b>335,617</b>	<b>187,212</b>	<b>170,856</b>	<b>163,272</b>	<b>207,916</b>
Expenditure: <sup>(5)</sup>						
Current expenditure:						
Civil list .....	811	824	449	609	630	770
Defense and security .....	17,032	21,233	38,383	31,914	35,128	39,727
General administration .....	97,411	101,123	53,663	54,279	49,752	40,723
Education .....	11,547	13,281	9,826	13,848	13,245	14,375
Health .....	14,699	2,370	2,653	5,172	3,285	3,423
Labor and social services .....	1,893	723	386	641	1,695	1,384
Food subsidies and transfers .....	822	706	927	809	555	-
Water and electricity .....	5,206	3,685	3,390	9,503	7,471	9,812
Communication and transportation .....	9	87	160	-	-	-
Foreign grants .....	8,067	3,595	894	1,920	1,206	597
Subscriptions .....	235	237	62	313	306	344
<b>Total current expenditure .....</b>	<b>157,732</b>	<b>147,864</b>	<b>110,793</b>	<b>119,008</b>	<b>113,273</b>	<b>111,155</b>
<b>Minor capital expenditure .....</b>	<b>15,061</b>	<b>15,773</b>	<b>30,941</b>	<b>3,929</b>	<b>3,913</b>	<b>3,840</b>
Major Projects:						
Health .....	2,032	1,266	2,551	3,629	2,449	1,434
Education .....	6,031	7,244	2,843	4,900	3,940	2,807
Housing and construction .....	1,364	1,548	802	473	868	1,870
Roads .....	8,524	9,324	8,571	17,275	18,878	18,999
Communications and transportation .....	16,115	13,700	14,294	17,247	16,960	18,976
Utilities .....	10,396	11,329	8,894	14,543	14,349	15,227
Land reclamation, other .....	25,321	18,965	11,757	40,681	28,635	18,527
<b>Total capital expenditure .....</b>	<b>84,845</b>	<b>79,149</b>	<b>80,652</b>	<b>102,677</b>	<b>89,992</b>	<b>81,680</b>
<b>Total expenditure .....</b>	<b>242,577</b>	<b>227,013</b>	<b>191,445</b>	<b>221,685</b>	<b>203,265</b>	<b>192,835</b>

<b>Overall surplus/(deficit) .....</b>	<b>100,232</b>	<b>108,604</b>	<b>(4,233)</b>	<b>(50,829)</b>	<b>(39,993)</b>	<b>15,081</b>
--	----------------	----------------	----------------	-----------------	-----------------	---------------

Notes:

- (1) Law No. (2) of 2015 relating to the financial system of Qatar amended the public budget from a fiscal year (April 1 to March 31) to a calendar year (January 1 to December 31). Accordingly, the public budget of the State for the fiscal year ended March 31, 2015 was extended for an additional nine months from April 1, 2015 to December 31, 2015. Due to the extension, the same basis was used in the 2015 budget calculations as in the fiscal year's budget for the fiscal year ended March 31, 2015. Thus, the remaining budget of the nine months from April 1, 2015 to December 31, 2015 was on a pro-rata basis and represented 75% of the budget for the fiscal year ended March 31, 2015.
- (2) Investment income (QP) consists of Government revenue derived from the profits of QP provided to the Government after retained earnings, capital expenditures and reinvestment. Investment income (QP) includes a portion that is attributable to QP's non-oil and gas activities, such as in relation to the production of petrochemicals and fertilizer, steel, iron and metal coating.
- (3) In 2017, the Government reallocated investment income from QP to form part of oil and gas revenue. Investment income from QP previously formed part of non-oil and gas revenue. The historical oil and gas and non-oil and gas figures in this table have been adjusted retrospectively to reflect this, and may therefore differ from previously reported figures.
- (4) Investment Income (non-QP) consists of Government revenue derived from interest income, dividends and proceeds from sales related to Government interests in non-QP entities. This does not include QIA investment income.
- (5) Expenditure related to salaries and wages is allocated across the various expenditure line items shown in the table, and is not separately listed. Salaries and wages were QR42,351 million (U.S.\$11,635 million) for the fiscal year ended March 31, 2014, QR45,172 million (U.S.\$12,410 million) for the fiscal year ended March 31, 2015, QR36,986 million (U.S.\$10,161 million) for the nine-month extended fiscal period ended December 31, 2015, QR59,241 million (U.S.\$16,275 million) for the fiscal year ended December 31, 2016, QR53,121 million (U.S.\$14,594 million) for the fiscal year ended December 31, 2017 and QR55,688 million (U.S.\$15,299 million) for the fiscal year ended December 31, 2018.

Source: Ministry of Finance.

The following table sets forth the budgeted revenues, expenditure and overall surplus or deficit of the Government for the fiscal years 2019 and 2020, and the performance for the first nine months of fiscal year ending December 31, 2019.

	Nine months ended September 30, 2019 <sup>(1)</sup>	Budget 2019 (in millions of QR)	Budget 2020
Revenues:			
Oil and gas revenues:			
Oil revenues:			
Income tax.....	17,126	41,445	41,445
Royalties .....	16,451	7,985	7,985
Port fees and other oil revenues.....	-	-	-
<b>Total oil revenues.....</b>	<b>33,577</b>	<b>49,430</b>	<b>49,430</b>
Gas—royalties and taxes .....	40,222	52,640	52,640
<b>Total oil and gas royalties and taxes</b>	<b>73,799</b>	<b>102,070</b>	<b>102,070</b>
<b>Investment income (QP)<sup>(2)</sup> .....</b>	<b>55,496</b>	<b>65,930</b>	<b>65,930</b>
<b>Total oil and gas revenues<sup>(3)</sup> .....</b>	<b>129,295</b>	<b>168,000</b>	<b>168,000</b>
Non-oil and gas revenues:			
Investment income (non-QP) <sup>(4)</sup>			
Interest income .....	-	-	-
<b>Total investment income (non-QP) .....</b>	<b>-</b>	<b>-</b>	<b>-</b>
Customs duties .....	1,348	4,105	4,105
Business/corporate income tax .....	29,253	16,000	16,000
Public utility fees.....	-	-	-
Other .....	5,462	22,903	22,903
<b>Total non-oil and gas revenues<sup>(3)</sup> .....</b>	<b>36,063</b>	<b>43,008</b>	<b>43,008</b>
<b>Total revenues .....</b>	<b>165,358</b>	<b>211,008</b>	<b>211,008</b>
Expenditure: <sup>(5)</sup>			
Current expenditure:			
Civil list.....	479	766	785
Defense and security.....	26,590	41,038	41,376
General administration .....	50,586	46,305	47,167
Education .....	10,305	13,947	15,734
Health.....	2,471	3,206	2,761
Labor and social services.....	214	70	200
Food subsidies and transfers .....	234	-	-
Water and electricity.....	4,042	6,491	7,500
Communication and transportation .....	-	-	-
Foreign grants.....	1,906	1,176	1,172
Subscriptions .....	333	255	313
<b>Total current expenditure .....</b>	<b>97,160</b>	<b>113,254</b>	<b>117,008</b>
<b>Minor capital expenditure .....</b>	<b>2,848</b>	<b>3,864</b>	<b>3,523</b>
Major Projects:			
Health.....	546	1,724	1,989
Education .....	1,434	2,097	7,857
Housing and construction .....	1,469	129	759
Roads .....	12,058	18,517	23,800
Communications and transportation .....	9,539	14,232	8,042
Utilities.....	8,843	12,725	7,818
Land reclamation, other.....	20,209	40,120	39,712
<b>Total capital expenditure .....</b>	<b>56,946</b>	<b>93,408</b>	<b>93,500</b>
<b>Total expenditure .....</b>	<b>154,106</b>	<b>206,662</b>	<b>210,508</b>
<b>Overall surplus .....</b>	<b>11,252</b>	<b>4,346</b>	<b>500</b>

Notes:

- (1) Preliminary data.
- (2) Investment income (QP) consists of Government revenue derived from the profits of QP provided to the Government after retained earnings, capital expenditures and reinvestment. Investment income (QP) includes a portion that is attributable to QP's non-oil and gas activities, such as in relation to the production of petrochemicals and fertilizer, steel, iron and metal coating.
- (3) In 2017, the Government reallocated investment income from QP to form part of oil and gas revenue. Investment income from QP previously formed part of non-oil and gas revenue.
- (4) Investment Income (non-QP) consists of Government revenue derived from interest income, dividends and proceeds from sales related to Government interests in non-QP entities. This does not include QIA investment income.
- (5) Expenditure related to salaries and wages is allocated across the various expenditure line items shown in the table, and is not separately listed.

Source: Ministry of Finance.

Law No. (2) of 2015 relating to the financial system of Qatar has amended the public budget from a fiscal year (April 1 to March 31) to a calendar year (January 1 to December 31). Accordingly, the public budget of the State for the fiscal year ended March 31, 2015 was extended for an additional nine months from April 1, 2015 to December 31, 2015. Due to the extension, the same basis was used in the 2015 budget calculations as in the fiscal year's budget for the fiscal year ended March 31, 2015. Thus, the remaining budget of the nine months from April 1, 2015 to December 31, 2015 was on a pro-rata basis and represented 75% of the budget for the fiscal year ended March 31, 2015.

The Government issued its planned budget for the fiscal year commencing on January 1, 2020 and ending on December 31, 2020 with an estimated surplus of approximately QR500 million (U.S.\$137.4 million) based on an assumed oil price of U.S.\$55 per barrel. This estimated surplus is

primarily due to an increase in the Government's total revenues and, in particular, oil and gas revenues and investment income from QP. Total oil and gas revenues are budgeted at QR168,000 million (U.S.\$46,154 million), representing 79.6% of total revenues for the fiscal year ending December 31, 2020. Budgeted total non-oil and gas revenues are estimated at QR43,008 million (U.S.\$11,815 million), representing 20.4% of total revenues for the fiscal year ending December 31, 2020.

According to preliminary data, total revenues were QR165,358 million (U.S.\$45,428 million) in the nine months ended September 30, 2019, representing 78.4% of total budgeted revenues for the year ended December 31, 2019. Oil and gas revenues were QR129,295 million (U.S.\$35,520 million) for the nine months ended September 30, 2019, approximately 78.2% of total revenues for the period, while non-oil and gas revenues were QR36,063 million (U.S.\$9,907 million), or approximately 21.8% of total revenues.

Total revenues were QR207,916 million (U.S.\$57,120 million) in the fiscal year ending December 31, 2018, representing 118.8% of total budgeted revenues for the year ended December 31, 2018. Oil and gas revenues were QR173,129 million (U.S.\$47,563 million) for the year ended December 31, 2018, approximately 83.3% of total revenues for the period, while non-oil and gas revenues were QR34,786 million (U.S.\$9,557 million), or approximately 16.7% of total revenues.

According to preliminary data, total expenditure was QR154,106 million (U.S.\$42,337 million) in the nine months ended September 30, 2019, representing 74.6% of total budgeted expenditure for the year ended December 31, 2019. Total capital expenditure was QR56,946 million (U.S.\$15,645 million) in the nine months ended September 30, 2019, or 37.0% of total public expenditure for the period, while current expenditure was QR97,160 million (U.S.\$26,692 million), representing 63.1% of total public expenditure for that period. Expenditures for the first three quarters of 2019 were on target at 74.6% of total budgeted expenditures, while revenues were higher than budgeted due to higher than projected oil prices.

Total expenditure was QR192,835 million (U.S.\$52,977 million) in the year ended December 31, 2018, representing 94.9% of total budgeted expenditure for the year ended December 31, 2018. Total capital expenditure was QR81,680 million (U.S.\$22,440 million) in the year ended December 31, 2018, or 42.4% of total public expenditure for the period, while current expenditure was QR111,155 million (U.S.\$30,537 million), representing 57.6% of total public expenditure.

Total expenditure in the fiscal year ending December 31, 2017 was QR203,265 million (U.S.\$55,842 million), representing a decrease of approximately 8.3% compared with the fiscal year ended December 31, 2016 when total expenditure was QR221,685 million (U.S.\$60,902 million). In the fiscal year ending December 31, 2017, total capital expenditure was QR89,992 million (U.S.\$ 24,723 million), or 44.3% of total public expenditure, representing a 12.4% decrease compared with the fiscal year ended December 31, 2016, when capital expenditure was QR102,677 million (U.S.\$28,208 million). In the fiscal year ending December 31, 2017, current expenditure was QR113,273 million (U.S.\$31,119 million), representing a 4.8% decrease compared with the fiscal year ended December 31, 2016, when current expenditure was QR119,008 million (U.S.\$32,695 million).

## Indebtedness

The following table sets forth the Government's direct indebtedness as at the dates indicated.

	As at December 31,				
	2015	2016	2017	2018	2019
	<i>(in millions of U.S.\$ except for percentages)</i>				
<b>Total internal indebtedness<sup>(1)</sup></b> .....	37,335	38,974	51,669	50,515	47,601
% of nominal GDP .....	23.1%	25.7%	31.0%	26.4%	25.9%
<b>Total external indebtedness<sup>(2)(3)</sup></b> .....	20,150	31,900	31,386	45,102	61,869
% of nominal GDP .....	12.5%	21.0%	18.8%	23.6%	33.7%
<b>Total indebtedness</b> .....	57,485	70,874	83,055	95,617	109,470
<b>Total nominal GDP</b> .....	161,740	151,732	166,929	191,362	183,466 <sup>(4)</sup>
% of nominal GDP .....	35.5%	46.7%	49.8%	50.0%	59.7%

Notes:

- (1) Internal indebtedness means direct indebtedness of the Government incurred inside Qatar (excluding guarantees by the Government and short-term T-bills), regardless of the currency of denomination.
  - (2) External indebtedness means direct indebtedness of the Government incurred by the Government outside Qatar (excluding guarantees by the Government), regardless of the currency of denomination. In relation to any euro-denominated indebtedness, indebtedness is in U.S. dollars using a Euro/U.S. dollar conversion rate of €1.00:U.S.\$1.12.
  - (3) Does not include the principal amounts of the Bonds offered hereby.
  - (4) Planning and Statistics Authority preliminary data.
- Source: Ministry of Finance.

## Balance of Payments

The following table sets forth an overview of Qatar's balance of payments for each of the five years ended December 31, 2019.

	Year ended December 31,				
	2015	2016	2017	2018	2019 <sup>(1)</sup>
	<i>(in millions of QR)</i>				
Current account:					
Trade balance (commodities):					
Exports (including re-exports) .....	281,351	208,604	245,694	306,810	265,483
Imports (FOB) .....	(103,726)	(116,240)	(111,987)	(121,238)	(114,128)
<b>Total trade balance (commodities)</b> .....	<b>177,625</b>	<b>92,364</b>	<b>133,707</b>	<b>185,572</b>	<b>151,355</b>
Services .....	(57,433)	(59,571)	(49,944)	(51,802)	(59,461)
Income .....	(12,978)	(4,038)	(1,527)	(13,633)	(16,051)
Current transfers .....	(57,161)	(58,856)	(58,847)	(59,523)	(60,449)
<b>Total current account</b> .....	<b>50,053</b>	<b>(30,101)</b>	<b>23,389</b>	<b>60,614</b>	<b>15,394</b>
Capital and financial account .....	(71,610)	13,840	(92,648)	1,035	21,726
Net Errors and omissions .....	1,526	(4,249)	4,188	(3,933)	(2,977)
<b>Overall balance of payments</b> .....	<b>(20,031)</b>	<b>(20,510)</b>	<b>(65,071)</b>	<b>57,716</b>	<b>34,143</b>

Note:

- (1) Preliminary estimates.

Source: Qatar Central Bank.

## Oil and Gas Industry

The following table sets forth Qatar's total proven and expected reserves of crude oil and natural gas (including condensate) as of the dates indicated.

	As of December 31,				As of September 30,	
	2017		2018		2019	
	Proven	Expected	Proven	Expected	Proven <sup>(3)</sup>	Expected <sup>(3)</sup>
Natural gas (including condensate) (in trillions of cubic feet) <sup>(1)</sup> .....	852	854	843.4	849	837.2	842.8
Crude oil (in billions of barrels)...	1.73	2.84	2.53	4.20	2.37	4.04
<b>Total barrels of oil equivalent (in billions of barrels)<sup>(2)</sup> .....</b>	<b>173</b>	<b>175</b>	<b>172</b>	<b>175</b>	<b>171</b>	<b>173</b>

Notes:

- (1) Includes North Field gas reserves.
- (2) Proven and expected reserves of natural gas have been converted to barrels of oil equivalent on a calorific basis according to a conversion factor of one billion cubic feet of gas (including condensate) to 0.201 million barrels of oil equivalent.
- (3) Provisional figure that excludes reserve additions and revisions. Reserve additions and revisions are not available until the middle of the following calendar year. Calculated by deducting production for the nine months to September 30, 2019 from reserves at December 31, 2018.

Source: Qatar Petroleum.

The following table sets forth certain information about the production of natural gas in Qatar for the periods indicated.

	Year ended December 31, <sup>(1)</sup>				Nine months ended September 30, <sup>(1)</sup>	
	2015	2016	2017	2018	2018	2019
	(in billions of standard cubic feet)					
<b>Total QP-operated fields</b> .....	<b>428</b>	<b>417</b>	<b>411</b>	<b>401</b>	<b>298</b>	<b>265</b>
<b>PSA oil fields<sup>(2)</sup></b> .....	<b>12</b>	<b>12</b>	<b>18</b>	<b>23</b>	<b>20</b>	<b>22</b>
<b>Total North Field, non QP-operated fields</b> .....	<b>7,171</b>	<b>7,136</b>	<b>7,046</b>	<b>7,150</b>	<b>5,373</b>	<b>5,358</b>
<b>Total gas production in Qatar<sup>(3)</sup></b> .....	<b>7,611</b>	<b>7,565</b>	<b>7,475</b>	<b>7,573</b>	<b>5,691</b>	<b>5,644</b>

Notes:

- (1) These figures are unaudited and are as estimated by the relevant project's management.
- (2) Total gas from non-operated production sharing agreement oil fields.
- (3) These figures reflect gross production of natural gas in Qatar.

Source: Qatar Petroleum.

The following table gives an overview of Qatar's LNG exports for the periods indicated.

	Year ended December 31, <sup>(1)</sup>				Nine months ended September 30,	
	2015	2016	2017	2018	2018	2019
	<i>(in millions of tons)</i>					
<b>Qatargas North Group projects</b>						
Qatargas.....	9.5	9.4	9.6	9.1	6.8	7.1
Qatargas 2.....	15.3	16.0	15.4	16.1	12.4	12.6
Qatargas 3.....	8.2	8.0	8.0	8.0	6.2	5.7
Qatargas 4.....	8.1	8.0	8.0	7.7	6.2	6.0
<b>Sub-total .....</b>	<b>41.0</b>	<b>41.4</b>	<b>40.9</b>	<b>40.9</b>	<b>31.7</b>	<b>31.4</b>
<b>Qatargas South Group projects</b>						
RL I .....	6.8	6.9	7.3	7.3	5.4	5.5
RL II .....	14.3	14.4	14.6	14.6	10.8	10.1
RL 3 .....	15.3	15.7	15.6	15.3	11.5	12.3
<b>Sub-total .....</b>	<b>36.4</b>	<b>36.9</b>	<b>37.5</b>	<b>37.2</b>	<b>27.8</b>	<b>27.9</b>
<b>Total LNG exports from Qatar<sup>(2)</sup> ...</b>	<b>77.4</b>	<b>78.4</b>	<b>78.4</b>	<b>78.1</b>	<b>59.5</b>	<b>59.3</b>

Notes:

(1) All volumes are derived from information provided by the Qatargas and RasLaffan LNG entities.

(2) For comparative purposes, total LNG exports from Qatar were 74.93 mtpa, 77.47 mtpa and 75.69 mtpa for 2012, 2013 and 2014 respectively.

Source: Qatar Petroleum.

The following table sets forth certain information about the production and export of crude oil in Qatar for each of the periods indicated.

	Year ended December 31, <sup>(1)</sup>				Nine months ended September 30, <sup>(1)</sup>	
	2015	2016	2017	2018	2018	2019
Average daily production of crude oil <i>(in thousands of barrels per day)<sup>(2)</sup>...</i>	649.03	652.40	616.70	611.8	610.47	591.65
QP share of average daily production of crude oil <i>(in thousands of barrels per day).....</i>	485.7	488.5	488.0	478.8	475.1	496.7
QP share of total crude oil exports for the period <i>(in thousands of barrels) ..</i>	156,464	155,785	151,333	152,908	113,887	108,402

Notes:

(1) Excludes 50% of crude oil from the El Bunduq field that is allocable to the UAE.

(2) For comparative purposes, Qatar's average daily production of crude oil was 728, 714 and 679 thousands of barrels per day in 2012, 2013 and 2014 respectively.

(3) Net of royalties and taxes related to production sharing agreements.

Source: Qatar Petroleum.

The following table sets forth the production and sales of condensate (both field and plant condensate) attributable to QP for each of the periods indicated.

	Year ended December 31, <sup>(1)</sup>				Nine months ended September 30, <sup>(1)</sup>	
	2015	2016	2017	2018	2018	2019
QP share of total production for the period <i>(in millions of barrels) .....</i>	75	80	78.5	81.1	60.59	55.9
QP share of total sales <i>(in millions of barrels) .....</i>	76.2	66.0	66.0	67.9	50.3	46.9

Note:

(1) Derived from QP's fields plus QP's share of production sharing agreements but excludes joint ventures.

Source: Qatar Petroleum.

## Overview of the Terms and Conditions of the Bonds

*Capitalized terms not otherwise defined in this overview have the same meaning as in the Conditions. See “Terms and Conditions of the Bonds” for a more detailed description of the Bonds.*

<b>Issuer .....</b>	The State of Qatar, acting through the Ministry of Finance.
<b>2025 Bonds .....</b>	U.S.\$2,000,000,000 aggregate principal amount of 3.400% Bonds due 2025.
<b>2030 Bonds .....</b>	U.S.\$3,000,000,000 aggregate principal amount of 3.750% Bonds due 2030.
<b>2050 Bonds .....</b>	U.S.\$5,000,000,000 aggregate principal amount of 4.400% Bonds due 2050.
<b>Issue Price of 2025 Bonds .....</b>	99.690% of the principal amount of the 2025 Bonds, together with accrued interest, if any, from April 16, 2020.
<b>Issue Price of 2030 Bonds .....</b>	99.810% of the principal amount of the 2030 Bonds, together with accrued interest, if any, from April 16, 2020.
<b>Issue Price of 2050 Bonds .....</b>	100.000% of the principal amount of the 2050 Bonds, together with accrued interest, if any, from April 16, 2020.
<b>Maturity Dates .....</b>	April 16, 2025 for the 2025 Bonds. April 16, 2030 for the 2030 Bonds. April 16, 2050 for the 2050 Bonds.
<b>Fiscal Agent and Principal Paying Agent .....</b>	Deutsche Bank AG, London Branch.
<b>U.S. Registrar, U.S. Paying Agent and U.S. Transfer Agent .....</b>	Deutsche Bank Trust Company Americas.
<b>Euro Registrar and Euro Transfer Agent .....</b>	Deutsche Bank Luxembourg S.A.
<b>Interest .....</b>	<p>Each 2025 Bond bears interest at the rate of 3.400% per annum, payable semi-annually in arrear on April 16 and October 16 (each, an “<b>Interest Payment Date</b>”) in each year until (and including) the 2025 Maturity Date, commencing on October 16, 2020.</p> <p>Each 2030 Bond bears interest at the rate of 3.750% per annum, payable semi-annually in arrear on the Interest Payment Dates in each year until (and including) the 2030 Maturity Date, commencing on October 16, 2020.</p> <p>Each 2050 Bond bears interest at the rate of 4.400% per annum, payable semi-annually in arrear on the Interest Payment Dates in each year until (and including) the 2050 Maturity Date, commencing on October 16, 2020.</p> <p>For all series of Bonds, the payment on the first Interest Payment Date shall be in respect of interest accrued from and including April 16, 2020 to but excluding October 16, 2020.</p>
<b>Form and Denomination .....</b>	The Bonds will be issued in registered form, without interest



coupons attached, in a minimum denomination of U.S.\$200,000 or any amount in excess thereof which is an integral multiple of U.S.\$1,000. The Unrestricted Bonds will be represented by Unrestricted Global Bonds for each series of Bonds and the Restricted Bonds will be represented by one or more Restricted Global Bonds for each series of Bonds. The Global Bonds will be exchangeable for individual certificates in definitive form in the limited circumstances specified in the Global Bonds.

**Initial Delivery of Bonds.....**

On or about the Closing Date, the Unrestricted Global Bonds will be deposited with a common depositary for, and in respect of interests held through, Euroclear and Clearstream, Luxembourg and the Restricted Global Bonds will be deposited with the Custodian and registered in the name of Cede & Co. as nominee for DTC.

**Status of the Bonds.....**

The Bonds constitute and will constitute direct, general, unconditional, unsubordinated and, subject to Condition 4 (*Negative Pledge and Covenants*), unsecured Public External Indebtedness of the State for which the full faith and credit of the State is pledged. The Bonds rank and will rank without any preference among themselves and equally with all other unsecured and unsubordinated Public External Indebtedness of the State. It is understood that this provision shall not be construed so as to require the State to make payments under the Bonds ratably with payments being made under any other Public External Indebtedness.

**Negative Pledge .....**

So long as any of the Bonds remains outstanding (as defined in the Fiscal Agency Agreement), except as set forth in Condition 4 (*Negative Pledge and Covenants*) of the Bonds, the State will neither create nor permit to subsist any lien, pledge, mortgage, security interest, deed of trust, charge or other encumbrance or arrangement having a similar effect upon the whole or any part of its existing or future assets or revenues to secure any Public External Indebtedness of the State or any other Person or any guarantee or indemnity thereof unless, at the same time or prior thereto, the obligations of the State under the Bonds and the Fiscal Agency Agreement are secured equally and ratably with such Public External Indebtedness or shall be approved by an Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of the Bondholders.

**“Public External Indebtedness”** means any indebtedness (including indebtedness incurred under a Shari’ah compliant financing) not in the Relevant Currency which is in the form of, or represented or evidenced by, certificates, bonds, notes, Sukuk, debentures or other securities which for the time being are, or are intended to be or are capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market.

**“Relevant Currency”** means (i) the lawful currency of Qatar, or (ii) any currency adopted as the lawful common

currency of any member states of the Gulf Cooperation Council, provided that, at the time of the incurrence of any Public External Indebtedness, Qatar is a member state participating in such common currency.

<b>Redemption at the Option of the State .....</b>	Any series of Bonds may be redeemed by the State, in whole or in part, at any time without the consent of the relevant series of Bondholders at a redemption price equal to the greater of (a) the outstanding principal amount of the relevant series of Bonds being redeemed plus accrued but unpaid interest, if any, plus accrued additional amounts payable pursuant to Condition 8 ( <i>Taxation</i> ), if any, thereon up to but excluding the date fixed for redemption, and (b) an amount equal to the sum of the net present value of the then remaining scheduled payments of principal and interest on the relevant series of Bonds being redeemed, discounted to such date fixed for redemption on a semi-annual basis at the Treasury Rate for such Bonds being redeemed plus 50 basis points.
<b>Taxation .....</b>	The State will make all payments on the Bonds without deducting or withholding any present or future taxes imposed by Qatar or any of its political subdivisions, unless such deduction or withholding is required by law. If the State is required to deduct or withhold such taxes, subject to certain exceptions, it will pay the Bondholders the additional amounts required to ensure that they receive the same amount as they would have received without this deduction or withholding.
<b>Listing and Admission to Trading .....</b>	<p>Application has been made to the Luxembourg Stock Exchange for the Bonds to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the official list of the Luxembourg Stock Exchange.</p> <p>Application will be made to the Taipei Exchange for the listing of, and permission to sell or resell, the 2050 Bonds to "professional investors" as defined under Paragraph 1 of Article 2-1 of the Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds of the Republic of China. Admission to the listing and trading of the 2050 Bonds on the Taipei Exchange shall not be taken as an indication of the merits of the State or the 2050 Bonds. No assurance can be given that such application will be approved, or that the Taipei Exchange listing will be maintained.</p> <p>No application is being made to the Taipei Exchange for the listing of the 2025 Bonds or the 2030 Bonds.</p>
<b>Governing Law .....</b>	The Bonds will be governed by the laws of the State of New York.
<b>Selling Restrictions .....</b>	United States, United Kingdom, Qatar, Republic of China and Kuwait. See " <i>Subscription and Sale</i> ".

**Use of Proceeds.....** The State intends to use the net proceeds from the issue of the Bonds for its budgetary and general funding purposes.

**Ratings .....** It is expected that each series of Bonds will be rated AA- by S&P, AA- by Fitch and Aa3 by Moody's.

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organization. The credit ratings included or referred to in this Prospectus will be treated for the purposes of the CRA Regulation as having been issued by S&P, Fitch and Moody's. Each of S&P, Fitch and Moody's is established in the European Union and is registered under the CRA Regulation. Each of these agencies is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation.

**ISIN, Common Code and CUSIP of 2025 Bonds.....** *Unrestricted Bonds*

ISIN: XS2155352151

Common Code: 215535215

*Restricted Bonds*

ISIN: US74727PBC41

CUSIP: 74727P BC4

**ISIN, Common Code and CUSIP of 2030 Bonds.....** *Unrestricted Bonds*

ISIN: XS2155352664

Common Code: 215535266

*Restricted Bonds*

ISIN: US74727PBD24

CUSIP: 74727P BD2

**ISIN, Common Code and CUSIP of 2050 Bonds.....** *Unrestricted Bonds*

ISIN: XS2155352748

Common Code: 215535274

*Restricted Bonds*

ISIN: US74727PBE07

CUSIP: 74727P BE0

### **NOTICE TO QATARI RESIDENTS**

This Prospectus does not and is not intended to constitute an offer, sale or delivery of the Bonds under the laws of the State of Qatar and has not been and will not be reviewed or approved by or registered with the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or the Qatar Central Bank. The Bonds are not and will not be traded on the Qatar Stock Exchange.

## ENFORCEMENT OF CIVIL LIABILITIES

Qatar is a foreign sovereign state and a substantial portion of the assets of the State are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the State or to enforce in US courts judgments or arbitral awards against the State or to enforce in Qatari courts judgments obtained in US courts or arbitral awards obtained in the United States, including judgments predicated upon the civil liability provisions of United States federal securities laws. It may not be possible to enforce, in original actions in Qatari courts, liabilities predicated solely on United States federal securities laws.

Qatari Law and Qatari courts allow for the enforcement of United States courts judgments or arbitral awards rendered against the State. Certain formalities are required to enforce in Qatari courts a judgment obtained in United States courts or arbitral awards obtained in the United States against the State. Such formalities include: (1) translating the award or judgment into Arabic language, (2) the judgment or award shall be the final determination of a competent court with no further right of appeal, (3) the subject matter was not reserved for the exclusive jurisdiction of the Qatari courts and the foreign judgment or arbitral award has been handed down by a court of competent jurisdiction or a duly constituted arbitral panel, (4) the parties to the proceedings in which the judgment or award was rendered were properly served and represented, (5) the judgment or award is *res judicata* pursuant to the law of the court which rendered the judgment or the arbitration panel which rendered the award, and (6) the foreign judgment or arbitral award does not contradict with a decision or order rendered by a court in Qatar or violates the public policy or morals of the State.

The State has recently adopted a new law organizing arbitration, including the enforcement mechanism of arbitral awards. The enforcement of arbitral awards in Qatari courts is organized by virtue of Articles No. (34) and (35) of the law No. (2) of 2017 regarding the Civil and Commercial Arbitration. Articles (34) and (35) provide, among other things, that arbitral awards shall enjoy “*res judicata*” and shall be enforceable regardless of the country where the award was issued. Recognition or enforcement of any arbitral award may not be refused, irrespective of the country where the award was rendered, except (1) where a party to the arbitration, at the time of the conclusion of the arbitration agreement, was incompetent or under some incapacity, (2) if the arbitration agreement is invalid, or (3) if the party against whom the enforcement is sought were not properly notified or not able to present his defense.

For a discussion of possible limitations on the ability to enforce in Qatari courts judgments obtained in US courts or arbitral awards obtained in the United States, including judgments obtained in actions predicated upon the civil liability provisions of the United States federal securities laws, see “*Risk Factors—Risks Relating to Qatar—Qatari law relating to the enforcement of arbitral awards and foreign judgments is relatively untested and investors in the Bonds may be unable to recover in civil proceedings for US securities laws violations*”. These factors create greater judicial uncertainty than would be expected in certain other jurisdictions. In addition, the Bonds provide that any dispute relating to the Bonds may be brought in any New York State or Federal court sitting in Manhattan, New York, or, at the sole option of any Bondholder, may be resolved by arbitration in accordance with the UNCITRAL Rules. The right to litigate a dispute before any such court may be waived or otherwise made unavailable to Bondholders if an action has already been commenced by arbitration.

To the extent that the State may, in any jurisdiction, claim for itself or its revenues, assets or properties which consist of its public and private properties invested in financial, commercial or industrial activities or deposited in banks (“**Sovereign Assets**”) immunities from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or legal process and to the extent that in any such jurisdiction there may be attributed to itself or its Sovereign Assets such immunity (whether or not claimed), the State shall, in the terms and conditions of the Bonds (the “**Conditions**”), agree for the benefit of the Bondholders not to claim and shall waive such immunity to the fullest extent permitted by the laws of such jurisdiction (including, without limitation, the United States Foreign Sovereign Immunities Act of 1976 and Decree Law No. (18) of 1996 Amending Certain Provisions of Law No. (10) of 1987 in respect of the Public and Private Properties

of the State of Qatar). In addition, to the extent that the State or any of its Sovereign Assets shall be entitled in any jurisdiction to any immunity from set-off, banker's liens or any similar rights or remedies, and to the extent that there shall be attributed, in any jurisdiction, such an immunity, the State shall agree, by virtue of agreement or covenant, not to claim, and shall agree to waive, such immunity to the fullest extent permitted by the laws of such jurisdiction with respect to any claim, suit, action, proceeding, right or remedy arising out of or in connection with any of the Bonds. The waiver of sovereign immunity has never been tested before a Qatari court or any other authority in Qatar.

## **PRESENTATION OF FINANCIAL INFORMATION**

In this Prospectus, all references to “**QR**”, “**Qatari riyals**” and “**riyals**” are to the lawful currency for the time being of Qatar, all references to “**dollars**”, “**U.S. dollars**” and “**U.S.\$**” are to the lawful currency, for the time being, of the United States of America, and all reference to “**Euros**” or “**€**” are to the lawful currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended from time to time. Translations of amounts from riyals to U.S. dollars in this Prospectus are solely for the convenience of the reader. The riyal has been pegged to the U.S. dollar since 1971. Since 1980, the peg has been effectively set at a fixed exchange rate of 3.64 riyals per U.S. dollar and this rate was officially adopted in 2001. Accordingly, translations of amounts from riyals to U.S. dollars have been made at this exchange rate for all periods presented in this Prospectus.

Certain financial information included in this Prospectus has been rounded and, as a result, the totals of the information presented may vary slightly from the actual arithmetic totals of such information.

## PRESENTATION OF CERTAIN RESERVES INFORMATION

### Cautionary Note to US Investors

The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. Certain terms in this Prospectus are used in referring to reserves in Qatar, such as “proven” and “expected” reserves, which the SEC’s guidelines would prohibit Qatar from including in filings with the SEC if Qatar was subject to the reporting requirements under the US Exchange Act.

The State believes that the “proven” and “expected” classifications are similar to, but do not directly correspond with, the definitions of “proved” and “proved plus probable” reserves used by the Society of Petroleum Engineers. Proven reserves are defined in this Prospectus as reserves that are equal to proven ultimate recovery minus cumulative production. Proven ultimate recovery includes:

- (i) the ultimate recovery that is assigned to areas defined by wells that have been drilled and the ultimate recovery that can be obtained from locations falling within areas defined by geological and engineering information, provided that there is no reasonable doubt as to their productivity;
- (ii) the ultimate recovery to be obtained from reservoirs which have proved to be productive by production tests, but which are not yet developed to the stage of production; and
- (iii) the ultimate recovery to be obtained from successful application of supplementary recovery methods, based on experience gained from pilot tests or actual practices in similar reservoir conditions.

Expected reserves are defined as reserves that are equal to expected ultimate recovery minus cumulative production. Expected ultimate recovery is the volume of hydrocarbons which is expected to be recoverable, based on geological and engineering information, from either tested or untested reservoirs that have been penetrated by wells. The expected volumes are discounted by factors related to the uncertainty of production.

Certain reserves information presented in this Prospectus is based on an annual review of reserves compiled by QP. As of the date of this Prospectus, the most recent annual review of reserves was dated as at December 31, 2018. In addition, QP also reviews its reserves classification from time to time. As a matter of QP policy, proven and expected gas reserves for the North Field are presented as the same value. The annual review of reserves has not been reviewed by an independent consultant for the purposes of this offering. See *“Risk Factors—Risks Relating to Qatar—Information on hydrocarbon reserves is based on estimates that have not been reviewed by an independent consultant for the purposes of this offering”*.



## PRESENTATION OF HYDROCARBON DATA

References in this Prospectus to “**tons**” are to metric tons, with one ton being equal to 1,000 kilograms. References in this Prospectus to “**kta**” are to kilotons per annum. References in this Prospectus to “**mtpa**” are to million tons per annum. References in this Prospectus to “**tpa**” are to tons per annum and references to “**tpd**” are to tons per day.

Information relating to production, transportation and sales of processed gas is presented in standard cubic feet. Information relating to production, transportation and sales of LNG and liquefied petroleum gas (propane and butane) is presented in tons, a unit of measure that reflects the mass of the relevant hydrocarbon. Information relating to the production, transportation and sale of condensate and GTL products is presented in barrels. One barrel equals 42 U.S. gallons or 158.9873 liters.

All converted data in this Prospectus with respect to natural gas, LNG, condensate, liquefied petroleum gas and dry gas are estimates only and actual volumes may differ. For information on dry gas, normal cubic meters have been converted to standard cubic feet, with one actual cubic meter equivalent to 37.32584 standard cubic feet. This is not a straight volumetric conversion as normal cubic meters are measured at one bar and zero degrees Centigrade, while standard cubic feet are measured at one bar and 60 degrees Fahrenheit. Propane has been converted based on 12.40 barrels per ton and normal butane has been converted based on 10.94 barrels per ton.

Proven and expected reserves of natural gas have been converted to barrels of oil equivalent in this Prospectus using an oil industry methodology, which converts gas to barrels of oil equivalent on a calorific basis according to a conversion factor of one billion cubic feet of gas (including condensate) to 0.201 million barrels of oil equivalent.

Barrel measurements for volumes sold will vary from volumes produced and mass per barrel will differ between the oil produced onshore, which is lighter and sweeter, and the oil produced offshore, which is heavier and more sour due to higher Sulphur content.

The information provided in this Prospectus on production capacity includes an allowance for plant reliability, and as a result, does not represent peak throughput capacity for the relevant plant or equipment. Production capacity data is consistent with expected typical average production rates. Volumes presented for production capacity following completion of construction are forward-looking projections based upon engineering estimates and actual performance may vary.

## PRESENTATION OF CERTAIN OTHER DATA RELATED TO QATAR

Unless otherwise stated, all annual information contained in this Prospectus, other than budgetary information, has been prepared on the basis of calendar years. Certain figures included in this Prospectus have been rounded and, as a result, the totals of the figures presented may vary slightly from the actual arithmetic totals of such figures.

Statistical data and other information presented herein related to Qatar, in particular, information presented under “*Overview of the State of Qatar*”, “*The Economy of Qatar*”, “*Monetary and Financial System*”, “*Public Finance*”, “*Indebtedness*” and “*Balance of Payments*”, is based on information made available by governmental agencies and entities of Qatar, including the Ministry of Finance, QP, the QCB and the Planning and Statistics Authority.

Some of the data appearing in this Prospectus under “*Overview of the State of Qatar*”, “*The Economy of Qatar*”, “*Monetary and Financial System*”, “*Public Finance*”, “*Indebtedness*” and “*Balance of Payments*” has been obtained from: (i) sources such as (a) the QCB Annual Reports, the Quarterly Statistical Bulletins, the Quarterly Balance of Payments Reports, the Financial Stability Reviews, each published by the QCB; (b) the Qatar Economic Outlook reports, the Annual Trade Bulletins, the Quarterly Foreign Merchandise Trade Statistics, the Qatar Foreign Investment Reports, the National Accounts, the GDP Estimates and the 2015 Census Report, each published by the Planning and Statistics Authority; (c) the National Development Strategies and (d) the Qatar National Vision 2030; (ii) third party industry expert reports; (iii) Qatari press reports and publications, edicts and resolutions of Qatar; and (iv) statistics and data available on the official websites of the Ministry of Finance, the Planning and Statistics Authority, the QCB and the Qatar Information Exchange. In the case of the presented statistical information, similar statistics may be obtainable from other sources, although the underlying assumptions and methodology, and consequently the resulting data, may vary from source to source. The State has relied on the accuracy of such aforementioned information without carrying out an independent verification thereof and cannot guarantee their accuracy. The State confirms that such information has been accurately reproduced, and, as far as the State is aware and is able to ascertain from information published by such sources, no facts have been omitted from the information in this Prospectus that would render it inaccurate or misleading.

Prospective investors in the Bonds should review the description of the economy of Qatar and the public finances of Qatar set forth in this Prospectus in light of the following observations. Statistics contained in this Prospectus, including those in relation to nominal GDP, balance of payments, revenues and expenditure of the Government of Qatar (the “**Government**”), inflation in and indebtedness of Qatar, have been obtained from, among others, the Ministry of Finance, QP, the QCB and the Planning and Statistics Authority. Such statistics, and the component data on which they are based, may be unreliable and may not have been compiled in the same manner as data provided by similar sources in Western Europe and the United States. Similar statistics may be obtainable from other sources, although the underlying assumptions and methodology and, consequently, the resulting data, may vary from source to source. There may also be material variances between preliminary or estimated data set forth in this Prospectus and actual results, and between the data set forth in this Prospectus and corresponding data previously published by or on behalf of Qatar. In particular, measurements of GDP and exports are often revised to account for the final settlement of hydrocarbon exports. Additionally, as of January 2015, the Qatari Consumer Price Index was recalculated to use a base year of 2013 instead of 2007.

In June 2015, the base year for national accounts changed from 2004 to 2013 constant prices. The rebasing exercise follows international standards for national income accounting, which recommends that countries update the national accounts price weights, particularly during times of rapid economic growth and relative price changes. The change in base-year prices affects not only the sector profile of output when measured in constant prices but also constant price GDP growth and its components. Changes in the structure of relative prices between 2004 and 2013 have led to large adjustments in the price weights used to aggregate across output components. In Qatar, the price of hydrocarbon output relative to the price of non-hydrocarbon goods and services is of particular relevance. In 2004,

hydrocarbon prices were far lower than the price of non-hydrocarbon goods and services compared with the same price configuration in 2013. Accordingly, application of 2013 prices in aggregating across sector output gives greater weight to hydrocarbon activity than would application of 2004 prices. Equally, the use of 2013 prices attaches less weight to non-hydrocarbon activity, therefore, measured in 2013 prices, a higher share of hydrocarbon activity in total GDP is expected than if measured in 2004 prices. As a result of 2013 prices giving greater weight to hydrocarbon activity, GDP is impacted because the faster growing non-hydrocarbon part of the economy is weighted less.

In 2016, 2011-2015 GDP data was revised. The revision exercise comprised the collection and integration of new and updated data on government services activities, electricity and water activities, as well as the implementation of the new classification for the economic activities (ISIC Rev.4). In addition, 2014 GDP provisional estimates were revised with the results of the Annual Economic Survey, according to the routine work of revision of GDP estimates.

In this Prospectus “n.a.” means “not available”

## DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the State’s intentions, beliefs or current expectations concerning, among other things, the State’s future economic and financial position, economic strategy, budgets and the State’s plans and objectives.

By their nature, forward-looking statements involve inherent risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Each prospective investor in the Bonds is cautioned that forward-looking statements are not guarantees of future performance and that the State’s actual economic and financial condition may differ materially from that suggested by the forward-looking statements contained in this Prospectus. In addition, even if Qatar’s economic and financial condition is consistent with the forward-looking statements contained in this Prospectus, these developments may not be indicative of developments in subsequent periods. Important factors that could cause those differences include, but are not limited to:

- adverse political, legal, economic and other conditions in Qatar or in the surrounding region;
- any material reduction in the price of and demand for natural gas, crude oil and other hydrocarbons;
- declines in the volume of crude oil and liquefied natural gas exported from Qatar and a slowdown in the rate of development of the North Field; and
- adverse economic conditions affecting, or volatility within, Qatar’s financial or real estate sectors.

Each prospective investor in the Bonds is urged to read this Prospectus, including the sections entitled “*Risk Factors*”, “*Overview of the State of Qatar*”, “*The Economy of Qatar*”, “*Monetary and Financial System*”, “*Public Finance*”, “*Indebtedness*” and “*Balance of Payments*” for a more complete discussion of the factors that could affect the State’s future economic and financial position.

Except as required by law, the State undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the State or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

### **USE OF PROCEEDS**

The net proceeds received by the State from the issue of the Bonds are expected to amount to approximately U.S.\$9,970,000,000 after deduction of the Banks' fees and transaction expenses. The State intends to use the net proceeds from the issue of the Bonds for its budgetary and general funding purposes.

## **OVERVIEW OF THE STATE OF QATAR**

### **Introduction**

Qatar is one of the most prosperous countries in the world, with a nominal GDP per capita of QR248,827 (U.S.\$68,359) (at current prices) in 2019, according to the Planning and Statistics Authority. For most of the past two decades, Qatar was one of the fastest growing economies in the world and its growth was driven by the development of its large natural gas reserves. Following the completion of its LNG projects, in 2011, the rate of economic growth has slowed and this has been compounded more recently by lower revenues from hydrocarbon exports due to lower hydrocarbon production and prices. Qatar, which gained independence from the United Kingdom on September 3, 1971, was ruled from June 27, 1995 until June 25, 2013 by His Highness Sheikh Hamad bin Khalifa Al Thani. During his rule, the previous Emir implemented various initiatives designed to exploit the State's oil and gas resources in a responsible manner, thereby making rapid economic development and the construction of modern infrastructure possible in Qatar. On June 25, 2013, the previous Emir stepped down and his fourth son, His Highness Sheikh Tamim bin Hamad bin Khalifa Al-Thani, became the Emir. Despite rapid economic and social progress, as well as political change, Qatar has maintained its cultural and traditional values as an Arab and Islamic nation.

### **Geography**

Qatar, which shares a land border as well as maritime boundaries with Saudi Arabia, and maritime boundaries with Bahrain, the UAE and Iran, extends over a relatively flat, barren peninsula covered with sand that is approximately 160 kilometers long, covering a total area of approximately 11,651 square kilometers. Doha, which is located on the east coast of the Qatar peninsula, is Qatar's capital city as well as its commercial, financial and cultural center and is also the location of Qatar's international airport. Qatar's most important industrial cities are Ras Laffan Industrial City (located to the north of Doha) and Mesaieed Industrial City (located to the south of Doha).

### **Population**

The Planning and Statistics Authority estimated the population to be 2.69 million as of December 2019. A large portion of the country's population is comprised of non-Qatari nationals, including expatriate workers from Asia and the Middle East. The population growth rate has begun to slow, as compared to the first decade of 2000, where between 2004 and April 2010, the total population of Qatar grew by 128.4%. Since 2012, the population growth rate has decreased as labor demand for major infrastructure projects has decreased. In late 2019, Qatar launched General Census of Population, Housing and Establishments for 2020, which remains ongoing as of the date of this Prospectus.

The official language of Qatar is Arabic, although English is widely spoken.

### **National Vision**

Recognizing that Qatar's considerable wealth creates a host of opportunities as well as challenges, in October 2008, the State's former General Secretariat for Development Planning (which was merged with the Qatar Statistics Authority in 2013 to form the Ministry of Development Planning and Statistics, which was recently renamed the Planning and Statistics Authority) launched the Qatar National Vision 2030. This defines broad future trends and long-term objectives for Qatar, providing the framework within which national strategies and implementation plans can be developed. Besides establishing the foundation for developing Qatar's future strategies and policies, the Qatar National Vision 2030 has also helped to strengthen the coordination among governmental agencies and integrate planning efforts for the Government, the private sector and civic organizations. The four cornerstones of the Qatar National Vision 2030 are human, social, economic and environmental development, in the context of which the State aims to balance modernization and the preservation of traditions; the needs of the current generation and the needs of future generations; managed growth

and uncontrolled expansion; the size and quality of the expatriate labor force; and economic growth and social development, and environmental management.

In March 2011, Qatar published the National Development Strategy 2011-2016 which translates the goals identified in the Qatar National Vision 2030 into actionable targets. The National Development Strategy 2011-2016 seeks to address the State's expected decline in the growth of the oil and gas sector by strengthening the structure and performance of the non-hydrocarbon sectors of the economy. It discusses the need for concerted institutional and organizational capacity building, efficient and transparent delivery of public services, fruitful public-private cooperation and partnerships, a vibrant business climate and a larger space for civil society. It further notes that the State's investment in foreign currency assets and planned investments in physical and social infrastructure beyond the needs of the 2022 FIFA World Cup (the **"2022 World Cup"**) is part of the State's broader strategy to diversify its income base. The State also aims to maximize the value of the income it receives from the exploitation of its mineral assets. The structures governing hydrocarbon-linked investments, upstream and downstream, will be expected to provide adequate flexibility to deal with project specifics, changing costs or market conditions and equitable risk sharing arrangements. In addition, the State intends to ensure that the hydrocarbon rents it shares with private investors are compensated by other benefits that flow to the country such as the acquisition of technology, infrastructure or knowledge and skills. Qatar also intends to leverage its competitive energy resources to contribute to the expansion of its production base and to long-term economic diversification. A follow-up plan, the Second National Development Strategy 2018-2022, is being implemented.

The Second National Development Strategy 2018-2022 provides a strategic framework for implementing the 2030 vision, and includes State developed policies which are designed to attract private sector investment to Qatar through a broad range of investment incentives. It also aims to focus attention and resources towards key national priorities alongside a policy of the rationalisation of government spending. For example all annual implementation plans, development programs and projects provided in the strategy will include detailed costs and budgets. The National Development Strategy 2018-2022 also aims to align all future implementation plans with the Ministry of Finance to ensure adequate funding and overall efficiency of government spending. The State also aims to strengthen its economic diversification efforts by enhancing private sector contribution to the Qatari economy where continued additions to capital stock will enhance the growth of the non-oil and gas sector and support real GDP growth.

Qatar is seeking to further develop its tourism industry. To this effect, in February 2014, it launched the Qatar National Tourism Sector Strategy 2030, which is a long-term strategy that will help advance the tourism industry in Qatar through a series of well-defined plans, programs, projects and policies that were developed according to international best practices and following a nation-wide consultative process. The Government believes that tourism can play an important role in diversifying Qatar's economy.

### **Government Organization**

During his rule, the previous Emir instituted a number of governmental reforms, including the promulgation of the Constitution, which came into effect in 2005 and replaced the provisional constitution that had been created shortly after independence. The Constitution formally separates power among the executive branch, which is comprised of the Emir, with assistance from his Cabinet, the Council of Ministers, the legislature (the **"Advisory Council"**) and the judiciary. The Constitution guarantees all residents of Qatar equality before the law, regardless of their origin, language, religion or gender. Moreover, the Constitution assures personal freedom and privacy, guarantees freedom of expression, association and the media, and prohibits any amendment to individual rights and public liberties (except for the purposes of granting additional rights and guarantees in the interest of citizens). The Constitution also provides guiding principles for the State, including protecting public health, preserving the environment, promoting education and encouraging investment.

Under the Constitution, the Emir, as the State's principal executive officer, head of state and supreme commander of the armed forces, is endowed with various powers, including the power to declare defensive war, make treaties, formulate the general policy of the State, propose and ratify laws, promulgate decrees and appoint the Prime Minister, along with other members of the Council of Ministers (all of whom are answerable to the Advisory Council). The Constitution also provides that the Emir may conclude conventions and agreements by issuing decrees and putting them before the Advisory Council, accompanied by relevant explanations. These become law after being endorsed and published. However, conventions or agreements related to the territories of the State, sovereignty, rights of citizens or amendments to Qatari law are not valid unless explicitly approved by the Advisory Council and issued as a law. In exceptional circumstances that require the documentation of urgent measures without delay, along with the promulgation of laws at a time when the Advisory Council is not in session, the Emir may issue decrees that have the power of law. These decrees must be submitted to the Advisory Council for its opinion, and the Advisory Council has the right to reject or amend them.

The Constitution provides for 30 of the 45 members of the Advisory Council to be elected while the remaining 15 are to be appointed by the Emir. Since the creation of the Advisory Council and until an election takes place, the members of the Advisory Council are those appointed by the Emir, as per Emiri Decree No. (22) of 2017, which renews the appointment of some Advisory Council members (13 members) and appoints other new members (28 members). Furthermore, Emiri Decree No. (27) of 2019 extended the current Advisory Council's term to June 30, 2021. Moreover, Article 81 of the Constitution states that the new appointment and election shall commence during the last 90 days of the term of the Advisory Council however if such election or appointment does not commence or is delayed for any reason, the current Advisory Council shall remain valid.

The functions of the Advisory Council are to assume legislative authority for the State, approve the general policy of the Government and the budget and exercise control over the executive branch. In addition to the Emir and the Council of Ministers, any member of the Advisory Council may propose laws. Draft laws passed by the Advisory Council are subject to the endorsement of the Emir. In the event that the Emir fails to endorse a draft law passed by the Advisory Council, the draft law must be returned to the Advisory Council along with the reasons for the non-endorsement. If the draft law is then approved by the Advisory Council with at least a two-thirds vote, the Emir is required to endorse it. The Emir may stop the implementation of a law for an unspecified period of time if he considers such an action "absolutely necessary for the greater interests of the country".

The Constitution also guarantees the full independence of Qatar's judiciary, which also has a supreme council to oversee the proper functioning of Qatari courts and their related agencies. The judiciary in Qatar was originally established in 1972 as an independent body and divided into a civil and commercial court system, as well as a Shari'ah court system that administered Islamic law. The Public Prosecution which conducts public actions in the name of the people and ensures the enforcement of criminal laws, was established by Article 136 of the Constitution and Law No. (10) of 2002, as amended. In October 2003, Qatar enacted the new Judicial Law No. (10) of 2003, which came into effect in October 2004, and unified the civil and commercial courts with the Shari'ah court into a single judicial body.

Qatari courts determine civil and commercial disputes in accordance with legislation. Qatari courts are made up of preliminary courts, known as the courts of first instance, an appeal court, a court of cassation and the Supreme Constitutional Court. Decisions of preliminary courts may be appealed to the appeal court on points of fact and law, while decisions of the appeal court may be appealed to the court of cassation on points of law only. The Supreme Constitutional Court presides only on certain issues of law such as the legitimacy of laws and regulations under the Constitution and conflicts of jurisdiction between civil and administrative courts. Its rulings, decisions and interpretations are final and binding on State authorities. The chief of the court of cassation is appointed by an Emiri decision, while all other judges are appointed by Emiri decision upon the recommendation of the supreme council.



On June 26, 2013, the Emir issued Emiri Order No. (4) of 2013 forming his new Cabinet. This Emiri Order appointed, among others, H.E. Sheikh Abdullah bin Nasser bin Khalifa Al Thani as Prime Minister and Interior Minister, H.E. Dr. Khalid bin Mohamed Al-Attiyah as Foreign Minister, H.E. Mr. Ali Shareef Al-Emadi as Minister of Finance, H.E. Dr. Hassan Lahdan Saqr Al-Mohannadi as Minister of Justice and H.E. Dr. Mohammed bin Saleh Al-Sada as Minister of Energy and Industry.

In January 2016, the Emir initiated a Cabinet reshuffle, which was the first major reshuffle since taking power in 2013, and involved the merger of various Ministries to improve efficiency and reduce redundancies among the Ministries. In addition, to increase efficiency and reduce public spending, some Ministries were asked to outsource non-core services to the private sector. Other changes included replacing the then-current Foreign Minister with Sheikh Mohammed bin Abdulrahman bin Jassim Al-Thani with the outgoing Foreign Minister being appointed as the new Minister of State for Defence Affairs and with the outgoing Minister of State for Defence Affairs being appointed as an adviser to the Emir. This reshuffle came into effect following publication of Emiri Order No. (1) of 2016 in the Official Gazette on February 29, 2016. In November 2018, the Emir initiated a further cabinet reshuffle, under Emiri Order No.(7) of 2018, resulting in the appointments of a new Minister of Justice, Minister of Municipality and Environment, Minister of Commerce and Industry, Minister of Administrative Development, Labour and Social Affairs and Minister of State for Energy Affairs.

On January 28, 2020, the Emir issued Emiri Order No. (3) of 2020 reshuffling the Cabinet, where he appointed H.E. Sheikh Khalid bin Khalifa bin Abdulaziz Al Thani as Prime Minister and Interior Minister, H.E. Dr. Khalid bin Mohamed Al-Attiyah as Deputy Prime Minister, and State for Defense Minister, H.E. Sheikh Mohamed bin Abdulrahman Al Thani as Deputy Prime Ministry and Minister of Foreign Affairs, H.E. Ali Shareef Al Emadi as Minister of Finance, H.E. Dr Gaith bin Mubarak Al Kuwari as Minister of Awqaf and Islamic Affairs, H.E. Salah bin Ghanem Al Ali as Minister of Culture and Sports, H.E. Dr Issa bin Saad Al Jafari Al Nuaimi as Minister of Justice and Acting Minister of State for Cabinet Affairs, H.E. Dr Mohammed Abdul Wahed Al Hammadi as Minister of Education and Higher Education, H.E Jassim bin Saif Al Sulaiti as Minister of Transport and Communications, H.E. Dr Hanan Mohamed Al Kuwari, Minister of Public Health, H.E. Abdulla bin Abdulaziz bin Turki Al Subaie as Minister of Municipality and Environment, H.E. Ali bin Ahmed Al Kuwari as Minister of Trade and Industry, H.E. Yousuf Mohamed Al Othman Fakhroo as Minister of Administrative Development, Labor and Social Affairs and H.E. Saad Sherida Al-Kaabi as Minister of State for Energy Affairs and member of the Council of Ministers.

The Government's commitment to reforming certain aspects of Qatar's economy and political system began prior to the decrease in hydrocarbon prices. Since coming to power, the Emir has focused on implementing reforms to improve the country's economy and Qatar as a whole, with an emphasis on increasing domestic investments.

## Legal System

Over the past decade, Qatar's legal system has been significantly reformed by the enactment of various pieces of legislation intended to bring Qatari laws in line with international laws, standards and practices. Qatar's civil law now sets forth civil law principles, including with respect to conflict of laws, contracts, rights and obligations, security, ownership and torts.

Qatar's commercial companies law is governed by Law No. (11) of 2015, which came into effect on July 7, 2015 (the "**Commercial Companies Law**") and repealed and replaced Law No. (5) of 2002, which had established Qatar's commercial companies law. The Commercial Companies Law, like its predecessor is, in its content, similar to the companies laws of more mature legal systems. It addresses commercial affairs and entities, competition, commercial obligations and contracts and commercial paper; provides comprehensive provisions addressing bankruptcy matters, permitting creditors to file claims against any corporate entity, except for certain professional companies and other companies that are at least majority-owned by the State; and deals with matters relating to ownership of shares, limited liability, capital contributions, payment of dividends, shareholder rights and obligations, liquidation, accountability of boards of directors and other general principles of

corporate governance. Additionally, under the Commercial Companies Law (a) the Ministry of Commerce and Industry is required to issue new decisions to regulate, and in some instances, tighten, the companies registration process; (b) the Ministry of Commerce and Industry has the right to apply administrative sanctions or fines against companies that are in breach of the law or ordinances issued by such Ministry; (c) a limited liability company can be set up by a single person owning the entire share capital, with the shareholder of a limited liability company being at liberty to determine the share capital of such company; (d) the application of corporate governance rules is now mandatory for listed joint stock companies in accordance with the rules set forth by the QFMA; (e) the Government, governmental entities or companies in which the State owns at least 51% of its share capital may, after obtaining the approval of the Council of Ministers, set up a private shareholding company with one or more national or foreign shareholders (such private shareholding companies are exempt from the provisions of the Commercial Companies Law); and (f) previously, a company would have been dissolved if a share transfer resulted in the number of shareholders being less than the minimum number prescribed by law. Under the Commercial Companies Law, the company will not be dissolved if such a reduction occurs, provided that the company is converted into a new company in which the correct number of shareholders exists within six months of such transfer or the number of shareholders is brought to the minimum.

Furthermore, the State has recently adopted a new Law No. (1) of 2019 regulating the Investment of Non-Qatari Capital in the Economic Activity which repealed Law No. (13) of 2000. The new law states that foreign investors can hold up to 100% of the shares in a company without having a local partner, as detailed in the executive regulation. This excludes the following sectors: banks and insurance companies unless exempted by a Council of Ministers decision, commercial agency activities and any other sectors as indicated by the Council of Ministers decision. However, the executive regulation has not yet been issued and therefore the changes made by the new law remain unclear.

Qatar also issued a new Tax Law No. (24) of 2018 repealing Law No. (20) of 2008 and its amendments by extending the exemptions that were provided under the previous legislation. In addition to the previous exemptions carried over from the repealed tax law, gains resulting from the re-evaluation of assets that are used as in kind contribution to the share capital of a shareholding company residing in the State are also exempt from tax, provided the shares are not sold for a period of five years. The new law further exempts taxes arising from the gross income of legal entities residing in the State, for legal entities fully or partially owned by Qataris in their percentage of dividends. This is in addition to the Executive Regulation issued by the Prime Minister Decision No. (39) of 2019 on the new Tax Law.

Qatar has recently issued Law No. (3) of 2019 amending some of the provisions of the Civil and Commercial Procedure Law No. (13) of 1990, and has previously adopted separate legislation with regard to arbitration, repealing Chapter No. (13) of the Civil and Commercial Procedures Law No. (13) of 1990. Law No. (2) of 2017 regarding Arbitration in Civil and Commercial Matters (the “**Arbitration Law**”) is based on the United Nations Commission on International Trade Law (“**UNCITRAL**”) model and regulates arbitration agreements, the formation of arbitral tribunals, enforcement and recognition of arbitral awards as well as arbitration centers.

The State has also implemented new legislation on public tenders and bids to repeal the previous law on public procurement No. (26) of 2005. Law No. (24) of 2015 on the Tender and Bids (the “**Tenders and Bids Law**”) and its Executive Regulations No. (22) of 2016 (the “**Executive Regulations**”) organize the mandatory public procurement rules that the Government, governmental entities or public institutions shall follow when seeking the services of an external vendor to satisfy their needs. The Tender and Bids Law exempts QP, Qatar Investment Authority, Qatari Armed Forces and entities that are exempted by a special Council of Ministers’ resolution from its scope of application.

Qatar has passed new legislation regulating the Qatari financial system. Law No. (2) of 2015 on the State’s Financial System (the “**Financial System of the State Law**”) regulates the indebtedness,

public budget, financial year of enacting the public financial budget, supervision on executing the public budget, the Government account and the State's final account.

The State has adopted Law No. (5) of 2015 on Industrial and Commercial Shops and Street Vendors to regulate industrial and commercial shops locations, conditions of issuance and termination of licenses as well as provisions regarding consequences of breaching such conditions.

Qatar has amended the existing Commercial Registry Law No. (25) of 2005 by virtue of Law No. (20) of 2014 to include, among other things, provisions requiring the Commercial Registration Office to decide on registration applications on the same day as submitting the application, and that branches of a parent company have the same name and purpose of activity as the parent company. In addition, Qatar passed Law No. (1) of 2020 on the Unified Economic Register where an economic register was established to ensure transparency by collecting information and documents of economic entities, non-profit organizations, independent traders and beneficiaries to allow access by public and competent authorities.

The State has passed other significant legislation in the past two decades, including the Foreign Investment Law No. (1) of 2019, as amended (see "*Balance of Payments—Foreign Investment*"), laws relating to the Qatar Central Bank, the QFMA and the Qatar Financial Centre Law, as well as competition, intellectual property, labor, property, e-commerce, tax and environmental laws.

Following the creation of the Qatar Financial Centre (the "**QFC**") in 2005, Law No. (7) of 2005 came into force (the "**QFC Law**"). The QFC Law, which was amended by Law No. (14) of 2009, established a legal and regulatory regime to govern the QFC that is generally parallel to, and separate from, Qatari laws and the Qatari legal system, except for Qatari criminal law. The QFC has established its own rules and regulations applicable to, among others, financial services companies, which cover topics such as employment, business activities and operations, anti-money laundering, contracts and insolvency. In accordance with the rules and regulations of the QFC, the QFCRA regulates, licenses and supervises banking, financial and insurance-related businesses carried on, in or from the QFC in accordance with legislative principles based on international standards. These standards are modelled closely on those used in London and other major financial centers.

In addition, the Qatar International Court and Dispute Resolution Centre, which was established by QFC Law No. (2) of 2009, is one of Qatar's initiatives to build a world-class international financial center. This center comprises the Qatar International Court (formerly known as the QFC Civil and Commercial Court), the Regulatory Tribunal and the Dispute Resolution Centre. The Qatar International Court allows parties to a dispute to have their matter heard before the QFC court even when the parties to the dispute and the subject matter of the dispute do not have a nexus to the QFC; the Regulatory Tribunal has jurisdiction to hear appeals against decisions of the QFC Authority, the QFCRA and other QFC institutions; and the Dispute Resolution Centre offers international arbitration and mediation services.

### **Anti-Corruption and Anti-Money Laundering**

Qatar has passed legislation in respect of money laundering and has implemented various procedures to ensure the integrity of its public officials. The Qatar National Vision 2030 sets out strategies to promote greater efficiency when dealing with transparency of public bodies and public officials. Law No. (20) of 2019 on Combating Money Laundering and Terrorism Financing is the key piece of legislation that deals with combating money laundering and terrorism financing. This law aligns Qatar's anti-money laundering and terrorism financing regulations with the standards of the Financial Action Task Force and replaces Law No. (4) of 2010 on Combating Money Laundering and Terrorism Financing, which established the Qatar Financial Information Unit, a body responsible for receiving, analyzing and disseminating information concerning suspected proceeds of crime, potential money laundering or potential terrorism financing transactions or operations. Pursuant to this law, the QCB issued regulations combating money laundering and the financing of terrorism for the banking and financial institutions it regulates. The QFMA and the QFCRA have also issued similar rules, such as

the Anti-Money Laundering and Combating Terrorist Financing Rules No. (1) of 2020 which repealed QFMA Decision No. (2) of 2010 and applies to entities subject to QFMA rules and regulations.

Furthermore, Emiri Decree No. (94) of 2013 established the Anti-Corruption and Rule of Law Centre (“**ACRLC**”) and provides that the ACRLC shall generate know-how and improve the knowledge base of individuals and organizations to help them work against corruption in a manner consistent with international standards and local requirements. The ACRLC also creates strategic partnerships with competent authorities at the UN and abroad to achieve its goals. Moreover, Emiri Decree No. (84) of 2007 established the National Committee for Transparency and Integrity (“**NCTI**”) and states that its duties are to establish and implement a strategy to ensure transparency in operating state owned assets, a transparent tendering process and a channel for public complaints. Furthermore, the decree provides that the NCTI will cooperate with international anti-corruption organizations to share expertise, spread awareness and train employees at governmental entities within the State. The Penal Code No. (11) of 2004 in Articles 140-147 also criminalizes the act of bribery to public officers and employees.

The State has also incorporated the UN Convention against Corruption with Emiri Decree No. (17) of 2007, which states that the UN Convention against Corruption has the power of law in the State as per Article 68 of the Constitution with reservations on the application of Article 66.2. This UN convention required signatories to establish an entity ensuring the transparency and integrity of institutions and as such the State established the Administrative Control and Transparency Authority (“**ACTA**”) by virtue of Emiri Decree No. (75) of 2011. ACTA is responsible for safeguarding and promoting the integrity of public and private bodies by liaising with ministries and institutions of the State. ACTA implemented Law No. (24) of 2015 regarding tender request compliance with internationally recognized standards on transparency and integrity and is currently examining various legislative proposals to further strengthen the desired outcomes of this UN convention.

The Financial Action Task Force on Money Laundering (“**FATF**”), an inter-governmental body which sets global standards for tackling terrorist financing, money laundering, and other threats to the global financial system, is scheduled to conduct an on-site visit in Qatar in mid-2020, to assess Qatar’s technical compliance to FATF guidelines, together with the effectiveness of its measures for combating money laundering, terrorism financing and other related threats. Qatar is also a member of the Middle East and North Africa Financial Action Task Force, a FATF-style regional body, which aims to adopt and implement the FATF 40 Recommendations on combating money laundering and financing of terrorism and proliferation, as well as implement the relevant UN treaties and agreements and United Nations Security Council Resolutions.

## **Employment and Wages**

The unemployment rate in Qatar remained stable at 0.1% in 2016, 2017 and 2018. Given the small size of the indigenous population, the economy is dependent on foreign workers with non-Qatari constituting 94.7% of the total labor force as at September 30, 2019. As at September 30, 2019, the Planning and Statistics Authority estimated that the economically active population stood at 2.1 million, with an unemployment rate of 0.1%.

Labour Law No. (14) of 2004, as amended by Law No. (1) of 2015 (the “**2015 Labour Law**”), grants rights to certain workers, but excludes from its scope, among others, employees of the Ministries and Government corporations, companies incorporated by QP or in which QP owns a stake, companies that are party to joint venture agreements in the petroleum sector and petrochemicals industries and companies that are party to exploration and production sharing agreements and field development agreements. Qatari labor law provides that employees working in any organization with more than 100 Qatari employees have the right to form an employee committee, although this right is rarely exercised.

According to the Labor Force Statistics Bulletin, in 2017, approximately 1.6 million people were employed by the private sector, representing 78.1% of the employed population and approximately 212,254 people were employed in the public sector (including governmental departments, companies

and corporations and diplomatic workers), representing 10.4% of the employed population, with the remaining 11.5% being employed in the domestic, the non-profit or the mixed sector.

The passing of Emiri Decree No. (50) of 2011 led to a 60% increase in the basic salary and social allowances for state civilian employees, a 120% rise in the basic salary and social allowances for military personnel with a rank of officer or above and a 50% increase in basic salary and social allowances for personnel of other ranks. The pensions of retired civilian employees and retired military officers were increased by 60% and 120%, respectively, and the pensions of retired non-officer military personnel were increased by 50%. As at the date of this Prospectus, the Government has no further plans to increase or decrease salaries for public sector employees in the foreseeable future. However, the Government intends to streamline the employment structure in the public sector by limiting the number of new hires in such sector.

In November 2015, a new wage protection system came into effect. This system applies to employees whose employment is governed by Qatar Labour Law Act No. 1 of 2015, amending Act No. (14) of 2004, and is designed to ensure that workers are paid as per their employment contract. A key feature of the system is that they must be paid in riyal into a local bank. The requirements are consistent with legislation introduced in other GCC countries including Kuwait, Saudi Arabia and the UAE.

In October 2018, Law No 13 of 2018 came into force, amending certain provisions of the 2015 Labour Law and regulating the entry, exit and residency of expatriates, to allow expatriate workers covered under the 2015 Labour Law to leave the country temporarily or for good without any exit permit within the work contract duration. Pursuant to this new law, an employee will be able to change employer if his employment contract has terminated or if he has been with his employer for five or more years, although the Ministry of Labour will have the right to give the employee a no objection certificate before the expiry of his contract. Under this new law, a resident will be able to leave the country without first having to obtain an exit permit, upon notification to the competent department at the Ministry of Interior.

It is the Government's strategic goal to increase the proportion of Qataris in both the public and the private sectors. This policy, known as "Qatarization", is effected by giving preference in employment to suitably qualified Qataris. The Government's aim is to increase the proportion of Qataris in the energy and industry sector to 50% by 2020; there is also a Government recommendation of 20% employment of Qatari nationals in other sectors. The Government is also seeking to improve the education and technical skills of the Qatari population to assist with the development of Qatar's industrial sector. According to the Planning and Statistics Authority, the number of Qatari employees increased by approximately 2.4% in 2017, 1.9% in 2018 and 3.1% in 2019 to reach 104,266, 106,262 and 109,565 people, respectively.

Currently, a significant proportion of the expatriate labor force in Qatar is composed of unskilled workers on low salaries. The Government is committed to changing its approach in certain sectors, such as healthcare, over the next few years by focusing on hiring fewer but more skilled and highly paid expatriate workers.

## **Education**

Education is compulsory until the age of 18 or the completion of the preparatory stage, and is provided free to all Qatari nationals as well as to all children of non-Qatari residents who work in the public sector. Education takes the form of a 12-year public school system, including elementary school, preparatory school and secondary school. As at the end of April 2017, Qatar had 266 primary schools, 159 preparatory schools and 142 secondary schools. Qatar's literacy rate (measured for 15-year old individuals and above) was 98.5% in 2016 and 98.4% in 2015.

Qatar University is made up of seven colleges and offers the following subjects: Education, Arts and Sciences, Shari'ah and Islamic Studies, Engineering, Law, Business and Economics, Medicine and Pharmacology.

In 1995, the Government established the Qatar Foundation for Education, Science and Community Development to support education, scientific research and community development in Qatar. The Qatar Foundation has successfully created a unique academic environment that engages students at every stage of their academic lives. From as early as six months, the Qatar Foundation provides primary and secondary schooling, and higher education opportunities at undergraduate, graduate and doctoral candidate levels. In 2015, over 6,000 students were enrolled across the different institutions.

In 2001, the Qatar Foundation created Education City, a 14 million square meter area of learning and research facilities. Education City houses many branches of foreign universities offering various types of degrees in their area of specialty, including the Virginia Commonwealth University School of the Arts, the Weill Cornell Medical College, Texas A&M University, Carnegie Mellon University, Georgetown University School of Foreign Service, Northwestern University and University College London. As of March 2019, over 2,500 students have graduated from the Qatar Foundation's partner universities. The presence of these universities is testimony to Qatar's commitment to creating a world-class education system.

In line with efforts to develop Qatar as a center for research and development, the Qatar Foundation and 21 partner organizations in the energy, environment, health sciences, information, communications and technology fields have invested in the Qatar Science and Technology Park since 2004. This park is designated as a free zone allowing full foreign ownership, and is designed to provide a home for technology-based companies from around the world and to act as an incubator for start-up enterprises. It provides exclusive services through the free zone to companies undertaking research and development, with nearly 40 companies of varying size working inside it.

Since its creation, the Qatar Foundation has established centers and joint ventures across its core areas of education, science and research, and community development. There are currently more than 50 Qatar Foundation entities working together to support the goals of the Qatar National Vision 2030.

## **Healthcare**

The Ministry of Health oversees public healthcare provision and regulation of the private healthcare sector. As part of the Government restructuring in January 2016, it took responsibility for the Supreme Council of Health, a governmental agency which had been established in 2009 by Emiri Decree No. (13) of 2009 under the name National Health Authority to regulate the medical profession, set the health research agenda and monitor and evaluate progress in the health sector. The Ministry of Health was also given responsibility for Hamad Medical Corporation, which runs the public hospitals and other facilities in Qatar. Meanwhile, Emiri Decree No. (7) of 2013 established the Qatar Council for Healthcare Practitioners as an independent council responsible for regulating healthcare practitioners working in both the governmental and private healthcare sectors in Qatar.

The 2020 budget allocates QR22.6 billion (U.S.\$6.2 billion) for the healthcare sector. Major projects to improve the healthcare services include the expansion of Hamad Medical Corporation facilities and the establishment of several new healthcare centers.

Qatar's healthcare sector is equipped with advanced medical equipment, highly qualified staff and a country-wide network of hospitals and healthcare centers.

Until recently, free healthcare was available to all Qatari citizens under a national health insurance program, known as Seha, which enabled Qatari citizens to have access to Government hospitals as well as private healthcare service providers. However, as of December 31, 2015, Seha was cancelled and Qatari citizens will in the future, in addition to having access to public hospitals, be covered by selected private insurance providers, with any premiums being paid by the Government. Healthcare services are provided by a mix of public, private and semi-government providers, with public providers constituting most of the healthcare activity across the country.

Since the launch of the first National Health Strategy in 2011, the health system has invested heavily in expanding the healthcare service provision, additional infrastructure, workforce capacity and

capabilities. Five new hospitals opened in Qatar between 2011 and 2016 and four more began services in 2016 and 2017. Primary care provision is expanding rapidly, with six new health centers having opened in 2015 and 2016. Many more governmental facilities are planned to open from 2018 and beyond, including 13 new or expanded secondary care facilities and hospitals and 10 wellness centers.

Qatar has witnessed great strides in the healthcare sector despite the Quartet Blockade that has been in place since June 5, 2017. In January 2018, Sidra Medicine Research Centre, which had already started the operations of its outpatient department, opened the doors for inpatients.

## Environment

Qatar's Ministry of Municipality and Environment is responsible for the protection of the environment and the preservation of endangered wildlife and natural habitats. To strengthen its efforts, Qatar has passed legislation relating to the protection of the environment, including Law No. (30) of 2002, which outlines the framework for environmental protection policy in Qatar, including protecting the environment, developing natural resources, counteracting the effects of pollution and protecting human health and other living organisms from environmentally harmful activities and actions. Moreover, Article 33 of the Constitution commits Qatar to environmental protection and preservation, with a view to maintaining sustainable development for future generations. The State also maintains an Environmental Prosecution Department, which is responsible for investigating and prosecuting violations of Qatar's environmental laws.

According to the adopted environmental regulations, detailed environmental impact assessment studies and environmental management plans should be conducted and submitted and environmental permit(s) should be obtained for all facilities and projects, including infrastructure projects (for example, railway and roads) in order to avoid any immediate or long-term negative impacts and conserve the natural balance of the environment. The studies and plans are specified according to the various stages of a project as follows and need to be conducted by accredited environment consultants:

- at the policy stage, a strategic environmental assessment;
- at the planning and design stage, an environmental impact assessment;
- before and during the construction stage, a construction environmental management plan; and
- before the operational stage, an operational environmental management plan.

Qatar is a signatory to a number of international environmental conventions and protocols, including, but not limited to, the UN Framework Convention on Climate Change, the Kuwait Convention on the Protection of Marine Environment, the Basel Convention on the Control of Trans-Boundary Movement of Hazardous Wastes and their Disposal (the “**Basel Convention**”), the Stockholm Convention on Persistent Organic Pollutants (the “**Stockholm Convention**”), the Rotterdam Convention on Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (the “**Rotterdam Convention**”), the Convention on Biological Diversity, the Vienna Convention for the Protection of the Ozone Layer (the “**Vienna Convention**”), the UN Convention to Combat Desertification and the Paris Agreement on climate change in 2016. In accordance with the Basel Convention, Qatar prohibits hazardous waste from entering the country and is working with the private sector to develop specialized treatment centers to store hazardous industrial waste materials. Qatar has adopted the general policies of the Strategic Approach to International Chemicals Management through various environmental agreements on hazardous substances and wastes consistent with the Basel Convention, the Rotterdam Convention, the Stockholm Convention and the Vienna Convention. In addition, the State adheres to the Globally Harmonised System of Classification of Hazardous Materials through Transport.

In 2007, the United Nations Educational, Scientific and Cultural Organization (“UNESCO”) declared the Al-Reem Reserve a biosphere reserve, protecting the biodiversity in the region and encouraging a balance between the priorities of preserving natural heritage and sustainable development.

In 2009, Qatar joined the Global Gas Flaring Reduction Partnership, a global effort to reduce the flaring of gas associated with oil production, making Qatar the first GCC state to join this effort, according to the World Bank. The specific focus of Qatar’s efforts is to eliminate routine sources of associated gas venting that could be captured and conserved, other than those which arise as a result of an emergency or operational problem and to ensure the health and safety of those involved in production operations.

In the Qatar National Vision 2030, environmental development is included as one of Qatar’s four pillars, emphasizing the importance of protecting and preserving Qatar’s unique environment, balancing the needs of economic growth and social development with the conditions of environmental protection. Qatar continues to focus on environmental issues, in particular the preservation of vegetation cover and rehabilitation and replanting the Qatari mainland. The replanting projects that Qatar had listed among its priorities and strategies are considered to be a pioneering step towards a sustainable Qatari environment.

### **Culture, Sport and Media**

The State has been committed to supporting the cultural development of Qatar. For example, the State opened the Museum of Islamic Art, a 45,000 square meter museum designed by Pritzker Prize-winning architect I.M. Pei in 2008 and the National Museum of Qatar, designed by French architect, Jean Nouvel in March 2019.

Qatar has multiple news networks providing television and radio broadcasting services, including the Al Jazeera news organization which is headquartered in Qatar and broadcasts current affairs, features, analysis, documentaries, live debates, entertainment, business and sports, to a worldwide audience.

Qatar annually hosts premier international sporting events, including golf, cycling, moto Grand Prix and tennis events and will host the 2022 World Cup. Additionally, Qatar hosted the following international tournaments: the 2006 Asian Games, the 2010 World Indoor Athletics Championship, the 2011 Asian Cup soccer competition, the 2015 Men’s World Handball Championships and the 2019 World Championship in Athletics.

Qatar remains committed to developing cultural and entertainment projects and events to boost its tourism sector over the next few years.

### **Foreign Relations**

#### ***Global Organizations and Summits***

Qatar has been a member of the WTO since 1996. In line with its commitment to the WTO, Qatar’s policies are focused on the liberalization of the economy and trade, the reduction of tariffs and increasing and diversifying exports.

Qatar is a member of the United Nations and was a non-permanent member of the UN Security Council for a two-year term in 2006 and 2007. On June 22, 2011, Nassir Abdulaziz Al-Nasser, the Permanent Representative of Qatar, was elected President of the 66<sup>th</sup> session of the United Nations General Assembly. Qatar is also a member of numerous other international and multilateral organizations, including, among others, the League of Arab States, the Organization of The Islamic Conference, UNESCO, the Multinational Investment Guarantee Agency, the IMF and the World Bank. In January 2019, Qatar left OPEC to focus on gas production.

Qatar is a member of the Gas Exporting Countries Forum (“GECF”), which has 12 members and whose headquarters for its permanent secretariat is in Doha. The fifth GECF Gas Summit took place in Equatorial Guinea in 2019 and the 20th GECF Ministerial Meeting took place in Trinidad and



Tobago in November 2018. Qatar will host the sixth GECF Gas Summit in 2021 in Doha. The GECF's objectives include exchanging information on a broad range of issues such as new technologies, investment programs, relations with natural gas consuming countries and environmental protection.

In addition to its memberships in various global organizations, Qatar has hosted numerous economic, political and financial summits and conferences, including the World Media Summit in March 2016.

### ***GCC Membership***

Qatar is an advocate for regional integration and is a member of the GCC, whose other members are Bahrain, Kuwait, the UAE, Oman and Saudi Arabia.

Since 2001, members of the GCC have been meeting with the goal of eventually establishing a common currency and improving economic integration. Since 2010, there have been talks about the future of the monetary union established in 2008 and the common currency. However, these talks, as at the date of this Prospectus, have not resulted in any concrete proposals. Throughout the discussions on the monetary union and single currency, Qatar has maintained its historical currency peg to the U.S. dollar.

### ***Regional Relations***

Qatar has historically had good relations with other members of the GCC and the wider Middle East and North Africa region in general. However, on June 5, 2017, Bahrain, Egypt, Saudi Arabia and the UAE (the “**Quartet**”) took steps to cut trade, transport and diplomatic ties with Qatar (the “**Quartet Blockade**”). The measures adopted included a sudden and unprecedented closure of sea and air routes with Qatar and a closure of the land border between Qatar and Saudi Arabia (Qatar's only land border), which created logistical challenges for Qatar. The blockade disrupted historical trade routes that Qatar has depended on for the import of key consumer goods, food staples and industrial materials. As part of the Quartet Blockade, Qatari officials and diplomats were also expelled from the Quartet countries. See “*Risk Factors—The State is located in a region that is subject to ongoing geopolitical, political and security concerns, and the State has recently been subject to a blockade by four countries*” and “*Overview of the State of Qatar—Foreign Relations—Regional Relations*”.

Kuwait and Oman have maintained ties with Qatar. Diplomatic efforts to end the Quartet Blockade are being undertaken by Kuwait, which has been mediating between Qatar and the relevant governments, the United States and several other countries. Additionally, Qatar has lodged a complaint with the WTO and written to the UN Security Council to defend itself against the allegations. While Qatar has taken certain measures to minimize the impact of the Quartet Blockade, including in particular chartering cargo planes to import food staples from alternative countries such as Turkey and Iran, increasing investment in the agricultural sector to encourage domestic food production and repatriating funds from the QIA, the economic, social and fiscal impact of the Quartet Blockade on Qatar remains uncertain, and it is unclear if the matter will be resolved in the near-term. See “*Economy – The Quartet Blockade and Qatar's Response*” and “*Risk Factors – The State is located in a region that is subject to ongoing geopolitical, political and security concerns, and the State has recently been subject to a blockade by four countries*”.

Additionally, in 2014, Qatar had a disagreement with some GCC countries over regional relations, which led to the recalling of ambassadors by those countries following which the ambassadors returned to Qatar and relations were normalized.

A territorial dispute with Bahrain over the Hawar Islands and a maritime boundary was resolved through a ruling in 2001 by the International Court of Justice in The Hague. Both countries agreed to the ruling, and Bahrain kept the main Hawar Island, but dropped claims over parts of mainland Qatar, while Qatar retained significant maritime areas and their resources.

Qatar has had a long-term dialogue with Saudi Arabia over their shared borders. The Dolphin pipeline from Qatar to the UAE also passes through an area that has been subject to dispute between

Saudi Arabia and Qatar and between Saudi Arabia and the UAE. In 2001 and 2008, major agreements were reached on the delimitation of the land and maritime borders between Saudi Arabia and Qatar and joint minutes were filed with the UN. In the joint minutes from July 2008, Qatar agreed to grant a maritime corridor in its own territorial waters to Saudi Arabia that crosses the Dolphin pipeline. These joint minutes were subsequently approved by a decree of the Emir of Qatar and the King of Saudi Arabia and thereafter registered with the Secretariat of the UN in March 2009. In June 2009, the UAE sent a letter to the UN reserving its rights in relation to certain parts of the joint minutes which the UAE views as conflicting with its sovereignty and as being incompatible with existing agreements between Qatar, the UAE and the Emirate of Abu Dhabi. In November 2009, Saudi Arabia sent a response letter to the UN reserving its rights in relation to certain disputes with the UAE and requesting that the UAE delineate its borders with Saudi Arabia. Qatar has not filed any letters with the UN on the subject since the joint minutes in 2008 and as at the date of this Prospectus, there have not been any further developments on this matter. Qatar does not believe it has any open border disputes.

Qatar seeks to maintain good relations with all countries in the region, including Iran and Iraq. A portion of Qatar's principal gas field, the North Field, extends into Iranian territorial waters. Qatar and Iran concluded a maritime border agreement in 1969, and the boundary between the two countries is not disputed. Qatar engages in regular bilateral talks with the Iranian government to ensure friendly and cooperative relations between the two countries, and delegations from both countries have met to review bilateral relations as well as to explore means of bolstering them, especially in the energy and industrial sectors. In August 2017, Qatar restored full diplomatic relations with Iran, which had been broken off in January 2016 in response to an incident at the Saudi embassy in Tehran, and announced that it was sending its ambassador back to Tehran.

Over the past several years, Qatar has become an important mediator in regional conflicts including in Lebanon, Palestine and Sudan. Qatar has frequently backed up its mediation work with concrete aid and development assistance. Notable examples include building housing units in Gaza to rehouse families who lost their home during the conflict with Israel in July and August 2014.

In May 2010, Qatar chaired the Arab Peace Initiative Follow-Up Committee in Egypt, at the headquarters of the Arab League, to discuss U.S. proposals relating to Palestine. In 2011, Qatar, along with the UAE, and pursuant to a UN vote authorizing air strikes in Libya, joined the NATO led international forces to aid the Libyan National Transitional Council. Qatar has also been involved in some reconciliation attempts between Fatah and Hamas and, in particular, in February 2012, the Palestinian President and the chief of Hamas met in Doha, in the presence of the previous Emir to put an end to the ongoing conflict and, in February 2016, Doha hosted discussions between Fatah and Hamas. Qatar has also repeatedly condemned, alongside other members of the international community, Syria in its use of force against its civilian population. Qatar has been a member of the Arab League since 1971 and the 24th Arab League summit was held in Doha in March 2013.

In April 2016, Turkey and Qatar entered into a military agreement pursuant to which Turkey has set up a new military base in Qatar. This agreement shows a strengthening of cooperation between the two countries. Relations between Turkey and Qatar have been strengthened further in the wake of the Quartet Blockade, with increased bilateral trade between the two countries. See "*Economy – The Quartet Blockade*". Qatar has pledged to invest U.S.\$15 billion in Turkey to boost the Turkish lira as well as boost investments and other measures including, in August 2018, the central banks of both Turkey and Qatar signing a U.S.\$3 billion currency swap agreement to provide liquidity in Turkey.

### ***U.S. Relations***

Qatar has a close and cordial relationship with the United States, having signed a defense treaty with the United States in June 1992, thereby initiating a period of close coordination in military affairs that continues to the present, including contributing to coalition forces during the first Gulf War. The United States maintains pre-positioned military equipment in Qatar and engages in cooperative defense exercises. The United States and Qatar continue to cooperate on counterterrorism efforts and

military affairs, with U.S. Air Force deploying B-52 bombers to be based at the Al Udeid Air Base in Qatar in April 2016 to join the fight against the Islamic State. This was the first time that the B-52 bombers have been based in the Middle East since the end of the Gulf War in 1991. In June 2017, Qatar signed a U.S.\$12 billion deal to purchase 72 F-15 combat jets from the United States, to increase security cooperation and interoperability between the U.S. and Qatar. The F-15 combat jets are expected to be delivered beginning in 2021. In January 2019, the U.S. Secretary of State signed a memorandum of understanding with Qatar regarding the expansion and renovation of Al Udeid Air Base, which hosts the forward headquarters of the U.S. military's Central Command and some 10,000 American troops. Construction on the area is expected to start in 2020 and be completed in 2021.

In 2005, Qatar set up the Qatar Katrina Fund, which presented a donation of U.S.\$100 million to assist victims of the hurricane and back efforts to rebuild the region. The fund provided financing to approximately 18 institutions working in the areas of education, housing and health. Since the establishment of the fund, Qatar's Ambassador to the United States has been visiting the region at frequent intervals to meet with some beneficiaries of the fund. In September 2017, Qatar pledged U.S.\$30 million to assist the victims of hurricane Harvey in Texas.

Additionally, between 1996 and 2006, the U.S. Export Import Bank provided substantial amounts in loan guarantees to support various natural gas development projects where U.S. oil and gas companies made significant investments in Qatar. In an effort to expand bilateral trade and investment, the United States and Qatar signed a Trade and Investment Framework Agreement in 2004, which created a joint council to establish a permanent dialogue with the goal of resolving trade issues and deepening the bilateral trade relationship.

In 2019, the United States accounted for 18.8% of Qatar's total imports and 1.4% of total exports, as compared to 19.4% of total imports and 1.3% of total exports in 2018; 16.3% of total imports and 1.3% of total exports in 2017; and 14.3% of total imports and 1.2% of total exports in 2016.

In September 2015, the QIA opened a new office in New York City to manage its growing investment portfolio in the United States. In September 2015, QIA committed to invest U.S.\$35 billion in the US, and in December announced plans to invest an additional U.S.\$10 billion into US infrastructure projects. The majority of the U.S.\$45 billion has now been invested, but additional project are expected in the future. In October 2015, the first high-level U.S.-Qatar Economic and Investment Dialogue took place in Washington D.C., involving, among others, the U.S. Secretary of State and the Secretary of Treasury. The dialogues alternate between the two countries and the second was held in Doha on December 13, 2016.

On January 30, 2018, Qatar and the United States held an inaugural Strategic Dialogue meeting which was attended, by among others, the U.S. Secretary of State and U.S. Secretary of Defense. The countries discussed specific areas of partnership, including defense, counter terrorism, combating extremism and trade and investment. The two countries committed to elevate their bilateral relationship by signing a memorandum of understanding to establish an annual Strategic Dialogue.

In addition, the QIA recently completed its first large construction project in the United States. Qatari Diar, the QIA's real estate development company, and international real estate firm, Hines Interests Limited Partnership, have completed the Conrad Washington, D.C., a 360-room luxury hotel with ground-floor retail space in central Washington, D.C. in partnership with Conrad Hotels & Resorts, the luxury hotel brand of Hilton Worldwide, which opened in March 2019.

### ***Asian Relations***

Qatar has strong relations with many Asian countries, including Japan, South Korea, China, India and Singapore. The majority of Qatar's oil exports are shipped to Asia, and the region is an important destination for Qatari LNG. In 2019, Asia accounted for 80.1% of total exports and 33.9% of Qatar's total imports as compared to 81.1% of total exports and 36.4% of total imports in 2018; 77.1% of total exports and 32.3% of total imports in 2017; and 72.7% of total exports and 30.7% of total imports in 2016.

Japan is an important trade partner for Qatar, for both imports and exports. In 2016 Japan accounted for 19.1% of Qatar's total exports and 6.7% of Qatar's total imports. In 2017, Japan accounted for 17.1% of Qatar's total exports and 5.3% of total imports. In 2018, Japan accounted for 17.4% of total exports and 4.4% of Qatar's total imports. In 2019, Japan accounted for 18.6% of total exports and 3.0% of Qatar's total imports. Japan, which first began importing Qatari LNG in 1996, is a primary destination for LNG exports and is also the primary destination for Qatari crude oil, condensate and liquefied petroleum gas. Japanese companies have made significant investments in Qatar over the years.

Qatar has close relations with South Korea, exemplified by the rapid growth and development of economic and trade relations in the public and private sectors. South Korea accounted for 15.6% of Qatar's total exports and 2.1% of Qatar's total imports in 2016. In 2017, South Korea accounted for 15.8% of Qatar's total exports and 1.9% of total imports in 2017. In 2018, South Korea accounted for 17.4% of total exports and 1.9% of Qatar's total imports. In 2019, South Korea accounted for 15.6% of total exports. In addition to being an importer of Qatari LNG, South Korean shipyards also build many of the LNG vessels which currently transport, or are anticipated to transport, Qatari LNG.

Qatar and China have had continuous diplomatic relations since 1988. The State, represented by QP, entered into an Exploration and Production Sharing Agreement with Shell and PetroChina Company Limited in May 2010 for exploration of natural gas in Qatar's Block D offshore area. In 2016 China accounted for 7.8% of Qatar's total exports and 10.4% of Qatar's total imports. In 2017, China accounted for 10.7% of total exports and 11.4% of Qatar's total imports. In 2018, China accounted for 11.4% of total exports and 12.4% of Qatar's total imports. In 2019, China accounted for 12.4% of total exports and 12.2% of Qatar's total imports.

India has recently become a more important trading partner of Qatar. In 2016 India accounted for 12.9% of Qatar's total exports and 3.7% of Qatar's total imports. In 2017, India accounted for 12.3% of Qatar's total exports and 5.3% of total imports. In 2018, India accounted for 12.1% of total exports and 6.3% of Qatar's total imports. In 2019, India accounted for 12.2% of total exports and 5.3% of Qatar's total imports. India's state-owned LNG importer, Petronet, is Qatar's largest single LNG customer with a long-term sale and purchase agreement for 8.5 mta, following an increase in allocated volume as a result of the contract renegotiations that took place in December 2015.

Qatar and Singapore have actively been cooperating in various fields since the first Qatar-Singapore High Level Joint Committee meeting in October 2006, with particular emphasis on cooperation in the fields of economy, security, civil defense, information technology, communications and legal matters. The seventh meeting of the committee was held in Qatar on March 6, 2016. During this meeting, the two countries signed a memorandum of understanding relating to education and another one relating to legal matters and they renewed the existing memorandum of understanding relating to cooperation and exchange in the area of capacity development of government officials and sectoral leaders. The two countries reiterated their commitment to the continuation of the work of the committee as the major pillar of cooperation between them. In 2016, Singapore accounted for 5.2% % of Qatar's total exports, with crude oil being the primary source of exports. In 2017, Singapore accounted for 9.3% of Qatar's total exports. In 2018, Singapore accounted for 8.1% of total exports. In 2019, Singapore accounted for 7.6% of total exports.

### ***African Relations***

Over the past decade, Qatar has developed its relations with African countries by receiving a number of African heads of state. Recent visits have included those of the presidents of Kenya, Nigeria and Eritrea and many African countries have opened embassies in Doha. In addition, Qatar has aided in the mediation of certain conflicts in Africa, including Eritrea's conflicts with Ethiopia, Djibouti and Sudan. Qatar has been involved in the discussions to find a solution to the Darfur conflict in Sudan and was instrumental in setting up the Doha Darfur Peace Document which is now the framework for the comprehensive peace process in Darfur. In September 2014, Qatar entered into an agreement to provide a grant of U.S.\$88.5 million to the UN multi-partner trust fund, to fund recovery efforts in

Darfur. Qatari companies have invested in Africa, for example, in September 2014, QNB purchased a 23.5% stake in Ecobank, one of the largest pan-African banks.

### ***European Relations***

Qatar's relations with the European Union (the "EU") have strengthened over the years through the exchange of official visits with various EU countries, including the UK, France, Germany, Italy, Spain, Luxembourg and Belgium. During these visits, several bilateral agreements and memoranda of understanding, covering political, economic, cultural and informational matters, were signed. One of the latest examples of this cooperation includes the signing, in March 2016, of a bilateral defense agreement between Qatar and the UK. In December 2017, Qatar signed an agreement to purchase 24 Eurofighter Typhoon combat jets from British BAE Systems PLC, to be delivered from 2022. The GBP 5 billion deal, which includes maintenance, training and the sale of missiles, was finalized in September 2018. In December 2017, Qatar also announced its intention to purchase a further 12 Rafale combat jets from French company Dassault Aviation SA, having previously purchased 24 Rafale jets in 2015. In October 2017, following the first visit by a Russian defense minister to Qatar, Qatar announced that it had signed an agreement with Russia on military technical co-operation, along with a memorandum of understanding relating to air defense and military supplies.

Currently, all six GCC countries benefit from preferential access to the EU market under the EU's Generalized System of Preferences. The EU Financing Instrument for Cooperation with Industrialised and Other High-Income Countries and Territories for the period 2014-2020 became effective on January 1, 2014 and is the framework for financial cooperation activities between the EU and the Gulf region (in addition to other high-income countries).

Qatar has LNG sale and purchase agreements with companies in EU countries, including the UK, Italy, Spain, Poland and Austria, as well as other sales on the spot market. British, Dutch, Italian and French companies are the EU's main investors in the oil and gas sector in Qatar. See "*The Economy of Qatar—Oil and Gas Industry*". In addition, Britain and France have signed defense treaties with Qatar. In March 1988, the EU and member countries of the GCC signed a cooperation agreement that included provisions for complementing and strengthening relations between the EU and the GCC and generally liberalizing trade between the two regions by providing for the negotiation of a free trade agreement. However, as at the date of this Prospectus, an EU-GCC free trade agreement has not yet been finalized.

Members of the European Free Trade Association ("EFTA"), namely Iceland, Liechtenstein, Norway and Switzerland signed a free trade agreement with the GCC countries in June 2009. This agreement has been fully implemented since July 1, 2015 and covers a broad range of areas including trade in goods, trade in services, government procurement and competition. Pursuant to such agreement, importers of goods originating in an EFTA State can claim preferential treatment in the GCC States and importers of goods originating in a GCC State can claim preferential treatment in the EFTA States party to the agreement.

The 25<sup>th</sup> session of the EU-GCC Joint Council was held in July 2016 in Brussels, Belgium during which the GCC and the EU Ministers noted that the two-way trade generated over EUR 155 billion in 2015, a 55% increase compared to the EUR 100 billion the two-way trade generated in 2010.

In March 2019, Qatar and the EU signed an open skies agreement, to ensure fair competition, environmental and consumer protection and transparency, and to allow European and Qatari air carriers unrestricted access to their respective territories.

### ***Latin American Relations***

Over the past decade, Qatar has focused on developing its relations with Latin America by arranging visits to several Latin American countries and hosting a number of Latin American heads of state and government. These efforts have yielded certain bilateral agreements and memoranda of understanding. In May 2005, the previous Emir participated in the first Summit of South American-

Arab Countries held in Brazil and, in November 2015, the Emir participated in the fourth summit held in Riyadh.

In October 2014, the Emir issued Decree No. (44) of 2014 ratifying an agreement establishing a joint commercial ministerial committee between Qatar and Argentina, which was signed in Doha on February 17, 2014 and giving it the force of law in line with Article 68 of the Constitution.

In November 2015, Qatar and Venezuela signed a series of agreements and memoranda of understanding, including cooperation agreements in the fields of law and air services, a mutual administrative help agreement to properly implement customs laws between the two countries and a memorandum of understanding between the Qatar Chamber of Commerce and Industry and the Venezuelan Federation of Chambers of Commerce with the aim of developing trade exchange and economic cooperation between Qatari and Venezuelan companies as well as establishing joint business councils.

### ***Commercial Relations***

QP and its affiliates have developed an extensive network of commercial relationships globally with suppliers, contractors, business partners, other sovereigns and, most importantly, customers. In respect of LNG sales, with sale and purchase agreements lasting up to 20 years, it is particularly important for customer relationships to be strong. In some cases, it can take years to negotiate an LNG sale and purchase agreement. Through its LNG operations, QP has developed deep and long-standing relationships with its offtakers. At the same time, these business relationships have strengthened the political relationships between Qatar and the countries that import significant amounts of Qatar hydrocarbons throughout Asia, Europe and the Americas. In addition, through its operating company partnerships and equity partnerships in projects, QP has forged relationships with a geographically diverse group of companies, including Exxon Mobil Corporation and ConocoPhillips from the United States, Total from France and Shell from the United Kingdom and The Netherlands. In addition, QP, either directly or through Qatargas, has developed close working relationships with major international supply contractors, such as Chiyoda Corporation, W.L.L., Snamprogetti and Technip.

## THE ECONOMY OF QATAR

### General

Qatar is one of the most prosperous countries in the world, with a nominal GDP per capita of QR248,827 (U.S.\$68,359) (at current prices) in 2019, according to the Planning and Statistics Authority. For most of the past two decades, Qatar was one of the fastest growing economies in the world and its growth was driven by the development of its large natural gas reserves. Following the completion of its LNG projects in 2011, the rate of economic growth has slowed and this has been compounded more recently by lower revenues from hydrocarbon exports due to lower hydrocarbon production and prices. As a result, the contribution of the oil and gas sector to nominal GDP has declined from 52.5% in 2014 to 36.9% in 2018. However, the non-oil and gas sector is becoming stronger with the contribution of the non-oil and gas sector to total nominal GDP increasing from 47.5% in 2014 to 63.1% in 2018. In 2019, the oil and gas sector accounted for 34.0% of total nominal GDP, while the non-oil and gas sector accounted for 66.0%.

In 2016, 2017 and 2018, Qatar's real GDP grew by 2.1%, 1.6% and 1.5% respectively. In 2019, real GDP contracted by 0.2% (year-on-year).

Virtually all of Qatar's proven reserves of natural gas and condensate are located in the North Field, which is estimated by the U.S. Energy Information Administration to be part of the largest non-associated gas field in the world as at January 2015. According to the U.S. Energy Information Administration, Qatar had the third largest natural gas deposits after Iran and Russia and owned 14% of the total gas reserves in the world in 2015. As of December 31, 2018, Qatar's proven reserves of crude oil and natural gas (including condensate) amounted to approximately 172 billion barrels of oil equivalent. These hydrocarbons consisted of proven reserves of approximately 843.4 trillion standard cubic feet of natural gas (including condensate) and 2.53 billion barrels of crude oil. As of September 30, 2019, Qatar's proven reserves of crude oil and natural gas (including condensate) amounted to approximately 171 billion barrels of oil equivalent. These hydrocarbons consist of proven reserves of approximately 837.2 trillion standard cubic feet of natural gas (including condensate) and 2.37 billion barrels of crude oil.

In recent years, hydrocarbon prices have been volatile with a noticeable decline that began in the third quarter of 2014, although prices have begun to recover since January 2016. However, in early 2020, prices have decreased significantly from U.S.\$67.31 per barrel in December 2019 (monthly Europe Brent Spot Price FOB) to U.S.\$19.07 barrel as at March 30, 2020. Prices generally averaged between U.S.\$95 and U.S.\$125 per barrel (monthly Europe Brent Spot Price FOB) for most of 2011 to 2013 and for the first three quarters of 2014. However, in October 2014, crude oil prices began to fall sharply, reaching U.S.\$38.01 per barrel in December 2015 (monthly Europe Brent Spot Price FOB) and U.S.\$30.70 per barrel in January 2016 (monthly Europe Brent Spot Price FOB). Oil prices have recovered since early 2016 and increased to U.S.\$53.31 per barrel in December 2016 (monthly Europe Brent Spot Price FOB) and U.S.\$64.37 per barrel in December 2017 (monthly Europe Brent Spot Price FOB), before falling to U.S.\$57.36 in December 2018 (monthly Europe Brent Spot Price FOB) and then increasing to U.S.\$67.31 in December 2019 (monthly Europe Brent Spot Price FOB). In 2015, the oil and gas sector contributed 37.5% to Qatar's total nominal GDP, compared with 29.7% in 2016. The lower contribution of the oil and gas sector was due to the continued diversification of the economy. The contribution of the oil and gas sector subsequently increased slightly to 32.3% in 2017, 36.9% in 2018, and decreased to 34.0% in 2019.

Following the conclusion of Qatar's successful 20-year LNG development plan, LNG production has sustained a high, but steady, level since 2012. Future growth in gas production is expected to come from the Barzan project, which once completed and on stream will supply pipeline natural gas to Qatar's domestic market, as well as a new gas field development in the North Field which, upon completion of its four liquefaction trains, would increase Qatar's LNG production capacity by approximately 42%, from 77.5 mta to 110 mta in years 2024/2025. QP has also started a project to use ethane produced by the North Field Expansion project as feedstock for a new 1.9 mta petrochemical

production complex in Qatar. In November 2019, QP announced that it will raise Qatar's LNG production capacity by an additional 16 mta to 126 mta by end year 2027, representing an overall increase of 64% from the current 77 mta, via a new LNG project, North Field South. The North Field, considered one of the largest gas fields in the world, is located in the Persian Gulf, and is shared between Qatar and Iran.

In recent years, Qatar has focused on diversifying its economy, through increased spending on infrastructure, social programs, healthcare and education, in an effort to reduce its historical dependence on oil and gas revenues. Nominal GDP for the non-oil and gas sector reached QR439,571 million (U.S.\$120,761 million), or 63.1% of Qatar's total nominal GDP in 2018, compared to QR356,468 million (U.S.\$97,931 million), or 47.5% of Qatar's total nominal GDP in 2014. In the energy sector, Qatar is developing solar power to have a more diverse energy mix. See "*Non-Oil and Gas Sector—Electricity, Gas and Water*". The construction and real estate sectors have recently made substantial contributions to Qatar's economic growth. In addition, significant investments have been made to increase economic returns from, in particular, financial services, infrastructure development and tourism. Qatar's economic growth has also enabled it to diversify its economy through domestic and international investments into different classes of assets. In 2005, the State set up the QIA to propose and implement investments for the State's financial reserves, both domestically and abroad. Through the QIA, Qatar has invested in private equity, the banking sector, real estate, publicly traded securities and alternative assets. With its growing portfolio of international and domestic long-term strategic investments, the QIA has contributed to the State's financial stability and diversified its sources of fiscal revenue for the future (although currently the QIA reinvests all income from its assets).

QP, which is wholly owned by the State and is the State's primary source of hydrocarbon revenues, is responsible for all phases of the oil and gas industry in Qatar. Oil was discovered in Qatar in late 1939 and crude oil exports began in 1949. Until recently, Qatar has steadily increased its levels of crude oil production, both directly and indirectly by entering into exploration and development production sharing agreements with leading international oil exploration and production companies, including Total and Occidental Petroleum. The U.S. Energy Information Administration estimated Qatar to be the 15<sup>th</sup> largest global producer of petroleum and other liquids (crude oil, lease condensate, natural gas liquids and other liquids) in 2017.

In the early 1990s, Qatar developed a long-term strategy to accelerate the commercialization of its substantial natural gas reserves as a means to diversify and ultimately modernize Qatar's economy. In furtherance of this strategy, Qatar has made large scale investments across the entire value chain of LNG trains, tankers, and storage and receiving facilities. Qatar has been the leading LNG producing country in the world since 2006. In December 2010, Qatar reached its current LNG production capacity of 77.5 mta, which represented an increase of more than 150% since 2008 and production has remained close to capacity since then, including allowing for scheduled maintenance. In November 2019, QP announced its intention to raise Qatar's LNG production from 77 mta to 126 mta by 2027. Through LNG projects operated by its flagship Qatargas, Qatar has developed its LNG business through strategic partnerships with a number of the world's leading oil and gas companies, including Exxon Mobil Corporation, Shell, Total and ConocoPhillips. By investing across the entire LNG value chain, Qatar now enjoys meaningful cost advantages in the gas sector due to significant economies of scale and a low cost structure. Because most of the natural gas in the North Field is "wet", meaning it is associated with other hydrocarbons, such as condensate, Qatar's LNG projects also produce significant quantities of condensate and natural gas liquids which contribute to the diversification of the State's revenue sources and create downstream opportunities. Qatar also has a central geographic location for global shipping to all major gas consuming regions of the world. LNG has been contracted to be sold globally under long-term take-or-pay agreements, thereby providing certainty of volume offtake, but is also sold in spot markets. In 2019, Qatar exported LNG to 21 countries, mainly in Asia (including Japan, South Korea, India, China and Taiwan) and Europe (including the UK, Italy, Spain and Belgium) but also in the Americas (Argentina and Brazil) and the Middle East (Kuwait and the UAE).



Qatar continues to develop its natural gas resources beyond the LNG industry by implementing a downstream strategy driven by opportunities to generate additional revenue from its existing oil and gas production. QP has developed pipeline gas projects both for regional export markets and for domestic petrochemicals, power generation plants and industrial consumption. In addition, QP is the majority shareholder in a number of industrial companies located primarily at Ras Laffan Industrial City and Mesaieed Industrial City, which use natural gas as feedstock and/or fuel to produce various value-added products, such as refined products, petrochemicals, fertilizer, steel and aluminum, both for domestic consumption and for export. Qatar has also invested in exploiting various Gas-to-Liquid (“GTL”) technologies, and has two joint venture projects currently in operation to generate GTL products such as distillates and lubricants. These two joint ventures are Shell’s Pearl GTL, which is the largest project of its kind in the world, with a production of 140,000 barrels per day and Oryx GTL with a production of approximately 34,000 barrels per day. See “—Oil and Gas Sector—Natural Gas Operations—Gas-to-Liquids Projects”.

Throughout a period characterized by rapid growth and development, Qatar has aimed to demonstrate fiscal responsibility by managing its budget and public finances prudently. The State has historically had low levels of indebtedness but there has been an increase in indebtedness since 2009 mainly due to the support given by the State to the commercial banking sector during the global financial crisis in 2009 and the issues of treasury bills (“T-bills”) and treasury bonds (“T-bonds”) by the QCB in 2010, 2011 and 2012 mainly for liquidity management and to develop the yield curve for riyal-denominated domestic bonds. The level of indebtedness further increased in 2013 due to new domestic bond and Sukuk issues. In 2015, Qatar repaid various internal debt obligations and external U.S. dollar-denominated bonds that came to maturity, resulting in a decrease in the country’s indebtedness. In May 2016, April 2018 and March 2019, Qatar issued U.S.\$9 billion, U.S.\$12 billion and U.S.\$12 billion, respectively, in aggregate bonds in the international capital markets. Most of Qatar’s significant energy projects are funded on a stand-alone, limited recourse basis. As at December 31, 2019 Qatar’s total outstanding indebtedness stood at QR 398,471 million (U.S.\$ 109,470 million).

For the year ended December 31, 2016, the deficit was QR50,829 million (U.S.\$13,964 million), or 29.7% of total Government revenues primarily as a result of a decrease in oil and gas revenue, including income from investments by QP, while the deficit was QR39,993 million (U.S.\$10,987 million) for the year ended December 31, 2017. The 2018 budget estimated a budget deficit of QR28,113 million (U.S.\$7,723 million) for the year ended December 31, 2018, based on an assumed oil price of U.S.\$45 per barrel, reflecting Qatar’s continued commitment to capital expenditure for ongoing infrastructure projects combined with a conservative oil price assumption. For the year ended December 31, 2018, there was a surplus of QR15,081 million (U.S.\$4,143 million), due to higher energy prices that resulted in higher than projected oil and gas revenues. For the nine months ended September 30, 2019, preliminary data shows a surplus of QR 11,252 million (U.S.\$3,091 million), based on an assumed oil price of U.S.\$55 per barrel. The surplus in 2019 was due to higher than projected oil and gas revenues. The 2020 budget estimates an overall surplus of QR500 million (U.S.\$137.4 million), based on an assumed oil price of U.S.\$55 per barrel. The anticipated surplus in 2020 is due to higher projected oil and gas revenues and investment income from QP.

Qatar maintained a surplus in its balance of payments between 1999 and 2014, except in 2011. Qatar had a deficit from 2015 to 2017; however, recent years have shown a surplus again. The surplus in the balance of payments in 2014 represented an 85.7% decrease as compared with the surplus in 2013 and, in 2015, there was a deficit in Qatar’s balance of payments. In 2016, there was a deficit in Qatar’s balance of payments of QR20,510 million (U.S.\$5,635 million), primarily due to lower hydrocarbon production and prices. In 2017, the deficit in Qatar’s balance of payments was QR65,071 million (U.S.\$17,877 million), primarily due to the deficit in the capital and financial account. In 2018, Qatar returned to a surplus in its balance of payments of QR57,716 million (U.S.\$15,856 million), primarily as a result of the higher prices during the year which increased the value of exports. In 2019, there was a surplus in the balance of payments position of QR34,143

million (U.S.\$9,380 million), compared to a surplus of QR57,716 million (U.S.\$15,856 million) in 2018.

In previous years, Qatar's trade activity was strong, with total goods exported (including re-exports) in 2014 valued at QR461,197 million (U.S.\$126,702 million) and total imports (Free on Board) ("FOB") valued at QR113,369 million (U.S.\$31,145 million), together constituting 76.5% of total nominal GDP. However, in 2015, there was a sharp decline in Qatar's trade activity with the overall trade balance decreasing by 48.9% compared with 2014 due to a decline in exports, which was in turn mainly due to a lower trade in oil. Exports (including re-exports) decreased to QR281,351 million (U.S.\$77,294 million) in 2015, representing a 39% decrease compared with 2014, and imports (FOB) decreased to QR103,726 million (U.S.\$28,496 million) in 2015, representing an 8.5% decrease compared with 2014. In 2016, Qatar's trade activity decreased again, to an overall trade balance of QR92,364 million (U.S.\$25,375 million), representing a 48.0% decrease compared to 2015.

According to data published by the QCB, in 2017 the trade balance was QR133,707 million (U.S.\$36,733 million), representing a 44.8% increase compared with 2016. In 2017, the level of exports (including re-exports) increased to QR245,694 million (U.S.\$67,499 million), representing a 17.8% increase compared with 2016, while, imports of goods (FOB) amounted to QR111,987 million (U.S.\$30,766 million), representing a 3.7% decrease compared with 2016. In 2018, the trade balance was QR185,572 million (U.S.\$50,981 million), representing a 38.8% increase compared with 2017, and the level of exports (including re-exports) increased to QR306,810 million (U.S.\$84,288 million), representing a 24.9% increase compared with 2017, while imports of goods (FOB) amounted to QR121,238 million (U.S.\$33,307 million), representing a 8.3% increase compared with 2017. In 2019, the overall trade balance was QR151,355 million (U.S.\$41,581 million). Over the same period, exports (including re-exports) amounted to QR265,483 million (U.S.\$72,935 million), representing a 13.5% decrease compared with 2018, while imports (FOB) amounted to QR114,128 million (U.S.\$31,354 million), representing a 5.9% decrease compared with 2018.

The country has an organized set of institutions supporting the growth in trade and commerce, both internally and externally, including the Qatar Financial Centre Authority, the Qatar Stock Exchange (the "QE") and regulators, namely the QCB, the Qatar Financial Markets Authority (the "QFMA") and the Qatar Financial Centre Regulatory Authority (the "QFCRA").

Qatar has historically had good relations with other members of the GCC and the wider Middle East in general, although recently relations between Qatar and certain of its neighbours in the Middle East and North Africa region have become more strained. See *"Risk Factors—The State is located in a region that is subject to ongoing geopolitical, political and security concerns, and the State has recently been subject to a blockade by four countries"* and *"Overview of the State of Qatar—Foreign Relations—Regional Relations"*. Qatar has significant trade and investment ties with the major Asian countries and Qatar also has strong ties with the West, notably the United States, which maintains a significant military presence in the country. Qatar is a member of, among other international organizations, the UN and the WTO. Qatar has low levels of corruption and has established a National Committee for Integrity and Transparency in relation to implementing its obligations as a member of the UN. The 2019 Corruption Perceptions Index published by Transparency International ranks Qatar 30 out of 180 countries with a score of 62%.

Qatar is also a signatory to the GATT and a number of other conventions and protocols. In addition to its membership in international organizations, Qatar has hosted numerous economic, political and financial summits and conferences and, over the past several years, has become an important mediator in regional conflicts. See *"Overview of the State of Qatar—Foreign Relations"*.

Qatar's long-term credit rating by S&P has improved from BBB as of February 1996 to AA as of July 2010, with such credit rating being affirmed on March 4, 2016 with a stable outlook. Similarly, Qatar's long-term credit rating by Moody's has improved from Baa2 as of December 1999 to Aa2 as of July 2007, with such credit rating being affirmed on January 31, 2017 with a negative outlook.

Qatar was also assigned a long-term credit rating of AA by Fitch in its inaugural rating on March 6, 2015, with such credit rating being affirmed on March 31, 2016 with a stable outlook.

However, on May 26, 2017, Moody's downgraded Qatar's rating to Aa3 and changed the outlook to stable, later affirming the Aa3 rating and changing the outlook back to negative on July 4, 2017. On July 13, 2018, Moody's revised the outlook back to stable. On August 1, 2019 and January 24, 2020 Moody's affirmed Qatar's rating at Aa3 and the outlook at stable. Similarly, S&P downgraded Qatar's long-term credit rating to AA- on June 7, 2017 and put the rating on CreditWatch with negative implications. S&P later changed the outlook to negative on August 25, 2017. On December 7, 2018, S&P affirmed the AA- rating and revised the outlook to stable. On March 28, 2020, S&P affirmed Qatar's rating at AA- and outlook at stable. On June 12, 2017, Fitch placed Qatar's ratings on Rating Watch Negative, and on August 28, 2017, Fitch downgraded Qatar's rating to AA- with a negative outlook. On June 5, 2018, Fitch revised the outlook back to stable and affirmed the AA- rating, which was affirmed again on October 16, 2018. On February 13, 2020 Fitch affirmed Qatar's rating at AA- and outlook at stable. Each rating agency cited Qatar's economic and financial risks and the ongoing recent events affecting regional relations as the primary reason for its rating downgrade.

## **Recent Developments**

### *Coronavirus (COVID-19)*

In December 2019, the emergence of a new strain of the coronavirus (COVID-19) was reported in Wuhan, Hubei Province, China that has subsequently spread throughout the world, including Qatar. On January 30, 2020 the World Health Organization declared coronavirus (COVID-19) a public health emergency of international concern and on March 11, 2020 the World Health Organization declared coronavirus (COVID-19) a global pandemic. The coronavirus (COVID-19) outbreak is currently having an adverse impact on the global economy, the severity and duration of which is difficult to predict. See *"Risk Factors—Risks relating to Qatar—The worldwide economic effects of the outbreak of the coronavirus (COVID-19) could adversely affect Qatar's economy"*.

Qatar has implemented restrictions to combat the spread of coronavirus (COVID-19). These measures have included restricting travel into Qatar from certain countries, suspending non-essential businesses, banning public gatherings and closing down schools and universities. Qatar has also implemented measures to protect the economy from the adverse impact of coronavirus (COVID-19). Specifically, His Highness Sheikh Tamim bin Hamad Al Thani, Emir of the State of Qatar, has directed the government to implement the following measures: (1) to postpone QR30 billion (U.S.\$8.24 billion) in unawarded contracts on capital expenditure projects, (2) to allocate QR 3 billion (U.S.\$0.82 billion) in guarantees to local banks to provide support to the economy as a result of COVID-19, (3) to support and provide financial and economic incentives of QR 75 billion (U.S.\$20.6 billion) to the private sector, (4) QCB to implement measures to encourage banks to postpone loan installments and obligations of the private sector for six months, (5) QDB to postpone installments of all borrowers for six months; and (6) to direct government funds to increase their investments in the stock exchange by QR 10 billion (U.S.\$2.7 billion).

## **The Quartet Blockade and Qatar's Response**

### *The Quartet Blockade*

Qatar has historically had good relations with other members of the GCC and the wider Middle East and North Africa region in general. However, on June 5, 2017, Bahrain, Egypt, Saudi Arabia and the United Arab Emirates took steps to cut trade, transport and diplomatic ties with Qatar. The measures adopted included a sudden and unprecedented closure of sea and air routes with Qatar and a closure of the land border between Qatar and Saudi Arabia (Qatar's only land border) which created logistical challenges for Qatar. The blockade disrupted historical trade routes that Qatar had depended on for the import of key consumer goods, food staples and industrial materials. In particular, a significant percentage of Qatar's dairy and other food staples had been imported through the land border crossing with Saudi Arabia before the Quartet Blockade. The blockade also affected Qatar's ability to receive

imports from larger international cargo ships. Qatar had traditionally relied on transshipment of international cargo through the deep water ports of the UAE to its shallower water ports.

As part of the Quartet Blockade, Qatari officials and diplomats were also expelled from the Quartet countries. See *“Risk Factors—The State is located in a region that is subject to ongoing, geopolitical, political and security concerns, and the State has recently been subject to a blockade by four countries”* and *“Overview of the State of Qatar—Foreign Relations—Regional Relations”*.

Additionally, the Quartet Blockade placed significant pressure on Qatar’s financial system and the Qatari riyal, leading, among other things, to significant outflows from non-resident and private sector customer deposits and a fall in Qatar’s foreign currency reserves in its aftermath. Immediately following the imposition of the Quartet Blockade, deposits amounting to nearly U.S.\$20 billion were withdrawn from the Qatari banking system. Following the imposition of the Quartet Blockade, a short-term divergence also emerged between the Qatari riyal’s offshore and onshore foreign exchange rates which occurred in June 2017 and again in October 2017. See *“Risk Factors—The State is located in a region that is subject to ongoing, geopolitical, political and security concerns, and the State has recently been subject to a blockade by four countries”* and *“Overview of the State of Qatar—Foreign Relations—Regional Relations”*.

#### *Qatar’s Response to the Quartet Blockade*

In response to the Quartet Blockade, Qatar has taken certain proactive steps to address the potential impact that the situation may have on Qatar’s economy, including by establishing alternative sources for imports, diversifying sources of external financing, enhancing domestic food processing, bolstering trade in the region and injecting liquidity into the banking system.

In relation to trade, the Quartet Blockade primarily presented a logistical challenge as it disrupted the normal land and sea trade routes for imports to Qatar. In 2016, imports from the Quartet only represented slightly over 15% of Qatar’s overall imports. To address the logistical challenge, Qatar immediately chartered cargo planes to import food staples, including dairy and fresh produce, from alternative countries such as Turkey and Iran.

In parallel, domestic food production was increased, aided by the Government’s introduction of incentives for the private sector, including agricultural subsidies and concessional lending by the Qatar Development Bank.

In addition, taking advantage of increased capacity made available by the recently completed Hamad Port and Hamad International Airport, Qatar has opened, at a nominal cost, new trade routes through Oman and Iran, including by rerouting the delivery of goods previously imported via Dubai’s re-export Jebel Ali hub. Primary construction materials previously imported through Dubai now arrive directly from Oman, and no significant delays to existing infrastructure projects have been reported. Qatar continues to focus on strengthening relationships, trade and otherwise, with other countries in the region including Turkey, Kuwait, Oman and India. Additionally, in August 2017, it was announced that Qatar had restored diplomatic relations with Iran. Although imports initially contracted immediately following the Quartet Blockade, they had returned to normal monthly levels by the end of 2017, with total monthly imports in December 2017 amounting to QR11.0 billion, an increase of 28.8% compared to December 2016.

In response to the domestic liquidity constraints imposed on Qatar as a result of the Quartet Blockade, the Government has taken measures to support, and enhance confidence in, the banking sector. Such measures have included injecting deposits into the Qatari banking system to help banks mitigate the negative impacts of outflows from non-resident and the private sector customer deposits, through, among other things, enhanced public sector deposits and a liquidity management exercise coordinated between the Ministry of Finance and Qatar’s sovereign wealth fund, the QIA, through which U.S.\$20 billion of funds held abroad by the QIA were repatriated. The concerted efforts of the Ministry of Finance and the QIA led to a year-on-year increase in deposits of 13.2% as at December 31, 2017. Following the initial divergence that emerged between the Qatari riyal’s offshore and onshore foreign

exchange rates following the imposition of the Quartet Blockade, the margin decreased in the following months. While foreign reserves and foreign currency liquidity fell to a low of U.S.\$36,114 million immediately after the Quartet Blockade as at July 31, 2017, they recovered to U.S.\$37,618 million as at December 31, 2017 and U.S.\$49,287 million as at December 31, 2018. The Government retains substantial foreign exchange reserves, and the QCB has announced its commitment to supporting the Qatari riyal.

Despite the onset of the Quartet Blockade, Qatar nevertheless experienced real GDP growth of 3.5% (quarter-on-quarter) during the third quarter of 2017 and 0.7% (year-on-year). In addition, the Quartet Blockade did not lead to the initially expected upward pressure on prices, with monthly inflation dropping from 0.7% in June 2017 to 0.2% in July 2017, and inflation averaging 0.4% for 2017 and 0.3% for 2018. In 2019, Qatar's CPI (General and Core) has experienced low and negative rates of change, with the overall general index averaging negative 0.90% with a positive maximum of 0.06% and a negative minimum of 1.58%. The average core index, which is calculated after excluding the index of housing rents, is negative 0.23%, with a positive maximum of 0.65% and a negative minimum of 1.3%. See “—Gross Domestic Product—Real GDP” and “Monetary and Financial System—Inflation”.

#### *Effect of the Quartet Blockade on Exports*

To date, the Quartet Blockade has had a negligible impact on Qatar's exports. Qatar has continued to honor its LNG supply commitments to its global network of buyers which provides a significant portion of revenue for the State. Qatar has also continued to export natural gas through the Dolphin pipeline to the UAE (a member of the Quartet). Additionally, after the Quartet Blockade, Qatar announced its intention to increase its LNG exports from 77.5 mta to 110 mta within five years. This followed Qatar's announcement in April 2017 lifting the self-imposed moratorium on developing additional natural gas from the North Field.

### **World Cup**

Qatar views its upcoming hosting of the 2022 World Cup as an opportunity to further invest in its infrastructure and develop the non-oil and gas sector of its economy.

From the perspective of Qatar's economic diversification ambitions, the 2022 World Cup presents new opportunities for the country. Public-private partnerships may benefit some projects and may be considered within wider public investment decisions. On the business front, the 2022 World Cup is creating opportunities for domestic enterprises to form strategic alliances externally and to connect to global value chains.

The entity in charge of the 2022 World Cup is the Supreme Committee for Delivery and Legacy (formerly known as the Qatar 2022 Supreme Committee, which was formed in April 2011) (the “**Supreme Committee**”). The Supreme Committee ensures that all preparations for the 2022 World Cup align with Qatar's other development imperatives as set out in the Qatar National Vision 2030, the National Development Strategy 2011-2016 and the National Development Strategy 2018-2022.

Eight stadiums are expected to be available for the 2022 World Cup, with some being newly built (including the Al Rayyan stadium and precinct, the Qatar Foundation stadium and the Al Wakrah stadium), while others are being expanded (including the Khalifa International stadium and the Al Bayt stadium). The total cost of investment in the 2022 World Cup-related sporting facilities is expected to be approximately QR18.5 billion (U.S.\$5.1 billion). Construction of the stadiums is rapidly advancing, with the first completed venue, the Khalifa International Stadium, having opened in May 2017. In 2019, the Al Janoub Stadium was opened.

### **Economic Policy**

One of the State's goals is to create a thriving investment climate that encourages domestic investment and identifies positive opportunities for outward investment. The State seeks to achieve

this by increasing the production and export of natural gas, making investments across the entire LNG value chain, and diversifying the economy by developing the non-oil and gas sector.

Historically, Qatar's economy was dependent on crude oil production. In the early 1990s, however, the State developed a multi-directional and fast-track strategy to accelerate the commercialization of Qatar's substantial natural gas reserves as a means to diversify and ultimately modernize the economy. This strategy was implemented pursuant to a three-pronged approach, namely by developing LNG and GTL for global export, by developing pipeline gas for regional export markets, and by developing pipeline gas for domestic petrochemicals, power generation plants and industrial consumption. In furtherance of this strategy, the State has made large-scale investments across the entire value chain of LNG trains, tankers, and storage and receiving facilities, becoming the leading LNG producing country in the world since 2006.

Although the State is focused on ensuring the optimal and sustainable development and commercialization of the oil and gas sector, which continues to be the backbone of the economy, one of the cornerstones of Qatar's current economic policy, in particular in light of the recent decrease in hydrocarbon production and prices, is a commitment to diversify the overall economy so that Government revenues from the oil and gas sector are supplemented by increased revenues from non-oil and gas-related activities. In furtherance of Qatar's economic policy, the Qatar National Vision 2030 was launched in 2008 and the National Development Strategy 2011-2016, which establishes targets to achieve the goals set out in the Qatar National Vision 2030, was published in 2011. The State's long-term economic objectives, as set out in the Qatar National Vision 2030, include developing Qatar's infrastructure and strengthening its private sector. In pursuit of these objectives, and made possible by increased Government revenues and budget surpluses, the State increased total expenditure from QR179,900 million (U.S.\$49,423 million) for the fiscal year ended March 31, 2012 to QR227,013 million (U.S.\$62,366 million) for the fiscal year ended March 31, 2015, representing a 26% increase. In the fiscal years ended December 31, 2016, 2017 and 2018, total expenditure was QR221,685 million (U.S.\$60,902 million), QR203,265 million (U.S.\$55,842 million) and QR192,835 million (U.S.\$52,977 million). Much of this expenditure was directed towards major construction projects such as the Lusail real estate development, Hamad International Airport, Hamad Port, the Doha metro and other transportation and social infrastructure.

The State is also committed to strengthening the private sector, which historically has played a limited role in Qatar's economy, and to that effect has undertaken regulatory reforms aimed at improving Qatar's business climate and creating an environment that will support enterprise creation, private competition and foreign direct investment, and to this end has taken steps such as liberalizing the telecommunications sector and creating special economic zones. In recent years, the Government has sought to increase the role of the private sector in infrastructure and development projects and in the Qatari economy as a whole in continuation of its diversification policy. For example, the responsibility for certain projects in the real estate, education and healthcare sectors has been outsourced to the private sector. More recently, QP has launched the TAWTEEN program to increase localization of the energy sector's supply chain through the creation of local support services and industries, which will be an initiative led by the private sector, including small and medium enterprises. The Government also intends to introduce new legislation on public-private partnerships and to use these partnerships to finance the construction of new schools, medical centers and other infrastructure projects by the private sector. The Council of Ministers approved the draft law in April 2019 but the law has not yet been ratified.

In addition, the State has sought to increase Qatar's attractiveness to foreign direct investment by implementing laws that allow more foreign participation in the domestic economy. For example, in 2005, the Government established the Qatar Financial Centre Authority, which enables global firms to operate as onshore institutions in Qatar. In addition, Law No. (24) of 2018 on Income Tax, which came into effect on January 17, 2019 and repealed the previous tax law (Law No. (21) of 2009) (the "**Income Tax Law**") created a flat income tax rate of 10%, except for agreements relating to petrochemical industries, as well as related to petroleum operations as defined under Law No. (3) of 2007 concerning the Exploitation of Natural Resources, provided that in all such cases, the tax rate

shall not be less than 35%; and in respect of agreements to which the Government, the Ministries or other governmental bodies or public body enterprises are a party and which were concluded prior to the Law No. (21) of 2009 coming into force where the tax rate is that provided for in the agreements and, if such agreements do not specify a tax rate, the tax rate is 35%. These developments are part of a broad plan to diversify the Qatari economy to reduce reliance on oil and gas revenues. As a result of these developments, together with a decrease in hydrocarbon production and prices, the non-oil and gas sector accounted for 44.3% of total nominal GDP for the year ended December 31, 2013 compared with 62.5% of total nominal GDP in the year ended December 31, 2015. The non-oil and gas sector accounted for 70.3% of total nominal GDP for the year ended December 31, 2016, 67.7% of total nominal GDP for the year ended December 31, 2017 and 63.1% of total nominal GDP for the year ended December 31, 2018.

Between 2014 and 2015, Qatar received positive inflows of foreign direct investment, averaging QR3.8 billion (U.S.\$1.1 billion) each year, according to data from the QCB. This represented a shift following the net decline in inward foreign direct investment in 2013. However, foreign investment surveys from the Planning and Statistics Authority reflect net outflows of inward foreign direct investment in 2016 and 2017, of QR5.2 billion (U.S.\$1.4 billion) and QR2.2 billion (U.S.\$0.6 billion). In 2017, the manufacturing sector was the prime sector of attraction for inward foreign direct investment in Qatar, representing 53% of inward foreign direct investment, with the other main sectors being the mining and quarrying (33%) and financial and insurance (10%) sectors. The United States contributed 23% to inward foreign direct investment in 2017, while the other American countries and the EU contributed 36% and 29%, respectively. In 2018, there was a net outflow in foreign direct investment of QR6.0 billion (U.S.\$1.6 billion), with the manufacturing sector being the prime sector of attraction, representing 57% of inward foreign direct investment stock. For the six months ended June 30, 2019, there were net inflows of inward foreign direct investment amounting to QR1.9 billion (U.S.\$0.5 billion).

### **Gross Domestic Product**

## Nominal GDP

The following table sets forth certain information about Qatar's nominal GDP by economic sector and by percentage contribution to total nominal GDP for each of the five years ended December 31, 2019 at current prices.

	Year ended December 31,									
	2015		2016		2017		2018 <sup>(1)</sup>		2019 <sup>(1)</sup>	
	Value	%	Value	%	Value	%	Value	%	Value	%
<i>(in QR millions except percentages)</i>										
Oil and gas by sector:										
Mining and quarrying	221,041	37.5	163,984	29.7	195,981	32.3	256,986	36.9	227,195	34.0
<b>Total Oil and gas sector</b>	<b>221,041</b>	<b>37.5</b>	<b>163,984</b>	<b>29.7</b>	<b>195,981</b>	<b>32.3</b>	<b>256,986</b>	<b>36.9</b>	<b>227,195</b>	<b>34.0</b>
Non-oil and gas by sectors:										
Agriculture, forestry and fishing	950	0.2	1,016	0.2	1,129	0.2	1,222	0.2	1,213	0.2
Manufacturing <sup>(2)</sup>	52,489	8.9	46,814	8.5	52,785	8.7	64,107	9.2	57,464	8.6
Electricity, gas and water <sup>(3)</sup>	3,950	0.7	5,979	1.1	6,161	1.0	5,798	0.8	7,443	1.1
Construction	60,693	10.3	77,079	14.0	91,089	15.0	98,417	14.1	93,084	13.9
Wholesale and retail trade, repair of motor vehicles and motorcycles	51,465	8.7	46,981	8.5	47,575	7.8	48,971	7.0	49,400	7.4
Transportation and storage	21,657	3.7	24,927	4.5	25,778	4.2	28,219	4.1	29,970	4.5
Accommodation and food service activities	6,231	1.1	5,620	1.0	5,378	0.9	5,370	0.8	5,754	0.9
Information and communication	10,109	1.7	9,810	1.8	9,615	1.6	9,707	1.4	9,176	1.4
Financial and insurance activities	45,320	7.7	47,019	8.5	48,977	8.1	51,969	7.5	55,540	8.3
Real Estate	38,762	6.6	42,776	7.7	43,130	7.1	41,675	6.0	40,689	6.1
Professional, scientific and technical activities and administrative and support service activities	19,531	3.3	21,080	3.8	21,656	3.6	22,095	3.2	21,928	3.3
Public administration and defence; compulsory social security	44,294	7.5	43,857	7.9	44,373	7.3	47,247	6.8	52,352	7.8
Education	10,862	1.8	12,089	2.2	13,183	2.2	13,979	2.0	15,323	2.3
Human health and social work activities	11,397	1.9	14,009	2.5	13,901	2.3	14,762	2.1	16,102	2.4
Arts, entertainment and recreation and other service activities	8,119	1.4	8,466	1.5	8,589	1.4	9,030	1.3	9,783	1.5
Activities of households as employer <sup>(4)</sup>	3,473	0.6	3,817	0.7	4,006	0.7	4,172	0.6	4,342	0.7
Import duties...	1,795	0.3	1,137	0.2	720	0.1	779	0.1	738	0.1
FISIM .....	(23,404)	(4.0)	(24,153)	(4.4)	(26,405)	(4.3)	(27,948)	(4.0)	(29,677)	(4.4)
<b>Total non-oil and gas sector</b>	<b>367,692</b>	<b>62.5</b>	<b>388,321</b>	<b>70.3</b>	<b>411,639</b>	<b>67.7</b>	<b>439,571</b>	<b>63.1</b>	<b>440,622</b>	<b>66.0</b>
<b>Total nominal GDP</b>	<b>588,733</b>	<b>100.0</b>	<b>552,305</b>	<b>100.0</b>	<b>607,620</b>	<b>100.0</b>	<b>696,557</b>	<b>100.0</b>	<b>667,817</b>	<b>100.0</b>

### Notes:

- (1) Preliminary data.
- (2) For purposes of calculating GDP, certain downstream activities generally associated with Qatar's oil and gas industry, such as the production and export of petrochemicals and fertilizer, steel, iron and metal coating, are included in the manufacturing sector as part of the non-oil and gas sector.
- (3) Includes steam and air conditioning supply, sewage, waste management and remediation services.
- (4) Includes undifferentiated goods and services producing activities of households for own use.

Source: Planning and Statistics Authority.

Qatar's nominal GDP grew between 2013 and 2014, increasing from QR723,369 million (U.S.\$198,728 million) in 2013 to QR750,658 million (U.S.\$206,225 million) in 2014. However, in 2015, Qatar's nominal GDP decreased by 21.6% as compared to 2014 to QR588,733 million (U.S.\$161,740 million). This decrease was mainly due to a decrease in hydrocarbon production and prices. In 2016, Qatar's nominal GDP decreased by a further 6.2% to QR552,305 million (U.S.\$151,732 million), again due primarily to a decrease in hydrocarbon production and prices.

In 2017, Qatar's nominal GDP was QR607,620 million (U.S.\$166,929 million), representing a 10.0% increase compared to 2016. This increase in nominal GDP is mainly attributable to the oil and gas sector's nominal GDP growth of 19.5%, with the main driver being higher hydrocarbon prices. Additionally, nominal GDP in the construction sector and the manufacturing sector increased by 18.2% and 12.8%, respectively, further contributing to nominal GDP growth.

In 2018, Qatar's nominal GDP was QR696,557 million (U.S.\$191,309 million), representing a 14.6% increase compared to 2017. This increase in nominal GDP is mainly attributable to increases in



mining and quarrying activities, manufacturing, construction, transportation, financial activities and the activities of the Government.

In 2019, total nominal GDP contracted by 4.1% compared with 2018.

### Real GDP

Qatar's real GDP is calculated using hydrocarbon prices from 2013, as the base year. This technique eliminates the effect of price changes in hydrocarbon products on real hydrocarbon GDP and, therefore, shows only the changes in the production activity.

The following tables set forth certain information about Qatar's real GDP by economic sector and by percentage change to the previous period's real GDP for each of the five years ended December 31, 2019.

	Year ended December 31,									
	2015		2016		2017		2018 <sup>(1)</sup>		2019 <sup>(1)</sup>	
	Value	%	Value	%	Value	%	Value	%	Value	%
	Change		Change		Change		Change		Change	
<i>(in QR millions except percentage change)</i>										
<i>Oil and gas by sector:</i>										
Mining and quarrying	398,083	(0.6)	394,461	(0.9)	391,610	(0.7)	390,362	(0.3)	<b>383,156</b>	(1.8)
<b>Total oil and gas sector</b>	<b>398,083</b>	<b>(0.6)</b>	<b>394,461</b>	<b>(0.9)</b>	<b>391,610</b>	<b>(0.7)</b>	<b>390,362</b>	<b>(0.3)</b>	<b>383,156</b>	<b>(1.8)</b>
<i>Non-oil and gas by sectors:</i>										
Agriculture, forestry and fishing	936	7.7	1,020	9.0	1,104	8.2	1,196	8.3	1,219	1.9
Manufacturing <sup>(2)</sup>	80,270	4.4	80,628	0.4	81,435	1.0	86,397	6.1	84,730	(1.9)
Electricity, gas and water <sup>(3)</sup>	3,566	7.2	3,713	4.1	3,745	0.9	3,374	(9.9)	4,294	27.2
Construction	58,141	20.4	74,692	28.5	87,738	17.5	91,670	4.5	89,877	(2.0)
Wholesale and retail trade, repair of motor vehicles and motorcycles	50,524	6.3	45,098	(10.7)	44,522	(1.3)	44,355	(0.4)	44,252	(0.2)
Transportation and storage	16,634	4.4	18,069	8.6	18,202	0.7	18,815	3.4	19,991	6.3
Accommodation and food service activities	6,079	(2.3)	6,041	(0.6)	6,155	1.9	6,532	6.1	7,310	11.9
Information and communication	10,151	11.0	9,833	(3.1)	9,635	(2.0)	9,854	2.3	9,182	(6.8)
Financial and insurance activities	47,517	8.5	51,758	8.9	55,864	7.9	57,768	3.4	59,974	3.8
Real Estate	34,596	9.7	36,726	6.2	38,348	4.4	39,242	2.3	39,833	1.5
Professional, scientific and technical activities and administrative and support service activities	19,095	11.3	20,144	5.5	20,439	1.5	20,436	0.0	20,226	(1.0)
Public administration and defence; compulsory social security	43,408	7.7	42,331	(2.5)	41,761	(1.3)	42,920	2.8	46,501	8.3
Education	10,557	3.5	11,444	8.4	12,191	6.5	12,454	2.2	13,237	6.3
Human health and social work activities	11,103	14.8	13,496	21.5	13,054	(3.3)	13,339	2.2	14,252	6.8
Arts, entertainment and recreation and other service activities	7,978	4.9	8,221	3.0	8,129	(1.1)	8,301	2.1	8,852	6.6
Activities of households as employer <sup>(4)</sup>	3,236	8.9	3,493	7.9	3,624	3.7	3,691	1.9	3,760	1.9

	Year ended December 31,									
	2015		2016		2017		2018 <sup>(1)</sup>		2019 <sup>(1)</sup>	
	Value	%	Value	%	Value	%	Value	%	Value	%
		Change		Change		Change		Change		Change
Import duties	1,746	(23.2)	1,084	(37.9)	674	(37.8)	705	4.7	662	(6.2)
FISIM	(23,958)	8.7	(25,975)	8.4	(29,372)	13.1	(30,474)	3.8	(31,874)	4.6
<b>Total non-oil and gas sector</b>	<b>381,578</b>	<b>8.5</b>	<b>401,817</b>	<b>5.3</b>	<b>417,248</b>	<b>3.8</b>	<b>430,575</b>	<b>3.2</b>	<b>436,277</b>	<b>1.3</b>
<b>Total real GDP</b>	<b>779,661</b>	<b>3.7</b>	<b>796,278</b>	<b>2.1</b>	<b>808,858</b>	<b>1.6</b>	<b>820,937</b>	<b>1.5</b>	<b>819,432</b>	<b>(0.2)</b>

Notes:

(1) Preliminary data.

(2) For purposes of calculating GDP, certain downstream activities generally associated with Qatar's oil and gas industry, such as the production and export of petrochemicals and fertilizer, steel, iron and metal coating, are included in the manufacturing sector as part of the non-oil and gas sector.

(3) Includes steam and air conditioning supply, sewage, waste management and remediation services.

(4) Includes undifferentiated goods and services producing activities of households for own use.

Source: Planning and Statistics Authority.

Real GDP grew by 2.1% in 2016, driven mainly by a 5.3% growth of the non-oil and gas sector. The oil and gas sector contracted by 0.9% in 2016, mainly due to a decline in production caused by maturing oil fields and maintenance carried out on some of Qatar's LNG trains during the year.

In 2017, Qatar's real GDP was QR808,858 million (U.S.\$222,214 million), a growth of 1.6% compared to 2016. In 2017, real GDP in the oil and gas sector contracted by 0.7% as compared to 2016, largely as a result of Qatar's participation in OPEC-led cuts in crude oil production. The non-oil and gas sector grew by 3.8% in the same period, which is mainly attributable to a 17.5% growth in the construction sector.

In 2018, Qatar's real GDP was QR820,937 million (U.S.\$225,532 million), a growth of 1.5% compared to 2017. In 2018, real GDP in the oil and gas sector contracted by 0.3% as compared to 2017, largely as a result of a 0.7% contraction in the extraction of crude oil, a 0.2% contraction in the extraction of natural gas, a 0.5% increase in the mining support services, and a 1.0% increase in the other mining and quarrying activities. The non-oil and gas sector grew by 3.2% in the same period, which is mainly attributable to a 6.1% growth in the manufacturing sector and a 4.5% growth in the construction sector.

In 2019, Qatar's real GDP contracted by 0.2% compared to 2018. The oil and gas sector contracted by 1.8% over the same period, while the non-oil and gas sector grew by 1.3%, largely driven by a 3.2% contraction in the extraction of crude oil, a 1.3% contraction in the extraction of natural gas, a 1.4% contraction in the mining support services, and a 13.2% contraction in the other mining and quarrying activities.

### ***Oil and Gas Sector***

The oil and gas sector's contribution to nominal GDP in 2015 was QR221,041 million (U.S.\$60,726 million), or 37.5% of total nominal GDP, compared with QR163,984 million (U.S.\$45,051 million) in 2016, or 29.7% of total nominal GDP. This decrease in contribution to total nominal GDP was due to a decrease in hydrocarbon production and low prices and the continued diversification of the economy. The oil and gas sector contributed QR195,981 million (U.S.\$53,841 million) to nominal GDP in 2017, or 32.3% of total nominal GDP. In the nine months ended September 30, 2018, the oil and gas sector contributed QR186,378 million (U.S.\$51,203 million), or 35.9% of nominal GDP.

In real GDP terms, the oil and gas sector contracted by 0.6% in 2015, 0.9% in 2016, 0.7% in 2017, and 0.3% in 2018. For 2019, the oil and gas sector contracted by 1.8% compared to 2018.

### ***Non-Oil and Gas Sector***

The non-oil and gas sector's contribution to nominal GDP in 2015 was QR367,692 million (U.S.\$101,014 million), or 62.5% of total nominal GDP, compared to QR388,321 million (U.S.\$106,682 million), or 70.3% of total nominal GDP in 2016, reflecting the continued diversification of the economy. The non-oil and gas sector contributed QR411,639 million (U.S.\$113,088 million), or 67.7% of total nominal GDP, in 2017. The non-oil and gas sector contributed QR439,571 million (U.S.\$120,761 million), or 63.1% of total nominal GDP, in 2018. In

2019, the non-oil and gas sector contributed QR440,622 million (U.S.\$121,050 million), or 66.0% of nominal GDP.

In real GDP terms, the non-oil and gas sector grew by 5.3% in 2016, 3.8% in 2017 and 3.2% in 2018. In 2019, the non-oil and gas sector grew by 1.3% compared to 2018.

Over the past decade, the State has been investing heavily in diversifying its economy to reduce its historical high dependence on oil and gas revenues. In 2018, the non-oil and gas sector contributed 63.1% to total nominal GDP. The key contributors to nominal GDP in this sector for that period were the construction sector and the manufacturing sector, which contributed 15.0% and 8.7% to total nominal GDP, respectively, underpinned by ongoing key infrastructure projects related to Qatar's longer-term 2030 vision as well as the 2022 FIFA World Cup which complements the country's longer-term strategy. In addition, the financial and insurance activities and the wholesale and retail trade (which includes the repair of motor vehicles and motorcycles) sectors contributed 7.5% and 7.0% to total nominal GDP, respectively, benefiting from the continued increase in Qatar's population, which created demand for finance, insurance and consumer goods.

## Oil and Gas Sector

### Overview

The following table sets forth Qatar's total proven and expected reserves of crude oil and natural gas (including condensate) as of the dates indicated.

	As of December 31,				As of September 30,	
	2017		2018		2019	
	Proven	Expected	Proven	Expected	Proven <sup>(3)</sup>	Expected <sup>(3)</sup>
Natural gas (including condensate) (in trillions of cubic feet) <sup>(1)</sup>	852	854	843.4	849	837.2	842.8
Crude oil (in billions of barrels)	1.73	2.84	2.53	4.20	2.37	4.04
<b>Total barrels of oil equivalent (in billions of barrels)<sup>(2)</sup></b>	<b>173</b>	<b>175</b>	<b>172</b>	<b>175</b>	<b>171</b>	<b>173</b>

Notes:

- (1) Includes North Field gas reserves.
- (2) Proven and expected reserves of natural gas have been converted to barrels of oil equivalent on a calorific basis according to a conversion factor of one billion cubic feet of gas (including condensate) to 0.201 million barrels of oil equivalent.
- (3) Provisional figure that excludes reserve additions and revisions. Reserve additions and revisions are not available until the middle of the following calendar year. Calculated by deducting production for the nine months to September 30, 2019 from reserves at December 31, 2018.

Source: Qatar Petroleum.

QP, which is wholly owned by the State and is the State's primary source of hydrocarbon revenues, is responsible for all phases of the oil and gas industry in Qatar. The principal activities of QP and its subsidiaries and joint ventures cover exploration, drilling and production, storage and transport, and the marketing and sale of crude oil, pipeline gas, LNG, petrochemicals, GTL, steel, fertilizers and other products and services. QP conducts its operations and activities at various onshore and offshore locations, while select hydrocarbon exploration and other projects are conducted under joint venture or production sharing agreements with international oil and gas companies. QP is also the majority shareholder in a number of industrial companies located primarily at Ras Laffan Industrial City and Mesaieed Industrial City, which use natural gas as feedstock and/or fuel to produce various value-added products, such as petrochemicals, fertilizers and steel, both for domestic consumption and export. The State expects to continue to derive the majority of its oil and gas revenues from the sale of LNG, other natural gas and condensate as a result of its investment in the commercialization of Qatar's substantial natural gas reserves.

QP is managed by a board of directors appointed by the Emir, with the Deputy Emir serving as Chairman. Other members of QP's board of directors include the Minister of State for Energy Affairs, who is the Deputy-Chairman, President & CEO, the Minister of Commerce and Industry and the Minister of Finance. QP's annual budget is approved by the Supreme Council for Economic

Affairs and Investment. All proceeds from the export of crude oil, gas refined products and condensate are paid directly to the Ministry of Finance. The Ministry of Finance has the right to withdraw funds from QP at any time. In addition, QP has the ability to request that the Ministry of Finance deposit cash into QP's accounts in accordance with QP's approved annual budget.

QP has a long-term foreign currency issuer credit rating of AA- from S&P with a stable outlook and Aa3 from Moody's with a stable outlook.

QP's capital expenditures consist principally of costs associated with building facilities for the production and processing of oil, LNG and natural gas, drilling oil and gas wells, the production of fertilizers and petrochemicals, and the construction of liquefied petroleum gas tanks and pipelines for gas and refined products. To fund its capital requirements, QP depends primarily on internal sources of funding and has also used loans from financial institutions and the export credit agencies of its trade partners. Many of the previous projects undertaken by QP, its subsidiaries and joint ventures have been structured as non-recourse projects (although some have required completion guarantees by QP and the other shareholders), with loans amortizing over approximately 15 to 18 years and repayment obligations expected to be met through the cash flows generated by each relevant project.

Over the next five years (2020-2024), capital expenditure in Qatar by QP, its subsidiaries and joint ventures is projected to be approximately QR 248.4 billion (U.S.\$68.2 billion) with QP's share being QR171.4 billion to QR 205 billion (U.S.\$47 billion to U.S.\$56.3 billion) or 69% to 82% of the total depending on the ownership interest of joint venture partners, if any are selected. QP's share of the planned capital expenditure of GoldenPass Products LNG export terminal is approximately U.S.\$7 billion. This projection excludes capital expenditure on projects that are in the planning and design stage, before a final investment decision is made. Funding of these existing capital expenditure commitments, in addition to other expenditures anticipated but not included in the amount above, from internally generated funds may impact the amount of cash flow to the State from QP over this period. However the State anticipates that the impact of any reduction of QP cash flow during this period will be mitigated by the expected winding down over the same period of the State's infrastructure capital expenditures including the 2022 World Cup related projects.

QP's strategy is to continue to contribute to the diversification of Qatar's economy and the State's assets by leveraging QP's experience along with the State's hydrocarbon wealth to generate long-term returns on investment in the international oil and gas industry. To that effect, QP created Qatar Petroleum International ("QPI"), a wholly-owned subsidiary through which it invests in the international oil and gas markets.

Upstream and downstream foreign investments of QPI or QP include, among others, the following:

- Qatar Shell Petrochemical Company was established in 2009 as a joint venture between QPI and Shell Chemical Company. Currently, the joint venture owns a 30% share in The Polyolefins Company (Singapore) Pte Ltd and a 50% share in Petrochemical Corporation of Singapore (Private) Limited, which in turn owns 60% of Tetra Chemicals (Singapore) Private Limited. Petrochemical Corporation of Singapore (Private) Limited consists of two operational naphtha cracker facilities in Jurong Island, Singapore that produce 1800 kta of Olefins, 112 kta of butadiene, 120 kta of MTBE, 216 kta of benzene, 170 kta of toluene, mixed xylene and acetylene.
- In 2012, QPI and Citadel Capital SAE (now Qalaa Holdings SAE), jointly set up Arab Refining Company. Arab Refining Company and Egyptian General Petroleum Corporation subsequently set up Egyptian Refining Company. QPI's effective participation in Egyptian Refining Company is 25.4%. This residue upgrading facility located in Mostorod, Cairo, Egypt with a capacity of 91,000 bbl/d to process atmospheric residue (approximately 4.7 mta) commenced production in November 2019.

- In July 2012, Golden Pass Products, LLC was formed as a 70% QPI and 30% ExxonMobil venture to construct LNG liquefaction trains with a production capacity of about 16 million metric tons per annum, adjacent to the Golden Pass LNG Terminal. In February 2019, QPI and ExxonMobil announced they have taken the final investment decision to proceed with this over U.S.\$10 billion investment, which is expected to take approximately 5 years to construct.
- In November 2013, a Shareholders Agreement was signed between QPI and Total for QPI's acquisition of a shareholding in Total E&P Congo. The portfolio consists of operated and non-operated facilities in seven producing areas, major development projects and one exploration permit. The assets are oil-producing facilities located offshore of the Republic of Congo, ranging from shallow water to deep water of up to 1,200 meters.
- In April 2014, QPI and Shell successfully closed the acquisition of both the oil producing Brazilian upstream assets of the BC-10 Concession and the related Tamba JV that owns the FPSO vessel and facilities to support the BC-10 Concession. QPI, through its wholly-owned subsidiary, QPI Brasil Petroleo Ltd, holds an interest in Shell-operated offshore fields.
- In October 2016, QP announced the establishment of Ocean LNG Limited, for the purpose of marketing its future international LNG supply portfolio sourced outside of the State of Qatar. Ocean LNG Limited is a joint venture company owned by a QP affiliate (70% share) and an ExxonMobil affiliate (30% share).
- In April 2017, an exploration and production sharing contract for Block 10 was signed between QPI (40% share), ExxonMobil (60% share) and the Republic of Cyprus. The block covers approximately 2,572 square kilometers. In February 2019, QP and ExxonMobil announced that they have made a significant natural gas discovery on the Glaucus-1 prospect.
- In June 2017, QP and Shell signed a framework agreement to form a joint venture to develop an LNG bunkering business in specific international locations, initially in Asia, the Middle East and Northern Europe. The upcoming regulatory change by IMO effective January 1, 2020 imposes limits on the emission of pollutants by ships (mainly sulphur and nitrogen oxides). The joint venture will set up a supply chain for LNG bunkering that will provide an additional outlet for Qatar's LNG and value to customers through reliability of supply, proven technology and a cost competitive and IMO compliant fuel.
- On October 27, 2017, QPI (25% share), Shell (55% share) and China National Offshore Oil Corporation (CNOOC) (20% share) successfully won the bid for Alto de Cabo Frio-Oeste exploration block in Brazil. The block covers approximately 1,275 square kilometers with average water depth ranging from 1,500 to 2,000 meters.
- On November 14, 2017, QP (30% share), Eni Oman B.V. (55% share) and Oman Oil Company (15% share) signed an exploration and production sharing agreement for Block 52 offshore the Sultanate of Oman. The block covers approximately 90,000 square kilometers with water depth ranging from 10 to over 3,000 meters.
- On January 31, 2018, QP announced that it had won exploration rights in respect of four offshore blocks (blocks 3, 4, 6 and 7) in the Perdido basin (QP 40% share, Shell 60% share) and block 24 in the Campeche basin (QP 35% share, Eni 65% share) as part of Mexico's Deep Water Round 2 (Phase 4) bid.
- On February 5, 2018, QP acquired a 25% interest in the exploration block 11B/12B offshore South Africa. The block, which is operated by Total, is in the Outeniqua basin, approximately 175 km off the southern coast of South Africa and covers approximately 19,000 square kilometers, with water depth ranging from 200 to 1,800 meters. In February 2019, QP and its

partners, led by Total, announced a significant gas condensate discovery in the Brulpadda prospects in block 11B/12B.

- On March 29, 2018, QP won exploration rights in four offshore blocks in Brazil via two bidding consortia: 30% in blocks 789 and 753 in the Campos basin as part of a consortium comprising affiliates of ExxonMobil (Operator) and Petrobras and 36% in blocks 536 and 647 in the Santos basin as part of a consortium comprising affiliates of ExxonMobil (Operator).
- On June 4, 2018, QP entered into an agreement with ExxonMobil, to become a 30% equity holder in two ExxonMobil affiliates in Argentina that hold different interests in hydrocarbon licenses for seven blocks (containing production, development and exploration) in the world class Vaca Muerta play in the onshore Neuquén basin in Argentina.
- On September 28, 2018, QP and its consortium partner, ExxonMobil, won the exploration rights for the Tita block in the prolific Santos/Campos basins via Brazil's PSC5 bid round. ExxonMobil, will be the operator with a 64% participating interest, while QP will hold the remaining 36% interest.
- On December 8, 2018, QP entered into an agreement with an ExxonMobil affiliate to acquire a 10% participating interest in three offshore exploration blocks in the Angoche and Zambezi basins in the Republic of Mozambique. The two Zambezi blocks have a total area of about 10,200 square kilometers with water depths ranging from about 200 to 2,000 meters, while the Angoche basin block has an area of about 6,450 square kilometers with water depths ranging from about 1,800 to 2,500 meters.
- On March 11, 2019, QP entered into an agreement with Eni to acquire a 25.5% participating interest in block A5A, located in the Angoche basin, offshore the Republic of Mozambique. The A5A block has a total area of about 5,133 square kilometers with water depths ranging from about 300 to 1,800 meters.
- On March 13, 2019, QP entered into an agreement with Eni to acquire a 30% participating interest in the Tarfaya Shallow Exploration Permit, a series of 12 neighboring offshore blocks along the Atlantic coast of the Kingdom of Morocco. The Tarfaya permit has a total area of about 23,900 square kilometers with water depths of up to 1,000 metres.
- On April 16, 2019, QP won exploration rights in three offshore blocks in the Malvinas West basins (30% interest in MLO-113, MLO-117, and MLO-118; the operator is ExxonMobil affiliate) in Argentina and two offshore blocks in the North Argentina basin (40% interest in CAN-107 and CAN-109; the operator is a Shell affiliate).
- On July 9, 2019, QP signed a Heads of Agreement with Chevron Phillips Chemical Company LLC ("**CP Chem**") to develop a new world-scale petrochemical project in the Gulf Coast region of the United States of America ("**USGC II**"). QP will own a 49% share in the USGC II project, while Chevron Phillips Chemical will own the remaining 51% share. With an estimated cost of around U.S.\$8 billion, the USGC II will include an ethylene cracker with a capacity of 2 million tons per annum, making it the largest cracker in the world, and two high-density polyethylene units with a capacity of 1 million tons per annum each. Pursuant to the agreement, QP and CP Chem will jointly carry out project development activities including a front end engineering design (FEED) study with final investment decision targeted for 2021 and startup of the new facility in 2024.
- On July 23, 2019, QP entered into an agreement with Eni and Total to acquire a 25% participating interest in offshore exploration blocks L11A, L11B and L12 in the Lamu basin

in Kenya. These permits have a total area of about 15,000 square kilometers with water depths ranging from 1,000 to 3,000 metres.

- On July 29, 2019, QP entered into an agreement with Total to acquire a 10% participating interest in the Orinduik and Kanuku offshore exploration blocks in Guyana. These permits have a total area of about 6,000 square kilometers with water depths ranging from 70 to 1,400 metres.
- On August 27, 2019, QP entered into agreements with Total for a share of exploration and production rights in two offshore blocks in the Republic of Namibia. QP will hold a 30% participating interest in Block 2913B and a 28.33% participating interest in Block 2912. Block 2913B is in 2,600-3,300 meters deep with an area of about 8,215 square kilometers, while Block 2912 is 3,300-3,800 meters deep with an area of about 7,813 square kilometers.
- On September 2, 2019, affiliates of QP and the Belgian independent natural gas transport company Fluxys Belgium signed a long-term agreement for LNG unloading services at the Zeebrugge LNG Terminal. Under the agreement, Qatar Terminal Limited (QTL) will subscribe to the full capacity at the terminal from the expiry of the existing long-term unloading contracts and up to 2044. QTL is already a party to an existing agreement under which approximately 50% of the terminal's capacity is utilized for delivery of Qatari LNG into Belgium under long-term LNG agreements. The terminal currently has 380,000 cubic meters of LNG storage capacity spread over 4 tanks and an annual throughput capacity of 9 billion cubic meters of natural gas.
- On September 18, 2019, QP and Shell subsidiaries signed a shareholder agreement to establish a joint venture company that would provide global LNG bunkering services. QP's "Wave LNG Solutions LLC" and "Shell Gas & Power Developments B.V." will equal shareholders in the joint venture. LNG bunkering provides the shipping industry with an alternative fuel that helps meet the industry's environmental and economic objectives. In October 2016, the International Maritime Organization (IMO) announced the introduction of a global 0.5 wt% sulfur cap from year 2020.
- On October 10, 2019, QP announced it had won exploration rights in Brazil's Campos basin. 40% of block 541 (Total is the operator) and 25% of blocks 659 and 713 (Shell is the operator).

## ***Natural Gas Operations***

### ***General***

According to the U.S. Energy Information Administration, as of December 31, 2018, Qatar possessed the third largest proven reserves of natural gas in the world (behind Russia and Iran). In 2019, Qatar produced approximately 7,416 billion cubic feet of North Field natural gas. QP estimates that Qatar's proven gas reserves (including condensate) were approximately 837.2 trillion standard cubic feet as of September 30, 2019. Virtually all of Qatar's natural gas reserves are located in the North Field, which extends over an area of approximately 6,000 square kilometers, predominantly underlying the territorial waters of Qatar. A portion of the North Field underlies the Qatari land mass. The North Field is part of a structure which extends into the territorial waters of Iran. Qatar and Iran concluded a maritime border agreement in 1969, and the boundary between the two countries is not disputed. Iran is developing part of the North Field independently through its South Pars Field projects. The North Field is estimated by the U.S. Energy Information Administration to be part of the largest non-associated gas field in the world as at January 2015. More than 200 appraisal and development wells have been drilled in the North Field since its discovery in 1971 to quantify the gas accumulation, determine the reservoir fluid and geological characteristics of the field and begin tapping its resources.

In 2005, Qatar imposed a moratorium on further development of new projects in the North Field, to allow Qatar to assess the performance of existing developments and carry out further studies in the North Field to ensure the ongoing and sustainable development of Qatar's most valuable resource. On April 3, 2017, the moratorium was lifted and QP announced its intention to develop a new gas project in the southern sector of the North Field.

In September 2018, QP announced its intention to raise Qatar's LNG production from 77.5 mta to 110 mta within five years. In March 2018, QP announced that it had selected Chiyoda Corporation of Japan to execute the Front End Engineering and Design ("FEED") of the onshore facilities of the North Field expansion. The FEED scope of work will provide the basic design for the addition of four 7.8 mta mega-trains of LNG production. These onshore facilities will receive approximately 6.4 billion cubic feet of gas per day from the southern sector of the North Field and will produce approximately 32 mta of LNG, 4 thousand tons per day of ethane as feedstock to a petrochemical development in Qatar, 260 thousand barrels per day of condensate, 11 thousand tons per day of LPG and 20 tons per day of helium.

In April 2019, QP announced a contract award for the fabrication and installation of eight offshore well jackets to McDermott Middle East, and the contract award for early site works for the onshore project to the joint venture between Consolidated Contractors Company (CCC) and Teyseer Trading and Contracting Company.

In May 2019, QP announced that it had awarded contracts for a total of eight offshore Jackup Drilling Rigs required for the North Field Expansion Project. The drilling rigs are planned to be mobilized and ready for drilling activities starting from January 2020. Contracts for six of the eight rigs were awarded to Gulf Drilling International (GDI), while the contracts for the remaining two rigs were awarded to Northern Offshore Drilling Operations Limited, operating out of the United States of America. In May 2019, QP also awarded the FEED (Front End Engineering Design) contract for the North Field Expansion Project's offshore pipelines and topsides facilities. The scope of this FEED contract, which was awarded to McDermott Middle East Inc., includes engineering design for eight unmanned wellhead platform topsides, four 38" trunk lines and four 28" intra-field lines, and is expected to take 12 months to complete. The first new LNG train is planned to be ready for start-up by the end of 2024 with first delivery of incremental LNG from the North Field Expansion project by the end of the first quarter of 2025.

In November 2019, QP announced that it will raise Qatar's LNG production capacity by an additional 16 mtpa to 126 mtpa by end year 2027, representing an overall increase of 64% from the current 77 mtpa. This new project, North Field South, arose from appraisal studies of the onshore and near shore zones that revealed that the North Field's productive layers extend well into Qatari land in Ras Laffan, paving the way for a new LNG production project in the north of Qatar.

### *Exploration and Production*

The following table sets forth Qatar's total proven and expected reserves of natural gas (including condensate) as of the dates indicated.

	As of December 31,				As of September 30,	
	2017		2018		2019	
	Proven	Expected	Proven	Expected	Proven <sup>(2)</sup>	Expected <sup>(2)</sup>
	<i>(in trillions of cubic feet)</i>					
North Field gas reserves	843	843	836	836	830	830
Other gas reserves <sup>(1)</sup>	9	11	7.4	13	7.2	12.8
<b>Total Qatar gas reserves</b>	<b>852</b>	<b>854</b>	<b>843.4</b>	<b>849</b>	<b>837.2</b>	<b>842.8</b>

Notes:

- (1) Includes associated reserves from the Dukhan, Bul Hanine and Maydan Mahzam oil fields.
- (2) Provisional figure that excludes reserve additions and revisions. Reserve additions and revisions are not available until the middle of the following calendar year. Calculated by deducting production for the nine months to September 30, 2019 from reserves at December 31, 2018.

Source: Qatar Petroleum.



The State exploits its natural gas reserves through the following operations: the flagship Qatargas and RasLaffan LNG (formerly known as RasGas) projects (in each case, operated by Qatargas) for LNG; QP's production of natural gas for its own account, including the North Field Alpha project; the production of associated gas from Dukhan and certain offshore oil fields through various production and development agreements with international oil and gas companies; GTL production through the Pearl and Oryx projects; and pipeline gas through the Al Khaleej and Dolphin projects, and the Barzan project when it comes on line.

The RasLaffan LNG and Qatargas joint venture projects, which are all operated by Qatargas, currently produce approximately 77.5 mta of LNG for export. In December 2016, QP announced the integration of the sales and production operations of RasLaffan LNG and Qatargas into a new Qatargas, which was completed in January 2018. The QP-operated North Field Alpha project and the Al-Khaleej Gas project supply natural gas for Qatar's domestic use, while the Dolphin project supplies pipeline gas to the regional market. The Barzan project is expected to come on stream in the first quarter of 2020, and once completed and on stream, will supply pipeline natural gas to Qatar's domestic market. The Pearl GTL project, Qatar's largest GTL project, has been fully operational since 2012 and is the world's largest source of GTL products, capable of producing 160,000 barrels of GTL products each stream day for export and Qatar's domestic consumption. The plant also produces 120,000 barrels oil equivalent per day of condensate, natural gas liquids and ethane.

The following table sets forth certain information about the production of natural gas in Qatar for the periods indicated.

	Year ended December 31, <sup>(1)</sup>				Nine months ended September 30, <sup>(1)</sup>	Nine months ended September 30, <sup>(1)</sup>
	2015	2016	2017	2018	2018	2019
	<i>(in billions of standard cubic feet)</i>					
<b>Total QP-operated fields ....</b>	<b>428</b>	<b>417</b>	<b>411</b>	<b>401</b>	<b>298</b>	<b>265</b>
<b>PSA oil fields<sup>(2)</sup> .....</b>	<b>12</b>	<b>12</b>	<b>18</b>	<b>23</b>	<b>20</b>	<b>22</b>
<b>Total North Field, non QP-operated fields ....</b>	<b>7,171</b>	<b>7,136</b>	<b>7,046</b>	<b>7,150</b>	<b>5,373</b>	<b>5,358</b>
<b>Total gas production in Qatar<sup>(3)</sup> .....</b>	<b>7,611</b>	<b>7,565</b>	<b>7,475</b>	<b>7,573</b>	<b>5,691</b>	<b>5,644</b>

Notes:

(1) These figures are unaudited and are as estimated by the relevant project's management.

(2) Total gas from non-operated production sharing agreement oil fields.

(3) These figures reflect gross production of natural gas in Qatar.

Source: Qatar Petroleum.

### LNG Exports

A substantial portion of Qatar's LNG sales are derived from long-term sale and purchase agreements, which provide certainty of volume offtake. However, Qatari LNG sales are subject to price fluctuations as many of the prices set in such agreements are linked to an oil price or other similar index. See *"Risk Factors—Risks Relating to Qatar—The decrease in hydrocarbon prices has impacted the State's revenues and its financial condition and may continue to do so in the foreseeable future"*. Most of the more recent contracts with respect to the sale of Qatari LNG include diversion rights, whereby sales of LNG can be diverted to other markets based on certain circumstances. These diversion rights enable the Qatargas operated entities to maximize the potential revenues from the sale of Qatari LNG, based on the existing market conditions at the time, and to take advantage of changes in demand patterns in different markets around the world. Qatar also believes that an important competitive advantage it possesses is its central geographic location that permits access and shipping to all major LNG markets globally, allowing for a flexible marketing approach. Qatar continues to divert cargo to maximize its potential revenues.

The Qatargas operated LNG projects are the source of all Qatari LNG exports and LNG was sold to customers in 21 countries in the year ended December 31, 2019, mainly through long-term sale and purchase agreements.

The following table gives an overview of Qatar's LNG exports for the periods indicated.

	Year ended December 31, <sup>(1)</sup>				Nine months ended September 30, 2018	Nine months ended September 30, 2019
	2015	2016	2017	2018		
	<i>(in millions of tons)</i>					
<b>Qatargas North Group projects</b>						
Qatargas.....	9.5	9.4	9.6	9.1	6.8	7.1
Qatargas 2.....	15.3	16.0	15.4	16.1	12.4	12.6
Qatargas 3.....	8.2	8.0	8.0	8.0	6.2	5.7
Qatargas 4.....	8.1	8.0	8.0	7.7	6.2	6.0
<b>Sub-total</b> .....	<b>41.0</b>	<b>41.4</b>	<b>40.9</b>	<b>40.9</b>	<b>31.7</b>	<b>31.4</b>
<b>Qatargas South Group projects</b>						
RL I.....	6.8	6.9	7.3	7.3	5.4	5.5
RL II.....	14.3	14.4	14.6	14.6	10.8	10.1
RL 3.....	15.3	15.7	15.6	15.3	11.5	12.3
<b>Sub-total</b> .....	<b>36.4</b>	<b>36.9</b>	<b>37.5</b>	<b>37.2</b>	<b>27.8</b>	<b>27.9</b>
<b>Total LNG exports from Qatar<sup>(2)</sup></b> .....	<b>77.4</b>	<b>78.4</b>	<b>78.4</b>	<b>78.1</b>	<b>59.5</b>	<b>59.3</b>

Notes:

(1) All volumes are derived from information provided by the Qatargas and RasLaffan LNG entities.

(2) For comparative purposes, total LNG exports from Qatar were 74.93 mtpa, 77.47 mtpa and 75.69 mtpa for 2012, 2013 and 2014 respectively.

Source: Qatar Petroleum.

### LNG Projects

Qatar's LNG is produced through the Qatargas and RasLaffan joint venture LNG Projects, which process natural gas in offshore and onshore facilities. QP holds ownership interests in each of these projects. In December 2016, QP announced the integration of the sales and production operations of RasLaffan and Qatargas LNG projects. On January 3, 2018, QP announced that Qatargas operating company had commenced integrated operations and that this integration was expected to ultimately save approximately QR2 billion in operating costs annually for the LNG joint venture companies.

The following table sets forth certain information about Qatar's flagship Qatargas and RasLaffan LNG projects.

Project	Partner(s)	Production Capacity
Qatargas .....	TotalFinaElf E&P Qatar, ExxonMobil Qatargas Inc., Marubeni Corporation and Mitsui & Co. Ltd.	9.9 mta (in aggregate) for Trains 1, 2 and 3
Qatargas 2 .....	ExxonMobil Qatargas (II) Limited, Total E&P Golfe Limited	15.6 mta (in aggregate) for Trains 4 and 5
Qatargas 3 .....	ConocoPhillips Qatar Limited, Mitsui & Co. Ltd.	7.8 mta for Train 6
Qatargas 4 .....	Shell Gas B.V.	7.8 mta for Train 7
RL I.....	ExxonMobil RasGas Inc., Korea Ras Laffan LNG Limited, Itochu Corporation, LNG Japan Corporation	6.6 mta (in aggregate) for Trains 1 and 2
RL II.....	OPIC Middle East Natural Gas Corporation, ExxonMobil RasGas Inc.	14.1 mta (in aggregate) for Trains 3, 4 and 5

<b>Project</b>	<b>Partner(s)</b>	<b>Production Capacity</b>
RL 3 .....	ExxonMobil Ras Laffan (III) Limited	15.6 mta (in aggregate) for Trains 6 and 7

*Source:* Qatar Petroleum.

### *Qatargas North Projects*

After integration in the year 2018, the Qatargas projects (Qatar Liquefied Gas Company Limited (“**Qatargas**”), Qatar Liquefied Gas Company Limited (2) (“**Qatargas 2**”), Qatar Liquefied Gas Company Limited (3) (“**Qatargas 3**”) and Qatar Liquefied Gas Company Limited (4) (“**Qatargas 4**”)) are collectively referred to as the Qatargas North Projects. These projects were set up as joint ventures with major international oil and gas companies to extract, process and export LNG from the North Field through seven LNG trains located at Ras Laffan Industrial City. Qatargas’ overall production capacity is 41.1 mtpa.

The sale and purchase agreements for Qatargas 2, 3 and 4 provide for diversion rights, which enable Qatargas 2, 3 or 4, as applicable, to divert LNG volumes to other markets if market conditions make it more favorable to do so.

As of December 31, 2018, the cumulative capital expenditure on the Qatargas North projects was approximately QR 103,335 million (U.S.\$28,389 million). In addition, as at December 31, 2018, the Qatargas entities had QR 16,610 million (U.S.\$4,563 million) in aggregate principal amount of indebtedness outstanding. Additional details on the Qatargas projects are set forth below:

### *Qatargas*

Qatargas, Qatar’s first LNG project, is a three train LNG project with an aggregate of approximately 9.9 mtpa of production capacity for LNG and associated liquids, which became fully operational in 1998. Qatargas is party to long-term sale and purchase agreements with utility companies in Japan and Spain.

### *Qatargas 2*

Qatargas 2 is a two train LNG project with an aggregate of approximately 15.6 mtpa of production capacity for LNG and associated liquids, which became fully operational in 2009. The LNG is exported and sold under long-term sale and purchase agreements. Qatargas 2’s LNG is primarily exported to Asia and Europe, in particular the UK.

### *Qatargas 3*

Qatargas 3 is a one train LNG project with approximately 7.8 mtpa of production capacity for LNG and associated liquids, which became fully operational in 2010. Originally, the LNG was expected to be sold to ConocoPhillips under a long-term sale and purchase agreement for export to the United States; however, due to low gas prices in the United States, the LNG has been diverted and is now exported to Europe and the Far East. LNG is also supplied to countries in Asia and Europe.

### *Qatargas 4*

Qatargas 4 is a one train LNG project co-developed alongside Qatargas 3 with approximately 7.8 mtpa of production capacity for LNG and associated liquids, which became fully operational in 2011. The LNG was mainly intended to be sold to Shell under a long-term sale and purchase agreement for export to the Americas; however, due to low gas prices in the United States, the LNG has been diverted and is now exported to Europe, the Far East and the Middle East.

### *Qatargas South Group*

After integration in the year 2018, the RasLaffan LNG projects (Ras Laffan Liquefied Natural Gas Company Limited (“**RL I**”), Ras Laffan Liquefied Natural Gas Company Limited (II) (“**RL II**”) and Ras Laffan Liquefied Natural Gas Company Limited (3) (“**RL 3**”)) are collectively referred to as the Qatargas South Projects. These projects were set up as joint ventures with major international oil and gas companies to extract, process and export up to an aggregate of approximately 36.3 mtpa of LNG from the North Field through seven LNG trains located in Ras Laffan Industrial City.

As of December 31, 2018, the cumulative capital expenditure on the RasLaffan LNG projects was approximately QR 65,323 million (U.S.\$17,946 million) and the RasLaffan LNG projects had approximately QR 15,081 million (U.S.\$4,143 million) in aggregate principal amount of indebtedness outstanding. Additional details on the RasLaffan LNG projects are set forth below:

#### *RL I*

RL I is a two train LNG project with an aggregate of approximately 6.6 mta of production capacity for LNG and associated liquids, which became fully operational in 2000. RL I is party to long-term sale and purchase agreements with Korea Gas Corporation and a consortium comprised of four of the largest energy companies in India.

#### *RL II*

RL II is a three train LNG project with an aggregate of approximately 14.1 mta of production capacity for LNG and associated liquids, which became fully operational in 2006. RL II is party to long-term sale and purchase agreements with buyers in India, Italy, Belgium and Taiwan.

#### *RL 3*

RL 3 is a two train LNG project with an aggregate of approximately 15.6 mta of production capacity of LNG and associated liquids, which became fully operational in 2010. The RL 3 LNG trains currently sell LNG to countries in Europe and Asia under long-term and short-term sale and purchase agreements.

### *LNG Shipping*

As LNG exports to liberalized gas markets make a larger contribution to the State’s revenues and as QP’s partners in Qatar’s LNG projects invest more capital in Qatar, the State has progressed towards full LNG value chain integration, thus linking upstream, midstream and downstream components. As part of this process, Qatar Gas Transport Company (known as Nakilat) was established in 2004 to own, manage and operate LNG vessels providing shipping and marine related services to a range of participants within Qatar’s hydrocarbon sector. Nakilat, which is listed on the QE, is 50% owned by the public and 50% owned by various Qatari national companies.

Nakilat focuses on the transportation of LNG to global markets but has diversified its activities to offer a broad range of marine services. Nakilat is the largest owner of LNG carriers in the world, consisting of 69 LNG vessels along with four liquefied petroleum gas vessels and one floating storage and regasification unit. The LNG vessels have a combined carrying capacity of over 9.0 million cubic meters, or about 12% of the global LNG fleet capacity.

In April 2019, QP issued an ‘invitation to tender’ for the reservation of ship construction capacity required for the LNG carrier fleet for its North Field Expansion (NFE) Project, Golden Pass LNG export project in the United States, and options for replacement requirements for Qatar’s existing LNG fleet. This LNG ship-building campaign expected to initially deliver 60 LNG carriers in support of the planned production expansion, with a potential to exceed 100 new LNG carriers over the next decade.

## *LNG Terminals*

### *South Hook Gas Terminal in UK*

To complete the full LNG supply chain for Qatargas 2 project, an LNG terminal was installed in Milford Haven so that LNG could be supplied from Qatargas 2 facilities, shipped in Qatari ships and stored and re-gasified in the South Hook LNG terminal for selling in the UK gas market. The terminal was commissioned in 2009, and is a joint venture between Qatar Petroleum, ExxonMobil and Total. The LNG terminal has a capacity to inject 15.6 million tons of LNG per annum into the UK gas grid.

### *Adriatic LNG Terminal in Italy*

To supply LNG to the Italian gas market, The Adriatic LNG Terminal was installed and commissioned in 2009. The terminal is a joint venture between Qatar Petroleum, ExxonMobil and Snam. The terminal is situated offshore in the North of the Adriatic Sea. The terminal has a capacity for storing and re-gasifying LNG and injecting 5.6 million tons per annum of gas into the Italian gas grid.

### *Golden Pass LNG Terminal in USA*

The Golden Pass LNG terminal was installed in Sabine Pass, Texas, and commissioned in 2010 to receive LNG from RL 3 LNG venture. However, because of the low gas prices in the US, the LNG was diverted to higher priced markets in Europe and Asia. The terminal has a capacity of 15.6 million tons per annum of storing, re-gasifying LNG into gas, and injecting the gas into the US gas grid. The idle terminal is currently being converted into an LNG production and export terminal under a joint venture partnership of Qatar Petroleum and ExxonMobil.

## *Other Gas Production*

### *QP Gas Production*

QP also produces associated natural gas for its own account from the onshore Dukhan oil field and from the offshore Bul Hanine and Maydan Mahzam oil fields, as well as non-associated natural gas from the onshore Dukhan Khuff reservoir and the offshore North Field Alpha project.

### *Joint Venture and PSA Production*

As a result of their crude oil production activities, projects operating pursuant to joint venture or production sharing agreements (“**PSA**”) with the State also produce offshore associated gas from the Idd El Shargi, Al Shaheen and Al Khalij oil fields. In general, under the PSAs, any associated gas that is not used for lifting or reinjection belongs to the State, and this gas is delivered to QP as the State’s agent. Some of the natural gas produced at the Al Shaheen and Idd El Shargi oil fields is fed onshore to the NGL plants at Mesaieed Industrial City, while some of the natural gas produced at the Al Khalij oil field is used for power generation at Halul Island.

### *Pipeline Gas Supply Projects*

#### *Al Khaleej*

Al Khaleej is a pipeline gas supply project with rights to develop facilities to produce natural gas from the North Field to yield up to 2.0 billion cubic feet per day of sales gas for distribution in Qatar, as well as the condensate, NGL and ethane produced with the gas. The project is the subject of a gas development and production sharing agreement (“**DPSA**”) between the State and Exxon Mobil Corporation Middle East Gas Marketing Limited (“**EMMEGML**”), an indirect wholly-owned subsidiary of Exxon Mobil Corporation. As part of the project, EMMEGML has constructed natural gas processing facilities, NGL recovery facilities, and NGL fractionation facilities, storage and loading facilities at Ras Laffan Industrial City. The project is operated by Qatargas.

As at December 31, 2018, the project produced at a daily average rate of approximately 1,898 million standard cubic feet per day of natural gas, 63.8 thousand barrels per day of field and plant condensate and 5,943 tons per day of natural gas liquids (LPG and ethane).

### *Dolphin*

The State, subsidiaries of Total and Occidental Petroleum and Dolphin Investment Company developed the Dolphin project under the terms of a 2001 development and production sharing agreement. The Dolphin project entails production of wellhead gas from the North Field in an amount sufficient to export lean gas at a rate of 2.0 billion cubic feet per day to the UAE and Oman through an offshore export pipeline. The project also includes the processing of the gas at Ras Laffan Industrial City to extract condensate, ethane, liquefied petroleum gas and sulphur for export. The Dolphin project became fully operational in 2008. In 2018, the average sales gas production was 2,000 standard cubic feet per day and the production of liquefied petroleum gas and condensate was 3,533 tons per day and 87 thousand barrels per day, respectively.

### *Barzan*

In 2011, QP entered into a joint venture with ExxonMobil to further develop the North Field gas reserves through the Barzan project to supply pipeline gas to the local industries and power generation sector in Qatar. The project is expected to come on stream in the first part of 2020. Once fully operational, the project will have three offshore platforms and two onshore gas trains and is expected to provide approximately 1.4 billion standard cubic feet per day of gas when operating at full capacity. It will share common storage, loading and offsite facilities at Ras Laffan Industrial City. The capital expenditure incurred in this project is reflected in the financial accounts of QP rather than the financial and capital account of the State's expenditures and revenues.

### *Gas-to-Liquids Projects*

The term gas-to-liquids ("GTL") refers to a small number of technologies designed to convert natural gas to liquid fuels, as alternatives to the traditional refining of crude oil and other natural gas commercialization routes. Typical output yields for a GTL process consist of approximately 70% ultra-clean diesel fuel and 25% naphtha, with the remaining percentages coming from liquefied petroleum gas, lubes and waxes. Thus, the prime potential markets for GTL fuels are the transport fuel market and the chemical feedstock market.

The following table gives an overview of Qatar's GTL sales and QP's share thereof for each of the periods indicated.

	Year ended December 31,				Nine months ended September 30,	Nine months ended September 30,
	2015	2016	2017	2018	2018	2019
	(in millions of bbl)					
GTL Projects						
Total GTL production in Qatar <sup>(1)</sup> .....	49.60	51.90	42.10 <sup>(2)</sup>	53.6	39.4	39.91
Pearl GTL total sales volume .....	38.43	41.93	30.88 <sup>(2)</sup>	41.28	30.2	33.02
Oryx GTL total sales volume .....	10.50	9.98	11.54	11.24	8.46	6.63
QP share of total GTL sales .....	9.25	10.10	7.39	10.12	7.34	7.99

Notes:

(1) Including Pearl and Oryx GTL production but excludes LPG production.

(2) Pearl GTL production facility operated at a reduced rate of production during the first six months of 2017 due to unforeseen maintenance required on some or all of the plant's 18 gasifier units.

Source: Qatar Petroleum.

Total GTL production in Qatar decreased by 18.9% in 2017 compared with 2016 primarily due to the 26.4% reduction in production of the Pearl GTL facility because of unforeseen maintenance works arising from an extended repair program for some of the facilities. In 2018, total GTL production increased by 27% compared with 2017. In the nine months ended September 30, 2019, GTL production increased by 1.3% compared to the nine months ended September 30, 2018, and QP's share of total GTL sales increased by 8.9% over the same period.

### Condensate

Field condensate is essentially a very light crude oil and is produced from non-associated gas at the North Field and from a gas cap at the Dukhan oil field. It is primarily exported to Asia and sells in direct competition with other Middle Eastern light crude oils. A small amount of the field condensate produced from North Field Alpha or the Dukhan oil field is also used at Mesaieed as feedstock to QP's Refinery as well as for storage and export, and occasionally, sales to customers if the condensate splitters are undergoing maintenance.

Plant condensate is extracted from raw NGL supplied from the Dukhan oil field, the offshore oil fields and the North Field at the NGL complex at Mesaieed Industrial City. Plant condensate from RasLaffan LNG, Qatargas and Al Khaleej Gas projects is marketed jointly by these projects and QP. The primary markets for plant condensate have been Japan, South Korea, Singapore, Taiwan, Malaysia, Indonesia and Thailand. The current contract price for plant condensate is linked to international prices of naphtha plus a variable premium, which is negotiated on a quarterly basis. Naphtha-based petrochemicals companies are QP's main customers.

The following table sets forth the production and sales of condensate (both field and plant condensate) attributable to QP for each of the periods indicated.

	Year ended December 31, <sup>(1)</sup>				Nine months ended September 30, <sup>(1)</sup>	Nine months ended September 30, <sup>(1)</sup>
	2015	2016	2017	2018	2018	2019
QP share of total production for the period (in millions of barrels) .....	75	80	78.5	81.1	60.59	55.9
QP share of total sales (in millions of barrels).....	76.2	66.0	66.0	67.9	50.3	46.9

Note:

(1) Derived from QP's fields plus QP's share of production sharing agreements but excludes joint ventures.

Source: Qatar Petroleum.

### *Natural Gas Liquids ("NGL")*

QP has a gas-processing complex located at Mesaieed Industrial City, consisting of a gas processing and sweetening facility, raw NGL fractionation and treatment facilities, and product storage and export facility, which processes the following feed streams by separating NGL from gas and fractionating the same:

- Associated gas from offshore oil fields—Bul Hanine (PS-3), Maydan Mahzam (PS-2) and Idd El Shargi (PS-1)—Processed either at the NGL complex or at Qatar Petrochemical Company (QAPCO).
- Associated gas from offshore Al-Shaheen oil field via North Field (Alpha)—Processed in the gas processing and sweetening facility.
- Non-associated gas/liquid from the North Field (Alpha)—Processed in the gas processing and sweetening facility.
- Associated gas from the Dukhan oil fields—first processed in Dukhan, with raw NGL further processed in the NGL complex fractionation facility.
- Non associated gas from Dukhan Arab-D fields—first processed in Dukhan, with raw NGL further processed in NGL fractionation facility plants (NGL-4), Mesaieed.

High value NGL products, including ethane, propane, butane, NGL condensate and NF condensate are extracted at the NGL complex and are then either stored and exported, further processed in the QP refinery complex ("**QP Refinery**") or used in downstream chemical plants such as Q Chem I/II, Qatar Petrochemical Company or Qatar Fuel Additives Company Limited. Sulphur produced in the gas sweetening process is exported. The Qatargas, RasLaffan LNG and Al Khalij projects use the NGL recovery, fractionation and treatment facilities constructed at Ras Laffan Industrial City, which, in addition to plant condensate, produce similar natural gas liquids as the NGL plants at Mesaieed Industrial City. Propane is used locally as a fuel and is also exported, while butane is used as a feedstock by Qatar Fuel Additives Company and is also exported.

The following table sets forth the production and sale of propane and butane attributable to QP for each of the periods indicated.



	Year ended December 31, <sup>(1)</sup>				Nine months ended September 30,	Nine months ended September 30,
	2015	2016	2017	2018	2018	2019
QP share of total production for the period (in millions of tons).....	3.8	3.9	3.7	3.98	3.01	2.84
QP share of total sales (in millions of tons) .....	3.7	3.8	3.6	3.84	2.84	2.80

Note:

(1) Derived from QP's fields plus QP's share of production sharing agreements but excludes joint ventures.

Source: Qatar Petroleum.

### **Crude Oil Operations**

Oil was discovered in Qatar in late 1939 and crude oil exports began in 1949. Since then, Qatar has steadily increased its levels of crude oil production, both directly and by entering into production sharing agreements with leading international oil exploration and production companies, including Total and Occidental Petroleum. Qatar's average crude oil production was over 610,000 barrels per day in 2018. The U.S. Energy Information Administration estimated Qatar to be the 15<sup>th</sup> largest global producer of petroleum and other liquids (crude oil, lease condensate, natural gas liquids and other liquids) in 2017.

On November 30, 2016, major oil producers, including OPEC and non-OPEC countries agreed to reduce output by 1.2 million barrels per day effective from January 1, 2017. QP's commitment to fulfil the State of Qatar's support of OPEC's decision was confirmed on December 13, 2016 and Qatar reduced its crude oil reference production level by 30,000 barrel per day. In January 2019, Qatar withdrew from OPEC and therefore effective January 1, 2019, Qatar's crude oil production is no longer determined by OPEC's quota restrictions.

### **Reserves**

As of December 31, 2018, Qatar's proven and expected reserves of crude oil were 2.5 billion barrels and 4.2 billion barrels, respectively.

Assuming there are no further discoveries of oil reserves in Qatar, it is estimated that crude oil production may have peaked in the year 2010. However, the development of additional oil reserves is possible given QP's experience with the application of new technology to enhance recovery from existing oil reservoirs.

### **Oil Production**

Qatar's total oil exploration area is divided into 26 hydrocarbon "blocks" covering a total surface area of 43,426 square kilometers. QP is involved in the exploration, development and production of crude oil in Qatar both through its own operations and in conjunction with the State and major international oil and gas companies pursuant to production sharing agreements. QP produces crude oil for its own account from the onshore Dukhan oil field, and the offshore Bul Hanine, Maydan Mahzam and Al Rayyan (from mid-2017) oil fields.

#### **Dukhan Oil Field (Onshore)**

QP produces onshore crude oil from the Dukhan field, a single large field in the west of Qatar consisting of four major hydrocarbon reservoirs: three oil-bearing reservoirs and one non-associated gas reservoir. Oil was first discovered in the Dukhan field in 1939 and the first shipment occurred in 1949. The Dukhan field extends over an area of approximately 640 square kilometers. In 1959, a non-associated gas reservoir was discovered in Dukhan and the production was initiated in 1978. The oil and associated gas produced from the oil reservoir in Dukhan is separated in four main degassing stations. The stabilized crude oil is transported by pipeline to Mesaieed Port for export, which is approximately 100 kilometers east of Dukhan. The associated stripped gas plus condensate and raw

natural gas liquids from other production facilities at Dukhan are transported to Mesaieed for further processing and handling. The oil production from the field is presently under natural flow and the reservoir pressure is being maintained by water injection. QP has initiated projects, including infill drilling and well integrity/reservoir workovers, in order to sustain and enhance oil and gas production from the field.

#### Maydan Mahzam Oil Field and Bul Hanine Oil Field (Offshore)

The Maydan Mahzam field began producing in 1965 and the Bul Hanine field began producing in 1973. Oil from these offshore fields is exported via a subsea export pipeline to Halul Island for initial storage and thereafter sold to international customers. A re-development study was conducted in 2016 for the Bul Hanine oil field, and phase-1 of the project has commenced with the drilling of infill wells and a contract awarded to modify the platforms. In addition, studies are ongoing to redevelop the Maydan Mahzam offshore field in order to prolong the field's life and to increase its production.

#### Al Rayyan Oil Field (Offshore)

The Al Rayyan field is located above the Qatar Arch, approximately 72 kilometers off the northern coast of Qatar and is approximately 60 meters deep. The EPSA with Occidental Qatar Energy Company and Marubeni expired in May 2017, upon which QP took over the operation of the field. The field was developed using coiled tubing deployed electric submersible pump. The field produces to a dedicated facility, Al Morjan platform, with the oil is stored in a floating, storage and offloading barge (FSO), Falcon Spirit operated by a third party on a long term contract. The produced water is disposed of into the Umm Erradhuma aquifer.

#### *Production Sharing Agreements and Joint Ventures*

Since the early 1990s, QP, as agent of the State, has entered into a number of production sharing agreements with various international oil and gas companies for the purpose of the exploration and exploitation of hydrocarbon blocks. The State develops these blocks through exploration (“**EPSAs**”) or development (“**DPSAs**”) production sharing agreements. More recently, following the expiry of DPSAs, the relevant fields are now being operated through joint ventures (“**JVs**”) between QP and various international oil and gas companies.

Under EPSAs, contractors are granted the right to explore for oil in the relevant block and, upon oil discovery, to appraise and develop the field. Under DPSAs, contractors are given the right to appraise and develop fields in which there are known to be reserves of oil. QP acts as the State's agent in the EPSAs and DPSAs entered into between the State and multiple international oil and gas companies. The capital costs associated with exploration, development and production in fields or areas subject to production sharing agreements are incurred solely by the contractors, thus minimizing the financial burden on Qatar. In addition, these international oil and gas companies typically have proprietary technology or experience with advanced oil extraction techniques acquired from activities in other countries and generally use such technology and techniques in their operations in Qatar, thus helping to maximize Qatar's production and export of oil and the development of its oil reserves.

The terms of each production sharing agreement vary according to the different circumstances of the relevant area, such as the difficulty of extracting oil and the size of the reserves. In general, the production sharing agreements have terms of 25 years and can be extended at the discretion of the State. The production sharing agreements are structured to make it economically attractive for the contractor to develop the field and fully exploit its reserves, while at the same time protecting the State's economic interests. QP generally takes physical delivery of its share of the crude oil produced under production sharing agreements for export, with the net proceeds from the sale of such crude oil being collected directly by the Ministry of Finance. QP retains revenues from the sale of such crude oil net of the taxes payable under the production sharing agreements.

Oil fields in Qatar operated by JVs include the Al Shaheen Field and the Al Khalij Field, while oil fields in Qatar subject to DPSAs include the Idd El Shargi North Dome and South Dome fields, both

of which are operated by a subsidiary of Occidental Petroleum. In general, Qatar's oil fields are mature and crude oil production is expected to remain at the same level over the next five years.

#### Al Shaheen Field (JV)

The Al Shaheen oil field is located in Block 5 approximately 43 miles off Qatar's north eastern coast. The Al Shaheen field was previously operated under an EPSA between the State and Maersk Oil Qatar AS, but following the EPSA's expiry in July 2017, is now operated by North Oil Company, an incorporated JV between QP (70%) and a subsidiary of TOTAL S.A. (30%). Al Shaheen has historically been one of the highest producing fields in Qatar. QP expects to incur redevelopment expenditure in the near future in respect of this field to maintain the current production level. Oil production is sustained by means of continuous development through various drilling and development plans.

#### Al Khalij Field (JV)

The Al Khalij oil field is located in Block 6, along Qatar's maritime border with Iran, and to the east of the North Field. The Al Khalij field was previously operated under a PSA by a subsidiary of Elf Aquitaine (now part of TOTAL S.A.), but since February 2014, the field has been operated by Total E&P Golfe, and the petroleum licence owned by an unincorporated JV between QP (60%) and TOTAL S.A. (40%). Since 1997, when production started, the field operator has completed several expansion projects to raise the production. High resolution three-dimensional seismic survey technology was used to enhance production from this field.

#### Idd El Shargi North Dome Field (DPSA until October 6, 2019)

The Idd El Shargi North Dome oil field lies 94 kilometers east of Qatar's northern tip in approximately 30 meters of water depth and is operated by Occidental Petroleum of Qatar Limited pursuant to a DPSA entered into with Qatar in 1994, which will expire on October 6, 2019. On October 14, 2018, QP announced that it would manage and operate this field after expiry of the DPSA and on October 6, 2019, QP commenced operating the field.

The PS-1 station in the field consists of a number of processing platforms comprising HP and LP two-phase separation, gas dehydration and compression, seawater treatment/injection and accommodation platforms all interconnected by bridges. Production from remote wellhead jackets is transferred to the PS-1 station and degassed fluids (oil and water) are pumped to settling tanks at Halul Island via a 20 kilometer pipeline. The oil is dehydrated, metered and transferred to QP for storage. The produced water is disposed into Umm Erradhuma aquifer via a 2.5 kilometer pipeline to a dedicated disposal platform. The average oil production in 2018 was 75.9 thousand barrels of oil per day.

#### Idd El Shargi South Dome Field (DPSA)

The Idd El Shargi South Dome oil field is located in the Arabian Gulf approximately 90 kilometers east of Doha in approximately 30 meters of water depth and is operated by Occidental Petroleum of Qatar Limited pursuant to a 25-year DPSA signed in 1997. On October 6, 2019, QP commenced operating the field when Occidental Petroleum relinquished this DPSA when Idd El Shargi North Dome DPSA expired.

The existing facilities consists of two wellhead platforms the production of which is transferred to the PS-1 station via a 20 kilometer pipeline and is then combined with the production of the Idd El Shargi North Dome field and pumped to Halul Island. The average oil production in 2018 was 8.4 thousand barrels of oil per day.

#### Others

The El Bunduq oil field straddles the marine border between Qatar and the UAE and is owned equally by the two countries. The El Bunduq field, operated by a private Japanese development company, is developed pursuant to a concession agreement (rather than a production and sharing agreement) and,

accordingly, the State receives royalties and taxes directly from the operator on revenues derived from oil production. QP expects to incur redevelopment expenditure in the near future in respect of this field to maintain the current production level.

Other smaller oil producing fields in Qatar include the Al Karkara field, which is operated under a DPSA by a subsidiary of Cosmo Oil Corp.

The following table sets forth the average daily production of crude oil (excluding condensate) in Qatar for each of the periods indicated.

	Year ended December 31,				Nine months ended September 30,	
	2015	2016	2017	2018	2018	2019
	<i>(thousands of barrels per day)</i>					
<b>QP-operated fields:</b>						
Dukhan .....	175.6	176.3	172.7	174.4	172.2	174.4
Bul Hanine.....	35.3	34.3	31.9	28.7	28.7	30.1
Maydan Mahzam .....	21.6	22.2	22.5	19.8	19.8	21.0
Al Rayyan <sup>(2)</sup> .....	0.0	0.0	2.8	5.1	5.1	4.5
<b>Total QP-operated fields .....</b>	<b>232.5</b>	<b>232.8</b>	<b>229.8</b>	<b>227.9</b>	<b>225.7</b>	<b>230.0</b>
<b>JV and Production Sharing Agreement fields:</b>						
Al Shaheen .....	276.1	284.0	262.9	263.2	263.9	252.8
Al Khalij .....	22.2	19.4	17.8	18.5	18.0	19.3
Idd El Shargi North Dome .....	86.3	84.0	79.0	75.9	76.9	61.4
Idd El Shargi South Dome .....	7.7	8.9	8.4	8.4	8.2	9.4
Al Rayyan <sup>(2)</sup> .....	6.7	5.8	1.9	0.0	0.0	0.0
Al Karkara .....	5.0	5.7	5.2	6.1	5.7	6.6
<b>Total JV and Production Sharing Agreement fields .....</b>	<b>403.9</b>	<b>407.8</b>	<b>375.2</b>	<b>371.9</b>	<b>372.7</b>	<b>349.5</b>
Total El Bunduq field <sup>(1)</sup> .....	12.6	11.9	11.7	12.0	12.1	12.2
<b>Total from all fields.....</b>	<b>649.0</b>	<b>652.4</b>	<b>616.7</b>	<b>611.8</b>	<b>610.5</b>	<b>591.7</b>
<b>QP share</b>						
QP-operated fields .....	232.5	232.8	229.8	227.9	225.7	230.0
QP share of JV and Production Sharing Agreement fields .....	246.9	249.8	258.1	250.9	249.3	265.7
QP share of El Bunduq field .....	6.3	5.9	n.a.	n.a.	n.a.	n.a.
<b>Total QP share from all fields .....</b>	<b>485.7</b>	<b>488.5</b>	<b>487.9</b>	<b>478.8</b>	<b>475.0</b>	<b>495.7</b>

Notes:

(1) Excludes 50% of crude oil produced from the El Bunduq field that is allocable to the UAE.

(2) The Al Rayyan field was operated under a DPSA with Occidental Qatar Energy Company and Marubeni until May 2017, upon which QP took over the operation of the field.

Source: Qatar Petroleum.

### Oil Exports

The crude oil produced by QP or that accrues to its benefit through the production sharing agreements is exported through the terminal operations at either Mesaieed Industrial City, Halul Island or floating storage facilities located near the production sharing agreement operators, or is supplied to QP Refinery at Mesaieed Industrial City. A majority of crude oil sales are sold for export on one year term contracts on an evergreen basis with an annual renewal subject to a volume renegotiation, while prices are set at the official selling prices. The remaining crude oil sales, largely the Al Shaheen field, are made on the international spot market. The substantial majority of the oil produced by QP is exported to Asia, primarily Japan, Singapore, India, Thailand and South Korea.

The following table sets forth certain information about the production and export of crude oil in Qatar for each of the periods indicated.

	Year ended December 31, <sup>(1)</sup>				Nine months ended September 30, <sup>(1)</sup>	
	2015	2016	2017	2018	2018	2019
Average daily production of crude oil (in thousands of barrels per day) <sup>(2)</sup>	649.03	652.40	616.70	611.8	610.47	591.65
QP share of average daily production of crude oil (in thousands of barrels per day)	485.7	488.5	488.0	478.8	475.1	496.7
QP share of total crude oil exports for the period (in thousands of barrels)	156,464	155,785	151,333	152,908	113,887	108,402

Notes:

(1) Excludes 50% of crude oil from the El Bunduq field that is allocable to the UAE.

(2) For comparative purposes, Qatar's average daily production of crude oil was 728, 714 and 679 thousands of barrels per day in 2012, 2013 and 2014 respectively.

(3) Net of royalties and taxes related to production sharing agreements.

Source: Qatar Petroleum.

## Refining and Marketing Activities

### QP Oil Refinery

QP Refinery is located at Mesaieed Industrial City and is the only crude oil refinery in Qatar. The refinery takes the crude oil and condensate supplied from QP's domestic production and processes them into various finished petroleum products, including liquefied petroleum gas, naphtha, gasoline, kerosene, jet fuel, diesel fuel and fuel oil. These finished products are mainly used to meet domestic demand with any surplus being exported. Production from QP Refinery enabled Qatar to become largely self-sufficient in refined oil products. For purposes of calculating GDP, revenues generated by QP Refinery are included as part of "manufacturing" within the non-oil and gas sector.

QP Refinery underwent an expansion program to increase production capacity which added two condensate processing trains and a new fluidized catalytic cracker and upgraded some of the existing facilities at the complex. Products coming from QP Refinery are exported by Qatar Petroleum for the Sale of Petroleum Products.

The following table sets forth the sales of refined products provided by QP Refinery, including local sales to Qatar Fuel Company, for each of the periods indicated.

	Year ended December 31,				Nine months ended September 30,	
	2015	2016	2017	2018	2018	2019
QP share of total domestic sales (in thousands of barrels) .....	31,892	34,631	34,308	32,181	23,156	22,626
QP share of total export sales (in thousands of barrels) .....	8,324	8,304	6,394	6,517	4,543	7,638

Source: Qatar Petroleum.

### Qatar Fuel Company

Qatar Fuel Company, which was created by the State in 2002, acts as QP's exclusive domestic distributor and retails finished products under a 15 year concession granted by the State for the marketing, sale, transportation and distribution of liquefied petroleum gas and petroleum products, other than bitumen. QP has an equity interest in Qatar Fuel Company.

### Ras Laffan Condensate Refineries

The first condensate refinery, located in Ras Laffan Industrial City and in operation since 2009, is a joint venture project of QP with several of its partners, Laffan Refinery Company Limited. It

processes condensate from the North Field and produces liquefied petroleum gas and a variety of refined products. The refinery has a total processing capacity of 160,000 barrels per stream per day and utilizes the field condensate produced from the Qatargas and RasLaffan LNG facilities. The condensate is refined and turned into products such as naphtha, kerosene (sold as jet fuel), ultra-low sulphur diesel and liquefied petroleum gas. A new refinery, the Laffan Refinery 2, which is identical to that of Laffan Refinery Company, was constructed and became operational in December 2016 which further increased refining capacity to 306,000 barrels per day.

#### *Qatar Petroleum for the Sale of Petroleum Products Company Limited (“QPSPP”)*

QPSPP, which is wholly-owned by the State of Qatar, was established in 2007 by Emiri Decree Law No. (15), as amended by Law No. (9) of 2016 and Law No. (18) of 2019 (the “**QPSPP Law**”). QPSPP is mandated by law to market and sell all Regulated Products, as defined under the QPSPP Law, such as liquefied petroleum gas (propane and butane), condensate, naphtha, refined products (gasoline, kerosene, jet fuel, gasoil, decant oil) and crude oil for exports outside the State of Qatar. As directed by Law No. (9) of 2016, QP is appointed as agent to act for and on behalf of QPSPP, pursuant to Law No. (9) of 2016. The QPSPP Law ensures that QPSPP acts in an appropriate, effective and efficient manner to maximize the market value and ensure that the State of Qatar and its producing entities are protected against possible production curtailments and losses of project revenues. QPSPP’s stated objectives include treating all producing entities in a fair and equitable manner and maximizing the market value of the regulated products exported from Qatar. For purposes of calculating GDP, revenues generated by QPSPP are included as part of “manufacturing” within the non-oil and gas sector.

#### *Industrial Cities and Port Facilities*

##### *Ras Laffan Industrial City and Ras Laffan Port*

Ras Laffan Industrial City is located 70 kilometers north of Doha and is the base for the onshore operations supporting the exploration, production and processing of Qatar’s North Field gas. Ras Laffan Industrial City is owned and managed by QP.

QP provides industries with port, land, roads and common corridors for pipelines and other utility structures. The range of utilities provided by QP includes cooling water, desalinated water, potable water, power, telecommunications, as well as facilities for the treatment and disposal of non-hazardous waste. In addition, QP operates fire and rescue, emergency response coordination and medical services for industries. Workers’ accommodation is also available within the limits of Ras Laffan Industrial City.

The Ras Laffan Port, which is the largest LNG export facility in the world, facilitates the export of hydrocarbons and sulfur produced and the import of general cargo, and it also supports the offshore production operations in the North Field.

The Ras Laffan Support Services Area, which covers 3 million square meters and is located on the west side of Ras Laffan Industrial City, accommodates industries that provide support services for the oil, gas and petrochemical industries in Qatar and the region.

##### *Mesaieed Industrial City and Port*

Mesaieed Industrial City, located approximately 40 kilometers south of Doha, is the hub for the production of petrochemicals and fertilizers, oil refining, gas processing and distribution, as well as the manufacturing of steel, aluminium and plastic products in Qatar. Mesaieed Industrial City has transformed itself over the years from a simple port facility exporting crude oil into Qatar’s main industrial city and center for petrochemical and oil refining activities. Mesaieed Industrial City also has a community area which includes housing, schools and recreation facilities for staff of QP and other joint venture companies in the area.

Mesaieed Port facilitates the export of oil, petrochemicals and other hydrocarbon products to international markets. Mesaieed Port continues to be a large source of fertilizer supply, thus supporting the growing demand for food in major markets, and imports building materials into Qatar.

*Qatar Petroleum's Localization Program for Services and Industries in the Energy Sector "TAWTEEN"*

During 2019, QP launched TAWTEEN, a program to promote the localization of the energy sector's supply chain through the creation of local support services and industries led by the private sector, including small and medium enterprises.

TAWTEEN is expected to generate additional local economic value of between QR8-9 billion a year, which is expected to raise Qatar's GDP by about 1.6%.

TAWTEEN is targeting to offer about 100 new business opportunities within the energy sector. In addition, a new in-country value policy has recently been launched to incentivize and recognize suppliers that maximize local content in their supply chain. In addition, international service companies, including Baker Hughes, Schlumberger, Siemens, McDermott, John Crane and Flow Serve, are in the process of significantly increasing the size of their local operations in Qatar.

***Other Downstream Activities***

QP's downstream strategy is driven by opportunities to add value to existing oil and gas production and the requirements of the domestic economy. QP, in many instances acting through its subsidiary, Industries Qatar, is a shareholder in a number of industrial companies which utilize natural gas as feedstock and/or fuel to produce various value-added products for both domestic consumption and export. The principal industrial projects are located at the industrial complex at Mesaieed Industrial City, which hosts a steel plant, a petrochemicals complex, a chemical fertilizer plant, an oil refinery, NGL plants, a metal coatings plant and other industrial developments.

Recent developments have led to a diversification of manufacturing products, including the construction of Qatalum, an aluminium production facility, Q-Chem II, a polyethylene and normal alpha olefins production facility, and QAFCO 5 and 6, ammonia and urea production facilities.

QP and its joint ventures have developed integrated petrochemicals projects in the industrial cities of Ras Laffan and Mesaieed. As a part of these projects, Ras Laffan Olefin Company, owned by Q-Chem and Qatofin, uses the ethane extracted from the natural gas to produce ethylene and, once produced, the ethylene is delivered to Mesaieed through a purpose built pipeline connection. Q-Chem and Q-Chem II, joint ventures between QP and its partners, produce high density polyethylene and poly-alpha olefins. Qatofin, a joint venture between QP and Total, produces linear low density polyethylene.

In May 2018, QP announced it had invited international companies with extensive experience in the petrochemicals industry, to submit proposals for partnering with QP in the development and operation of a new world scale petrochemicals complex at Ras Laffan Industrial City. The feedstock for the petrochemicals complex will be ethane produced primarily from the North Field LNG expansion project as well as from feedstock produced by Qatar's existing ethane-producing gas projects. In June 2019, QP announced the selection of Chevron Phillips Chemical Company LLC as its partner (30% participating interest) in a new Petrochemicals Complex, which will be developed and constructed in Ras Laffan Industrial City. The new complex will have an ethane cracker with a nameplate capacity of 1.9 million tons of ethylene per annum, making it the largest ethane cracker in the Middle East and one of the largest in the world. It will also include two high-density polyethylene derivative units, which will raise Qatar's current Polyethylene production capacity by 82% by the fourth quarter of 2025.

The following table sets forth Qatar’s production of fertilizer and petrochemicals for each of the periods indicated.

	Year ended December 31,				Nine months ended September 30,	
	2015	2016	2017	2018	2018	2019
Qatar’s production for the period <sup>(1)</sup> (in thousands of tons)	11,285	11,154	11,475	11,290	8,474	8,133

Notes:

(1) The joint ventures whose activities are included are: Qatar Chemical Company Limited, Qatar Chemical Company Limited (II), Qatar Petrochemical Company, Qatar Vinyl Company, Qatar Fuel Additives Company, Qatar Shell Petrochemical Singapore, Qatar Fertiliser Company (Q.S.C.C.) and SEEF Limited. Fertilizer includes Urea and Melamine. Petrochemicals exclude ethylene and propylene monomer.

Source: Qatar Petroleum.

In October 2019, QP announced projects to capture and sequester more than 5 million tons per annum of CO<sub>2</sub> by year 2025. The North Field Expansion Project will apply technologies resulting in a 25% reduction in greenhouse gas emissions, compared to similar facilities, through substantial reduction of fuel gas consumption and capturing and re-injecting CO<sub>2</sub> (3 mtpa) extracted from the feed gas and commissioning a facility at Ras Laffan which will be the largest CO<sub>2</sub> recovery and sequestration facility in the MENA region with a capacity of 2.1 million tons per annum of CO<sub>2</sub>.

## Non-Oil and Gas Sector

### *Financial and Insurance Activities*

In 2018, the financial and insurance activities sector contributed QR51,969 million (U.S.\$14,277 million) to Qatar’s total nominal GDP or 7.5% of total nominal GDP, compared with QR48,977 million (U.S.\$13,455 million), or 8.1% of total nominal GDP, in 2017 and QR47,019 million (U.S.\$12,917 million), or 8.5% of total nominal GDP, in 2016. In 2019, the financial and insurance activities sector contributed QR55,540 million (U.S.\$15,258 million), or 8.3% of total nominal GDP.

### *Finance and Business Services*

This sector comprises banks and exchange, finance and investment companies. As at the end of 2019, five national conventional commercial banks, four Islamic institutions and seven branches of foreign banks were operating in Qatar, all of which were licensed and regulated by the QCB. As at the end of 2019, 12 banks and financial institutions, 19 insurance firms (including direct insurers, brokers and a reinsurance firm) and 20 investment management and advisory firms were operating in Qatar pursuant to an authorization from the QFCRA. See “*Monetary and Financial System—Banking System—Commercial Banks*” and “*—Qatar Financial Centre*”. As at the end of 2018, 16 exchange companies and three finance companies were registered and operating in Qatar.

### *Insurance*

The State has supported the domestic insurance sector by modernizing the insurance industry and the associated legislative framework. An increase in investment in LNG carriers and aircraft, the development of Shari’ah-compliant projects and the rise in the cost of gross insurance premia have contributed to the growth of Qatar’s insurance sector. As at the end of 2019, 14 companies operated in Qatar to meet the insurance needs of the country, including 5 national companies listed on the QE.

In 2003, a resolution of the Council of Ministers created a captive insurance and reinsurance vehicle called Al Koot Insurance and Reinsurance Company (“**Al Koot**”) to insure the Qatari energy sector. Al Koot is indirectly held by the State through QP.

Under the Foreign Investment Law No. (1) of 2019, as amended, investment in Qatar’s national insurance companies is only permitted after obtaining a Council of Ministers decision. Foreign insurance companies may operate under a license issued by the QFC. See “*Monetary and Financial*



*System—Banking System—Qatar Financial Centre” and “Balance of Payments—Foreign Investment”.*

The number of foreign insurance companies operating in Qatar has increased steadily over the years and includes, among others, MetLife, AXA Insurance (Gulf) BSC, Libano-Suisse Insurance Company and HSBC Insurance Brokers Ltd. that now have offices or operations in Qatar.

The following table sets forth the aggregate total assets of Qatar’s national insurance companies for each of the five years ended December 31, 2019 (*in millions of QR*), as well as the percentage change from 2018 to 2019.

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Change (2018-2019)</u>
Total assets .....	39,274	44,511	50,613	56,981	57,300	0.6%

*Source:* Qatar Central Bank.

### ***Real Estate***

In 2018, the real estate sector contributed QR41,675 million (U.S.\$11,449 million) to Qatar’s total nominal GDP, or 6.0% of total nominal GDP, compared with QR43,130 million (U.S.\$11,849 million), or 7.1% of total nominal GDP in 2017 and QR42,776 million (U.S.\$11,752 million) in 2016, or 7.7% of total nominal GDP. In 2019, the real estate sector contributed QR40,689 million (U.S.\$11,178 million), or 6.1% of total nominal GDP.

Investment in infrastructure has been high in recent years in keeping with the objectives of the Qatar National Vision 2030 and to support the hosting of the 2022 World Cup.

Since mid-2011, Qatar’s real estate prices have been on a rising trend. The real estate price index, which is generated by the QCB based on data provided by the Ministry of Justice, rose throughout 2014 and 2015. In December 2015, the index was 292.7, compared with 255.6 in December 2014, representing an increase of 14.5%, although it was down from a peak of 311.5 in November 2015. Since then, the real estate price index has started to decline, to 280.7 at December 2016, 252.8 at December 2017, 246.5 at December 2018 and 225.8 at December 2019. Data from the Ministry of Justice reveal that land value is the main driver of current real estate prices in Qatar. Increasing investment for more and better facilities for education, medical services and the social sector has led to increased demand for land and other resources for construction. Acquisition of some residential and commercial areas by the State for certain major projects contributed to the lower supply of land and houses in those areas and the increase in demand in other areas. Going forward, as the population growth moderates, the rate at which real estate prices rise is also likely to decline.

Qatari Diar, Barwa Real Estate Company and United Development Company are among the biggest real estate development and investment companies in the GCC region.

Credit facilities extended by commercial banks to the real estate sector have increased by 55.3% over the last 5 years, from QR95,142 million (U.S.\$26,138 million) as of December 31, 2014 to QR147,716 million (U.S.\$40,581 million) as of December 31, 2019. Several major real estate projects are currently under way in Qatar. These include:

- Lusail City, which is at the Al-Qutaiya Lagoon to the north of Doha and is designed for 200,000 inhabitants. It includes the construction of hotels, houses, apartments and retail space.
- The Pearl – Qatar, this offshore man-made island is designed to accommodate up to 40,000 residents; the majority of the project is complete and occupied although construction work is ongoing on a number of towers.

- Msheireb Downtown Doha, this QR20 billion (U.S.\$5.5 billion) project aims to redevelop, regenerate and conserve the historical downtown of Doha. It will feature a mixture of hotels, apartments, retail and office space and cultural and entertainment venues. The first building, Qatar Academy Msheireb, was launched in September 2015.
- The 2020 budget includes allocation for the development of 13 new housing areas for Qatari nationals, including the provision of roads, water, electricity and sewerage networks. It is estimated that the initiative will cost approximately QR12.0 billion (U.S.\$3.3 billion) over the course of five years. The new land areas will be gradually distributed to Qatari nationals after the completion of the required infrastructure, according to the approved schedule.

### ***Manufacturing***

In 2015, the manufacturing sector (which is primarily comprised of petroleum refining and also includes chemicals, fertilizer and steel industries) contributed QR64,107 million (U.S.\$17,612 million) to Qatar's total nominal GDP, or 9.2% of the total, compared to QR52,785 million (U.S.\$14,501 million), or 8.7% of total nominal GDP in 2017 and QR46,814 million (U.S.\$12,861 million), or 8.5% of the total, in 2016. In 2019, the manufacturing sector contributed QR57,464 million (U.S.\$15,787 million), or 8.6% of total nominal GDP.

The manufacturing sector is largely focused on the downstream hydrocarbons sector, including refining, petrochemicals, fertilizers and energy-intensive activities such as metal smelting. Other important activities in the manufacturing sector include the production of flour, cement, concrete, plastics, textiles and footwear, household articles and paint.

Included within the manufacturing sector are, among other companies, QP Refinery, Qatar Fuel Company, Qatar Fuel Additives Company, Qatar Fertiliser Company and Qatar Steel Company, as further described in “—Oil and Gas Industry—Crude Oil Operations—Refining and Marketing Activities” and “—Other Downstream Activities”.

### ***Construction***

In 2018, the construction sector contributed QR98,417 million (U.S.\$27,038 million) to Qatar's nominal GDP, or 14.1% of the total, compared to QR91,089million (U.S.\$25,024 million), or 15.0% of total nominal GDP in 2017 and QR77,079 million (U.S.\$21,176 million), or 14.0% of the total, in 2016. In 2019, the construction sector contributed QR93,084 million (U.S.\$25,573 million), or 13.9% of total nominal GDP.

This sector provides extensive employment opportunities and, according to the Labor Force Statistics Bulletin, in 2016, companies in the construction sector employed 845,406 persons, or approximately 41.4% of Qatar's labor force. Credit facilities extended by commercial banks to the construction sector have increased by 12.5% over the last 5 years, from QR30,367 million (U.S.\$8,343 million) as of December 31, 2014 to QR34,169 million (U.S.\$ 9,387 million) as of December 31, 2019.

This sector has expanded rapidly in recent years as a result of growing infrastructure needs and the economy's growth and diversification. Recent and ongoing projects include:

- Hamad International Airport, which opened in April 2014 and replaced the existing Doha International Airport. The estimated cost of this project was QR65 billion (U.S.\$17.9 billion). Further expansion of the airport is planned, including Concourse F, which will increase its passenger capacity to 65 million a year, from 50 million currently. Other projects at Hamad International Airport include enlarging the passenger terminal and building a connection to the Doha metro system with a view to increasing annual passenger traffic from 30 million passengers as at the end of 2015 to 53 million by 2020.

- Hamad port is one of the world's largest greenfield port developments. This QR27 billion (U.S.\$7.4 billion) project includes a new port, a new base for the Qatar Emiri Naval Forces and the Um Alhoul Special Economic Zone. Hamad Port was officially opened on December 24, 2015 for early partial operations and phase 1 was completed in December 2016. The Ministry of Transport and Communications awarded the contract for part one of the second phase in June 2017. The second and third phases were initially scheduled to be completed by 2030; however, this date has been brought forward to 2020. Completion of the port will make Hamad Port one of the largest deep-water ports in the world. The ultimate capacity of the new port will be in the order of 12 million TEUs.

Qatar also has plans to develop a railway network. This project will consist of an east coast rail link, a passenger and freight railway linking Ras Laffan and Mesaieed via Doha; a high speed link between Hamad International Airport and Doha city center; the Doha metro; and light rail/people mover networks, such as Lusail, Education City and Westbay. Excavation works in Doha and its surroundings have already started as part of the development of the rail network. The Doha metro is also part of the strategic project. See “—Non-Oil and Gas Sector— *Transportation and Storage and Information and Communication—Transport*”. In February 2015, Qatar Rail initiated a new pre-qualification process for the civil works to be undertaken in the first phase of the planned long distance passenger and freight rail network.

The retail sector has seen a significant increase in construction in recent years, including the opening of two large shopping malls in 2016 and 2017—the QR5.4 billion Mall of Qatar and the QR6.5 billion Doha Festival City. Nine smaller shopping malls are currently under construction and are expected to open between 2018 and 2020. These include, among others, Northgate Mall, Place Vendome, Doha Mall, Doha Oasis, Katara Plaza and Al Waab Mall, which, once opened, are collectively expected to increase the country's total retail space by approximately 20%, to over 2 million square meters.

#### ***Accommodation and Food Service Activities***

In 2018, the accommodation and food service activities sector contributed QR5,370 million (U.S.\$1,475 million) to Qatar's nominal GDP, or 0.8% of the total, compared to QR5,378 million (U.S.\$1,477 million), or 0.9% of total nominal GDP in 2017 and QR5,620 million (U.S.\$1,544 million), or 1.0% of the total, in 2016. In 2019, the accommodation and food services activities sector contributed QR5,754 million (U.S.\$1,581 million), or 0.9% of total nominal GDP.

In response to Qatar's economic growth and high hotel occupancy rates, Qatar's hotel industry has attracted significant investments. As of September 30, 2018, Qatar had a total of 25,727 rooms across 123 properties. This number is expected to increase significantly ahead of the 2022 World Cup with over 100 projects under development providing an additional 20,000 rooms. Aside from tourists, Qatar's hotel and hospitality sector, which includes many luxury hotels, is largely composed of business travelers and local residents.

#### ***Transportation and Storage***

In 2018, the transportation and storage sector contributed QR28,219 million (U.S.\$7,752 million) to Qatar's total nominal GDP, or 4.1% of the total nominal GDP, compared to QR25,778million (U.S.\$7,082 million), or 4.2% of total nominal GDP in 2017 and QR24,927 million (U.S.\$6,848 million), or 4.5% of the total, in 2016. In 2019, the transportation and storage sector contributed QR29,970 million (U.S.\$8,234 million), or 4.5% of total nominal GDP.

Qatar Airways, which is wholly-owned by the State since 2014, currently operates from its hub in Doha a fleet of over 250 Airbus and Boeing passenger and cargo aircraft and executive jets and serving over 160 destinations globally and is part of the oneworld alliance. During the fiscal year ended March 31, 2019, Qatar Airways carried around 29.5 million passengers, compared to approximately 29.2 million in the fiscal year ended March 31, 2018. In the fiscal year ended March

31, 2018, despite the loss of 18 regional destinations due to the Quartet Blockade, Qatar Airways introduced 14 new destinations and announced a further 15 destinations.

Qatar Airways is one of the fastest growing airlines in the world and has been consistently investing in new aircraft over the past few years. Qatar Airways currently has over 300 new aircraft worth more than U.S.\$90 billion pending delivery over the next few years. This includes orders for Airbus' new generation A350s, A320 Neos, one A380, A330 Freighters, Boeing 777s, Boeing 777Xs and Boeing 787s.

The rapid growth of Qatar Airways and the increase in the number of passengers at the former Doha International Airport led to the development of Hamad International Airport. See “—*Non-Oil and Gas Sector—Construction*”.

The Doha metro is now mostly operational. As of January 2020, the Green and Gold lines are fully operational. The Red line is partially operational and is expected to be fully operational by the end of 2020. An expanded rail network, including an additional Blue metro line, is targeted for completion by 2026.

Qatar's national rail network project is currently in the planning phase and is expected to link Qatar's main industrial and residential hubs through high-speed passenger rail and freight services, and connect the country with the wider Gulf rail network. See “—*Non-Oil and Gas Sector—Construction*”.

### ***Information and Communication***

In 2018, the information and communication sector contributed QR9,707 million (U.S.\$2,666 million) to nominal GDP, or 1.4% of total nominal GDP, compared to QR9,615 million (U.S.\$2,641 million), or 1.6% of total nominal GDP in 2017 and QR9,810 million (U.S.\$2,695 million), or 1.8% of total nominal GDP, in 2016. In 2019, the information and communication sector contributed QR9,176 million (U.S.\$2,521 million), or 1.4% of total nominal GDP.

The Communications Regulatory Authority, which was established in 2014, is the independent telecommunications regulatory authority in Qatar. It encourages and supports an open and competitive information and communications technology sector in Qatar. For example, it currently focuses on making sure that Vodafone Qatar (and potential other operators in the future) can offer retail services using Ooredoo's wholesale framework.

Ooredoo Qatar (formerly Qtel), which is part of the Ooredoo group, is the primary provider of mobile and fixed line telecommunications services in Qatar. Ooredoo's shares are listed on the QE and the Abu Dhabi Securities Exchange. The second mobile provider is Vodafone Qatar.

As at December 31, 2019, Ooredoo had a customer base of 117.2 million, representing an 1.7% increase compared with December 31, 2018 when its customer base was 115.2 million. As at December 31, 2019, Ooredoo Qatar had a customer base of 3.3 million, representing no increase compared with December 31, 2018 when its customer base was also at 3.3 million.

As at December 31, 2019, Vodafone Qatar had a customer base of approximately 1.74 million, representing a 1.0% increase compared with its customer base of 1.72 million as of December 31, 2018.

In August 2015, Ooredoo announced the launch of Ooredoo Supernet, which is one of the most significant network evolutions in Qatar's telecommunications history, giving subscribers greater speed and wider coverage.

In March 2016, Qatar's Ministry of Foreign Affairs entered into an agreement with Ooredoo to develop the Ministry of Foreign Affairs Global Network, an initiative aimed at connecting over 100

Qatari diplomatic missions worldwide with their headquarters in Doha. Pursuant to such agreement, Ooredoo will work with telecommunications providers to deliver international network connectivity to link the different diplomatic missions with Qatar.

### *Electricity, Gas and Water*

In 2018, the electricity, gas and water sector (which includes steam and air conditioning supply, sewage, waste management and remediation activities) contributed QR5,798 million (U.S.\$1,592 million) to Qatar's nominal GDP, or 0.8% of the total nominal GDP, compared with QR6,161 million (U.S.\$1,693 million), or 1.0% of total nominal GDP, in 2017 and QR5,979 million (U.S.\$1,643 million), or 1.1% of the total, in 2016. In 2019, the electricity, gas and water sector contributed QR7,443 million (U.S.\$2,045 million), or 1.1% of total nominal GDP.

Qatar has one of the highest levels of electricity use per capita in the world. High summer ambient temperatures, significant and growing industrial demand and the need for water desalination, contribute to Qatar's high level of energy use.

Most of Qatar's electricity generation capacity is comprised of gas turbines which are fueled by natural gas. Water desalination is achieved in tandem with electricity generation. In 2015, Qatar had an electricity generation capacity of 41,499GWh compared with 38,693GWh in 2014, representing a 7.25% increase. In 2015, water production reached 535 million cubic meters compared with 495 million cubic meters in 2014, representing an 8.1% increase. Qatar General Electricity and Water Corporation (Kahramaa) is the sole transmission and distribution system owner and operator for the electricity, gas and water sector in Qatar.

In September 2015, Kahramaa increased prices for non-Qatari households, instituting slab rates for water and power consumption. Previously, residential water consumption was charged at a flat rate and residential electricity consumption was charged at one of two bands but since September 2015 there are five bands with increasing rates per units of consumption for water and six bands for electricity. The additional revenues generated by this increase in prices will reduce subsidy costs for water and power consumption borne by the Government. Kahramaa also increased prices for government, commercial and industrial consumers.

Qatar Electricity and Water Company ("QEWC") is one of the largest power generation and water desalination companies in the Middle East and North Africa region. According to QEWC's 2019 Annual Report, it is the main supplier for electricity and desalinated water in Qatar. As at the end of 2019, QEWC and its joint venture companies together have a capacity of 10,590 MW of electricity and 481.5 million gallons of water per day (including projects under construction).

QEWC owns and operates a number of the key generation and water desalination plants in Qatar. As at the end of 2019, these included:

- Ras Abu Fontas Plant (A1) with a production capacity of 45 million gallons of water per day.
- Ras Abu Fontas Plant (A2) with a production capacity of 36 million gallons of water per day.
- Ras Abu Fontas Plant (A3) with a production capacity of 36 million gallons of water per day.
- Ras Abu Fontas Plant (B) with a production capacity of 609 MW of electricity and 33 million gallons of water per day.
- Ras Abu Fontas Plant (B1) with a production capacity of 376.5 MW of electricity per day.
- Ras Abu Fontas Plant (B2) with a production capacity of 567 MW of electricity and 30 million gallons of water per day.
- Dukhan Plant with a production capacity of 2 million gallons of water per day.

QEWC also holds shareholdings in several power generation and water desalination projects. As at the end of 2019, these included:

- 80% in Ras Laffan Power Company Limited, which has a production capacity of 756 MW of electricity and 40 million gallons of water per day.

- 55% in Qatar Power Company, which has a production capacity of 1,025 MW of electricity and 60 million gallons of water per day.
- 40% in Mesaieed Power Company, with the Mesaieed Powerstation having a production capacity of 2,007 MW of electricity per day.
- 45% in Ras Laffan Plant (C) (Ras Girtas Power Company), which is the largest power generation project in the region with a production capacity of 2,730 MW of electricity and 63 million gallons of water per day.
- 60% in Nebras Power Company (with Qatar Holding Company holding 40%). The company was established for the purpose of investing globally in new or existing projects and businesses in the water and electricity sector which is expected to enhance QEWC's presence globally. The first investment was the acquisition of a 35% stake in Shams Ma'an Power Generation PSC, in Jordan in 2014. In 2016, Nebras Power Company completed the acquisition of IPM Indonesia BV, which owns a 35.51% stake in the Paiton power plant in Indonesia, with a production capacity of 2,045 MW of electricity. Nebras Power Company also acquired a 35% stake in IPM Asia PTE LTD, which owns an interest in Paiton's operator.
- 60% in Umm Al Houl Power Company, which has a production capacity of 2,520 MW of electricity and 136.50 million gallons of water per day.
- 60% of Siraj Power Company, which is expected to have an initial production capacity of 350 MW of electricity from solar power, with plans to expand this to 800 MW by Q1 of 2022.

### ***Agriculture, Forestry and Fisheries***

In 2018, the agriculture, forestry and fisheries sector contributed QR1,222 million (U.S.\$336 million) to Qatar's nominal GDP, or 0.2% of the total, compared to QR1,129 million (U.S.\$310 million), or 0.2% of total nominal GDP in 2017 and QR1,016 million (U.S.\$279 million), or 0.2% of the total, in 2016. In 2019, the agriculture, forestry and fisheries sector contributed QR1,213 million (U.S.\$333.2 million), or 0.2% of total nominal GDP.

The agriculture, forestry and fisheries sector has only played a minor role in the modern Qatari economy because of unsuitable weather and environmental conditions. Cultivable land only accounts for approximately 5.7% of Qatar's total surface area.

### ***Wholesale and Retail Trade***

In 2018, the wholesale and retail trade sector (which includes the repair of motor vehicles and motorcycles) contributed QR48,971 million (U.S.\$13,454 million) to Qatar's nominal GDP, or 7.0% of the total nominal GDP, compared to QR47,575 million (U.S.\$13,070 million), or 7.8% of total nominal GDP in 2017 and QR46,981 million (U.S.\$12,907 million), or 8.5% of the total, in 2016. In 2019, the wholesale and retail trade sector contributed QR49,400 million (U.S.\$13,571 million), or 7.4% of total nominal GDP.

## **MONETARY AND FINANCIAL SYSTEM**

The QCB, the QFCRA and the QFMA are the three regulatory authorities that regulate and supervise the monetary, banking and financial system in Qatar.

The QCB formulates and implements the exchange rate policy of the State, manages liquidity in the domestic economy and is entrusted with the supervision of the banking system and non-bank financial institutions. Its objectives include maintaining the stability of the Qatari riyal and its free convertibility to other currencies, the stability of commodity and service prices and the stability of the financial and banking system in Qatar. The QCB also acts as the primary supervisory authority and regulator for Qatar's commercial banks and issues licenses and consents to banking and financial services companies operating in Qatar. The QFCRA is an independent statutory body of the QFC that licenses and supervises banking, financial and insurance related businesses that provide financial services in or from the QFC. The QFMA is the independent regulatory authority for Qatar's capital markets that regulates and supervises the QE along with the securities industry and associated activities.

### **Qatar Central Bank**

The QCB was established in 1993 and is managed by a board of directors and chaired by its Governor. The board of directors includes the Deputy Governor of the QCB and at least three other members, including representatives from the Ministry of Finance, the Ministry of Commerce and Industry and the Economic Adviser to the Emir.

In its supervisory capacity, the QCB oversees the activities of Qatar's commercial banks and non-bank financial institutions with a view to minimizing banking and financial risk in Qatar's financial sector. The QCB conducts regular inspections of commercial banks and reviews reports and other mandatory data submitted by commercial banks, including monthly capital adequacy compliance reports. The QCB also issues domestic currency and conducts bank clearing operations and settlements. The Asset Management department of the QCB manages the investments of the QCB's financial reserves that are primarily in the form of deposits, foreign treasury bills and bonds.

The QCB regularly carries out top down and bottom up stress testing of commercial banks in Qatar. The testing, which is based on guidelines issued by the IMF and the Bank for International Settlements, covers the four broad areas of liquidity risk, credit risk, interest rate risk and exchange rate risk. The results of these stress tests illustrate the possible impact of adverse financial conditions on a commercial bank's capital adequacy ratio or return on assets. Recent stress testing of commercial banks, on an aggregate basis, conducted by the QCB, suggested that neither the capital adequacy ratio nor the return on assets of Qatar's domestic banks would be significantly impaired by adverse financial conditions. The QCB, in collaboration with the World Bank, has started developing a more rigorous and comprehensive stress testing framework to strengthen Qatar's banking system. The QCB conducts regular monitoring, including compiling a monthly Banking Stability Index.

In accordance with the implementation of Pillar 1 capital adequacy requirements under Basel III, since January 2014, banks are required to maintain minimum Tier 1 capital ratio at 8% of the risk-weighted assets and total capital ratio at 10% of assets, and a capital conservation buffer at 2.5% of the risk-weighted assets. As at December 31, 2018, the Tier 1 capital ratio and total capital ratio stood at 17.0% and 18.0%, respectively, compared to 16.5% and 16.8%, respectively, as at December 31, 2017. As at December 31, 2019, the Tier 1 capital ratio and total capital ratio were 17.5% and 18.6%, respectively. The banking sector continued to maintain capital significantly above the minimum capital requirements under Basel III, which would enable the banks in Qatar to withstand some shocks and to meet additional capital requirements.

In 2014 and 2015, as part of Basel III, the QCB implemented a number of regulatory measures. Among others, the QCB introduced a loan-to-deposit ratio cap of 100% and a Tier 1 leverage ratio of 3%. In addition, the QCB introduced a framework for domestic systemically important banks, with a high loss absorption capital requirement ranging from 0.5% to 2.5%. Since 2016, the domestic

systemically important banks are required to maintain additional capital charge in a phased manner with full implementation to take effect by January 2019. In March 2015, the QCB began the phased implementation of the net stable funding ratio, with a minimum ratio of 70% by the end of 2015, increasing by 10% annually, reaching 100% in 2018.

All of the Basel III reporting by banks is required to be audited or reviewed by the external auditors of the banks prior to submission to the QCB. As at the date of this Prospectus, Qatar's commercial banks are compliant with Basel III, as implemented by the QCB.

In 2011, the QCB established the Qatar Credit Bureau to collect and maintain credit information, and share it with banks and financial institutions to assist them in undertaking credit evaluations and credit worthiness assessments. The main objectives of the Qatar Credit Bureau are to create a centralized credit database to provide the necessary credit information thereby enabling appropriate credit decisions; exchange credit information with credit facility providers; contribute to more effective banking supervision; and set up credit policies that assist in reducing credit risk and facilitate fair lending.

Banks in Qatar are well capitalized. During 2018 and 2019, Tier 1 capital exceeded the minimum 15% of the risk-weighted assets. The non-performing loans ratio remained below 2% through December 2019. The banking system was profitable, with a return on assets ratio at around 1.6% in 2018 and 2019. The aggregate loan-to-deposit ratio was 114.1% in 2018 and 120.1% in 2019.

In February 2017, the QCB issued guidelines for the implementation of IFRS 9, which replaces IAS 39, from January 1, 2018. The guidelines imposed a standard template for reporting the results of application to QCB to enhance its ability to read, compare, and analyze these results and to assess the risks of the banks' financial assets. IFRS 9 changes the classification and measurement of some financial assets, the recognition and the financial impact of impairment and hedge accounting. IFRS 9 is required to be implemented in banks' financial statements for the year ending December 31, 2018 and the new expected credit loss model under IFRS 9 will result in higher provisions relative to the IAS 39 incurred model.

In its April 2019 Report, the IMF noted that the financial sector remains sound, underpinned by strong profitability and capital as well as high asset quality. However, IMF staff noted the importance of monitoring the banking sector's assets given softening real estate prices, and that QCB should consider introducing additional indicators to assess ongoing developments in the real estate sector. The IMF further noted that macro-financial prospects remain favorable, though due to Qatar's dependence on the hydrocarbon sector, lower-than-projected prices constitute an important risk to the macro-financial framework. In its report, the IMF endorsed Qatar's focus on sustaining gradual fiscal consolidation and agreed with the authorities on the importance of further strengthening the conduct of fiscal policy frameworks to prevent procyclicality and mitigate risks. IMF staff encouraged increased coordination among the fiscal and monetary authorities to strengthen fiscal-macroeconomic management and prevent sharp swings in liquidity.

The QCB, to ensure better regulation and risk management in the domestic Islamic and conventional banking sector, issued instructions in 2011 to conventional banks to wind up their Islamic banking operations by the end of 2011.

The QCB also imposes certain exposure limits and credit controls on commercial banks. Credit facilities granted to a single customer's borrower group cannot exceed 20% of the bank's capital and reserves. Total investments and credit facilities granted to a single customer's borrower group cannot exceed 25% of the bank's capital and reserves. Credit facilities extended to a major shareholder's borrower group in any bank cannot exceed 10% of that bank's capital and reserves.

The QCB sets a maximum limit on loans and Islamic finance of QR2,000,000 (U.S.\$549,451) for Qatari citizens and QR400,000 (U.S.\$109,890) for non-Qatari residents, with an overall cap on non-Qatari residents of QR1,000,000 (U.S.\$274,725). The QCB provides that the maximum terms on loans and Islamic finance are six years for Qatari citizens and four years for non-Qatari residents.



Maximum rates of interest are set at the QCB lending rate on top of which 1.5% is added for both Qatari citizens and non-Qatari residents. The QCB also caps an individual's total monthly obligations at 75% of the sum of basic salary and social allowance for Qatari citizens and 50% of total salary for non-Qatari residents. The QCB limits the maximum credit card withdrawal limit of both Qatari citizens and non-Qatari residents to double their net total salary.

The QCB also regulates real estate financing. Where an individual's salary is the main source of repayment, the maximum limit of total real estate financing available is 70% of the value of mortgaged properties and the maximum repayment period is 20 years, including any grace period. The maximum salary deductions, including instalments and any other liability is capped at 75% of the basic salary and social allowance for Qatari citizens, and at 50% of total salary for non-Qatari citizens, provided that the salary and post-retirement service dues are transferred to the bank offering the financing. Where an individual's salary is not the main source of repayment, the maximum limit of total real estate financing available is 60% of the value of the mortgaged properties and the maximum repayment period is 15 years, including any grace period. These two ceilings may be increased to up to 70% and 20 years, respectively, if cash is regularly transferred to the bank offering the financing through a formal assignment of claims to cover the full instalment during the repayment period, including rents and other contractual incomes and revenues. The QCB has determined that real estate financing risk should not exceed 150% of a bank's capital and reserves.

Since December 2012, the Government has been injecting money into the QCB to significantly recapitalize it. As at December 31, 2019, the QCB's capitalization was QR143.2 billion (U.S.\$39.3 billion), compared with QR12.3 billion (U.S.\$3.4 billion) as at December 31, 2012.

The following table sets forth the QCB's balance sheet data as at the dates indicated.

	As at December 31,				
	2015	2016	2017	2018	2019 <sup>(1)</sup>
	<i>(in millions of QR)</i>				
<b>Assets:</b>					
Official reserves:					
Gold.....	2,758.0	3,986.7	4,528.1	4,675.5	7,485.8
Foreign government securities.....	90,248.9	72,307.1	14,166.8	54,818.0	80,266.8
Balances with foreign banks.....	40,756.5	37,506.5	33,793.6	49,061.5	54,652.7
IMF reserve position.....	27.9	0.0	0.0	553.1	511.2
SDR holdings .....	1,372.2	1,331.6	1,414.8	1,387.4	1,387.1
Total official reserves .....	135,163.5	115,131.9	53,903.3	110,495.5	144,303.6
Claims on commercial banks .....	55,976.2	44,567.2	110,460.7	80,193.6	65,310.7
Unclassified assets .....	2,833.6	21,750.4	24,042.4	42,337.8	23,521.7
<b>Total assets .....</b>	<b>193,973.3</b>	<b>181,449.5</b>	<b>188,406.4</b>	<b>233,026.9</b>	<b>233,136.0</b>
<b>Liabilities:</b>					
Reserve money:					
Currency issued .....	14,985.2	16,184.1	16,539.5	16,215.7	16,404.3
Required reserves .....	30,479.9	33,022.4	35,953.8	36,041.9	37,448.1
Deposits of local banks.....	3,196.8	5,781.3	10,278.0	30,608.8	18,205.0
Total reserve money <sup>(2)</sup> .....	48,661.9	54,987.8	62,771.3	82,866.4	72,057.4
Foreign liabilities .....	1,314.0	1,262.3	1,316.5	1,296.5	1,294.5
Government deposits .....	7,946.5	1,312.0	312.0	670.6	349.2
Capital accounts.....	51,795.1	51,762.2	52,031.5	143,246.0	147,311.2
Reserve revaluation .....	0.0	0.0	3,655.0	1,398.5	2,414.2
Unclassified liabilities.....	84,255.8	72,125.3	68,320.1	3,548.9	9,709.5
<b>Total liabilities.....</b>	<b>193,973.3</b>	<b>181,449.5</b>	<b>188,406.4</b>	<b>233,026.9</b>	<b>233,136.0</b>

Notes:

(1) Preliminary data.

(2) Excess reserves maintained by local banks plus Qatar Money Market Rate deposits placed with the QCB and other amounts.

Source: Qatar Central Bank.

## Monetary Policy

Currently, Qatar's monetary policy is formulated by the QCB to, among other things, maintain the stability of the riyal exchange rate, of the prices of goods and services, and of the financial and banking sector. Given these objectives, the QCB aims to actively manage liquidity in a cost-effective manner, to facilitate adequate flow of credit to the productive sectors, to support economic diversification, as well as strengthen macro-prudential policy to promote financial stability.

While the QCB operates in coordination with the Ministry of Finance, it is independent from political interference in its management of monetary policy.

## Interest Rates

Prior to 2000, the QCB imposed certain ceilings on the credit and deposit interest rates offered by commercial banks. Since 2000, the QCB removed these restrictions to further liberalize the financial sector and Qatar's banking system has been free from any form of interest rate ceilings, other than in respect of credit cards.

The QCB utilizes three different interest rates: a lending rate, a deposit rate and a repo rate. The lending rate is used for the lending facility through which commercial banks can obtain liquidity from the QCB. The deposit rate is used for the deposit facility through which commercial banks can place deposits with the QCB. Both of these facilities may be rolled over to the next day, when transactions are executed electronically. The repo rate is a pre-determined interest rate set by the QCB for repo transactions entered into between the QCB and commercial banks.

Prior to July 2007, the QCB tracked the interest rates of the U.S. Federal Reserve. However, and especially since the global financial crisis of 2008, the QCB has not deemed it necessary to change interest rates to the same extent or as quickly as the U.S. Federal Reserve on all occasions in view of domestic macroeconomic conditions. In response to the lowering of policy rates by the U.S. Federal Reserve, the QCB decreased the lending rates in August, September and October 2019. Likewise, the deposit rate and repo rates were also lowered in September and October 2019.

To ensure comfortable liquidity in the system and thereby stability of interest rates, the QCB has auctioned T-bills multiple times per year. See “—*Money Supply and Liquidity—Liquidity*”. As at the end of 2018 and 2019, the outstanding T-bills amounted to QR3,950 million (U.S.\$1,085 million) and QR3,000 million (U.S.\$824 million), respectively.

As at the date of this Prospectus, the QCB overnight deposit rate is 1.0% and its overnight lending rate and repo rate are 2.5% and 1.0%, respectively. Going forward, the QCB plans to actively manage liquidity in a cost-effective manner to facilitate adequate flow of credit to the productive sectors, to support economic diversification, as well as strengthen macro-prudential policy to promote financial stability. At the same time, the QCB plans to monitor evolving domestic and global developments.

In May 2012, the QCB and Bloomberg LP introduced the Qatar Interbank Offered Rate (“**QIBOR**”) to encourage a more active interbank market in Qatar. The QIBOR uses the contributed offer rates quoted by nine panel banks. The QIBOR fixings for different time maturities ranging from overnight to one year are available on a daily basis. The introduction of the QIBOR played an important guiding role for banks in determining interbank rates and was a major milestone in promoting a more liquid and transparent interbank money market. Except during periods of market volatility caused by global factors, the overnight interbank rate has generally moved alongside the QIBOR.

## Currency

The Qatari riyal has been fixed to the U.S. dollar at a rate of QR3.64 per U.S. dollar since 1980. It is the QCB's main objective to keep the riyal stable against the U.S. dollar. As the riyal is pegged to the U.S. dollar, the exchange rate of the riyal against other major currencies fluctuates in line with the movements of the exchange rate of the U.S. dollar against such currencies. In the past, the GCC countries have discussed adopting a common currency. However, as at the date of this Prospectus, no

date has been set for the establishment of a monetary union. See “*Overview of the State of Qatar—Foreign Relations—GCC Membership*”.

## ***Inflation***

In 2011, Qatar made an exit from the deflation phase of the previous two years by recording positive inflation at a rate of 1.9%. The inflation situation was, however, favorable compared to major GCC countries and global trends where inflationary pressures were higher in the wake of rising international food and hydrocarbon prices.

Consumer price inflation steadily increased with the general index between 2013 and 2014 before moderating in 2015. In 2016, consumer price inflation rose by 2.7%, compared to a rise of 1.8% in 2015. Inflation in 2016 was driven by increases in housing and utilities prices after electricity and water prices were raised at the end of 2015, as well as increases in recreation and culture and transportation prices. This was offset slightly by lower food prices, which fell in 2016 due to the lagged effects from low international food prices.

In 2017, 2018 and 2019, consumer price inflation rose by 0.40%, 0.34% and fell by 0.90%, respectively. Overall, moderation of population growth, expanded capacity in the non-traded sector and restraint in Government spending plans are all expected to contain domestic price pressures.

The QCB uses, when necessary, various monetary instruments to address price stability, including moving interest rates independently of the U.S. Federal Reserve despite the currency peg.

The following table sets forth the consumer price index and average annual percentage change for each of the five years ended December 31, 2019, as well as the share represented by each item in the general index.

For the year ended December 31,										
	2015		2016		2017		2018		2019	
	Index	%	Index	%	Index	%	Index	%	Index	%
	(2013 = 100, period average)									
Food and beverages .....	101.07	0.82	99.18	(1.86)	101.10	1.93	101.05	(0.05)	100.95	(0.10)
Tobacco .....	114.00	9.03	114.00	0.00	114.00	0.00	114.00	0.00	259.00	127.19
Clothing and footwear.....	102.18	(0.21)	102.90	0.70	101.72	(1.15)	104.03	2.27	103.25	(0.75)
Rent and utilities .....	110.90	2.86	115.36	4.03	111.86	(3.04)	107.82	(3.61)	105.24	(2.40)
Furniture, textiles and home appliances .....	106.05	0.70	107.67	1.53	108.23	0.52	109.89	1.53	110.69	0.73
Medical care and services .....	101.73	0.05	100.99	(0.73)	103.30	2.29	107.39	3.96	107.61	0.20
Transport .....	106.53	4.12	110.13	3.39	118.14	7.28	126.32	6.92	125.63	(0.55)
Communication .....	99.23	(0.43)	99.28	0.05	98.71	(0.57)	92.51	(6.28)	87.43	(5.49)
Recreation and culture .....	101.75	(2.75)	109.21	7.33	107.03	(2.00)	104.83	(2.06)	98.33	(6.20)
Education.....	114.88	13.57	121.40	5.68	124.10	2.22	129.76	4.56	137.03	5.61
Restaurants and hotels.....	101.19	0.64	100.20	(0.98)	98.69	(1.51)	99.26	0.58	100.02	0.76
Miscellaneous goods and services.....	100.05	(0.42)	102.59	2.54	102.76	0.16	103.31	0.54	105.03	1.67
<b>General Index .....</b>	<b>105.23</b>	<b>1.81</b>	<b>108.05</b>	<b>2.68</b>	<b>108.48</b>	<b>0.40</b>	<b>108.85</b>	<b>0.34</b>	<b>107.86</b>	<b>(0.90)</b>

Source: Planning and Statistics Authority.

The following table sets forth the consumer price index and average percentage change for each quarter of 2019, as well as the share represented by each item in the general index.

	Q1 2019		Q2 2019		Q3 2019		Q4 2019	
	Index	%	Index	%	Index	%	Index	%
	<i>(2013 = 100)</i>							
Food and beverages .....	100.76	(0.66)	99.63	(1.12)	101.98	2.36	101.42	(0.55)
Tobacco .....	259.00	127.19	259.00	0.00	259.00	0.00	259.00	0.00
Clothing and footwear .....	104.04	0.41	105.72	1.61	101.54	(3.95)	101.72	0.18
Housing, water and electricity .....	106.48	0.12	105.67	(0.76)	104.86	(0.77)	103.95	(0.86)
Furnishing, household equipment .....	111.13	0.73	111.19	0.05	110.07	(1.00)	110.38	0.28
Health .....	106.93	(1.02)	107.71	0.73	107.83	0.11	107.95	0.11
Transport .....	121.30	(4.61)	127.60	5.19	128.94	1.05	124.69	(3.30)
Communication .....	86.98	(0.13)	88.12	1.31	87.64	(0.54)	86.99	(0.74)
Recreation and Culture .....	99.70	(2.91)	96.29	(3.42)	98.23	2.01	99.10	0.89
Education .....	136.50	0.00	136.50	0.00	137.35	0.62	137.77	0.31
Restaurants and hotels .....	98.81	(0.78)	99.81	1.01	100.35	0.54	101.10	0.75
Miscellaneous goods and Services .....	103.90	0.90	103.11	(0.76)	106.44	3.23	106.69	0.24
<b>General Index .....</b>	<b>107.69</b>	<b>(0.77)</b>	<b>108.04</b>	<b>0.33</b>	<b>108.54</b>	<b>0.47</b>	<b>107.85</b>	<b>(0.64)</b>

Source: Planning and Statistics Authority.

## Money Supply and Liquidity

### *Money Supply*

As at December 31, 2019, total broad money stock (“**M2**”) was QR578,004 million (U.S.\$158,792 million), representing an increase of 2.5% compared to QR564,008 million (U.S.\$154,947 million) as at December 31, 2018. M2, as a proportion of nominal GDP, was 99.3% in 2017, 81.0% in 2018 and 86.6% in 2019. As a result of the decrease in foreign currency deposits, the “dollarization ratio” (i.e., the proportion of foreign currency deposits in M2) decreased to 27.3% in 2019, compared to 35.4% in 2018.

As at December 31, 2019, the stock of narrow money (“**M1**”) was QR124,703 million (U.S.\$34,259 million), representing an increase of 4.7% compared to QR119,076 million (U.S.\$32,713 million) as at December 31, 2018, which was a decrease of 3.3% compared to QR123,088 million (U.S.\$33,815 million) as at December 31, 2017. The stock of quasi money was QR453,301 million (U.S.\$124,533 million) as at December 31, 2019, an increase of 1.9% compared to QR444,932 million (U.S.\$122,234 million) as at December 31, 2018, which represented a decrease of 7.4% compared to QR480,244 million (U.S.\$131,935 million) as at December 31, 2017.

The following table provides an overview of the money supply and sets forth certain liquidity indicators for Qatar as at the dates indicated.

	As at December 31,				
	2015	2016	2017	2018	2019 <sup>(1)</sup>
	<i>(in millions of QR except for percentages)</i>				
Foreign assets:					
QCB:					
Assets .....	135,565.0	115,523.0	54,314.5	110,898.3	144,704.5
Liabilities .....	(1,314.0)	(1,262.3)	(1,316.5)	(1,296.5)	(1,294.5)
<b>QCB foreign assets (net) .....</b>	<b>134,251.0</b>	<b>114,260.7</b>	<b>52,998.0</b>	<b>109,601.8</b>	<b>143,410.0</b>
Commercial banks:					
Assets .....	222,931.8	273,202.1	234,442.2	239,086.0	240,143.9
Liabilities .....	(309,998.0)	(446,819.1)	(361,878.3)	(437,998.2)	(538,506.3)
<b>Commercial banks foreign assets (net) .....</b>	<b>(87,066.2)</b>	<b>(173,617.0)</b>	<b>(127,436.1)</b>	<b>(198,912.2)</b>	<b>(298,362.4)</b>
<b>Foreign assets (net) .....</b>	<b>47,184.8</b>	<b>(59,356.3)</b>	<b>(74,438.1)</b>	<b>(89,310.4)</b>	<b>(154,952.4)</b>
Claims on Government:					
Claims .....	193,399.0	256,679.6	332,125.1	293,943.6	296,198.1
Deposits <sup>(2)</sup> .....	(61,224.9)	(59,366.9)	(94,479.6)	(89,172.9)	(74,872.4)
<b>Claims on Government (net) .....</b>	<b>132,174.1</b>	<b>197,312.7</b>	<b>237,645.5</b>	<b>204,770.7</b>	<b>221,325.7</b>
Domestic credit:					
Claims on public enterprises <sup>(3)</sup> .....	161,460.1	155,192.7	165,983.2	166,758.1	183,694.1
Claims on private sector .....	437,283.9	464,122.6	493,251.6	553,712.4	659,737.7
<b>Total domestic credit .....</b>	<b>598,744.0</b>	<b>619,315.3</b>	<b>659,234.8</b>	<b>720,470.5</b>	<b>843,431.8</b>
Other items (net) .....	(256,719.9)	(259,723.8)	(219,110.1)	(271,922.8)	(331,801.6)
<b>Domestic assets (net) .....</b>	<b>474,198.2</b>	<b>556,904.2</b>	<b>677,770.2</b>	<b>653,318.4</b>	<b>732,955.9</b>
Broad money:					
Money:					
Currency in circulation .....	11,032.7	11,947.0	11,590.3	11,243.9	11,599.5
Demand deposits .....	115,892.1	116,401.5	111,497.4	107,832.0	113,103.2
<b>Total money .....</b>	<b>126,924.8</b>	<b>128,348.5</b>	<b>123,087.7</b>	<b>119,075.9</b>	<b>124,702.7</b>
Quasi-money:					
Savings and time deposits .....	242,417.1	244,790.4	259,691.2	245,367.8	295,406.6
Foreign currency deposits .....	152,041.1	124,409.0	220,553.2	199,564.3	157,894.2
<b>Total quasi-money .....</b>	<b>394,458.2</b>	<b>369,199.4</b>	<b>480,244.4</b>	<b>444,932.1</b>	<b>453,300.8</b>
<b>Total broad money .....</b>	<b>521,383.0</b>	<b>497,547.9</b>	<b>603,332.1</b>	<b>564,008.0</b>	<b>578,003.5</b>
Year on-year Change (%):					
Foreign assets (net) .....	(62.1)	(225.8)	(25.4)	(20.0)	(73.5)
Domestic assets (net) .....	25.0	17.4	21.7	(3.6)	12.2
Total broad money .....	3.4	(4.6)	21.3	(6.5)	2.5
Velocity of broad money (to total nominal GDP) .....	88.6	90.1	99.3	81.0	86.6
Velocity of broad money (to non-oil and gas nominal GDP) .....	141.8	128.1	146.6	128.3	131.2

#### Notes:

(1) Preliminary data.

(2) Includes foreign and local currency deposits.

(3) Non-financial sector enterprises with some Government ownership.

Source: Qatar Central Bank.

## Liquidity

The QCB, on behalf of the Government, issues bonds to absorb domestic liquidity and develop the yield curve for riyal-denominated domestic bonds. The QCB has issued a number of domestic bonds since 1999, including six issues in 2009, three issues in 2010 (including one Sukuk issue) and a Sukuk issue in 2012. In 2011, the QCB also issued bonds amounting to QR50 billion (U.S.\$13.7 billion) to Qatari domestic banks, of which approximately two-thirds went to Islamic banks and one-third to conventional banks. The funds that were raised were transferred by the QCB to the State's account and the State used these funds for various governmental uses, including investments. The QCB also prescribes reserve requirements for commercial banks to be maintained with the QCB to control domestic liquidity.

In 2014, a total of 397,200 T-bills worth QR3.95 billion (U.S.\$1.08 billion) were traded across 53 deals and 200,000 T-bonds worth QR2.03 billion (U.S.\$558 million) were traded across 25 transactions. In 2015, a total of 120,000 T-bills worth QR1.15 billion (U.S.\$320 million) were traded

across 15 deals and 560,000 T-bonds worth QR5.60 billion (U.S.\$1.54 billion) were traded across 39 transactions.

In 2016, the QCB cancelled its January, February and March monthly auctions, as it resisted upward pressure on market interest rates caused by low hydrocarbon prices, which tightened liquidity in the banking system. However, the QCB sold QR1.5 billion (U.S.\$412 million) T-bills in its April 2016 and May 2016 monthly auctions, showing that pressure on the banking sector liquidity due to low hydrocarbon prices had eased in comparison to the previous months. The QCB varies the size and frequency of its T-Bill auctions to manage liquidity in the banking sector. There were several T-Bill auctions throughout 2017, 2018 and 2019.

## **Banking System**

### ***Commercial Banks***

As at the end of 2019, the commercial banking system in Qatar consisted of five national conventional commercial banks, four Islamic institutions that operate according to Islamic Shari'ah principles (including the prohibition on the charging of interest on loans), seven foreign banks with established branches in Qatar and one specialized development bank.

Commercial banks are the primary financial institutions in Qatar, providing deposit taking, credit and investment services, as well as foreign exchange and clearance services. The deposits made in Qatar's commercial banks are not insured as there is no deposit insurance scheme in Qatar.

At the end of 2019, the average banking sector capital adequacy ratio was 18.6% compared with 17.6% in 2018, 16.2% in 2017, and 15.8% in 2016. In 2019, the average banking sector regulatory Tier 1 capital-to-risk weighted asset ratio for all banks was 17.8% compared to 16.8% in 2018, 16.1% in 2017, and 15.6% in 2016. As of the date of this Prospectus, Qatar's commercial banks are compliant with Basel III as implemented by the QCB.

The Government, acting through the Finance Committee, which was later dissolved in 2013 and whose functions were passed onto the Credit Policies and Debt Management Department within the Ministry of Finance, provided financial support to Qatar's financial sector as a response to the global economic downturn and as a preventative measure to preserve the general stability in Qatar's banking sector. In early 2009, the Government, through the Ministry of Finance, began making direct capital injections in Qatar's commercial banking sector through a plan to purchase equity ownership interests of up to 20% in the domestic banks listed on the QE. In line with the plan, between 2009 and 2011, the Government acquired equity positions ranging from 10% to 20% in various domestic banks, including Qatar Islamic Bank, Commercial Bank of Qatar, Qatar International Islamic Bank, Ahli Bank and Doha Bank. Immediately following the acquisition of such equity positions, the Government transferred the new equity ownership in these banks to the QIA. The Government treated the transfer of such assets as a capital injection into its sovereign fund.

In addition to these equity purchases, the Government also assisted the banking sector by purchasing certain portions of their investment and real estate portfolios. On March 22, 2009, the Government purchased the investment portfolios of seven of the nine domestic banks listed on the QE at a total purchase price of approximately QR6,500 million (U.S.\$1,786 million) financed through a combination of cash and T-bonds, which were redeemed at maturity by the Government. This purchase price reflected the net book value of these assets as registered in the records of each of those banks as of February 2009. In an effort to further boost liquidity and encourage lending, in early June 2009, the Government made a second round of investments and bought the real estate portfolios and investments of nine domestic commercial banks at a sale price equivalent to the net book value of such portfolios and investments with a total ceiling amount of QR15,000 million (U.S.\$4,121 million), with the QIA taking ownership of these portfolios. Between 2009 and 2011, the total support to the banking sector, which included purchases of real estate and investment portfolios in domestic banks as well as the equity injections, amounted to QR32,700 million (U.S.\$8,984 million).

Credit facilities extended by commercial banks to the private sector grew by a compound annual growth rate of 14.6% between 2011 and 2016, increasing from QR227,525 million (U.S.\$62,507 million) in 2011 to QR450,065 million (U.S.\$123,644 million) in 2016. In 2016, credit facilities extended to the private sector represented 60.5% of total domestic credit facilities and credit facilities extended to the public sector represented 39.5%. In 2016, domestic credit facilities extended to the private sector grew by 6.5% compared to 2015. Such growth was mainly driven by the growth of credit facilities extended to the real estate sector, which increased by 7.7% compared with 2015, and represented 29.0% of total private sector credit facilities extended by commercial banks, and the growth of credit facilities extended to the consumption sector, which increased by 3.5% compared to 2015, and represented 26.7% of total private sector credit facilities extended by commercial banks. As at December 31, 2019 and 2018, credit facilities extended by commercial banks to the private sector was QR646,708 million (U.S.\$177,667 million) and QR541,225 million (U.S.\$148,688 million), respectively, representing 67.1% and 62.9% of total domestic credit facilities, respectively.

Non-resident deposits increased by 23.2% from QR169,076 million (U.S.\$46,450 million) in 2018 to QR208,222 million (U.S.\$57,204 million) in 2019. This increase was due to perceived stability in the economy and stock market by non-residents seeking higher investment yields. Non-resident investors were attracted by slightly elevated interest rates for fixed-term deposits.

According to data available from the QCB, the level of “non-performing” commercial bank loans to total loans in Qatar has remained low in recent years. The level of non-performing loans was 1.8% in 2019, 1.9% in 2018, 1.6% in 2017 and 1.3% in 2016. Under the QCB regulations, non-performing loans are determined by reference to a range of indicators, and include, among others, loans that meet one of the following conditions for at least three months:

- the borrower is not able to meet its loan repayments and the loan is past due;
- other credit facilities of the borrower are past due;
- the existing credit limits granted to the borrower for its other credit facilities are not renewed; or
- a borrower exceeds its agreed credit limit by 10% or more without prior authorization.

Commercial banks in Qatar categorize non-performing loans into three groups: substandard, doubtful and bad. Substandard loans are those that have not performed for three or more months, doubtful loans are those that have not performed for six or more months, and bad loans are those that have not performed for nine or more months. The QCB also obliges national banks to form a “risk reserve” from their net profits, which should be at least 2.5% of the total direct credit facilities granted by a bank and its branches and subsidiaries inside and outside Qatar. This figure is calculated according to each bank’s consolidated balance sheet, after deduction of the specific provisions, suspended interests and deferred profits for Islamic banks, with the exception of credit facilities extended to the Ministry of Finance, credit facilities guaranteed by the Ministry of Finance and credit facilities secured by cash collateral (with a lien on cash deposits).

The following table sets forth the consolidated balance sheet of Qatari commercial banks as at the dates indicated.

	As at December 31,				
	2015	2016	2017	2018	2019 <sup>(1)</sup>
	<i>(in millions of QR)</i>				
Assets:					
Reserves:					
Cash.....	3,952.5	4,237.1	4,949.2	4,971.8	4,804.8
Balances with the QCB.....	33,480.5	38,646.4	45,486.3	66,315.3	55,384.3
Foreign assets:					
Cash.....	2,737.4	1,838.3	3,526.0	5,522.8	8,003.4
Claims on foreign banks.....	81,365.4	114,098.5	77,285.5	89,950.5	94,416.0
Foreign credit.....	87,930.2	95,363.6	90,482.1	80,531.8	74,893.7
Foreign investments.....	50,638.9	58,203.6	58,801.4	59,139.7	58,960.8
Fixed assets.....	259.9	3,698.1	4,347.2	3,941.2	3,870.0
Domestic Assets:					
Due from Banks in Qatar.....	32,932.7	38,758.9	48,847.2	56,015.2	65,354.9
Domestic Credit.....	660,749.6	743,941.3	820,556.1	859,899.5	964,192.3
Domestic Investments.....	141,751.2	142,722.1	183,695.9	165,785.4	185,120.9
Fixed Assets.....	5,091.7	6,791.1	6,997.7	6,586.1	7,110.7
Other Assets.....	11,839.4	14,437.9	18,665.2	19,296.7	27,442.7
<b>Total assets.....</b>	<b>1,112,729.4</b>	<b>1,262,736.9</b>	<b>1,363,639.8</b>	<b>1,417,956.0</b>	<b>1,549,554.6</b>
Liabilities:					
Foreign Liabilities:					
Non-resident deposits.....	86,632.2	183,223.7	137,125.5	169,076.3	208,221.8
Due to foreign banks.....	180,887.8	208,339.3	177,284.1	218,743.4	273,502.9
Debt securities.....	34,733.9	49,130.4	47,069.8	51,060.5	61,616.8
Other liabilities.....	7,744.1	6,125.7	398.9	(882.0)	(4,835.3)
Domestic Liabilities:					
Resident deposits.....	563,628.7	543,655.8	685,909.4	641,266.4	640,927.3
Due to domestic banks.....	32,716.5	36,824.5	37,021.3	49,097.1	63,224.0
Due to QCB.....	7,041.6	9,075.1	34,354.2	21,788.7	13,984.3
Debt securities.....	4,103.8	3,371.7	1,001.7	1,561.5	1,325.5
Margins.....	1,681.4	1,753.0	1,856.5	2,706.0	2,628.8
Capital accounts.....	124,317.9	135,141.1	146,716.3	145,499.6	155,420.8
Provisions.....	10,684.4	10,739.7	13,624.8	20,796.0	23,798.4
Unclassified liabilities.....	58,557.1	75,356.9	81,277.3	97,242.5	109,739.2
<b>Total liabilities.....</b>	<b>1,112,729.4</b>	<b>1,262,736.9</b>	<b>1,363,639.8</b>	<b>1,417,956.0</b>	<b>1,549,554.6</b>

Notes:

(1) Preliminary data.

Source: Qatar Central Bank.

### ***Qatar Development Bank***

Qatar Industrial Development Bank was established in 1997 by the Government in association with national banks. It was set up to finance small and medium scale industrial projects, by encouraging capital-intensive projects and to provide technical assistance and advice to industrialists for the implementation of their projects. In response to economic and financial developments, Qatar Industrial Development Bank was converted to a State bank, with the Government becoming the ultimate parent and controlling entity. In 2007, it was renamed Qatar Development Bank (“QDB”). QDB’s main objective is to contribute to the development and diversification of economic and industrial investments in Qatar. QDB also provides consultancy services and financing for projects in the sectors of education, agriculture, fisheries, healthcare, animal resources and tourism. As at the end of 2018, QDB’s capital was QR9.1 billion (U.S.\$2.5 billion).

In 2011, QDB launched its export promotion program, Tasdeer, whose aim is to develop and promote Qatari exports in international markets and provide export credit guarantees and other protections and advisory services to exporters.



In November 2014, QDB merged with Enterprise Qatar. The rationale behind this merger was to establish a single entity to provide support to the small and medium enterprises in Qatar. The development of the small and medium enterprises sector is a nation-wide strategy to diversify Qatar's economy and build a strong private sector. As part of such strategy, in December 2014, Qatar Shell, in close collaboration with QDB, awarded to five new Qatari small and medium enterprises, contracts to become the supplier of choice for Pearl GTL. In April 2016, QDB hosted the 12<sup>th</sup> Annual Meeting of the International Network for Small and Medium Enterprises, which shows the importance that QDB, and Qatar as a whole, places on the development of, and support to, small and medium enterprises.

### ***Qatar Financial Centre***

The QFC is a financial and business center established by the Government in 2005 with a view to attracting international financial services institutions and multinational corporations to Doha to grow and develop the market for financial services in the region. Unlike other financial centers in the region, the QFC is an onshore financial and business environment.

The QFC comprises the Qatar Financial Centre Authority, the QFCRA and the Qatar International Court and Dispute Resolution Centre. The Qatar Financial Centre Authority determines the commercial strategy of the QFC and is responsible for legislation and compliance matters relating to the QFC legal environment. The QFCRA regulates, authorizes, supervises and, when necessary, disciplines banking, securities, insurance and other financial businesses carried out in or from the QFC. The QFCRA also registers and supervises the directors and other designated officers of the businesses authorized by it. The QFCRA's regulatory approach is modelled closely on that of the UK's Financial Conduct Authority. The Qatar International Court and Dispute Resolution Centre comprises the Qatar International Court (formerly known as the QFC Civil and Commercial Court), the Regulatory Tribunal and the Dispute Resolution Centre. The Qatar International Court has jurisdiction over civil and commercial disputes arising between entities established within the QFC; employees or contractors employed by entities established in the QFC and the employing entity; QFC entities and residents of Qatar; and QFC institutions and entities established in the QFC. The Regulatory Tribunal hears appeals against decisions of the QFCRA, Qatar Financial Centre Authority and other QFC institutions. The Dispute Resolution Centre offers international arbitration and mediation services. The Qatar Financial Centre Authority, the QFCRA, the Qatar International Court and the Regulatory Tribunal are all statutory independent bodies reporting to the Council of Ministers. See "*Overview of the State of Qatar—Legal System*".

Entities operating under the QFC umbrella fall into two categories: those providing financial services which are regulated activities, and those engaged in non-regulated activities, such as the provision of legal or accounting services to financial services businesses and related corporate entities. All QFC firms must apply to the Qatar Financial Centre Authority for a business license to conduct a permitted activity in or from the QFC. Firms planning to conduct regulated activities also need to apply to the QFCRA for authorization. The Companies Registration Office, which is overseen by the Qatar Financial Centre Authority, is responsible for incorporating and registering entities in the QFC and administering its register. The majority of the firms operating under the QFC umbrella are regulated financial institutions, including global financial institutions. The local source profits of firms licensed in the QFC are subject to a 10% tax rate.

In 2012, QCB Law No. (13) of 2012 replaced QCB Law No. (33) of 2006 to update and strengthen the legal underpinning of the regulatory framework in Qatar. Such law gives the Governor of the QCB ultimate responsibility regarding the regulation, development and supervision of payments, settlements and clearing systems in Qatar. The new law also introduced important provisions addressing the licensing and supervision of insurance businesses; consumer protection and client confidentiality; protection of credit information; regulation of Islamic financial institutions; mergers and acquisitions of financial institutions and settlement of disputes; and imposition of penalties for illegal financial services activities. Pursuant to changes in legislation, the QCB, the QFMA and the QFCRA now work together in a coordinated and mutually supportive manner to strengthen Qatar's

regulatory and financial infrastructure. In line with this objective, the Governor of the QCB was named as the Chairman of the QFCRA and the QFMA board, which is a step towards harmonizing Qatar's regulatory framework.

Pursuant to QCB Law No. (13) of 2012, the Financial Stability and Risk Control Committee was formed under the supreme guidance of the Governor of the QCB. The role of this committee is to monitor and promote financial stability and limit systemic risk and more specifically to study emerging and potential risks arising from all financial services, operations, activities and markets and recommend solutions to manage and mitigate such risks; to coordinate between regulatory, control and supervisory authorities in Qatar and work on enhancing cooperation and information exchange between these institutions; and to propose policies on regulation, control and supervision, financial services, operations, activities and markets. The committee submits its recommendations and proposals to the board of the QCB for approval and implementation. The committee has deployed a variety of macro-prudential tools to contain risks. For example, in July 2014, it issued instructions setting a maximum of 100% on commercial banks' loan-to-deposit ratio to be achieved within three years.

### **Qatar Stock Exchange**

The Doha Securities Market was established by Law No. (14) of 1995 and trading activities began in May 1997. Trading on this market became fully electronic on March 11, 2002. The market entered into a new phase in 2009 with the promulgation of Law No. (33) of 2009 pursuant to which the Doha Securities Market became a joint stock company and was rebranded the QE. Qatar Holding LLC is the sole owner of the QE.

The QE lists a variety of products, including equity securities, T-bills and T-bonds. The purpose of the QE is to promote foreign and domestic investment in Qatar and to encourage the diversification of the economy. The board of directors of the QE is chaired by the Minister of Commerce and Industry and its members include, among others, representatives of the companies listed on the QE, the Ministry of Commerce and Industry, brokers and the QIA.

The QE Index is composed of the largest and most liquid 20 companies listed on the QE. In April 2012, the QE introduced a number of new equity indices to supplement the existing QE Index. A total return version of the QE index was launched, which measures both price performance and income from dividends. The QE also published All Share and sector indices to provide an overall market benchmark and allow further analysis of industry performance in real-time. The All Share index covers seven industry sectors.

The QE's junior bourse, the QE Venture Market, was created in 2012 to provide small and medium enterprises with an alternative source of raising capital. The launch of the QE Venture Market is part of the State's drive to promote private enterprise in the country and accelerate the ongoing economic diversification program. The junior bourse is intended to provide small and medium enterprises with a platform to raise capital through the market and to ease pressure on commercial banks. In 2014, the QE entered into a memorandum of understanding with Enterprise Qatar (which was later merged with QDB in November 2014) to launch a small and medium enterprises subsidy program whereby each successful applicant will be eligible to receive a percentage of the fees payable to their listing adviser. As at the date of this Prospectus, no small and medium enterprise had listed shares on the QE Venture Market.

In February 2013, the QE announced the launch of the "Sponsored Access" and the "Liquidity Provider" facilities, whereby the first activity will allow sponsoring members to provide eligible customers (Sponsored Participants) direct access to the trading system of the QE, while the second activity will enable members to submit "Liquidity Provider" applications for the QE index-constituent securities in accordance with the governing rules.

As of December 2019, there were 46 companies listed on the QE. Companies listed on the QE come primarily from the banking and financial services (13 companies), industrial (9 companies) and consumer goods and services (8 companies) sectors.

The QE was upgraded to emerging market from frontier market by Morgan Stanley Composite Index in 2013, with effect as of May 2014, and by S&P in September 2014. As the QE has grown and met trading standards for international investors, it has been given emerging market status by major index firms including MSCI, S&P and (most recently, in 2017) FTSE.

In December 2015, the QE's Code of Business was enacted to regulate trading on the QE. This code regulates, among others, membership to the QE, members' obligations, entering and exiting the market and trading and dispute resolution rules.

The following table sets forth the QE's market capitalization as at the periods indicated, as well as the percentage change, the number of companies listed and the total value and number of trades in each of the years indicated.

	Year ended December 31,				
	2015	2016	2017	2018	2019
Market capitalization at end of period ( <i>QR million</i> )	553,176.1	563,466.1	472,024.8	588,715.3	582,744.7
Year-on-year percentage change .....	(18.26)	1.86	(16.23)	24.72	(1.0)
Number of listed companies at end of period .....	43	44	45	46	47
Shares value ( <i>QR million</i> ) .....	93,720.0	68,989.1	66,246.1	68,501.3	67,704.7
Shares number .....	2,302,409,707	1,976,573,326	2,465,478,844	2,285,922,661	11,415,730,588

Source: QE.

In 2019, companies in the banking and finance sector traded the most shares by volume, with 33.6% of the total of shares traded, followed by companies in the industrials sector, with 25.2% of the total of shares traded. In terms of value of shares traded, companies in the banking and financial sector again ranked first, with 41.7% of the total value of the shares traded, followed by companies in the industrials sector with 22.9% of the total value of shares traded.

In 2019, the top three leading companies, by value, listed on the QE were QNB, Qatar Fuel Company and Mesaieed Petrochemical Holding Company accounting for 18.0%, 7.9% and 7.2% of the total trading value, respectively.

In 2017, QE was changed from a Public Joint Stock Company to a Private Joint Stock Company by virtue of Law No. (291) of 2017.

### **Qatar Financial Markets Authority**

The QFMA was established under Law No. (33) of 2005, as amended, as a public regulatory authority for Qatar's capital markets with the mandate to, among other things, regulate and supervise financial markets; regulate dealing in securities in a fair, transparent and competitive manner; and enhance communication and information exchange with foreign financial markets, regulators and regional and international organizations and institutions to benefit from their operations to help develop financial markets in Qatar. The creation of the QFMA is part of the Government's overall strategy of reforming Qatar's legal and regulatory regime to support the growth of the economy while improving investor confidence.

Law No. (13) of 2012 established the Qatar Central Securities Depository, which is a company licensed by the QFMA engaged in providing safe-keeping, clearing and settlement of securities and other financial instruments listed on the QE. Additionally, it aims to provide infrastructure for financial instruments for the Qatari market and regional and international markets. It began operations in January 2014 and replaced the QE as the central clearing, depository and financial registry in Qatar.

The QFMA has issued a number of regulations to effectively regulate the Qatari capital markets.

Since 2013, the QFMA has started requiring mandatory compliance with certain provisions of the Corporate Governance Code that were, until then, viewed as merely ‘comply or explain’ provisions.

Law No. (8) of 2012, which repealed Law No. (33) of 2005, gives the QFMA wider responsibilities and obligations to supervise and monitor the securities industry in Qatar and increase the scope of international cooperation.

Some recent regulatory initiatives by the QFMA include the following:

- Decree No. (8) of 2014, which sets out new rules for issuing and listing shares on the secondary market. Pursuant to these rules, a company wishing to be listed on the secondary market must offer at least QR2,000,000 as subscribed capital and must periodically disclose any material changes on its website and in two newspapers;
- Rule No. (3) of 2014, which regulates shareholder pre-emption rights and rights to sell shares to other shareholders or third parties in situations where a listed company intends to increase its capital by listing new shares;
- Law No. (1) of 2019 regulating the Investment of Non-Qatari Capital in the Economic Activity, which repealed Law No. (13) of 2000. The new law states that foreign investors can hold up to 100% of the shares in a company without having a local partner, as detailed in the executive regulation. This excludes the following sectors: banks and insurance companies unless exempted by a Council of Ministers decision, commercial agency activities and any other sectors as indicated by the Council of Ministers decision. However, the executive regulation has not yet been issued and therefore the changes made by the new law remain unclear;
- Law No. (24) of 2018, which repealed Law No. (20) of 2008 and its amendments by extending the exemptions that were provided under the previous legislation. Tax exemptions carried over from the previous legislation includes: profit of entities whose shares are listed on the QE that is attributable to non-Qatari investors; profit of investment funds that have their units listed on the QE that is attributable to non-Qatari investors; and gains arising from the sale, transfer or exchange of securities or units in investment funds that are listed on the QE. In addition, under the new law, gains resulting from the re-evaluation of assets that are used as in kind contribution to the share capital of a shareholding company residing in the State are also exempt from tax, provided the shares are not sold for a period of five years. The new law further exempts taxes arising from the gross income of legal entities residing in the State, for legal entities fully or partially owned by Qataris in their percentage of dividends;
- Decree No. (2) of 2015, which amends Rule No. (2) of 2014 in respect of mergers and acquisitions and pursuant to which an offeror must inform the QFMA if it withdraws its merger or acquisition offer and disclose to the QFMA its intended investment plan for the target company; and
- The issuance of capital adequacy standards for financial services companies in December 2015. These standards are to be applied to financial services companies licensed by the QFMA to exercise one or more of the activities subject to the QFMA’s jurisdiction pursuant to its legislations.

The QFMA regularly negotiates with regulators worldwide and is party to several memoranda of understanding and is an active member at the national, regional and international regulatory levels. In 2014, the QFMA entered into a bilateral memorandum of understanding with each of the Jordan Securities Commission and the Capital Markets Board of Turkey. The QFMA continues its cooperation with international organizations and, in particular, the International Organization of Securities Commissions.

In March 2016, the board of directors of the QFMA issued Decision No. (1) of 2016 with respect to ownership of shares in listed companies on the QE. Pursuant to such decision, no person's percentage ownership of shares in these companies shall exceed the percentage determined in accordance with the constitutive documents of such companies. Companies that are subject to the QCB jurisdiction fall outside the scope of this decision.

### **Strategic Plan**

The State's commitment to strengthening the macro-prudential framework is also reflected in the launch of the strategic plan for financial sector regulation. This strategic plan was jointly developed and released by the QCB, the QFMA and the QFCRA in December 2013. This plan sets out the mission, vision, values and objectives that put the emphasis on a coordinated approach to strengthening the financial sector and fostering stable and robust economic growth. It was prepared in light of the overall objectives enshrined in the Qatar National Vision 2030 and the National Development Strategy 2011-2016.

The six objectives under this strategic plan are as follows:

- enhancing regulation by developing a consistent risk-based micro-prudential framework in line with global regulatory developments and by improving disclosure practices;
- expanding macro-prudential oversight by building a macro-prudential framework in line with international best practice;
- strengthening financial market infrastructure by enhancing the payment and settlement system and taking initiatives to develop the debt market;
- enhancing consumer and investor protection by developing standards and codes of conduct, protecting credit information and raising public awareness through education;
- promoting regulatory cooperation among the QCB, the QCFRA and the QFMA and strengthening local and international cooperation; and
- building human capital through training and professional development initiatives in the QCB, the QCFRA and the QFMA and in the financial sector more broadly.

In establishing these goals, the three regulatory authorities are committed to developing a financial regulatory infrastructure that meets international standards and best practices.

Subsequently in December 2017, Qatar Central Bank published the Second Strategic Plan for Financial Sector Regulation (2017 – 2022) (SSP2). The major thrust of the SSP2 is to create a regulatory framework that fosters growth which is inclusive and sustainable, promotes innovation and financial technology while dealing with issues of cybersecurity, and is competitive and credible while continuing to nurture and develop human capital that contributes to a knowledge-based economy. The SSP2 is underpinned by five core goals:

- Enhancing financial sector regulation and promoting regulatory cooperation;
- Developing financial markets and fostering financial innovation;
- Maintaining integrity of and confidence in the financial system;
- Promoting financial inclusion and financial literacy; and
- Developing human capital.

## PUBLIC FINANCE

### General

Qatar had consistent budget surpluses over the 15-year period from 2001 to 2015. From 2016 to 2017, Qatar has had budget deficits. For the year ended December 31, 2016, the deficit was QR50,829 million (U.S.\$13,964 million), or 29.7% of total Government revenues. For the year ended December 31, 2017, the deficit was QR39,993 million (U.S.\$10,987 million). For the year ended December 31, 2018, the surplus was QR15,081 million (U.S.\$4,143 million), due to higher energy prices that resulted in higher than projected oil and gas revenues. For the nine months ended September 30, 2019, preliminary data shows a surplus of QR 11,252 million (U.S.\$3,091 million), based on an assumed oil price of U.S.\$55 per barrel. The surplus in 2019 was due to higher than projected oil and gas revenues. The 2020 budget estimates an overall surplus of QR500 million (U.S.\$137.4 million), based on an assumed oil price of U.S.\$55 per barrel. The anticipated surplus in 2020 is due to higher projected oil and gas revenues and investment income from QP.

The principal items of Government expenditure relate to the development of Qatar's infrastructure, the salaries and wages of Government employees and principal and interest payments in respect of Government indebtedness (both internal and external). Due to a significant wage and pension increase which came into effect on September 1, 2011 for Qatari Government employees, Government expenditure for salaries and wages has significantly increased since then, increasing by 59.7% between the fiscal year ended March 31, 2013 and the fiscal year ended December 31, 2018. In the fiscal year ended December 31, 2018, Government expenditure on wages and salaries was QR55,688 million (U.S.\$15,299 million), representing 28.9% of total expenditure. As at September 30, 2019, Government expenditure on wages and salaries was QR47,200 million (U.S.\$12,967 million), representing 30.6% of total expenditure. Other items of Government expenditure include the provision of social services, such as healthcare, education and the pensions of former Government employees, as well as utilities, such as water, electricity and telephone services. In recent years, the Government has focused on streamlining and rationalizing its expenditures in light of lower revenues.

Since 2013, the Government's Budget Policy and Framework has, in line with the Emir's directives, focused on achieving fiscal efficiency as regards current expenditure, while simultaneously maintaining allocations for major projects identified as contributing to Qatar's overall development. The State budget focuses on sustainable development and is aligned with the key pillars of the Qatar National Vision 2030, which focuses on economic, social, human and environmental development. As a result of its efforts to improve fiscal efficiency, the Government has successfully reduced current expenditure from QR138.8 billion in 2013 to QR111.2 billion in 2018. As a response to the decline in hydrocarbon prices, in January 2016, the Government increased domestic prices of gasoline by 30%. In addition, until recently local fuel prices were set at fixed prices, which required subsidy spending by the Government. However, since May 2016, as a measure to reduce spending, fuel prices in the local market fluctuate as they are now linked to oil products prices in the international market. Under this new policy, every month a special committee comprising of representatives from various Government bodies reviews fuel prices (gasoline and diesel) and makes recommendations on proposed prices for the local market accordingly. Monthly prices are published by the end of each month on the website of the Ministry of Energy and Industry and in all local newspapers and come into effect on the first day of each month. Other sectors in which the Government has reduced its subsidy include the healthcare sector and the electricity sector. See "*Overview of the State of Qatar—Healthcare*" and "*The Economy of Qatar—Electricity, Gas and Water*". Other measures to reduce current expenditures have included reducing travel and office expenses for Government employees, outsourcing non-core services in Government entities to the private sector and scaling back the activities of State-owned organizations, such as Al Jazeera and Qatar Museums.

Non-strategic projects have been deferred to give way to strategic allocations for priority projects related to the 2022 World Cup and associated infrastructure. Measures have been taken to improve efficiency on projects, and a system for imposing variation controls is currently being implemented.

Certain major capital expenditure projects related to the 2022 World Cup are expected to be completed ahead of schedule due to such prioritization, allowing those project that have been deferred to be brought forward. Healthcare and education projects are ongoing with facilities coming online at regular intervals. Overall, project proposals and budget requests are now being more closely scrutinized on an ongoing basis. Public investments toward the development of strategic infrastructure assets, such as the new airport and sea port, have enabled Qatar to achieve higher levels of independence and greater flexibility as regards logistics, transport and trade routes. A greater emphasis has also been placed on involving the private sector in infrastructure projects. See “*The Economy of Qatar—Economic Policy*”.

Historically, the Government’s primary source of budget revenues has been the oil and gas related revenues generated by QP’s activities. However, over the past decade, the Government has sought to diversify its economy by putting more emphasis on the non-oil and gas sector. The Government has also diversified its revenue sources in recent years to include customs duties, taxes on the operations of foreign-owned businesses and charges for certain services provided by the Government.

The Government’s budget is formulated using an estimate of oil prices per barrel for the relevant fiscal year, which is deemed conservative at the time the budget is formulated. In recent years, these estimates per barrel were U.S.\$40 for the budget for the fiscal year ended March 31, 2010; U.S.\$55 for the budget for the fiscal year ended March 31, 2011; U.S.\$55 for the budget for the fiscal year ended March 31, 2012; U.S.\$65 for the budget for the fiscal year ended March 31, 2013; U.S.\$65 for the budget for the fiscal year ended March 31, 2014; U.S.\$65 for the budgets for both the fiscal year ended March 31, 2015 and the nine-month extension budget ended December 31, 2015; and U.S.\$48 per barrel for the budget for the fiscal year ended December 31, 2016. The 2017 and 2018 budgets were both based on an assumed oil price of U.S.\$45 per barrel, while the 2019 and 2020 budgets assume U.S.\$55 per barrel.

The Ministry of Finance receives royalties and tax revenues on export sales of crude oil, refined products and gas products, including LNG and downstream products from QP and its joint venture partners. See “—*Taxation*”. In addition to such export sale receipts, the Government receives all of QP’s net income as “investment income”. Investment income has contributed to the growth in total revenues in recent years, in line with the growth of QP’s net income; however, such contribution to total revenues decreased in the years ended December 31, 2016 and 2017 and was budgeted to remain lower in 2018. Budgeted Investment Income was at QR49,050 million (U.S.\$13,475 million) in 2018 and at QR65,930 million (U.S.\$18,113 million) for both 2019 and 2020.

In the past, the Government has used budget surpluses for the purpose of investment and to increase the QCB reserves. Investment outside Qatar has been focused primarily on securities and other capital market instruments and real estate acquisitions which are managed by the QIA on behalf of the Government. A portion of the budget surplus has also been placed into stabilization funds administered by the QIA, although the QIA is not a stabilization fund itself.

## **Budget Policy and Process**

The State budget plays a central role in Qatar’s economy and is a key tool in achieving the Government’s economic development goals. Fiscal policy is considered to be the core of the State’s general economic policy, which aims to utilize fully Qatar’s economic resources to raise the standard of living in Qatar and to achieve sustainable development through cooperation between the private and public sectors. Governmental expenditure is considered by the Government to be a primary stimulant of economic activity, and, consequently, a facilitator of economic growth in Qatar. In addition, the Government has flexibility in determining its capital expenditures and may review and reschedule items, if necessary, to reduce the amount of expenditures contained in future budgets.

Each year, the Budget Department of the Ministry of Finance supervises the preparation of ministerial and agency budgets for the following fiscal year. Every July, the Ministry of Finance sends a circular to the different Ministries and agencies setting out the trends and expected budget for the following year. These estimates and the budget allotment must comply with the national development strategy in

force at the time. Each Ministry and agency reviews its allotted budget and sends back its proposed detailed budget and amendments thereto, if any, to the Ministry of Finance. The Budget Department then prepares a preliminary budget which is submitted to the Minister of Finance for his approval. The consolidated budget is then submitted to the Council of Ministers, chaired by the Prime Minister, for its ratification (normally in November, ahead of the fiscal year). The ratified budget is then presented to the Advisory Council for discussion and the Advisory Council then submits its recommendations to the Emir. Thereafter, the budget is submitted to the Emir for his approval and, following such approval, a decree implementing the budget is issued.

The Government does not make its budget publicly available. The budget is divided into four chapters. Chapter One covers salaries and wages, Chapter Two covers other current expenditure, Chapter Three covers minor capital expenditure and Chapter Four covers major capital expenditure. The Ministry of Finance reformed its budget process in early 2016 to become more performance-oriented. New budgets are to be based on budget plans instead of previous budgetary allocations. The new budget process is intended to improve accountability and help the State to achieve specific goals.

Law No. (2) of 2015 relating to the financial system of Qatar has amended the public budget from a fiscal year (April 1 to March 31) to a calendar year (January 1 to December 31). Accordingly, the public budget of the State for the fiscal year ended March 31, 2015 was extended for an additional nine months from April 1, 2015 to December 31, 2015. Due to the extension, the same basis was used in the 2015 budget calculations as in the fiscal year's budget for the fiscal year ended March 31, 2015. Thus, the remaining budget of the nine months from April 1, 2015 to December 31, 2015 was on a pro-rata basis and represented 75% of the budget for the fiscal year ended March 31, 2015.



The following table sets forth the revenues, expenditure and overall surplus or deficit of the Government for each of the periods indicated.

	Fiscal year ended March 31,		Nine-month fiscal period ended December 31,	Year ended December 31,		
	2014	2015	2015	2016	2017	2018
	<i>(in millions of QR)</i>					
Revenues:						
Oil and gas revenues:						
Oil revenues:						
Income tax .....	92,296	79,218	53,671	43,376	37,912	29,977
Royalties .....	17,029	12,848	5,318	5,687	6,416	26,757
Port fees and other oil revenues .....	9	172	625	169	6	-
<b>Total oil revenues .....</b>	<b>109,334</b>	<b>92,238</b>	<b>59,614</b>	<b>49,231</b>	<b>44,334</b>	<b>56,734</b>
Gas—royalties and taxes .....	86,080	71,797	31,748	31,890	39,711	57,319
<b>Total oil and gas royalties and taxes .....</b>	<b>195,414</b>	<b>164,035</b>	<b>91,362</b>	<b>81,121</b>	<b>84,045</b>	<b>114,053</b>
<b>Investment income (QP)<sup>(2)</sup> .....</b>	<b>97,822</b>	<b>111,640</b>	<b>61,925</b>	<b>59,596</b>	<b>48,943</b>	<b>59,076</b>
<b>Total oil and gas revenues<sup>(3)</sup> .....</b>	<b>293,236</b>	<b>275,675</b>	<b>153,287</b>	<b>140,717</b>	<b>132,988</b>	<b>173,129</b>
Non-oil and gas revenues:						
Investment income (non-QP) <sup>(4)</sup>						
Interest income .....	295	180	9	-	-	-
<b>Total investment income (non-QP) .....</b>	<b>295</b>	<b>180</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>
Customs duties .....	3,117	2,041	1,309	1,532	2,918	3,235
Business/corporate income tax .....	39,102	49,962	25,586	12,258	12,777	17,563
Public utility fees .....	340	372	439	-	-	-
Other .....	6,718	7,387	6,581	16,349	14,589	13,988
<b>Total non-oil and gas revenues<sup>(3)</sup> .....</b>	<b>49,572</b>	<b>59,942</b>	<b>33,924</b>	<b>30,139</b>	<b>30,284</b>	<b>34,786</b>
<b>Total revenues .....</b>	<b>342,809</b>	<b>335,617</b>	<b>187,212</b>	<b>170,856</b>	<b>163,272</b>	<b>207,916</b>
Expenditure: <sup>(5)</sup>						
Current expenditure:						
Civil list .....	811	824	449	609	630	770
Defense and security .....	17,032	21,233	38,383	31,914	35,128	39,727
General administration .....	97,411	101,123	53,663	54,279	49,752	40,723
Education .....	11,547	13,281	9,826	13,848	13,245	14,375
Health .....	14,699	2,370	2,653	5,172	3,285	3,423
Labor and social services .....	1,893	723	386	641	1,695	1,384
Food subsidies and transfers .....	822	706	927	809	555	-
Water and electricity .....	5,206	3,685	3,390	9,503	7,471	9,812
Communication and transportation .....	9	87	160	-	-	-
Foreign grants .....	8,067	3,595	894	1,920	1,206	597
Subscriptions .....	235	237	62	313	306	344
<b>Total current expenditure .....</b>	<b>157,732</b>	<b>147,864</b>	<b>110,793</b>	<b>119,008</b>	<b>113,273</b>	<b>111,155</b>
<b>Minor capital expenditure .....</b>	<b>15,061</b>	<b>15,773</b>	<b>30,941</b>	<b>3,929</b>	<b>3,913</b>	<b>3,840</b>
Major Projects:						
Health .....	2,032	1,266	2,551	3,629	2,449	1,434
Education .....	6,031	7,244	2,843	4,900	3,940	2,807
Housing and construction .....	1,364	1,548	802	473	868	1,870
Roads .....	8,524	9,324	8,571	17,275	18,878	18,999
Communications and transportation .....	16,115	13,700	14,294	17,247	16,960	18,976
Utilities .....	10,396	11,329	8,894	14,543	14,349	15,227
Land reclamation, other .....	25,321	18,965	11,757	40,681	28,635	18,527
<b>Total capital expenditure .....</b>	<b>84,845</b>	<b>79,149</b>	<b>80,652</b>	<b>102,677</b>	<b>89,992</b>	<b>81,680</b>
<b>Total expenditure .....</b>	<b>242,577</b>	<b>227,013</b>	<b>191,445</b>	<b>221,685</b>	<b>203,265</b>	<b>192,835</b>
<b>Overall surplus/(deficit) .....</b>	<b>100,232</b>	<b>108,604</b>	<b>(4,233)</b>	<b>(50,829)</b>	<b>(39,993)</b>	<b>15,081</b>

Notes:

- (1) Law No. (2) of 2015 relating to the financial system of Qatar amended the public budget from a fiscal year (April 1 to March 31) to a calendar year (January 1 to December 31). Accordingly, the public budget of the State for the fiscal year ended March 31, 2015 was extended for an additional nine months from April 1, 2015 to December 31, 2015. Due to the extension, the same basis was used in the 2015 budget calculations as in the fiscal year's budget for the fiscal year ended March 31, 2015. Thus, the remaining budget of the nine months from April 1, 2015 to December 31, 2015 was on a pro-rata basis and represented 75% of the budget for the fiscal year ended March 31, 2015.
- (2) Investment income (QP) consists of Government revenue derived from the profits of QP provided to the Government after retained earnings, capital expenditures and reinvestment. Investment income (QP) includes a portion that is attributable to QP's non-oil and gas activities, such as in relation to the production of petrochemicals and fertilizer, steel, iron and metal coating.
- (3) In 2017, the Government reallocated investment income from QP to form part of oil and gas revenue. Investment income from QP previously formed part of non-oil and gas revenue. The historical oil and gas and non-oil and gas figures in this table have been adjusted retrospectively to reflect this, and may therefore differ from previously reported figures.
- (4) Investment Income (non-QP) consists of Government revenue derived from interest income, dividends and proceeds from sales related to Government interests in non-QP entities. This does not include QIA investment income.
- (5) Expenditure related to salaries and wages is allocated across the various expenditure line items shown in the table, and is not separately listed. Salaries and wages were QR42,351 million (U.S.\$11,635 million) for the fiscal year ended March 31, 2014, QR45,172 million (U.S.\$12,410 million) for the fiscal year ended March 31, 2015, QR36,986 million (U.S.\$10,161 million) for the nine-month extended fiscal period ended December 31, 2015, QR59,241 million (U.S.\$16,275 million) for the fiscal year ended December 31, 2016, QR53,121 million (U.S.\$14,594 million) for the fiscal year ended December 31, 2017 and QR55,688 million (U.S.\$15,299 million) for the fiscal year ended December 31, 2018.

Source: Ministry of Finance.

The following table sets forth the budgeted revenues, expenditure and overall surplus or deficit of the Government for fiscal years 2019 and 2020, and the performance for the first nine months of fiscal year ending December 31, 2019.

	Nine months ended September 30, 2019 <sup>(1)</sup>	Budget 2019 <i>(in millions of QR)</i>	Budget 2020
Revenues:			
Oil and gas revenues:			
Oil revenues:			
Income tax.....	17,126	41,445	41,445
Royalties .....	16,451	7,985	7,985
Port fees and other oil revenues.....	-	-	-
<b>Total oil revenues.....</b>	<b>33,577</b>	<b>49,430</b>	<b>49,430</b>
Gas—royalties and taxes .....	40,222	52,640	52,640
<b>Total oil and gas royalties and taxes</b>	<b>73,799</b>	<b>102,070</b>	<b>102,070</b>
<b>Investment income (QP)<sup>(2)</sup>.....</b>	<b>55,496</b>	<b>65,930</b>	<b>65,930</b>
<b>Total oil and gas revenues<sup>(3)</sup>.....</b>	<b>129,295</b>	<b>168,000</b>	<b>168,000</b>
Non-oil and gas revenues:			
Investment income (non-QP) <sup>(4)</sup>			
Interest income .....	-	-	-
<b>Total investment income (non-QP) .....</b>	<b>-</b>	<b>-</b>	<b>-</b>
Customs duties .....	1,348	4,105	4,105
Business/corporate income tax .....	29,253	16,000	16,000
Public utility fees.....	-	-	-
Other .....	5,462	22,903	22,903
<b>Total non-oil and gas revenues<sup>(3)</sup>.....</b>	<b>36,063</b>	<b>43,008</b>	<b>43,008</b>
<b>Total revenues .....</b>	<b>165,358</b>	<b>211,008</b>	<b>211,008</b>
Expenditure: <sup>(5)</sup>			
Current expenditure:			
Civil list.....	479	766	785
Defense and security.....	26,590	41,038	41,376
General administration .....	50,586	46,305	47,167
Education .....	10,305	13,947	15,734
Health.....	2,471	3,206	2,761
Labor and social services.....	214	70	200
Food subsidies and transfers .....	234	-	-
Water and electricity.....	4,042	6,491	7,500
Communication and transportation.....	-	-	-
Foreign grants.....	1,906	1,176	1,172
Subscriptions .....	333	255	313
<b>Total current expenditure .....</b>	<b>97,160</b>	<b>113,254</b>	<b>117,008</b>
<b>Minor capital expenditure.....</b>	<b>2,848</b>	<b>3,864</b>	<b>3,523</b>
Major Projects:			
Health.....	546	1,724	1,989
Education .....	1,434	2,097	7,857
Housing and construction .....	1,469	129	759
Roads .....	12,058	18,517	23,800
Communications and transportation .....	9,539	14,232	8,042
Utilities.....	8,843	12,725	7,818
Land reclamation, other.....	20,209	40,120	39,712
<b>Total capital expenditure .....</b>	<b>56,946</b>	<b>93,408</b>	<b>93,500</b>
<b>Total expenditure .....</b>	<b>154,106</b>	<b>206,662</b>	<b>210,508</b>
<b>Overall surplus .....</b>	<b>11,252</b>	<b>4,346</b>	<b>500</b>

Notes:

- (1) Preliminary data.
- (2) Investment income (QP) consists of Government revenue derived from the profits of QP provided to the Government after retained earnings, capital expenditures and reinvestment. Investment income (QP) includes a portion that is attributable to QP's non-oil and gas activities, such as in relation to the production of petrochemicals and fertilizer, steel, iron and metal coating.
- (3) In 2017, the Government reallocated investment income from QP to form part of oil and gas revenue. Investment income from QP previously formed part of non-oil and gas revenue.
- (4) Investment Income (non-QP) consists of Government revenue derived from interest income, dividends and proceeds from sales related to Government interests in non-QP entities. This does not include QIA investment income.
- (5) Expenditure related to salaries and wages is allocated across the various expenditure line items shown in the table, and is not separately listed.

Source: Ministry of Finance.

## Fiscal year ending December 31, 2020

The Government issued its planned budget for the fiscal year commencing on January 1, 2020 and ending on December 31, 2020 with an estimated surplus of approximately QR500 million (U.S.\$137.4 million) based on an assumed oil price of U.S.\$55 per barrel. This estimated surplus is primarily due to an increase in the Government's total revenues and, in particular, oil and gas revenues and investment income from QP. Total oil and gas revenues are budgeted at QR168,000 million (U.S.\$46,154 million), representing 79.6% of total revenues for the fiscal year ending December 31, 2020. Budgeted total non-oil and gas revenues are estimated at QR43,008 million (U.S.\$11,815 million), representing 20.4% of total revenues for the fiscal year ending December 31, 2020.

Total expenditure for the fiscal year ending December 31, 2020 is budgeted at QR210,508 million (U.S.\$57,832 million), of which QR117,008 million (U.S.\$32,145 million), or 55.6%, is current expenditure and QR93,500 million (U.S.\$25,687 million), or 44.4%, is capital expenditure.

### **Nine months ended September 30, 2019**

#### ***Revenue***

According to preliminary data, total revenues were QR165,358 million (U.S.\$45,428 million) in the nine months ended September 30, 2019, representing 78.4% of total budgeted revenues for the year ended December 31, 2019. Oil and gas revenues were QR129,295 million (U.S.\$35,520 million) for the nine months ended September 30, 2019, approximately 78.2% of total revenues for the period, while non-oil and gas revenues were QR36,063 million (U.S.\$9,907 million), or approximately 21.8% of total revenues for that period.

#### ***Expenditure***

According to preliminary data, total expenditure was QR154,106 million (U.S.\$42,337 million) in the nine months ended September 30, 2019, representing 74.6% of total budgeted expenditure for the year ended December 31, 2019. Total capital expenditure was QR56,946 million (U.S.\$15,645 million) in the nine months ended September 30, 2019, or 37.0% of total public expenditure for the period, while current expenditure was QR97,160 million (U.S.\$26,692 million), representing 63.1% of total public expenditure for that period.

Expenditures for the first three quarters of 2019 were on target at 74.6% of total budgeted expenditures, while revenues were higher than budgeted due to higher than projected oil prices.

### **Fiscal year ending December 31, 2018**

#### ***Revenue***

Total revenues were QR207,916 million (U.S.\$57,120 million) in the fiscal year ending December 31, 2018, representing 118.8% of total budgeted revenues for the year ended December 31, 2018. Oil and gas revenues were QR173,129 million (U.S.\$47,563 million) for the year ended December 31, 2018, approximately 83.3% of total revenues for the period, while non-oil and gas revenues were QR34,786 million (U.S.\$9,557 million), or approximately 16.7% of total revenues.

#### ***Expenditure***

Total expenditure was QR192,835 million (U.S.\$52,977 million) in the year ended December 31, 2018, representing 94.9% of total budgeted expenditure for the year ended December 31, 2018. Total capital expenditure was QR81,680 million (U.S.\$22,440 million) in the year ended December 31, 2018, or 42.4% of total public expenditure for the period, while current expenditure was QR111,155 million (U.S.\$30,537 million), representing 57.6% of total public expenditure.

### **Fiscal year ended December 31, 2017**

#### ***Revenue***

For the fiscal year ended December 31, 2017, total revenues were QR163,272 million (U.S.\$44,855 million), representing a 4.4% decrease compared to the fiscal year ended December 31, 2016, when total revenues were QR170,856 million (U.S.\$46,938 million). Oil and gas revenues were QR132,988 million (U.S.\$36,535 million), or approximately 81.5% of total revenues for that period, while non-oil and gas revenues were QR30,284 million (U.S.\$8,320 million), or approximately 18.5% of total revenues.

## ***Expenditure***

Total expenditure in the fiscal year ending December 31, 2017 was QR203,265 million (U.S.\$55,842 million), representing a decrease of approximately 8.3% compared with the fiscal year ended December 31, 2016 when total expenditure was QR221,685 million (U.S.\$60,902 million). In the fiscal year ending December 31, 2017, total capital expenditure was QR89,992 million (U.S.\$ 24,723 million), or 44.3% of total public expenditure, representing a 12.4% decrease compared with the fiscal year ended December 31, 2016, when capital expenditure was QR102,677 million (U.S.\$28,208 million). In the fiscal year ending December 31, 2017, current expenditure was QR113,273 million (U.S.\$31,119 million), representing a 4.8% decrease compared with the fiscal year ended December 31, 2016, when current expenditure was QR119,008 million (U.S.\$32,695 million).

Expenditures in 2017 were driven by the State's ongoing investment in developing infrastructure, as well as operating expenditures related to new education and healthcare facilities.

## **Qatar Investment Authority**

The QIA is a sovereign wealth fund that was founded pursuant to Emiri Decree No. (22) of 2005 for the purpose of investing Qatar's financial reserves domestically and abroad, with the objective of strengthening Qatar's economy by generating meaningful returns on investment. The QIA employs a strategy of diversification, both geographically and by investing in a mix of asset classes that includes fixed income, equities, private equity, real estate and alternative assets, as well as by making direct investments. In addition, the QIA also acts as the custodian of certain classes of assets on behalf of the State.

The QIA's income has not historically been included in the State budget. Neither the Government nor the QIA publishes financial information relating to the QIA or figures relating to the size, scope or performance of the portfolio of investments administered by the QIA.

Emiri Decree No. (89) of 2014, as amended by Emiri Decision No. (37) of 2015, reorganized the constitution of the QIA board of directors. Pursuant to such Emiri Decree, the Emir's half-brother, H.H. Sheikh Abdullah bin Hamad bin Khalifa Al-Thani, was appointed as Chairman of the QIA and H.E. Sheikh Ahmed bin Jassim bin Mohamed Al-Thani was appointed as Vice-Chairman, and H.E. Ali Shareef Al-Emadi, H.E. Sheikh Abdullah bin Saud Al-Thani and H.E. Dr. Hussain Ali Al-Abdullah were appointed as members. The QIA is managed by its board of directors, which has established a framework for the QIA's operations by developing and implementing investment, risk management, and legal and compliance policies, as well as a code of conduct. The QIA's board of directors provides strategic guidance for the QIA and monitors its executive management team, which is responsible for the QIA's day-to-day management. As of September 2018, Mansoor bin Ebrahim Al Mahmoud was appointed as chief executive officer of the QIA.

Domestically, the QIA or, in some cases, the State itself, holds equity ownership interests in Qatar Airways, Katara Hospitality and the QE. In addition, the QIA has purchased equity ownership interests of up to 20% in all domestic commercial banks listed on the QE. For example, the QIA is the largest single shareholder in Qatar Islamic Bank, with a 17.2% shareholding as at April 1, 2020. See *"Monetary and Financial System—Banking System—Commercial Banks"*. Among its other investments, the QIA also manages the investment activities of the Qatar Foundation, which owns 49% of a joint venture with Vodafone plc. This joint venture, Vodafone & Qatar Foundation LLC, owns 45% of Vodafone Qatar, which holds Qatar's second mobile telecommunications license and is listed on the QE.

Outside Qatar, the QIA, primarily through Qatar Holding LLC (its strategic and direct investment arm), makes direct investments in foreign entities and currently holds equity ownership interests in several non-Qatari companies. In addition, the QIA, primarily through Qatari Diar (its wholly-owned subsidiary) and, to a lesser extent, Barwa, which is 45% owned by the State, makes real estate investments and undertakes developments in a number of foreign markets, including Europe, North

Africa, Asia and more recently, the United States. It is estimated that the QIA has projects in over 30 countries around the world.

The QIA is party to the International Working Group of Sovereign Wealth Funds that was created in 2008. The QIA is also party to the Santiago Principles, which are a set of voluntary principles and practices introduced in 2008 for the operations of sovereign wealth funds, with an emphasis on appropriate governance and accountability arrangements and sound and prudent conduct of investment practices. In 2009, the International Working Group of Sovereign Wealth Funds established the International Forum of Sovereign Wealth Funds to which the QIA is a member. This forum is a voluntary group of sovereign wealth funds, which meet, exchange views on issues of common interest and facilitate an understanding of the Santiago Principles and sovereign wealth funds activities. In November 2014, the QIA hosted the sixth annual meeting of this forum. At this meeting, the participants unanimously agreed upon a three-year strategic plan to ensure free flow of global capital and strong returns, with a particular emphasis on transparency.

## **Taxation**

At present, there is no personal income taxation in Qatar. Profits of business establishments wholly-owned by Qatari individuals are not taxed. What is termed income tax in Qatar applies only to businesses and is therefore generally a form of corporate tax. Tax in Qatar is governed by the Income Tax Law.

Under the Income Tax Law, tax is generally charged on profits and income arising from a taxable entity's activity in Qatar for each taxable year commencing on January 1 and ending on December 31. Under the Income Tax Law, taxable income in any taxable year is now taxed at a flat tax rate of 10%, except for agreements relating to petrochemical industries, as well as related to petroleum operations as defined under Law No. (3) of 2007 concerning the Exploitation of Natural Resources, provided that in all such cases, the tax rate shall not be less than 35%.

The Income Tax Law also introduced withholding tax in relation to certain payments to non-residents that are not connected with a permanent establishment in Qatar. The withholding tax provisions provide for 5% withholding tax on the gross amount of royalties, interest, commission and exchange or services carried out wholly or partly in Qatar and made to non-residents with respect to activities not connected with a permanent establishment in the State.

The Income Tax Law and the Executive Regulation issued by Council of Ministers Decision No. (39) of 2019 provide that certain categories of interest will not be subject to withholding tax. Exceptions include interest on bonds and securities issued by the State and public authorities, establishments and corporations owned wholly or partly by the State; interest on deposits in banks in Qatar; and interest on transactions, facilities and loans with banks and financial institutions.

The majority of the Government's tax revenues come in the form of income taxes and royalties from QP and its joint venture partners engaged in oil and gas production which are collected under a separate regime. Royalties are payable by QP on export sales at the rate of 20% of the invoice value of crude oil and refined products exports and at the rate of 12.5% of the invoice value of gas products exports. In addition, tax is charged on QP's computed income derived from crude oil export sales at the rate of 85% of the invoice value of all export sales less deductions for the cost of operations, depreciation, amortization and royalties, and on gas products export sales at the rate of 50% of this computed income. The royalty and tax rates paid by QP's joint venture partners are set forth in the production agreements to which they are a party.

In addition, Law No. (13) of 2008 regarding the Contribution by Certain Companies towards Social and Sports Activities, as amended by Law No. (8) of 2011, provides that 2.5% of the net annual profits of public corporations are to be collected by the Government and dedicated to the support of social, sporting, cultural and charitable activities.

Qatar's municipal authorities are funded out of the central Government's budget and do not levy local taxes, with the exception of a registration fee on residential rental contracts equal to 1% of annual rent, pursuant to Article 20 of the Rent Law No. (4) of 2008.

The QFC levies a tax of 10% on the business profits of QFC-licensed entities. Generally, only local source profits (as defined) will be subject to tax in Qatar.

Stamp duty in Qatar is currently payable at a rate of 0.25% of the sale value of the property. The Government is considering increasing this rate as a source of additional revenue.

The State has a growing double taxation treaty network with over 50 treaties in force and it is expected that the State will continue to enter into similar agreements. Double taxation treaties that are in effect include those with Hong Kong, Ireland, Mexico, Portugal, Nigeria, Brunei, Ecuador, Bermuda and Spain.

In many of its treaties, the State has adopted the Organisation for Economic Co-operation and Development standards regarding transparency and exchange of information.

In February 2017, GCC States signed a framework agreement for value added tax "VAT" which came into force on January 1, 2018. The tax applies a single rate of 5% to a broad basket of goods and services. However, it is up to each individual member state to implement domestic legislation. Qatar has not yet imposed VAT and is currently assessing its effects.

### **Privatization**

Although the Government believes that its various state-owned enterprises are well managed, efficient and profitable, it has been implementing a privatization program since the late 1990s to increase the involvement of the private sector in these enterprises. The privatization program is an important part of the Government's strategy for realizing economic development, upgrading the performance of companies and improving the standard of services. It is also aimed at increasing the financial efficiency of these companies, reducing administrative burdens, increasing economic growth, reducing the prices of commodities and services and enlarging the ownership base in the country. Many of the companies listed on the QE as of December 31, 2019 were listed as part of Qatar's privatization program. See "*Monetary and Financial System—Qatar Stock Exchange*".

Key privatizations have included the sale in 1998 of 45% of the share capital of Q-Tel (now Ooredoo); the sale of the Ras Abu Fontas B power and water desalination facility in 1999 by the Government to QEWC, one of the first private sector power and water producing companies in the region; the initial public offering of 30% of Industries Qatar, which owns 75% of Qatar Fertiliser Company, 80% of Qatar Petrochemical Company, 100% of Qatar Steel Company and 50% of Qatar Fuel Additives Company; the initial public offering of 60% of Qatar Fuel Company; and the establishment in 2004 of Nakilat as a joint stock company listed on the QE owned 50% by the public and 50% by its founding shareholders.

The Government intends to continue this privatization program, which will include various companies from different economic sectors, in due course as part of its efforts to develop Qatar's economic sectors and diversify Qatar's economy.

## INDEBTEDNESS

The Government's total outstanding indebtedness as at December 31, 2019 was QR 398,471 million (U.S.\$ 109,470 million), with internal indebtedness of QR 173,268 million (U.S.\$ 47,601 million) or 43.5% of total indebtedness, and external indebtedness of QR 225,203 million (U.S.\$ 61,869 million), or 56.5% of total indebtedness.

The ability of the Government to incur indebtedness and provide guarantees in respect of indebtedness is covered by Law No. (2) of 2015, which replaced Law No. (2) of 1962, as amended (the "**State's Financial System Law**") and which regulates, among other matters, the fiscal budget disciplines, the procedure for the Government to make payment to approved projects, direct debt incurrence by the Government, and management in line with the audit requirements of the State and the Constitution. The State's Financial System Law provides that the Government may not enter into loan agreements or other forms of indebtedness or commit to projects which involve expenditure of money from the State treasury unless authorized to do so by an Emiri decision. The State's Financial System Law also stipulates that the Government may provide guarantees and acknowledgements for State obligations pursuant to an Emiri decision.

Law No. (18) of 2002 on Public Debt and Islamic Finance Notes, as amended by the State's Financial System Law, authorizes the State to borrow money and issue public debt and Islamic finance notes. This law provides that the amount required to be borrowed and the rights to be granted to holders of the public debt and Islamic finance notes must be determined by an Emiri decision based on a recommendation of the Minister of Finance after consulting with the QCB. This law further provides that the nominal value of each of the public debt and Islamic finance notes, the objects and duration of the issuance, and the method by which the issuance is offered to lenders and subscribers inside and outside Qatar must be determined by the Minister of Finance after consulting with the QCB.

The State's Financial System Law provides for the Minister of Finance to recommend, by submission to the Prime Minister, the funding strategy for initial approval before submission of a draft Emiri decision for approval by the Emir. Under his mandate, the Minister of Finance provides guidance to all Government-related entities that seek to access the international capital markets and coordinates debt offerings by Qatari issuers to increase liquidity and optimize borrowing costs for Qatari borrowers.

The Credit Policies and Debt Management Department was established in 2012 and is part of the Ministry of Finance. Its role includes designing funding strategies and managing public debt, controlling guarantees and obligations of the Ministries, other governmental agencies and companies in which the State owns a share through analyzing cash flows and available cash and preparing periodic reports on the total current liabilities and warranties of the Government and its agencies. The Ministry of Finance has strengthened its oversight of public sector debt to promote sustainability and to prevent financial distress at Government-related enterprises. The Ministry of Finance, with the QCB, has instructed all banks operating in Qatar to obtain a "no objection" letter from the Ministry of Finance before granting a new bank facility or renewing an existing one to a Government-related enterprise that is controlled by the Government. This is to ensure that Government-related enterprises are efficient when it comes to their borrowings activities. Credit facilities granted to QP and its subsidiaries as guarantees and letters of credit for the import, export and daily operations are exempted from this requirement.

In recent years, Government guarantees to Government-related enterprises have been significantly reduced.



The following table sets forth the Government's direct indebtedness as at the dates indicated.

	As at December 31,				
	2015	2016	2017	2018	2019
	<i>(in millions of U.S.\$ except for percentages)</i>				
<b>Total internal indebtedness<sup>(1)</sup> .....</b>	37,335	38,974	51,669	50,515	47,601
% of nominal GDP.....	23.1%	25.7%	31.0%	26.4%	25.9%
<b>Total external indebtedness<sup>(2)(3)</sup> ..</b>	20,150	31,900	31,386	45,102	61,869
% of nominal GDP.....	12.5%	21.0%	18.8%	23.6%	33.7%
<b>Total indebtedness .....</b>	57,485	70,874	83,055	95,617	109,470
<b>Total nominal GDP .....</b>	161,740	151,732	166,929	191,362	183,466 <sup>(4)</sup>
% of nominal GDP.....	35.5%	46.7%	49.8%	50.0%	59.7%

Notes:

- (1) Internal indebtedness means direct indebtedness of the Government incurred inside Qatar (excluding guarantees by the Government and short-term T-bills), regardless of the currency of denomination.
- (2) External indebtedness means direct indebtedness of the Government incurred by the Government outside Qatar (excluding guarantees by the Government), regardless of the currency of denomination. In relation to any euro-denominated indebtedness, indebtedness is in U.S. dollars using a Euro/U.S. dollar conversion rate of €1.00:U.S.\$1.12.
- (3) Does not include the principal amounts of the Bonds offered hereby.
- (4) Planning and Statistics Authority preliminary data.

Source: Ministry of Finance.

The following table sets forth the Government's estimated projected obligations in respect of principal and annual payments of interest on the State's current direct indebtedness for each of the five fiscal years ending December 31, 2023 (excluding payments on the Bonds offered hereby and assuming a LIBOR rate of 1%).

	Year ended December 31,				
	2019	2020	2021	2022	2023
	<i>(in millions of U.S.\$)</i>				
Annual indebtedness principal repayments	7,395	14,123	7,449	7,221	13,634
Annual indebtedness interest repayments	3,946	4,209	3,762	3,587	3,217
<b>Total annual indebtedness repayments</b>	<b>11,340</b>	<b>18,332</b>	<b>11,211</b>	<b>10,808</b>	<b>16,851</b>

Note:

- (1) Interest repayments are in Qatar Riyals for internal indebtedness and for external indebtedness interest repayments are in U.S. dollars using a Euro/U.S. dollar conversion rate of €1.00:U.S.\$1.12. Actual payments are valued at prevailing rates at that time.

Source: Ministry of Finance.

Qatar has never defaulted on any payment of principal of, or premium or interest on, any of its internal or external indebtedness.

## Internal Indebtedness

As at December 31, 2018, the State's total internal indebtedness was QR 183,875 million (U.S.\$ 50,515 million), which represented a decrease of 2.2% from QR188,075 million (U.S.\$51,669 million) as at December 31, 2017. This decrease was primarily due to a decline in loans from domestic commercial banks. The State's total internal indebtedness as at December 31, 2017 represented an increase of 32.6% from QR141,865 million (U.S.\$38,974 million) as at December 31, 2016. This increase was primarily due to the incurrence of new loans from domestic commercial banks to fund infrastructure projects in Qatar.

As at December 31, 2019, the State's total internal indebtedness was QR 173,268 million (U.S.\$ 47,601 million). Internal indebtedness from medium and long-term bank loans provided by Qatari commercial banks was QR 43,018 million (U.S.\$ 11,818 million), which represented 24.8% of total

internal indebtedness. The aggregate principal amount of the State's total outstanding domestic bonds was QR 130,250 million (U.S.\$35,783 million), which represented 75.2% of total internal indebtedness.

Since 2010, the State has been issuing bonds to absorb excess liquidity. In January 2011, the State issued T-bonds equivalent to QR50 billion (U.S.\$13.7 billion) to Qatari domestic banks, of which approximately QR33 billion (U.S.\$9 billion) went to Islamic banks as Sukuks and the rest went to conventional banks and part of the proceeds were injected as new capital to increase the Government shareholdings in local banks. The funds generated by the State from the issue of sovereign domestic bonds and other internal debt instruments are transferred by the QCB to the State's account and the State generally uses such funds for various governmental uses, including investments.

The following table sets forth a breakdown of the Government's direct internal indebtedness by creditor type as at the dates indicated.

	As at December 31,				
	2015	2016	2017	2018	2019
	<i>(in millions of U.S.\$)</i>				
Medium term government bonds <sup>(1)</sup> ...	26,758	28,434	30,845	30,845	35,783
Medium and long-term commercial bank indebtedness <sup>(2)</sup> ...	10,577	10,540	20,824	19,670	11,818
<b>Total internal indebtedness</b> .....	<b>37,335</b>	<b>38,974</b>	<b>51,669</b>	<b>50,515</b>	<b>47,601</b>

Notes:

- (1) Includes domestic government bonds issued by the QCB on behalf of the Government as well as on behalf of the QCB for monetary policy purposes, denominated in Qatari riyals and having three to ten-year maturity terms with semi-annual coupon rates ranging between 2.5% and 4.5%.
- (2) These are loans from commercial banks with variable terms, generally between four and ten years, with fixed rates varying from 2.5% to 4.5%.

Source: Ministry of Finance.

## External Indebtedness

As at December 31, 2019, the State's external indebtedness was QR 225,203 million (U.S.\$ 61,869 million), representing an increase of 37% from QR161,171million (U.S.\$45,102 million) as at December 31, 2018. This increase was primarily due to the issuance of U.S.\$12,000 million multi tranche bonds in March 2019 and also a growth in ECA financings.

The State's external indebtedness decreased by 1.6% in 2017, from QR116,116 million (U.S.\$31,900 million) as at December 31, 2016. This decrease was primarily due to the repayment of bonds that came to maturity during this period. As at December 31, 2017, external indebtedness from banks and financial institutions was QR25,429 million (U.S.\$6,986 million), which represented 22.3% of total external indebtedness, and indebtedness from medium and long-term bonds was QR88,816 million (U.S.\$24,400 million), which represented 77.7% of total external indebtedness.

All of the Government's direct external indebtedness is denominated in U.S. dollars with the exception of one bank loan facility denominated in Euros. Historically, the Government's external indebtedness has been incurred to fund expenditure approved in the budget and, in particular, Qatar's infrastructure and construction projects.

In May 2016, the State issued in aggregate U.S.\$9,000,000,000 of bonds, comprising U.S.\$3,500,000,000 2.375% Bonds due 2021, U.S.\$3,500,000,000 3.250% Bonds due 2026 and U.S.\$2,000,000,000 4.625% Bonds due 2046. In April 2018, the State issued U.S.\$12,000,000,000 of bonds, comprising U.S.\$3,000,000,000 3.875% bonds due 2023, U.S.\$3,000,000,000 4.500% bonds due 2028 and U.S.\$6,000,000,000 5.103% bonds due 2048. In March 2019, the State issued

U.S.\$12,000,000,000 of bonds, comprising U.S.\$2,000,000,000 3.375% bonds due 2024, U.S.\$4,000,000,000 4.000% bonds due 2029 and U.S.\$6,000,000,000 4.817% bonds due 2049.

The following table sets forth a breakdown of the Government's direct external indebtedness by creditor type as at the dates indicated.

As at December 31,					
	2015	2016	2017	2018	2019
<i>(in millions of U.S.\$)</i>					
Banks and financial institutions (all loans & bonds which are LIBOR +) ..	2,750	5,500 <sup>(1)</sup>	6,986	10,702 <sup>(2)</sup>	16,469 <sup>(2)</sup>
9.75% bonds due 2030 <sup>(3)</sup> .....	1,400	1,400	1,400	1,400	1,400
6.55% bonds due 2019 <sup>(4)</sup> .....	1,000	1,000	1,000	1,000	—
5.25% bonds due 2020 <sup>(5)</sup> .....	2,500	2,500	2,500	2,500	2,500
6.40% bonds due 2040 <sup>(6)</sup> .....	1,000	1,000	1,000	1,000	1,000
5.0% bonds due 2020 <sup>(7)</sup> .....	2,500	2,500	2,500	2,500	2,500
3.125% bonds due 2017 <sup>(8)</sup> .....	2,000	2,000	—	—	—
4.50% bonds due 2022 <sup>(9)</sup> .....	2,000	2,000	2,000	2,000	2,000
5.750% bonds due 2042 <sup>(10)</sup> .....	1,000	1,000	1,000	1,000	1,000
2.099% trust certificates due 2018 <sup>(11)</sup> ....	2,000	2,000	2,000	—	—
3.241% trust certificates due 2023 <sup>(12)</sup> ....	2,000	2,000	2,000	2,000	2,000
2.375% bonds due 2021 <sup>(13)</sup> .....	—	3,500	3,500	3,500	3,500
3.250% bonds due 2026 <sup>(14)</sup> .....	—	3,500	3,500	3,500	3,500
4.625% bonds due 2046 <sup>(15)</sup> .....	—	2,000	2,000	2,000	2,000
3.875% bonds due 2023 <sup>(16)</sup> .....	—	—	—	3,000	3,000
4.500% bonds due 2028 <sup>(17)</sup> .....	—	—	—	3,000	3,000
5.103% bonds due 2048 <sup>(18)</sup> .....	—	—	—	6,000	6,000
3.375% bonds due 2024 <sup>(19)</sup> .....	—	—	—	—	2,000
4.000% bonds due 2029 <sup>(20)</sup> .....	—	—	—	—	4,000
4.817% bonds due 2049 <sup>(21)</sup> .....	—	—	—	—	6,000
<b>Total external indebtedness<sup>(22)</sup> .....</b>	<b>20,150</b>	<b>31,900</b>	<b>31,386</b>	<b>45,102</b>	<b>61,869</b>

Notes:

- (1) This amount reflects the first and second tranches of a loan. The first tranche was drawn in December 2015 in the amount of U.S.\$2,750 million and the second tranche was drawn in January 2016 in the amount of U.S.\$2,750 million.
- (2) Four facilities (in Euro) as part of Ministry of Defence ECA backed facility and another two facilities were drawn upon as at December 2019, equivalent to the amount of U.S.\$10,969 million.
- (3) These bonds were issued in June 2000. The principal amount of these bonds is scheduled to be redeemed on June 15, 2030.
- (4) These bonds were issued in April 2009. The principal amount of these bonds was redeemed on April 9, 2019.
- (5) These bonds were issued in November 2009. The principal amount of these bonds was redeemed on January 20, 2020.
- (6) These bonds were issued in November 2009. The principal amount of these bonds is scheduled to be redeemed on January 20, 2040.
- (7) These bonds were issued in July 2010 by Qatari Diar under a State guarantee. Since 2014, the Government has assumed in its entirety the repayment and servicing of these bonds. The principal amount of these bonds is scheduled to be redeemed on July 21, 2020.
- (8) These bonds were issued in December 2011. The principal amount of these bonds was redeemed on January 20, 2017.
- (9) These bonds were issued in December 2011. The principal amount of these bonds is scheduled to be redeemed on January 20, 2022.
- (10) These bonds were issued in December 2011. The principal amount of these bonds is scheduled to be redeemed on January 20, 2042.
- (11) These trust certificates were issued in July 2012. These trust certificates were redeemed in January 2018.
- (12) These trust certificates were issued in July 2012. These trust certificates will be redeemed in January 2023.
- (13) These bonds were issued in May 2016. The principal amount of these bonds is scheduled to be redeemed on June 2, 2021.
- (14) These bonds were issued in May 2016. The principal amount of these bonds is scheduled to be redeemed on June 2, 2026.
- (15) These bonds were issued in May 2016. The principal amount of these bonds is scheduled to be redeemed on June 2, 2046.
- (16) These bonds were issued in April 2018. The principal amount of these bonds is scheduled to be redeemed on April 23, 2023.

- (17) These bonds were issued in April 2018. The principal amount of these bonds is scheduled to be redeemed on April 23, 2028.
- (18) These bonds were issued in April 2018. The principal amount of these bonds is scheduled to be redeemed on April 23, 2048.
- (19) These bonds were issued in March 2019. The principal amount of these bonds is scheduled to be redeemed on March 14, 2024.
- (20) These bonds were issued in March 2019. The principal amount of these bonds is scheduled to be redeemed on March 14, 2029.
- (21) These bonds were issued in March 2019. The principal amount of these bonds is scheduled to be redeemed on March 14, 2049.
- (22) This does not include the principal amount of the Bonds offered hereby
- Source: Ministry of Finance.

The following table sets forth the Government's estimated projected obligations in respect of principal and annual payments of interest on the State's current outstanding direct external indebtedness for each of the five fiscal years ending December 31, 2023 (excluding payments on the Bonds offered hereby and assuming a LIBOR rate of 1%).

	Year ended December 31,				
	2019	2020	2021	2022	2023
	<i>(in millions of U.S.\$)</i>				
Annual external indebtedness principal repayments .....	1,000	10,924	4,132	3,059	7,748
Annual external indebtedness interest repayments <sup>(1)</sup> .....	2,032	2,297	1,945	1,887	1,741
<b>Total annual external indebtedness repayments .....</b>	<b>3,032</b>	<b>13,221</b>	<b>6,076</b>	<b>4,946</b>	<b>9,488</b>

Note:

- (1) Interest repayments are in U.S. dollars using a Euro/U.S. dollar conversion rate of €1.00:U.S.\$1.12. Actual payments are valued at prevailing rates at that time.

Source: Ministry of Finance.

### **Qatar Petroleum Indebtedness and Other Indebtedness of State Owned Companies**

QP and its subsidiaries and joint venture companies have also incurred significant indebtedness to finance the development and expansion of Qatar's LNG projects, power projects and other industrial enterprises. Additionally, certain QP group entities have entered into long-term charter agreements for LNG vessels and other finance leases, but these liabilities are not on QP's consolidated balance sheet. In past years, the Government has guaranteed certain obligations of QP and its subsidiaries and joint venture companies to facilitate the development of the country's hydrocarbon infrastructure. All of this guaranteed indebtedness has since been paid down and none of the debt facilities directly guaranteed by the Government currently remains outstanding. Even if the State does not guarantee debt of QP or its subsidiaries or joint ventures, the incurrence of debt by QP or its subsidiaries or joint ventures and the related debt service payments by QP or its subsidiaries or joint ventures may reduce the amount of investment income that the State receives from QP.

The Government has also guaranteed indebtedness of certain State-owned companies. For example, the Government has the capacity to act as guarantor for Qatar Airways in an amount up to approximately QR22,976 million (U.S.\$6,312 million) and as at December 31, 2019, QR26,086 million (U.S.\$7,166 million) of non-guaranteed loans was outstanding for Qatar Airways. The Government has also guaranteed QR9.1 billion (U.S.\$2.5 billion) for Qatari Diar, and Qatari Diar's 2010 bonds have been included in the Government debt schedule since 2014. The State has also guaranteed the power purchase obligations of Kahramaa under the power purchase agreements Kahramaa has entered into with respect to certain electricity projects.

## **BALANCE OF PAYMENTS**

Qatar maintained a surplus in its balance of payments between 1999 and 2014, except in 2011. Qatar had a deficit from 2015 to 2017; however, recent years have shown a surplus again.

While there was a surplus in the balance of payments in 2014 of QR4,708 million (U.S.\$1,293 million), this represented an 85.7% decrease as against a surplus of QR32,994 million (U.S.\$9,064 million) in 2013. The decrease in the balance of payments surplus in 2014 was mainly due to a decrease in the current account to QR179,852 million (U.S.\$49,410 million) in 2014 compared with QR220,078 million (U.S.\$60,461 million) in 2013, representing an 18.3% decrease. In turn, this decrease was primarily due to the decrease in hydrocarbon export revenues, an increase in imports of services, driven by higher domestic demand and an increase in outgoing transfers.

In 2015, there was a deficit in the balance of payments of QR20,031 million (U.S.\$5,503 million), which was due to a decrease in Qatar's total trade balance, which decreased by 48.9% compared with 2014 due to a significantly lower level of exports, and a decrease in the total current account, which decreased by 72.2% compared to 2014 and such decrease was in turn due to lower hydrocarbon production and prices.

In 2016, there was a deficit in the balance of payments of QR20,510 million (U.S.\$5,635 million). The deficit reflects both lower exports and higher imports. Export revenues fell as a result of lower oil prices and hydrocarbon production, while continued investment spending and population growth supported demand for imports. In 2017, there was a deficit in the balance of payments of QR65,071 million (U.S.\$17,877 million). This was largely due to the deficit in the capital and financial account, which fell from a surplus of QR13,840 million (U.S.\$3,802 million) in 2016, to a deficit of QR92,648 million (U.S.\$25,453 million) in 2017. This reflects outflows of capital by non-residents in relation to the Quartet Blockade. In 2018, there was surplus in the balance of payments of QR57,716 million (U.S.\$15,856 million). This surplus was primarily attributable to higher exports and to a surplus in the capital and financial account, which increased from a deficit of QR92,648 million (U.S.\$25,453 million) in 2017 to a surplus of QR1,035 million (U.S.\$284 million) in 2018.

However, preliminary data from 2019 indicates a surplus in the balance of payments, largely as a result of the higher oil prices during the year which increased the value of exports. In 2019, there was a surplus in the balance of payments of QR34,143 million (U.S.\$9,380 million), compared to a surplus of QR57,716 million (U.S.\$15,856 million) in 2018.

The following table sets forth an overview of Qatar's balance of payments for each of the five years ended December 31, 2019.

	Year ended December 31,				
	2015	2016	2017	2018	2019 <sup>(1)</sup>
	<i>(in millions of QR)</i>				
Current account:					
Trade balance (commodities):					
Exports (including re-exports) .....	281,351	208,604	245,694	306,810	265,483
Imports (FOB) .....	(103,726)	(116,240)	(111,987)	(121,238)	(114,128)
<b>Total trade balance (commodities) .....</b>	<b>177,625</b>	<b>92,364</b>	<b>133,707</b>	<b>185,572</b>	<b>151,355</b>
Services .....	(57,433)	(59,571)	(49,944)	(51,802)	(59,461)
Income .....	(12,978)	(4,038)	(1,527)	(13,633)	(16,051)
Current transfers .....	(57,161)	(58,856)	(58,847)	(59,523)	(60,449)
<b>Total current account .....</b>	<b>50,053</b>	<b>(30,101)</b>	<b>23,389</b>	<b>60,614</b>	<b>15,394</b>
Capital and financial account .....	(71,610)	13,840	(92,648)	1,035	21,726
Net Errors and omissions .....	1,526	(4,249)	4,188	(3,933)	(2,977)
<b>Overall balance of payments .....</b>	<b>(20,031)</b>	<b>(20,510)</b>	<b>(65,071)</b>	<b>57,716</b>	<b>34,143</b>

Note:

(1) Preliminary estimates

Source: Qatar Central Bank

## Foreign Trade

Until 2015, foreign trade played an important role in Qatar's expanding economy through the export of Qatar's hydrocarbons and through the import of goods and services to develop some of Qatar's oil and gas, industrial and infrastructure projects. In 2015, imports remained strong to continue developing those projects, in particular those in relation to the 2022 World Cup; however, the level of exports (including re-exports) significantly decreased due to lower hydrocarbon production and prices going from QR461,197 million (U.S.\$126,702 million) in 2014 to QR281,351 million (U.S.\$77,294 million) in 2015, representing a 39% decrease. As a result, in 2015, while the trade balance remained positive, it sharply decreased compared with 2014, going from QR347,828 million (U.S.\$95,557 million) to QR177,625 million (U.S.\$48,798 million), representing a 49% decrease. The level of exports decreased further to QR208,604 million in 2016 (U.S.\$57,309 million) as a result of lower oil prices and hydrocarbon production, representing a 26% decrease from 2015. As a result of decreased exports and increased imports, the total trade balance further decreased by 48% from QR177,625 million (U.S.\$48,798 million) in 2015 to QR92,364 million (U.S.\$25,375 million) in 2016. In 2017, the total trade balance increased by 44.8% to QR133,707 (U.S.\$36,733), as a result of increased exports coupled with decreased imports. However, in 2018 trade balance increased by 38.8% to reach QR 185,572 million (U.S.\$ 50,981 million) due to increase in exports and imports.

In 2016, the relative share of exports of goods in the total foreign trade stood at 64.2% and the exports-to-GDP ratio stood at 37.8%, compared to 73.1% and 47.8% in 2015, respectively. In 2017, the relative share of exports of goods in the total foreign trade was 68.7%. In 2018, the relative share of exports of goods in the total foreign trade increased to 71.7%, and the exports-to-GDP ratio stood at 44%.

In 2017, imports of goods (FOB) amounted to QR111,987 million (U.S.\$30,766 million), representing a 3.7% decrease compared with 2016, when they amounted to QR116,240 million (U.S.\$31,934 million). In 2016, the relative share of imports of goods in the total foreign trade stood at 35.8% and the imports-to-GDP ratio stood at 21.0%. In 2017, the relative share of imports of goods (FOB) in the total foreign trade was 31.3%. In 2018, imports of goods (FOB) amounted to QR121,238 million (U.S.\$33,307 million) and the relative share of imports of goods (FOB) in the total foreign trade was 28.3%; the imports-to-GDP ratio in 2018 stood at 17.4%.

In 2019, exports (including re-exports) amounted to QR265,483 million (U.S.\$ 72,935 million), representing an decrease of 13.5% compared with 2018. Over the same period, imports of goods (FOB) amounted to QR114,128 million (U.S.\$31,354 million), representing a 5.9% decrease compared to 2018.

## Exports and Imports

The following table sets forth a monthly breakdown of Qatar's exports (including re-exports) and imports (CIF) in 2017, 2018 and 2019.

	2017		2018		2019 <sup>(1)</sup>	
	Exports (including re-exports)	Imports (CIF)	Exports (including re-exports)	Imports (CIF)	Exports (including re-exports)	Imports (CIF)
	<i>(in millions of QR)</i>					
January	20,142	9,395	25,314	9,593	24,663	8,825
February	19,631	8,270	22,371	8,337	22,260	8,492
March	19,575	10,387	23,843	10,545	22,773	9,594
April	18,812	8,936	24,014	9,226	22,115	9,011
May	20,345	9,677	24,842	9,958	22,798	9,197
June	18,398	5,937	26,906	8,913	22,017	8,061
July	18,310	6,479	26,607	9,719	22,346	9,136
August	21,427	8,867	26,410	8,892	21,211	9,096
September	20,597	8,285	26,803	11,352	20,337	7,473
October	20,983	12,697	28,780	9,785	20,055	8,350
November	21,773	8,938	25,495	9,513	22,175	9,673
December	25,906	11,007	25,424	9,541	23,588	9,287
<b>Total</b>	<b>245,897</b>	<b>108,876</b>	<b>306,810</b>	<b>115,374</b>	<b>266,338</b>	<b>106,195</b>

Note:

(1) Preliminary data.

Source: Planning and Statistics Authority.

## Exports

In 2016, Qatar's overall exports (including re-exports) decreased by 26%, from QR281,351 million (U.S.\$77,294 million) in 2015 to QR208,604 million (U.S.\$57,254 million). This was due to the decrease in hydrocarbon prices and the production of LNG being close to full capacity since 2012 on account of the self-imposed moratorium on gas production. In 2017 and 2018, Qatar's overall exports (including re-exports) increased by 17.9% and 24.8%, respectively, to QR245,897 million (U.S.\$67,554 million) and QR306,810 (U.S.\$84,288 million), predominantly as a result of higher prices for Qatari crude oil. In 2019, Qatar's total exports (including re-exports) decreased by 13.5% to QR265,483 million (U.S.\$72,935 million). The majority of Qatari exports are energy-related with hydrocarbon exports amounting to 84.1% of total exports in 2017, 86.0% in 2018 and 85.8% in 2019.

Exports proceeds from crude oil declined by 15.9% in 2016 compared with 2015 and exports proceeds from LNG declined by 34.1% over the same period of time. This was due to the decrease in hydrocarbon production and prices. In 2017, export proceeds from crude oil increased by 32.2% compared to 2016, largely due to higher prices for Qatari crude oil. In 2018, export proceeds from crude oil increased by 18.0% compared to 2017. In 2019, export proceeds from crude oil decreased by 10.1% compared to 2018.

Qatar's leading export trade partner in 2017, and for a number of years previously, was Japan, which accounted for 17.1% of Qatar's total exports. South Korea, India, China and the UAE accounted for 15.8%, 12.3%, 10.7% and 3.8%, respectively, of Qatar's total exports. Exports to Oman increased by 170.0%, from QR692 million (U.S.\$190 million) in 2016 to QR1,868 million (U.S.\$513 million) in 2017. In 2018, Qatar's leading export trade partners were Japan and South Korea, each of which accounted for 17.4% of Qatar's total exports, while India, China and the UAE accounted for 12.1%, 11.4% and 1.8% of Qatar's total exports, respectively. Exports to Asian countries increased by 31.3% to QR248,934 million (U.S.\$68,388 million) in the year ended December 31, 2018 compared to QR189,546 million (U.S.\$52,073 million) in the year ended December 31, 2017.

The following table sets forth the destination of exports (by country, including re-exports) from Qatar for each of the five years ended December 31, 2019.



Year ended December 31,										
2015		2016		2017		2018		2019 <sup>(1)</sup>		
(in millions of QR except for percentages)										
	Value	%	Value	%	Value	%	Value	%	Value	%
Asian countries										
Japan.....	58,883	20.9	39,804	19.1	42,128	17.1	53,356	17.4	49,477	18.6
South Korea....	49,513	17.6	32,646	15.6	38,778	15.8	53,277	17.4	41,386	15.6
India.....	33,515	11.9	26,867	12.9	30,141	12.3	36,996	12.1	32,298	12.2
China.....	18,708	6.6	16,329	7.8	26,372	10.7	34,978	11.4	32,832	12.4
Singapore.....	12,971	4.6	10,932	5.2	22,950	9.3	24,862	8.1	20,100	7.6
Others .....	32,642	11.6	25,124	12.0	29,177	11.9	45,466	14.8	36,507	13.8
<b>Total.....</b>	<b>206,232</b>	<b>73.3</b>	<b>151,702</b>	<b>72.7</b>	<b>189,546</b>	<b>77.1</b>	<b>248,934</b>	<b>81.1</b>	<b>212,600</b>	<b>80.1</b>
EU countries										
Italy .....	5,834	2.1	4,021	1.9	4,964	2.0	6,185	2.0	5,130	1.9
UK .....	12,463	4.4	6,830	3.3	5,782	2.4	4,037	1.3	6,831	2.6
Belgium .....	4,830	1.7	3,111	1.5	2,476	1.0	3,565	1.2	3,186	1.2
Poland.....	189	0.1	1,180	0.6	2,009	0.8	3,216	1.0	2,705	1.0
Spain.....	2,843	1.0	2,001	1.0	2,707	1.1	2,955	1.0	3,742	1.4
Others .....	6,115	2.2	3,680	1.8	5,474	2.2	10,704	3.5	10,465	3.9
<b>Total.....</b>	<b>32,274</b>	<b>11.5</b>	<b>20,823</b>	<b>10.0</b>	<b>23,412</b>	<b>9.5</b>	<b>30,663</b>	<b>10.0</b>	<b>32,059</b>	<b>12.1</b>
Americas										
United States .....	3,289	1.2	2,490	1.2	3,211	1.3	4,008	1.3	3,615	1.4
Others .....	4,237	1.5	2,560	1.2	2,649	1.1	2,597	0.8	1,410	0.5
<b>Total.....</b>	<b>7,526</b>	<b>2.7</b>	<b>5,050</b>	<b>2.4</b>	<b>5,860</b>	<b>2.4</b>	<b>6,605</b>	<b>2.2</b>	<b>5,025</b>	<b>1.9</b>
Arab countries										
UAE.....	13,815	4.9	13,679	6.6	9,314	3.8	5,400	1.8	3,915	1.5
Iraq.....	448	0.2	234	0.1	233	0.1	300	0.1	645	0.2
Kuwait .....	1,563	0.6	2,075	1.0	2,215	0.9	3,093	1.0	2,954	1.1
Oman .....	678	0.2	692	0.3	1,868	0.8	3,237	1.1	2,024	0.8
Saudi Arabia.....	4,143	1.5	1,893	0.9	920	0.4	-	-	-	-
Jordan .....	1,346	0.5	823	0.4	594	0.2	640	0.2	236	0.1
Bahrain .....	682	0.2	782	0.4	241	0.1	-	-	-	-
Others .....	3,452	1.2	4,723	2.3	5,046	2.1	2,731	0.9	978	0.4
<b>Total.....</b>	<b>26,127</b>	<b>9.3</b>	<b>24,901</b>	<b>11.9</b>	<b>20,431</b>	<b>8.3</b>	<b>15,400</b>	<b>5.0</b>	<b>10,753</b>	<b>4.1</b>
Rest of the World										
<b>Total .....</b>	<b>9,192</b>	<b>3.3</b>	<b>6,128</b>	<b>2.9</b>	<b>6,648</b>	<b>2.7</b>	<b>5,208</b>	<b>1.7</b>	<b>5,046</b>	<b>1.9</b>
<b>Total .....</b>	<b>281,351</b>	<b>100.0</b>	<b>208,604</b>	<b>100.0</b>	<b>245,897</b>	<b>100.0</b>	<b>306,810</b>	<b>100.0</b>	<b>265,483</b>	<b>100</b>

Note:

(1) Preliminary data.

Source: Planning and Statistics Authority.

The following table sets forth a breakdown of Qatar's hydrocarbon and non-hydrocarbon exports for each of the five years ended December 31, 2019.

Year ended December 31,					
2015	2016	2017	2018	2019 <sup>(1)</sup>	
(in millions of QR)					
<b>Hydrocarbon:</b>					
Crude oil.....	38,300	32,220	42,609	50,267	45,178
LNG.....	131,029	86,335	101,071	134,371	119,786
Propane, butane.....	15,582	12,879	17,718	20,718	16,351
Condensate.....	37,283	28,758	27,834	33,533	28,067
Refined petroleum products.....	12,555	9,936	17,561	25,055	18,489
<b>Total hydrocarbon.....</b>	<b>234,749</b>	<b>170,128</b>	<b>206,793</b>	<b>263,944</b>	<b>227,871</b>
<b>Non-hydrocarbon:</b>					
Petrochemicals.....	11,895	10,517	20,763	25,099	20,337
Others.....	34,707	27,959	18,341	17,767	17,275
<b>Total non-hydrocarbon.....</b>	<b>46,602</b>	<b>38,476</b>	<b>39,104</b>	<b>42,866</b>	<b>37,612</b>
<b>Total exports (including re-exports).....</b>	<b>281,351</b>	<b>208,604</b>	<b>245,897</b>	<b>306,810</b>	<b>265,483</b>

Note:

(1) Preliminary data.

Source: Ministry of Finance, Planning and Statistics Authority and QP.

## Imports

The following table sets forth the origin of imports (by country, CIF) to Qatar for each of the five years ended December 31, 2019.

	2015		2016		2017		2018		2019 <sup>(1)</sup>	
	Value	%	Value	%	Value	%	Value	%	Value	%
<i>(in millions of QR except for percentages)</i>										
<b>Asian countries</b>										
China .....	13,705	11.5	12,085	10.4	12,361	11.4	14,255	12.4	12,927	12.2
India .....	4,426	3.7	4,356	3.7	5,754	5.3	7,245	6.3	5,680	5.3
Japan .....	7,768	6.5	7,790	6.7	5,760	5.3	5,034	4.4	3,238	3.0
Turkey .....	1,911	1.6	1,965	1.7	2,930	2.7	4,832	4.2	4,525	4.3
Malaysia .....	1,288	1.1	905	0.8	877	0.8	1,171	1.0	1,366	1.3
Others .....	9,597	8.1	8,725	7.5	7,538	6.9	9,424	8.2	8,254	7.8
<b>Total .....</b>	<b>38,694</b>	<b>32.6</b>	<b>35,826</b>	<b>30.7</b>	<b>35,220</b>	<b>32.3</b>	<b>41,961</b>	<b>36.4</b>	<b>35,990</b>	<b>33.9</b>
<b>EU countries</b>										
Germany .....	8,891	7.5	10,812	9.3	7,555	6.9	7,103	6.2	7,739	7.3
UK .....	6,745	5.7	4,787	4.1	5,063	4.7	6,588	5.7	7,224	6.8
Italy .....	5,282	4.4	4,697	4.0	4,840	4.4	4,988	4.3	4,742	4.5
France .....	4,535	3.8	3,753	3.2	3,389	3.1	3,549	3.1	3,236	3.0
Spain .....	1,334	1.1	1,542	1.3	1,771	1.6	1,948	1.7	1,622	1.5
Switzerland .....	3,302	2.8	3,128	2.7	2,464	2.3	2,953	2.6	2,722	2.6
Others .....	3,677	3.1	4,247	3.6	5,355	4.9	5,600	4.9	9,355	8.8
<b>Total .....</b>	<b>33,766</b>	<b>28.4</b>	<b>32,965</b>	<b>28.2</b>	<b>30,436</b>	<b>28.0</b>	<b>32,729</b>	<b>28.4</b>	<b>36,640</b>	<b>34.5</b>
<b>Americas</b>										
United States .....	12,985	10.9	16,721	14.3	17,793	16.3	22,417	19.4	20,001	18.8
Others .....	3,703	3.1	3,632	3.1	3,181	2.9	2,876	2.5	4,005	3.8
<b>Total .....</b>	<b>16,688</b>	<b>14.1</b>	<b>20,353</b>	<b>17.4</b>	<b>20,975</b>	<b>19.3</b>	<b>25,293</b>	<b>21.9</b>	<b>24,006</b>	<b>22.6</b>
<b>Arab countries</b>										
Oman .....	1,266	1.1	1,349	1.2	2,736	2.5	3,575	3.1	3,668	3.5
Kuwait .....	721	0.6	633	0.5	928	0.9	1,190	1.0	1,070	1.0
UAE .....	10,417	8.8	10,608	9.1	5,917	5.4	207	0.2	54	0.1
Lebanon .....	371	0.3	326	0.3	444	0.4	613	0.5	579	0.5
Saudi Arabia .....	5,118	4.3	5,039	4.3	2,232	2.1	54	0.0	0	0.0
Bahrain .....	1,055	0.9	1,166	1.0	898	0.8	35	0.0	0	0.0
Others .....	2,075	1.7	1,969	1.7	2,221	2.0	2,242	1.9	1,178	1.1
<b>Total .....</b>	<b>21,023</b>	<b>17.7</b>	<b>21,090</b>	<b>18.1</b>	<b>15,376</b>	<b>14.1</b>	<b>7,916</b>	<b>6.9</b>	<b>6,550</b>	<b>6.2</b>
<b>Rest of the World ....</b>	<b>8,534</b>	<b>7.2</b>	<b>6,464</b>	<b>5.5</b>	<b>6,869</b>	<b>6.3</b>	<b>7,475</b>	<b>6.5</b>	<b>3,023</b>	<b>2.8</b>
<b>Total .....</b>	<b>118,705</b>	<b>100.0</b>	<b>116,699</b>	<b>100.0</b>	<b>108,876</b>	<b>100.0</b>	<b>115,374</b>	<b>100.0</b>	<b>106,208</b>	<b>100</b>

Note:

(1) Preliminary data.

Source: Planning and Statistics Authority.

Between 2013 and 2017, total imports (calculated by Cost, Insurance and Freight (“CIF”)) into Qatar increased by 11.3%, due to strong population growth and demand for building materials and equipment in relation to the infrastructure buildout program.

In 2017, overall imports declined by 6.7% to QR108,876 million (U.S.\$29,911 million), compared to QR116,699 million (U.S.\$32,060 million) in 2016. In particular, imports from GCC countries declined in 2017, with imports from the UAE, Saudi Arabia and Bahrain declining by 44.2%, 55.7% and 23.0%, respectively. In 2018, overall imports increased by 6.0% to QR115,374 million (U.S.\$31,696 million) compared to QR108,876 million (U.S.\$29,911 million) in 2017. In particular, imports from Asian countries increased, with imports from China, India and Turkey increasing by 15.3%, 25.9% and 64.9%, respectively. In 2019, overall imports decreased by 7.9% to QR106,208 million (U.S.\$29,178 million) compared to 2018. In particular, imports from Asian countries decreased, with imports from China, India and Japan decreasing by 9.3%, 21.6% and 35.7%, respectively.

Qatar’s main import trade partners in 2017 were the United States, China and Germany, which accounted for 16.3%, 11.4% and 6.9%, of Qatar’s total imports, respectively. Asian countries and EU countries accounted for 32.3% and 28.0% of Qatar’s total imports, respectively. In 2018, the United

States accounted for 19.4% of total imports, while China and India were other key import partners, accounting for 12.4% and 6.3% of imports, respectively. In 2019, Qatar's main trade import partners were the United States, China and Germany, which accounted for 18.8%, 12.2% and 7.3% respectively.

The following table sets forth the composition of imports (by CIF) to Qatar for each of the five years ended December 31, 2019.

	Year ended December 31,									
	2015		2016		2017		2018		2019 <sup>(1)</sup>	
	Value	%	Value	%	Value	%	Value	%	Value	%
	<i>(in millions of QR)</i>									
Vehicles, Aircraft and Parts .....	23,615.4	19.9	22,519.4	19.3	18,142.0	16.7	19,431.0	16.8	13,286.8	12.5
Industrial Machinery and Mechanical Appliances ....	18,484.4	15.6	19,510.0	16.7	19,129.6	17.6	18,427.6	16.0	19,307.4	18.2
Electrical Machinery, Equipment and Instruments .....	16,520.6	13.9	17,280.4	14.8	15,494.2	14.2	17,246.3	14.9	16,983.6	16.0
Chemicals, Plastics, Rubber and Related Items .....	12,719.5	10.7	12,355.1	10.6	12,917.5	11.9	13,833.7	12.0	12,634.6	11.9
Food, Beverages and Tobacco .....	12,098.4	10.2	11,810.7	10.1	12,389.9	11.4	12,778.1	11.1	12,060.1	11.4
Clothing, Furniture and Related Items .....	10,304.6	8.7	10,120.6	8.7	9,661.1	8.9	10,609.7	9.2	10,130.7	9.5
Iron and Steel and Other Base Metals .....	12,483.7	10.5	11,268.0	9.7	9,041.1	8.3	10,425.1	9.0	9,520.3	9.0
Building Materials and Mineral Fuels .....	8,789.4	7.4	7,518.6	6.4	8,444.0	7.8	7,452.4	6.5	7,408.2	7.0
Precious Stones and Metals .....	2,697.7	2.3	2,234.5	1.9	2,647.2	2.4	3,369.2	2.9	3,090.9	2.9
Miscellaneous .....	991.3	0.8	2,081.5	1.8	1,009.1	0.9	1,800.7	1.6	1,785.6	1.7
<b>Total .....</b>	<b>118,705.0</b>	<b>100.0</b>	<b>116,698.8</b>	<b>100.0</b>	<b>108,875.6</b>	<b>100.0</b>	<b>115,373.8</b>	<b>100.0</b>	<b>106,208.1</b>	<b>100.0</b>

Note:

(1) Preliminary data.

Source: Planning and Statistics Authority.

Vehicles, aircraft and parts, and industrial machinery and mechanical appliances form the largest categories of imported items, accounting for 12.5% and 18.2% of total imports, respectively, in 2019, 16.8% and 16.0%, respectively, in 2018, and 16.7% and 17.6%, respectively, in 2017.

## Tariffs and Customs

In accordance with the GCC customs union, outlined in Law No. (40) of 2002, goods imported into Qatar are subject to a customs duty specified in the GCC unified customs tariff. Law No. (41) of 2002 implements the GCC unified customs tariff, which imposes a 5% tariff on the CIF invoice value of most imported products. The GCC unified customs tariff has allowed exemptions for approximately 400 goods, including certain basic food products. Tobacco and manufactured tobacco substitutes are subject to a customs duty of at least 100%. The GCC customs union was fully implemented in 2015, and in Qatar this was codified in Decree No. (9) of 2015, which came into effect on January 1, 2015.

Since 2017, several GCC countries have introduced and adopted VAT laws, including the United Arab Emirates, Saudi Arabia and Bahrain. Other GCC countries are also planning to introduce VAT. Qatar has not yet introduced VAT and is currently assessing its effects. See “*Public Finance—Taxation*”.

Qatar is a member of the Greater Arab Free Trade Area pursuant to which Qatar eliminated customs duties on certain products from member states of this area in 2005. This trade area was established in February 1997 with the aim of fostering regional integration among Arab nations and currently has eighteen member states participating from the Arab League. To date, it has achieved full trade liberalization of certain goods through the full exemption of customs duties and charges having equivalent effect among signatory countries. In addition, the Arab League has launched negotiations on services and investment liberalization, as well as an initiative to upgrade the Greater Arab Free

Trade Area into a customs union. As at the date of this Prospectus, negotiations are still ongoing.

## Capital and Financial Account

Qatar's capital and financial account balance reflects governmental reserves and foreign investments made by the QIA, which are incorporated in line with IMF recommendations.

Since 2013, the deficit in the capital and financial account has been decreasing, going from a deficit of QR189,817 million (U.S.\$52,148 million) in 2013 to a deficit of QR71,610 million (U.S.\$19,673 million) in 2015 and a surplus of QR13,840 million (U.S.\$3,802 million) in 2016. In 2017, the capital and financial account showed a deficit of QR92,648 million (U.S.\$25,453 million), predominantly as a result of outflows of capital by non-residents in relation to the Quartet Blockade and returned to a surplus of QR1,035 million (U.S.\$284 million) in 2018. In 2019, the capital and financial account was in surplus of QR21,726 million (U.S.\$5,969 million) compared to a surplus of QR1,035 million (U.S.\$284 million) in 2018.

In 2016, the capital account balance showed a deficit of QR2,996 million (U.S.\$823 million), representing an 11.7% increase compared with 2015. In 2017, the capital account balance showed a deficit of QR1,702 million (U.S.\$468 million) followed by QR873 million (U.S.\$240 million) in 2018. In 2019, the capital account showed a deficit of QR519 million (U.S.\$143 million), compared to a deficit of QR873 million (U.S.\$240 million) in 2018.

Between 2012 and 2016, the financial account balance, which accounts for the Government's spending on foreign assets, has fluctuated, with the highest deficit being in 2013 (QR172,414 million (U.S.\$47,366 million)) and a surplus in 2016 (QR16,836 million (U.S.\$4,625 million)). The peak deficit recorded in 2013 coincided with high energy prices and represented investment of surpluses abroad by the QIA and also private investors. The surplus financial account balance in 2016, which increased by 124.4% compared with 2015, was due to the impact of issuances of bonds abroad. In 2017, the financial account showed a deficit of QR90,946 million (U.S.\$24,985 million), largely as a result of outflows of capital by non-residents in relation to the Quartet Blockade, and it returned to a surplus of QR1,908 million (U.S.\$524 million) in 2018. In 2019, the financial account showed a surplus of QR22,245 million (U.S.\$6,111 million), compared to a surplus of QR1,908 million (U.S.\$524 million) in 2018. The return to a surplus in 2018 and 2019 is largely as a result of the higher oil prices during those periods.

The following table sets forth Qatar's capital and financial account balances for each of the five years ended December 31, 2019.

	Year ended December 31,				
	2015	2016	2017	2018	2019 <sup>(1)</sup>
			<i>(in millions of QR)</i>		
Capital account balance .....	(2,683)	(2,996)	(1,702)	(873)	(519)
Financial account balance .....	(68,927)	16,836	(90,946)	1,908	22,245
<b>Capital and financial account balance .....</b>	<b>(71,610)</b>	<b>13,840</b>	<b>(92,648)</b>	<b>1,035</b>	<b>21,726</b>

(1) Preliminary estimates.

Source: Qatar Central Bank.

## Trade Agreements

Qatar has been a contracting party to the GATT since April 1994, and has been an original member of the WTO since 1996. In 2001, Qatar hosted the Fourth Ministerial Conference of the WTO, where the Doha Development Agenda was launched. As a result of its participation in the GCC customs union, Qatar has applied the GCC unified customs tariff since January 2003. Qatar, on its own or as part of the GCC, is party to, or has been negotiating, free trade agreements with several countries. See "Overview of the State of Qatar—Foreign Relations".

## Foreign Investment

In 2005, the QFC was created by the Government as an integral part of the development and diversification of Qatar's economy. The legal and regulatory environment of the QFC is based on international standards and is designed to enable global firms to operate seamlessly as onshore institutions in Qatar and in the region generally. See *"Monetary and Financial System—Qatar Financial Centre"*.

Qatar has taken steps to increase the attractiveness of foreign direct investment, including the enactment of Law No. (13) of 2000 which was repealed by Law No. (1) of 2019 for the regulation of Investment of Non-Qatari Capital in the Economic Activity (the **"Foreign Investment Law"**). The Foreign Investment Law states that foreign investors may invest in all economic sectors and hold up to 100% of the share capital, as determined by the executive regulations of the law.

The executive regulations have not yet been issued; however, the Foreign Investment Law explicitly excludes the following sectors from its purview: banks and insurance companies unless exempted by a Council of Ministers decision, commercial agency activities and any other sectors as indicated by the Council of Ministers decision.

Until 2014, pursuant to the Law No. (13) of 2000, non-Qatari nationals were permitted to own up to 25% of the share capital of companies listed on the QE, and more than 25% with the approval of the Council of Ministers. However, this threshold was increased by Law No. (9) of 2014, which amended Law No. (13) of 2000, Law No. (9) of 2014 allowed foreign investors to own up to 49% of shares of listed companies with the approval of the Ministry of Commerce and Industry, and more than 49% with the approval of the Council of Ministers.

The Foreign Investment Law also provides foreign investors with certain fiscal incentives, such as exempting non-Qatari investment projects from income tax, in accordance with the controls, procedures and periods stipulated under the Income Tax Law, which include the Minister proposing the exemption and the Council of Ministers deciding in favor. There is no time limit on the exemption like there was under the old foreign investment law.

Law No. (16) of 2018 repealed Law No. (17) of 2004 regarding the Organization of Ownership and Usufruct of Real Estate by non-Qataris. Law No. (16) of 2018 permits foreigners to own residential property in the designated areas and in accordance with the conditions, controls and procedures as determined by a Council of Ministers decision after proposal by the committee for the regulation of ownership and usufruct of non-Qataris of real-estate.

In accordance with the provisions and conditions stated in Law No. (10) of 2018 regulating Permanent Residency, such as making sufficient income, non-Qataris may be granted permanent residency in the State.

## Foreign Reserves

The following table sets forth the net foreign reserves and foreign currency liquidity held by the QCB (excluding certain assets contained in Qatar's foreign investment portfolio managed by the QIA) as at the dates indicated.

	As at December 31,					
	2014	2015	2016	2017	2018	2019 <sup>(1)</sup>
	<i>(in millions of QR)</i>					
Foreign reserves <sup>(2)</sup> .....	156,550.3	135,163.5	115,131.9	53,903.3	110,495.5	144,303.3
Other liquid assets in foreign currency .....	54,797.4	54,600.0	43,374.6	83,024.9	68,908.5	54,064.4
<b>Total</b> .....	<b>211,347.7</b>	<b>189,763.5</b>	<b>158,506.5</b>	<b>136,928.2</b>	<b>179,404.0</b>	<b>198,367.7</b>

Notes:

(1) Preliminary data.

(2) Reflects total reserves before deducting foreign liabilities.

Source: Qatar Central Bank.

The foreign reserves held by the QCB are held primarily in the form of securities and money market instruments. They are maintained at a level at least equal to 100% of the Qatari riyals issued by the QCB at any time and are held in diversified currencies.

## TERMS AND CONDITIONS OF THE BONDS

*The following is the text of the terms and conditions of the Bonds which (subject to any amendments) will be endorsed on each Bond in definitive form (if issued) and attached to the Global Bond Certificates issued in respect of the Bonds.*

The U.S.\$2,000,000,000 3.400% Bonds due 2025 (the “**2025 Bonds**”), the U.S.\$3,000,000,000 3.750% Bonds due 2030 (the “**2030 Bonds**”) and the U.S.\$5,000,000,000 4.400% Bonds due 2050 (the “**2050 Bonds**” and, together with the 2025 Bonds and the 2030 Bonds, the “**Bonds**”, and any reference to a “**series**” of Bonds or to Bondholders (as defined in Condition 1(b) (*Title*) below) shall be a reference to the 2025 Bonds, the 2030 Bonds or the 2050 Bonds or to their respective holders, as the case may be) of the State of Qatar, acting through the Ministry of Finance (the “**Issuer**”), were authorized by Emiri Decision No. 16 of 2020.

A fiscal agency agreement dated April 16, 2020 (the “**Fiscal Agency Agreement**”) has been entered into in relation to the Bonds between the Issuer, Deutsche Bank AG, London Branch, as fiscal agent and principal paying agent (the “**Fiscal Agent**”), Deutsche Bank Trust Company Americas as U.S. registrar, U.S. paying agent and U.S. transfer agent (the “**U.S. Registrar**”, “**U.S. Paying Agent**” and “**U.S. Transfer Agent**”, respectively) and Deutsche Bank Luxembourg S.A. as European registrar and European transfer agent (the “**Euro Registrar**” and “**Euro Transfer Agent**” respectively). Any reference herein to the 2025 Bonds includes any further 2025 Bonds issued pursuant to Condition 15 (*Further Issues*) and forming a single series with the 2025 Bonds, any reference herein to the 2030 Bonds includes any further 2030 Bonds issued pursuant to Condition 15 (*Further Issues*) and forming a single series with the 2030 Bonds, and any reference herein to the 2050 Bonds includes any further 2050 Bonds issued pursuant to Condition 15 (*Further Issues*) and forming a single series with the 2050 Bonds.

In these Conditions, the Fiscal Agent, the U.S. Paying Agent and any other paying agents appointed pursuant to the Fiscal Agency Agreement are together referred to as the “**Paying Agents**”, the U.S. Transfer Agent, the Euro Transfer Agent and any other transfer agents appointed pursuant to the Fiscal Agency Agreement are together referred to as the “**Transfer Agents**”, and the U.S. Registrar and the Euro Registrar are together referred to as the “**Registrars**” and each a “**Registrar**”. References to the Fiscal Agent, the Paying Agents, the Registrars or the Transfer Agents shall include any successors appointed from time to time in accordance with the provisions of the Fiscal Agency Agreement, and any reference to an “**Agent**” or “**Agents**” shall mean any or all (as applicable) of such persons.

Copies of the Fiscal Agency Agreement are available for inspection and/or collection during usual business hours at the principal office of the Fiscal Agent (presently at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom) and at the specified offices of each of the other Agents. The Bondholders are bound by, and are deemed to have notice of, the provisions of the Fiscal Agency Agreement.

References to “**Conditions**” are, unless the context otherwise requires, to the numbered paragraphs of these Conditions.

### 1. Form, Denomination and Title

#### (a) *Form and Denomination*

The Bonds are in registered form, without interest coupons attached, in a minimum denomination of U.S.\$200,000 or any amount in excess thereof which is an integral multiple of U.S.\$1,000, both in the case of Bonds (“**Unrestricted Bonds**”) offered and sold in transactions outside the United States in reliance on Regulation S under the United States Securities Act of 1933 (the “**Securities Act**”), and in the case of Bonds (“**Restricted Bonds**”) offered and sold in the United States in reliance on Rule 144A under the Securities Act (each an “**authorized denomination**”). A certificate

(each a “**Certificate**”) will be issued to each Bondholder in respect of its registered holding or holdings of Bonds. Each Certificate issued in respect of a registered holding of Bonds will be numbered serially with an identifying number which will be recorded in the register relating to the Bonds which the Issuer shall procure to be kept by the Registrars (the “**Register**”).

(b) ***Title***

Title to the Bonds will pass by and upon registration in the Register. In these Conditions, “**Bondholder**” means the Person (as defined in Condition 4 (*Negative Pledge and Covenants*)) in whose name a Bond is registered in the Register (or, in the case of joint holders, the first named thereof). The holder of any Bond will (except as otherwise requested by such holder in writing, or as otherwise ordered by a court of competent jurisdiction or required by law) be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or any interest therein, any writing thereon by any Person (other than a duly executed transfer thereof in the form endorsed thereon) or any notice of any previous theft or loss thereof, and no Person will be liable for so treating the holder.

**2. Transfer of Bonds and Issue of Bonds**

(a) ***Transfer***

Subject to Conditions 2(d) (*Closed Periods*) and 2(e) (*Regulations Concerning Transfer and Registration*), a Bond may be transferred in whole or in part in an authorized denomination upon the surrender of the Certificate representing that Bond, together with the form of transfer (including any certification as to compliance with restrictions on transfer included in such form of transfer) endorsed thereon (the “**Transfer Form**”) duly completed and executed, at the specified office of any Registrar or Transfer Agent (which shall include a Transfer Agent in Luxembourg, so long as the Bonds are listed on the Luxembourg Stock Exchange as well as a Transfer Agent in any other jurisdiction as so required by the rules and regulations of any stock exchange (or any other relevant authority) on which the Bonds are for the time being listed), together with such evidence as the relevant Registrar or, as the case may be, such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the persons who have executed the Transfer Form. In the case of a transfer of part only of the Bonds represented by a Certificate, neither the part transferred nor the balance not transferred may be less than the applicable authorized denomination; a new Certificate in respect of the part transferred will be issued to the transferee and a new Certificate in respect of the balance not so transferred will be issued to the transferor.

(b) ***Delivery***

Each new Certificate to be issued upon a transfer of any Bonds will, within five business days of the request for transfer being duly made, be delivered at the specified office of any Registrar or, as the case may be, any Transfer Agent or (at the request and the risk of such transferee) be mailed by uninsured post to such address as the transferee entitled to the Bonds represented by such Certificate may have specified. In this Condition 2(b), “**business day**” means a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign currencies) in the cities in which the relevant Registrar and any such Transfer Agent have their respective specified offices.



(c) ***No Charge***

Registration of transfers of Bonds will be effected without charge to the holder or transferee thereof, but upon payment (or against such indemnity from the holder or the transferee thereof as the relevant Registrar or Transfer Agent may reasonably require) in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such registration of transfer.

(d) ***Closed Periods***

No Bondholder may require the transfer of a Bond to be registered during the period of 15 calendar days ending on the due date for any payment of principal in respect of such Bond.

(e) ***Regulations Concerning Transfer and Registration***

All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer of Bonds scheduled to the Fiscal Agency Agreement. The regulations may be changed by the Issuer to reflect changes in legal requirements or in any other manner which is not prejudicial to the interests of Bondholders with the prior written approval of the Registrars. A copy of the current regulations will be sent by the relevant Registrar to any Bondholder who so requests.

**3. Status**

The Bonds constitute and will constitute direct, general, unconditional, unsubordinated and, subject to Condition 4 (*Negative Pledge and Covenants*), unsecured Public External Indebtedness of the Issuer for which the full faith and credit of the Issuer is pledged. The Bonds rank and will rank without any preference among themselves and equally with all other unsecured and unsubordinated Public External Indebtedness of the Issuer. It is understood that this provision shall not be construed so as to require the Issuer to make payments under the Bonds ratably with payments being made under any other Public External Indebtedness.

**4. Negative Pledge and Covenants**

(a) ***Negative Pledge***

So long as any of the Bonds remains outstanding (as defined in the Fiscal Agency Agreement), except as set forth below, the Issuer will neither create nor permit to subsist any lien, pledge, mortgage, security interest, deed of trust, charge or other encumbrance or arrangement having a similar effect (any of the foregoing, a “**Lien**”) upon the whole or any part of its existing or future assets or revenues to secure any Public External Indebtedness of the Issuer or any other Person or any guarantee or indemnity thereof unless, at the same time or prior thereto, the obligations of the Issuer under the Bonds and the Fiscal Agency Agreement are secured equally and ratably with such Public External Indebtedness or as shall be approved by an Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of the Bondholders; provided, however, that the foregoing shall not apply to:

- (i) any Lien upon any property or asset incurred for the purpose of financing the acquisition or cost of construction, improvement or repair of such property or asset or any renewal or extension of any such Lien which is limited to the original property or asset covered thereby and which secures any renewal or extension of the original secured financing;
- (ii) any Lien existing on any property or asset at the time of its acquisition and any renewal or extension of any such Lien which is limited to the original

property or asset covered thereby and which secures any renewal or extension of the original secured financing;

- (iii) any Lien in existence on April 16, 2020;
- (iv) any Lien arising in the ordinary course of banking transactions and securing the Public External Indebtedness of the Issuer maturing not more than one year after the date on which it is originally incurred;
- (v) any Lien arising by operation of law or which arose pursuant to any order of attachment, distraint or similar legal process arising in connection with court proceedings so long as the execution or other enforcement thereof is effectively stayed and the claims secured thereby are being contested in good faith by appropriate proceedings;
- (vi) any Lien incurred for the purpose of financing all or part of the costs of the acquisition, construction or development, improvement, repair, extension or refinancing of a project, provided that the property over which such Lien is granted consists solely of the property, assets or revenues of such project (including, without limitation, royalties and other similar payments accruing to the Government of the State of Qatar generated by the relevant project);
- (vii) any Shari'ah compliant financing, offering of certificates or other instruments (including, but not limited to, a Shari'ah compliant sale and Ijara (lease) financing) (a "**Transaction**"), provided that the Issuer does not provide any Lien over its property or assets to secure the performance of the obligations of the Issuer under or with respect to any such Transaction; and
- (viii) any Lien arising in connection with the incurrence of Public External Indebtedness as part of a Securitization or any renewal or extension thereof.

(b) ***Covenants***

So long as any Bonds remain outstanding, the Issuer shall duly obtain and maintain in full force and effect all governmental approvals (including any exchange control and transfer approvals) which, as a result of any change in, or amendment to, the laws or regulations in the State of Qatar ("**Qatar**"), which change or amendment takes place after April 16, 2020, are necessary or advisable under the laws of Qatar for the execution, delivery and performance of the Bonds by the Issuer or for the validity or enforceability of the Bonds and duly take all necessary and advisable governmental and administrative action in Qatar in order to make all payments to be made under the Bonds as required by these Conditions.

(c) ***Definitions***

In these Conditions:

**"Person"** means any individual, company, corporation, firm, partnership, joint venture, association, unincorporated organization, trust or any other juridical entity, including, without limitation, state or agency of a state or other entity, whether or not having separate legal personality.

**"Public External Indebtedness"** means any indebtedness (including indebtedness incurred under a *Shari'ah* compliant financing) not in the Relevant Currency which is in the form of, or represented or evidenced by, certificates, bonds, notes, Sukuk, debentures or other securities which for the time being are, or are intended to be or are capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market.

“**Relevant Currency**” means (i) the lawful currency of Qatar, or (ii) any currency adopted as the lawful common currency of any member states of the Gulf Cooperation Council, provided that at the time of the incurrence of any Public External Indebtedness, Qatar is a member state participating in such common currency.

“**Securitization**” means any securitization (Shari’ah compliant or otherwise) of existing or future assets and/or revenues, provided that (i) any Lien given by the Issuer in connection therewith is limited solely to the assets and/or revenues which are the subject of the securitization; (ii) each person participating in such securitization expressly agrees to limit its recourse to the assets and/or revenues so securitized as the principal source of repayment for the money advanced or payment of any other liability; and (iii) there is no other recourse to the Issuer in respect of any default by any person under the securitization.

“**Shari’ah**” means the divine Islamic “law” as derived from (a) the Qur’an, which is the holy book of Islam, (b) the sunna, or binding authority of the dicta and decisions of the Prophet Mohammed (peace be upon him), (c) ijma, or “consensus” of the community of Islamic scholars, and (d) the qiyas, or analogical deductions, as well as other primary sources of law.

## 5. Interest

Each 2025 Bond bears interest from April 16, 2020 at the rate of 3.400% per annum, payable semi-annually in arrear on April 16 and October 16 in each year (each, an “**Interest Payment Date**”) until (and including) the 2025 Maturity Date (as defined in Condition 6(a) (*Final Redemption*) below), commencing on October 16, 2020. Each 2030 Bond bears interest from April 16, 2020 at the rate of 3.750% per annum, payable semi-annually in arrear on the Interest Payment Dates until (and including) the 2030 Maturity Date (as defined in Condition 6(a) (*Final Redemption*) below), commencing on October 16, 2020. Each 2050 Bond bears interest from April 16, 2020 at the rate of 4.400% per annum, payable semi-annually in arrear on the Interest Payment Dates until (and including) the 2050 Maturity Date (as defined in Condition 6(a) (*Final Redemption*) below), commencing on October 16, 2020. For all the series of Bonds, the payment on the first Interest Payment Date shall be in respect of interest accrued from and including April 16, 2020 to but excluding October 16, 2020. Interest will be paid subject to and in accordance with the provisions of Condition 7 (*Payments*).

Each Bond will cease to bear interest from (and including) the due date for redemption unless, after surrender of such Bond, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at the rate specified above (after as well as before any judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder and (b) the day which is seven days after notice has been given to the Bondholders that the Fiscal Agent has received all sums due in respect of the Bonds up to such seventh day (except, in the case of payment to the Fiscal Agent, to the extent that there is any subsequent default in payment in accordance with these Conditions).

If interest is required to be calculated for a period of less than six months, it will be calculated on the basis of a year of 360 days consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed.

## 6. Redemption, Purchase and Cancellation

### (a) *Final Redemption*

Unless previously purchased and cancelled, each 2025 Bond will be redeemed at its principal amount on April 16, 2025 (the “**2025 Maturity Date**”), each 2030 Bond

will be redeemed at its principal amount on April 16, 2030 (the “**2030 Maturity Date**”), and each 2050 Bond will be redeemed at its principal amount on April 16, 2050 (the “**2050 Maturity Date**” and, together with the 2025 Maturity Date and the 2030 Maturity Date, the “**Maturity Dates**”), subject as provided in Condition 7 (*Payments*).

(b) ***Redemption at the Option of the Issuer***

Any series of Bonds may be redeemed by the Issuer, in whole or in part, at any time without the consent of the relevant series of Bondholders at a redemption price equal to the greater of:

- (i) the outstanding principal amount of the relevant series of Bonds being redeemed plus accrued but unpaid interest, if any, plus accrued additional amounts payable pursuant to Condition 8 (*Taxation*), if any, thereon up to but excluding the date fixed for redemption (the “**Redemption Date**”), and
- (ii) an amount equal to the sum of the net present value of the then remaining scheduled payments of principal and interest (but excluding that portion of any scheduled payment of interest that is actually due and paid on the Redemption Date) on the relevant series of Bonds being redeemed, discounted to such Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate for such Bonds being redeemed plus 50 basis points (the “**Make-Whole Amount**”).

The Issuer shall make such calculations in good faith, which calculations shall be conclusive in the absence of manifest error.

The Issuer shall notify the Fiscal Agent by fax or letter of an optional redemption under this Condition 6(b) at least 30 calendar days but not more than 60 calendar days prior to the Redemption Date specified in such notice. Such notice shall include details of the Redemption Date, the redemption price and any applicable Make-Whole Amount under this Condition 6(b). The Fiscal Agent shall, promptly upon receipt of such notice from the Issuer, give notice of such optional redemption pursuant to this Condition 6(b), at the expense of the Issuer, to the relevant series of Bondholders in accordance with Condition 16 (*Notices*). Notice of redemption having been given as aforesaid, and the conditions, if any, set forth in such notice having been satisfied, the relevant series of Bonds or portions thereof so to be redeemed shall on the Redemption Date become due and payable, and from and after such date such Bonds or portions thereof shall cease to bear interest.

In this Condition 6(b):

“**Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks are open for business in London and New York City.

“**Treasury Rate**” shall mean the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) which has become publicly available at least two Business Days (but not more than five Business Days) prior to the relevant Redemption Date (or, if such Statistical Release is not so published or available, any publicly available source of similar market data selected by the Issuer in good faith)) most nearly equal to the period from the Redemption Date to the Maturity Date applicable to the relevant series of Bonds; provided, however, that if the period from the Redemption Date to such Maturity Date is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation

(calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the Redemption Date to such Maturity Date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

(c) ***Purchase and Cancellation***

The Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any Bonds so purchased may be held or, subject to the provisions of the final sentence of this Condition 6(c), resold or, at the discretion of the Issuer, surrendered to the Fiscal Agent for cancellation. Any Bonds so cancelled will not be reissued or resold. Any purchase of Bonds by tender shall be made to all Bondholders of the relevant series of Bonds alike. The Bonds so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of Bondholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders or for the purposes of Condition 9 (*Events of Default*). The Issuer shall use its best endeavors to ensure that no Bond acquired by it or by any affiliate (as defined in Rule 144 under the Securities Act) of it is resold by the acquirer, except to the Issuer or any affiliate (as so defined) of the Issuer, unless, upon completion of such sale, such Bond would not be a restricted security within the meaning of Rule 144 under the Securities Act.

**7. Payments**

(a) ***Principal***

Payment of principal and interest due other than on an Interest Payment Date will be made by transfer to the registered account of the Bondholder or if (i) it does not have a registered account or (ii) the principal amount of Bonds held by such person is less than U.S.\$200,000, by U.S. dollar check drawn on a bank in New York City mailed to the holder (or to the first named of joint holders) of such Bond at the address appearing in the Register by uninsured mail at the risk of the Bondholder. Such payment will only be made upon surrender of the relevant Certificate at the specified office of any of the Paying Agents.

(b) ***Interest***

Payments of interest (other than interest due on redemption) in respect of each Bond will be made by U.S. dollar check drawn on a bank in New York City and mailed to the holder (or to the first named of joint holders) of such Bond at the address appearing in the Register by uninsured mail at the risk of the Bondholder not later than the due date for such payment. For the purposes of this Condition 7(b), the holder of such Bond will be deemed to be the Person shown as the holder (or the first named of joint holders) on the Register on the 15<sup>th</sup> day before the due date for such payment.

Upon application by the holder of a Bond to the specified office of a Registrar not less than 15 days before the due date for the payment of any interest (other than interest due on redemption) in respect of such Bond, such payment will be made by transfer to a U.S. dollar account maintained by the payee with a bank in New York City. Any such application for transfer to a U.S. dollar account shall be deemed to relate to all future payments of interest (other than interest due on redemption) in respect of the Bonds which become payable to the Bondholder who has made the initial application until such time as the relevant Registrar is notified in writing to the contrary by such Bondholder.

Payment of the interest due in respect of each Bond on redemption will be made in the same manner as payment of the principal amount of such Bond.

(c) ***Payments Subject to Fiscal Laws***

All payments of principal and interest in respect of the Bonds are subject in all cases to any applicable fiscal or other laws and regulations, but without prejudice to the provisions of Condition 8 (*Taxation*).

(d) ***Commissions***

No commissions or expenses shall be charged to the Bondholders in respect of any payments of principal or interest in respect of the Bonds.

(e) ***Payments on Business Days***

Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that is not a business day, for value the first following day which is a business day) will be initiated (i) on the later of the business day on which the relevant Certificate is surrendered at the specified office of any of the Paying Agents and the due date for payment (in the case of principal and interest due other than on an Interest Payment Date) and (ii) on the due date for payment (in the case of interest due on an Interest Payment Date).

Where payment is to be made by check, the check will be mailed (i) on the later of the business day on which the relevant Certificate is surrendered at the specified office of any of the Paying Agents and the business day preceding the due date for payment (in the case of principal and interest due other than on an Interest Payment Date) and (ii) on the business day preceding the due date for payment (in the case of interest due on an Interest Payment Date).

In this Condition 7, “**business day**” means a day (other than a Saturday or Sunday) on which commercial banks are open for business in New York City and, in the case of a surrender of a Certificate, in the place where the Certificate is surrendered.

(f) ***Delay in Payments***

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving any amount due in respect of any Bond as a result of (i) the due date not being a business day, (ii) the Bondholder being late in surrendering its Certificate (if required to do so) or (iii) a check mailed in accordance with this Condition 7 arriving after the due date for payment or being lost in the mail.

(g) ***Partial Payments***

If at any time a partial payment is made in respect of any Bond, the relevant Registrar shall endorse the Register with a statement indicating the amount and date of such payment.

(h) ***Agents***

- (i) The initial Agents and their initial specified offices are listed below. Any of the Agents may resign in accordance with the provisions of the Fiscal Agency Agreement, and the Issuer reserves the right at any time to vary or terminate the appointment of any Agent and appoint additional or other Agents, provided that while any Bonds are outstanding it will maintain (a) a Fiscal Agent, (b) a Registrar and (c) a Paying Agent and a Transfer Agent having a specified office in a major European city, which will be in Luxembourg so long as the Bonds are listed on the Luxembourg Stock Exchange and the

rules of the Luxembourg Stock Exchange so require. Notice of any change in the Agents or their specified offices will be given promptly to the Bondholders; and

- (ii) so long as the Bonds are listed on any stock exchange, there will at all times be a Paying Agent and, if appropriate, a Fiscal Agent, a Registrar and Transfer Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange.

## 8. Taxation

All payments of principal and interest in respect of the Bonds by the Issuer shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by Qatar or any political subdivision or any authority thereof or therein having power to tax (together “**Taxes**”), unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in the receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond:

- (i) to a holder, or to a third party on behalf of a holder, if such holder is liable to such Taxes in respect of such Bond by reason of having some connection with Qatar other than the mere holding of such Bond; or
- (ii) if the Certificate representing such Bond is surrendered for payment more than 30 days after the Relevant Date, except that additional amounts shall be payable to a holder to the extent that the holder would have been entitled to such additional amounts on surrender of such Certificate for payment on the last day of such period of 30 days.

In these Conditions, “**Relevant Date**” means whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in New York City by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Bondholders in accordance with Condition 16 (*Notices*).

Any reference in these Conditions to principal or interest in respect of the Bonds shall be deemed to include any additional amounts which may be payable under this Condition 8.

## 9. Events of Default

If any of the following events (each an “**Event of Default**”) occurs with respect to a series of Bonds:

(a) ***Non-payment of principal***

the Issuer fails to pay any amount of principal in respect of any of the Bonds of such series when due at maturity or otherwise and such failure continues for a period of 14 days; or

(b) ***Non-payment of interest***

the Issuer fails to pay any amount of interest in respect of any of the Bonds of such series when due and payable and such failure continues for a period of 30 days; or

(c) ***Breach of other obligations or undertakings***

the Issuer defaults in the performance or observance of, or compliance with, any of its other obligations or undertakings in respect of any of the Bonds of such series and either such default is not capable of remedy or such default (if capable of remedy) is not remedied within 60 days after written notice of such default shall have been given to the Issuer by any Bondholder of such series; or

(d) ***Cross-default***

(i) the holders of any Public External Indebtedness of the Issuer accelerate such Public External Indebtedness or declare such Public External Indebtedness to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), prior to the stated maturity thereof or (ii) the Issuer fails to pay in full any principal of, or interest on, any Public External Indebtedness when due (after expiration of any applicable grace period) or any guarantee of any Public External Indebtedness given by the Issuer shall not be honored when due and called upon; provided that the aggregate amount of the relevant Public External Indebtedness or guarantee in respect of which one or more of the events mentioned above in this paragraph (d) shall have occurred equals or exceeds U.S.\$100,000,000 (or its equivalent in any other currency or currencies); or

(e) ***Moratorium***

the Issuer shall enter into an arrangement with its creditors generally for the rescheduling or postponement of its debts, or a moratorium on the payment of principal of, or interest on, all or any part of the Public External Indebtedness of the Issuer shall be declared; or

(f) ***Unlawfulness or Invalidity***

the validity of any of the Bonds of such series is contested by the Issuer or any Person acting on its behalf or the Issuer or any Person acting on its behalf shall deny any of the Issuer's obligations under any of the Bonds of such series or as a result of any change in, or amendment to, the laws or regulations in Qatar, which change or amendment takes place after April 16, 2020, (i) it becomes unlawful for the Issuer to perform or comply with any of its obligations under or in respect of any of the Bonds of such series or the Fiscal Agency Agreement or (ii) any of such obligations becomes unenforceable or invalid,

then (i) any Bond of such series may, by notice in writing given to the Issuer at the specified office of the Fiscal Agent by the holder thereof, be declared immediately due and payable whereupon it shall become immediately due and payable at its principal amount, together with accrued interest, without any further formality and (ii) the Fiscal Agent shall, upon receipt of written requests to the Issuer at the specified office of the Fiscal Agent from holders of not less than 25% in aggregate principal amount of such series of Bonds then outstanding, declare all the Bonds of such series due and payable, in each case at their principal amount together with accrued interest, without further formality (any such declaration, a “**Default Declaration**”). Upon a Default Declaration by the Fiscal Agent, the Fiscal Agent shall give notice thereof to the Issuer and to the holders of such series of Bonds in accordance with Condition 16 (*Notices*).

If the Issuer receives notice in writing from holders of at least 50% in aggregate principal amount of the relevant series of Bonds then outstanding to the effect that the Event of Default or Events of Default giving rise to any Default Declaration is or are cured following any such Default Declaration and that such holders wish such Default Declaration to be withdrawn, the Issuer shall give notice thereof to the relevant series of Bondholders (with a copy to the Fiscal Agent), whereupon such Default



Declaration shall be withdrawn and shall have no further effect but without prejudice to any rights or obligations which may have arisen before the Issuer gives such notice (whether pursuant to these Conditions or otherwise). No such withdrawal shall affect any other or any subsequent Event of Default or any right of any Bondholder in relation thereto.

#### **10. Prescription**

Claims against the Issuer in respect of principal and interest shall become void unless made within a period of ten years, in the case of principal, and five years, in the case of interest, from the appropriate Relevant Date (as defined in Condition 8 (*Taxation*)).

#### **11. Replacement of Certificates**

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of any Registrar or Transfer Agent with its specified office in Luxembourg, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

#### **12. Meetings of Bondholders; Written Resolutions**

(a) ***Convening Meetings of Bondholders; Conduct of Meetings of Bondholders; Written Resolutions***

- (i) The Issuer may convene a meeting of any series of the Bondholders at any time in respect of the relevant series of Bonds in accordance with the Fiscal Agency Agreement. The Issuer will determine the time and place of the meeting. The Issuer will notify the relevant series of Bondholders of the time, place and purpose of the meeting not less than 21 and not more than 45 days before the meeting.
- (ii) The Issuer or the Fiscal Agent will convene a meeting of any series of Bondholders if the holders of at least 10% in principal amount of the outstanding Bonds (as defined in the Fiscal Agency Agreement and described in Condition 12(i) (*Bonds controlled by the Issuer*)) of the relevant series have delivered a written request to the Issuer or the Fiscal Agent (with a copy to the Issuer) setting out the purpose of the meeting. The Fiscal Agent will agree the time and place of the meeting with the Issuer promptly. The Issuer or the Fiscal Agent, as the case may be, will notify the relevant series of Bondholders within 10 days of receipt of such written request of the time and place of the meeting, which shall take place not less than 21 and not more than 45 days after the date on which such notification is given.
- (iii) The Issuer (with the agreement of the Fiscal Agent) will set the procedures governing the conduct of any meeting in accordance with the Fiscal Agency Agreement. If the Fiscal Agency Agreement does not include such procedures, or additional procedures are required, the Issuer and the Fiscal Agent will agree such procedures as are customary in the market and in such a manner as to facilitate any multiple series aggregation, if in relation to a Reserved Matter the Issuer proposes any modification to the terms and conditions of, or action with respect to, two or more series of debt securities issued by it.
- (iv) The notice convening any meeting will specify, *inter alia*;
  - (A) the date, time and location of the meeting;

- (B) the agenda and the text of any Extraordinary Resolution to be proposed for adoption at the meeting;
  - (C) the record date for the meeting, which shall be no more than five business days before the date of the meeting;
  - (D) the documentation required to be produced by a Bondholder in order to be entitled to participate at the meeting or to appoint a proxy to act on the Bondholder's behalf at the meeting;
  - (E) any time deadline and procedures required by any relevant international and/or domestic clearing systems or similar through which the Bonds are traded and/or held by Bondholders;
  - (F) whether Condition 12(b) (*Modification of a Single Series of Bonds only*), Condition 12(c) (*Multiple Series Aggregation – Single limb voting*) or Condition 12(d) (*Multiple Series Aggregation – Two limb voting*) shall apply and, if relevant, in relation to which other series of debt securities it applies;
  - (G) if the proposed modification or action relates to two or more series of debt securities issued by it and contemplates such series of debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group of debt securities;
  - (H) such information as is required to be provided by the Issuer in accordance with Condition 12(f) (*Information*);
  - (I) the identity of the Aggregation Agent and the Calculation Agent, if any, for any proposed modification or action to be voted on at the meeting, and the details of any applicable methodology referred to in Condition 12(g) (*Claims Valuation*); and
  - (J) any additional procedures which may be necessary and, if applicable, the conditions under which a multiple series aggregation will be deemed to have been satisfied if it is approved as to some but not all of the affected series of debt securities.
- (v) All information to be provided pursuant to Condition 12(a)(iv) shall also be provided, *mutatis mutandis*, in respect of Written Resolutions.
  - (vi) A “**record date**” in relation to any proposed modification or action means the date fixed by the Issuer for determining the Bondholders and, in the case of a multiple series aggregation, the holders of debt securities of each other affected series that are entitled to vote on a Multiple Series Single Limb Extraordinary Resolution or a Multiple Series Two Limb Extraordinary Resolution, or to sign a Multiple Series Single Limb Written Resolution or a Multiple Series Two Limb Written Resolution.
  - (vii) An “**Extraordinary Resolution**” means any of a Single Series Extraordinary Resolution, a Multiple Series Single Limb Extraordinary Resolution and/or a Multiple Series Two Limb Extraordinary Resolution, as the case may be.

- (viii) A “**Written Resolution**” means any of a Single Series Written Resolution, a Multiple Series Single Limb Written Resolution and/or a Multiple Series Two Limb Written Resolution, as the case may be.
  - (ix) Any reference to “**debt securities**” means any bonds (including the Bonds), debentures or other debt securities issued by the Issuer in one or more series with an original stated maturity of more than one year.
  - (x) “**Debt Securities Capable of Aggregation**” means those debt securities which include or incorporate by reference this Condition 12 (*Meetings of Bondholders; Written Resolutions*) and Condition 13 (*Aggregation Agent; Aggregation Procedure*) or provisions substantially in these terms which provide for the debt securities which include such provisions to be capable of being aggregated for voting purposes with other series of debt securities.
- (b) ***Modification of a Single Series of Bonds only***
- (i) Any modification of any provision of, or any action in respect of, a single series of the Bonds, these Conditions or the Fiscal Agency Agreement in respect of a single series of the Bonds may be made or taken if approved by a Single Series Extraordinary Resolution or a Single Series Written Resolution as set out below.
  - (ii) For the purposes of a meeting convened in respect of a single series of Bonds only and the purposes of passing a Single Series Extraordinary Resolution (as defined below) (a “**Single Series Meeting**”), at any such Single Series Meeting any one or more persons present in person holding Bonds of the relevant series or proxies or representatives and holding or representing in the aggregate not less than 50% in principal amount of the relevant series of Bonds for the time being outstanding shall (save for the purposes of passing a Single Series Extraordinary Resolution in respect of a Reserved Matter and subject as provided in Condition 12(b)(iii)) form a quorum for the transaction of business and no business (other than the choosing of a chairman) shall be transacted at any such Single Series Meeting unless the requisite quorum be present at the commencement of business. The quorum at any such Single Series Meeting convened for the purpose of passing a Single Series Extraordinary Resolution in respect of a Reserved Matter shall (subject as provided in Condition 12(b)(iii)) be one person present in person holding Bonds of the relevant series or being proxies or representatives and holding or representing in the aggregate not less than 75% in principal amount of the relevant series of Bonds for the time being outstanding.
  - (iii) If within 15 minutes from the time fixed for any such Single Series Meeting a quorum is not present, the Single Series Meeting shall, if convened upon the requisition of the relevant series of Bondholders, be dissolved, or in any other case, it shall stand adjourned for such period, being not less than 14 days nor more than 42 days, as may be appointed by the chairman either at or after the Single Series Meeting. At such adjourned Single Series Meeting one or more persons present holding Bonds of the relevant series or being proxies or representatives (whatever the principal amount of Bonds of the relevant series so held or represented) shall form a quorum and may pass any resolution and decide upon all matters which could properly have been dealt with at the Single Series Meeting from which the adjournment took place had a quorum been present at such Single Series Meeting, provided that at any adjourned Single Series Meeting at which a Single Series Extraordinary Resolution in respect of a Reserved Matter is to be proposed, the quorum shall be one or

more persons so present in person holding Bonds of the relevant series or being proxies or representatives and holding or representing in the aggregate not less than 25% in principal amount of the relevant series of Bonds for the time being outstanding.

- (iv) A “**Single Series Extraordinary Resolution**” means a resolution passed at a meeting of the relevant Bondholders duly convened and held in accordance with the procedures prescribed by the Issuer and the Fiscal Agent pursuant to Condition 12(a) (*Convening Meetings of Bondholders; Conduct of Meetings of Bondholders; Written Resolutions*) by a majority of:
  - (A) in the case of a Reserved Matter, at least 75% of the aggregate principal amount of the outstanding Bonds of the relevant series held or represented by Bondholders, proxies or representatives present at the Single Series Meeting; or
  - (B) in the case of a matter other than a Reserved Matter, more than 50% of the aggregate principal amount of the outstanding Bonds of the relevant series held or represented by Bondholders, proxies or representatives present at the Single Series Meeting.
- (v) A “**Single Series Written Resolution**” means a resolution in writing signed or confirmed in writing by or on behalf of the holders of:
  - (A) in the case of a Reserved Matter, at least 75% of the aggregate principal amount of the outstanding Bonds of the relevant series; or
  - (B) in the case of a matter other than a Reserved Matter more than 50% of the aggregate principal amount of the outstanding Bonds of the relevant series.

Any Single Series Written Resolution may be contained in one document or several documents in the same form, each signed or confirmed in writing by or on behalf of one or more Bondholders of the relevant series.

- (vi) Any Single Series Extraordinary Resolution duly passed or Single Series Written Resolution approved shall be binding on all Bondholders of the relevant series, whether or not they attended any meeting, whether or not they voted in favor thereof and whether or not they signed or confirmed in writing any such Single Series Written Resolution, as the case may be.
- (c) ***Multiple Series Aggregation – Single limb voting***
- (i) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Debt Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Single Limb Extraordinary Resolution or by a Multiple Series Single Limb Written Resolution as set out below, provided that the Uniformly Applicable condition is satisfied.
  - (ii) A “**Multiple Series Single Limb Extraordinary Resolution**” means a resolution considered at separate meetings of the holders of each affected series of Debt Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Issuer and the Fiscal Agent pursuant to Condition 12(a) (*Convening Meetings of Bondholders; Conduct of Meetings of Bondholders; Written Resolutions*), as supplemented if

necessary, which is passed by a majority of at least 75% of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate).

- (iii) A **“Multiple Series Single Limb Written Resolution”** means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Debt Securities Capable of Aggregation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of at least 75% of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate). Any Multiple Series Single Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Bondholders of the relevant series or one or more holders of each affected series of debt securities.
- (iv) Any Multiple Series Single Limb Extraordinary Resolution duly passed or Multiple Series Single Limb Written Resolution approved shall be binding on all Bondholders of the relevant series and holders of each other affected series of Debt Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favor thereof, whether or not any other holder or holders of the same series voted in favor thereof and whether or not they signed or confirmed in writing any such Multiple Series Single Limb Written Resolution, as the case may be
- (v) The **“Uniformly Applicable”** condition will be satisfied if:
  - (A) the holders of all affected series of Debt Securities Capable of Aggregation are invited to exchange, convert, or substitute their debt securities, on the same terms, for (i) the same new instrument or other consideration or (ii) a new instrument, new instruments or other consideration from an identical menu of instruments or other consideration; or
  - (B) the amendments proposed to the terms and conditions of each affected series of Debt Securities Capable of Aggregation would, following implementation of such amendments, result in the amended instruments having identical provisions (other than provisions which are necessarily different, having regard to the currency of issuance).
- (vi) It is understood that a proposal under Condition 12(c)(i) above will not be considered to satisfy the Uniformly Applicable condition if each exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation (or, where a menu of instruments or other consideration is offered, each exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging,

converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation electing the same option from such menu of instruments).

- (vii) Any modification or action proposed under Condition 12(c)(i) may be made in respect of some series only of the Debt Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 12(c) may be used for different groups of two or more series of Debt Securities Capable of Aggregation simultaneously.

(d) ***Multiple Series Aggregation – Two limb voting***

- (i) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Debt Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Two Limb Extraordinary Resolution or by a Multiple Series Two Limb Written Resolution as set out below.

- (ii) A “**Multiple Series Two Limb Extraordinary Resolution**” means a resolution considered at separate meetings of the holders of each affected series of Debt Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Issuer and the Fiscal Agent pursuant to Condition 12(a) (*Convening Meetings of Bondholders; Conduct of Meetings of Bondholders; Written Resolutions*), as supplemented if necessary, which is passed by a majority of:

- (A) at least 66.67% of the aggregate principal amount of the outstanding debt securities of affected series of Debt Securities Capable of Aggregation (taken in aggregate); and
- (B) more than 50% of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).

- (iii) A “**Multiple Series Two Limb Written Resolution**” means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Debt Securities Capable of Aggregation, in accordance with the applicable bond documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of:

- (A) at least 66.67% of the aggregate principal amount of the outstanding debt securities of all the affected series of Debt Securities Capable of Aggregation (taken in aggregate); and
- (B) more than 50% of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).

Any Multiple Series Two Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Bondholders of the relevant series or one or more holders of each affected series of Debt Securities Capable of Aggregation.

- (iv) Any Multiple Series Two Limb Extraordinary Resolution duly passed or Multiple Series Two Limb Written Resolution approved shall be binding on all Bondholders of the relevant series and holders of each other affected series of

Debt Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favor thereof, whether or not any other holder or holders of the same series voted in favor thereof and whether or not they signed or confirmed in writing any such Multiple Series Two Limb Written Resolution, as the case may be.

- (v) Any modification or action proposed under Condition 12(d)(i) may be made in respect of some series only of the Debt Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 12(d) may be used for different groups of two or more series of Debt Securities Capable of Aggregation simultaneously.

(e) ***Reserved Matters***

In these Conditions, “**Reserved Matter**” means any proposal:

- (i) to change the date, or the method of determining the date, for payment of principal, interest or any other amount in respect of any series of the Bonds, to reduce or cancel the amount of principal, interest or any other amount payable on any date in respect of the relevant series of Bonds or to change the method of calculating the amount of principal, interest or any other amount payable in respect of the relevant series of Bonds on any date;
- (ii) to change the currency in which any amount due in respect of any series of the Bonds is payable or the place in which any payment is to be made;
- (iii) to change the majority required to pass an Extraordinary Resolution, a Written Resolution or any other resolution of any series of Bondholders or the number or percentage of votes required to be cast, or the number or percentage of Bonds required to be held, in connection with the taking of any decision or action by or on behalf of the Bondholders or any of them;
- (iv) to change this definition, or the definition of “Extraordinary Resolution”, “Single Series Extraordinary Resolution”, “Multiple Series Single Limb Extraordinary Resolution”, “Multiple Series Two Limb Extraordinary Resolution”, “Written Resolution”, “Single Series Written Resolution”, “Multiple Series Single Limb Written Resolution” or “Multiple Series Two Limb Written Resolution”;
- (v) to change the definition of “debt securities” or “Debt Securities Capable of Aggregation”;
- (vi) to change the definition of “Uniformly Applicable”;
- (vii) to change the definition of “outstanding” or to modify the provisions of Condition 12(i) (*Bonds controlled by the Issuer*);
- (viii) to change the legal ranking of any series of the Bonds;
- (ix) to change any provision of any series of the Bonds describing circumstances in which the relevant series of Bonds may be declared due and payable prior to their scheduled maturity date, set out in Condition 9 (*Events of Default*);
- (x) to change the law governing any series of the Bonds, the courts to the jurisdiction of which the Issuer has submitted the relevant series of Bonds, any of the arrangements specified in the relevant series of Bonds to enable proceedings to be taken or the Issuer’s waiver of immunity, in respect of

actions or proceedings brought by any Bondholder, set out in Condition 18 (*Governing Law, Jurisdiction and Arbitration*);

- (xi) to impose any condition on or otherwise change the Issuer's obligation to make payments of principal, interest or any other amount in respect of any series of the Bonds, including by way of the addition of a call option;
- (xii) to modify the provisions of this Condition 12(e); or
- (xiii) to exchange or substitute all or any series of the Bonds for, or convert all or any series of the Bonds into, other obligations or securities of the Issuer or any other person, or to modify any provision of these Conditions in connection with any exchange or substitution of any series of the Bonds for, or the conversion of any series of the Bonds into, any other obligations or securities of the Issuer or any other person, which would result in the Conditions as so modified being less favorable to the relevant Bondholders which are subject to the Conditions as so modified than:
  - (A) the provisions of the other obligations or debt securities of the Issuer or any other person resulting from the relevant exchange or substitution or conversion; or
  - (B) if more than one series of other obligations or debt securities results from the relevant exchange or substitution or conversion, the provisions of the resulting series of debt securities having the largest aggregate principal amount.

(f) **Information**

Prior to or on the date that the Issuer proposes any Extraordinary Resolution or Written Resolution pursuant to Condition 12(b) (*Modification of a Single Series of Bonds only*), Condition 12(c) (*Multiple Series Aggregation – Single limb voting*) or Condition 12(d) (*Multiple Series Aggregation – Two limb voting*), the Issuer shall publish in accordance with Condition 13 (*Aggregation Agent; Aggregation Procedure*), and provide the Fiscal Agent with the following information:

- (i) a description of the Issuer's economic and financial circumstances which are, in the Issuer's opinion, relevant to the request for any potential modification or action, a description of the Issuer's existing debts and a description of its broad policy reform program and provisional macroeconomic outlook;
- (ii) if the Issuer shall at the time have entered into an arrangement for financial assistance with multilateral and/or other major creditors or creditor groups and/or an agreement with any such creditors regarding debt relief, a description of any such arrangement or agreement. Where permitted under the information disclosure policies of the multilateral or such other creditors, as applicable, copies of the arrangement or agreement shall be provided;
- (iii) a description of the Issuer's proposed treatment of external debt securities that fall outside the scope of any multiple series aggregation and its intentions with respect to any other debt securities and its other major creditor groups; and
- (iv) if any proposed modification or action contemplates debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group, as required for a notice convening a meeting of any series of the Bondholders in Condition 12(a)(iv)(G)



*(Convening Meetings of Bondholders; Conduct of Meetings of Bondholders; Written Resolutions).*

(g) ***Claims Valuation***

For the purpose of calculating the par value of any series of the Bonds and any affected series of debt securities which are to be aggregated with any series of the Bonds in accordance with Condition 12(c) (*Multiple Series Aggregation – Single limb voting*) and Condition 12(d) (*Multiple Series Aggregation – Two limb voting*), the Issuer may appoint a Calculation Agent. The Issuer shall, with the approval of the Aggregation Agent and any appointed Calculation Agent, promulgate the methodology in accordance with which the par value of any series of the Bonds and such affected series of debt securities will be calculated. In any such case where a Calculation Agent is appointed, the same person will be appointed as the Calculation Agent for the relevant series of Bonds and each other affected series of debt securities for these purposes, and the same methodology will be promulgated for each affected series of debt securities.

(h) ***Manifest error, etc.***

Any series of Bonds, these Conditions and the provisions of the Fiscal Agency Agreement may be amended without the consent of the relevant Bondholders to correct a manifest error. In addition, the parties to the Fiscal Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the relevant Bondholders, to any such modification unless it is of a formal, minor or technical nature or it is not materially prejudicial to the interests of the relevant Bondholders.

(i) ***Bonds controlled by the Issuer***

For the purposes of (i) determining the right to attend and vote at any meeting of any series of Bondholders, or the right to sign or confirm in writing, or authorize the signature of, any Written Resolution, (ii) this Condition 12 (*Meetings of Bondholders; Written Resolutions*), and (iii) Condition 9 (*Events of Default*), any Bonds of the relevant series which are for the time being held by or on behalf of the Issuer or by or on behalf of any person which is owned or controlled directly or indirectly by the Issuer or by any public sector instrumentality of the Issuer shall be disregarded and be deemed not to remain outstanding, where:

- (A) **“public sector instrumentality”** means Qatar Central Bank, Qatar Petroleum, Qatar Investment Authority any other department, ministry or agency of the government of Qatar or any corporation, trust, financial institution or other entity owned or controlled by the government of Qatar or any of the foregoing; and
- (B) **“control”** means the power, directly or indirectly, through the ownership of voting securities or other ownership interests or through contractual control or otherwise, to direct the management of or elect or appoint a majority of the board of directors or other persons performing similar functions in lieu of, or in addition to, the board of directors of a corporation, trust, financial institution or other entity.

A Bond of the relevant series will also be deemed to be not outstanding if the Bond has previously been cancelled or delivered for cancellation or held for reissuance but not reissued, or, where relevant, the Bond has previously been called for redemption in accordance with its terms or previously become due and payable at maturity or

otherwise and the Issuer has previously satisfied its obligations to make all payments due in respect of the Bond in accordance with its terms.

In advance of any meeting of any series of Bondholders, or in connection with any Written Resolution, the Issuer shall provide to the Fiscal Agent a copy of the certificate prepared pursuant to paragraph (d) (*Certificate*) of Condition 13 (*Aggregation Agent; Aggregation Procedure*), which includes information on the total number of Bonds of the relevant series which are for the time being held by or on behalf of the Issuer or by or on behalf of any person which is owned or controlled directly or indirectly by the Issuer or by any public sector instrumentality of the Issuer and, as such, such Bonds shall be disregarded and deemed not to remain outstanding for the purposes of ascertaining the right to attend and vote at any meeting of any series of Bondholders or the right to sign, or authorize the signature of, any Written Resolution in respect of any such meeting. The Fiscal Agent shall make any such certificate available for inspection during normal business hours at its specified office and, upon reasonable request, will allow copies of such certificate to be taken.

(j) ***Publication***

The Issuer shall publish all Extraordinary Resolutions and Written Resolutions which have been determined by the Aggregation Agent to have been duly passed in accordance with Condition 13(g) (*Aggregation Agent; Aggregation Procedure - Manner of publication*).

(k) ***Exchange and Conversion***

Any Extraordinary Resolutions or Written Resolutions which have been duly passed and which modify any provision of, or action in respect of, the Conditions may be implemented at the Issuer's option by way of a mandatory exchange or conversion of any series of the Bonds and each other affected series of debt securities, as the case may be, into new debt securities containing the modified terms and conditions if the proposed mandatory exchange or conversion of the relevant series of Bonds is notified to the relevant Bondholders at the time notification is given to the relevant Bondholders as to the proposed modification or action. Any such exchange or conversion shall be binding on all Bondholders of the relevant series.

(l) ***Written Resolutions and Electronic Consents***

A Written Resolution may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of the Bondholders of the relevant series.

For so long as any series of Bonds are in the form of a global Bond held on behalf of one or more of Euroclear, Clearstream, Luxembourg, DTC or any other clearing system (the “**relevant clearing systems**”), then:

- (i) approval of a resolution proposed by the Issuer given by way of electronic consent communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures (i) by or on behalf of all Bondholders of the relevant series who for the time being are entitled to receive notice of a meeting of Bondholders of that series or (ii) (where such holders have been given at least 21 days' notice of such resolution) by or on behalf of:

- (A) in respect of a proposal that falls within paragraphs (ii) and (iii) of Condition 12(b) (*Modification of a Single Series of Bonds only*), the persons holding at least 75% of the aggregate principal amount of the

outstanding Bonds of the relevant series in the case of a Reserved Matter or more than 50% of the aggregate principal amount of the outstanding Bonds of the relevant series, in the case of a matter other than a Reserved Matter;

- (B) in respect of a proposal that falls within paragraphs (ii) and (iii) of Condition 12(c) (*Multiple Series Aggregation – Single limb voting*), the persons holding at least 75% of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate); or
- (C) in respect of a proposal that falls within paragraphs (ii) and (iii) of Condition 12(d) (*Multiple Series Aggregation – Two limb voting*), (x) the persons holding at least 66.67% of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate); and (y) the persons holding more than 50% of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually),

(in the case of (A), (B) and (C), each an “**Electronic Consent**”) shall, for all purposes (including Reserved Matters) take effect as (i) a Single Series Extraordinary Resolution (in the case of (A) above), (ii) a Multiple Series Single Limb Extraordinary Resolution (in the case of (B) above) or (iii) a Multiple Series Two Limb Extraordinary Resolution (in the case of (C) above), as applicable.

The notice given to Bondholders of the relevant series shall specify, in sufficient detail to enable Bondholders of the relevant series to give their consents in relation to the proposed resolution, the method by which their consents may be given (including, where applicable, blocking of their accounts in the relevant clearing system(s)) and the time and date (the “**Relevant Date**”) by which they must be received in order for such consents to be validly given, in each case subject to and in accordance with the operating rules and procedures of the relevant clearing system(s).

If, on the Relevant Date on which the consents in respect of an Electronic Consent are first counted, such consents do not represent the required proportion for approval, the resolution shall, if the party proposing such resolution (the “**Proposer**”) so determines, be deemed to be defeated. Alternatively, the Proposer may give a further notice to Bondholders of the relevant series that the resolution will be proposed again on such date and for such period as shall be agreed with the Issuer (unless the Issuer is the Proposer). Such notice must inform Bondholders of the relevant series that insufficient consents were received in relation to the original resolution and the information specified in the previous paragraph. For the purpose of such further notice, references to **Relevant Date** shall be construed accordingly.

An Electronic Consent may only be used in relation to a resolution proposed by the Issuer which is not then the subject of a meeting that has been validly convened above, unless that meeting is or shall be cancelled or dissolved.

- (ii) Where Electronic Consent has not been sought, for the purposes of determining whether a Written Resolution has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer (a) by accountholders in the relevant clearing system(s) with

entitlements to any global Bond and/or (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, the relevant clearing system(s) and, in the case of (b) above, the relevant clearing system(s) and the accountholder identified by the relevant clearing system(s). Any such certificate or other document (i) shall be conclusive and binding for all purposes and (ii) may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the relevant series of Bonds is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

All information to be provided pursuant to paragraph (iv) of Condition 12(a) (*Convening Meetings of Bondholders; Conduct of Meetings of Bondholders; Written Resolutions*) shall also be provided, *mutatis mutandis*, in respect of Written Resolutions and Electronic Consents.

A Written Resolution and/or Electronic Consent (i) shall take effect as an Extraordinary Resolution and (ii) will be binding on all Bondholders, whether or not they participated in such Written Resolution and/or Electronic Consent, even if the relevant consent or instruction proves to be defective.

### **13. Aggregation Agent; Aggregation Procedure**

#### **(a) *Appointment***

The Issuer will appoint an Aggregation Agent to calculate whether a proposed modification or action has been approved by the required principal amount outstanding of Bonds of the relevant series, and, in the case of a multiple series aggregation, by the required principal amount of outstanding debt securities of each affected series of debt securities. In the case of a multiple series aggregation, the same person will be appointed as the Aggregation Agent for the proposed modification of any provision of, or any action in respect of, these Conditions or the Fiscal Agency Agreement in respect of the Bonds of the relevant series and in respect of the terms and conditions or bond documentation in respect of each other affected series of debt securities. The Aggregation Agent shall be independent of the Issuer.

#### **(b) *Extraordinary Resolution***

If an Extraordinary Resolution has been proposed at a duly convened meeting of any series of Bondholders to modify any provision of, or action in respect of, these Conditions and other affected series of debt securities, as the case may be, the Aggregation Agent will, as soon as practicable after the time the vote is cast, calculate whether holders of a sufficient portion of the aggregate principal amount of the outstanding Bonds of the relevant series and, where relevant, each other affected series of debt securities, have voted in favor of the Extraordinary Resolution such that the Extraordinary Resolution is passed. If so, the Aggregation Agent will determine that the Extraordinary Resolution has been duly passed.

(c) ***Written Resolutions***

If a Written Resolution has been proposed under the terms of these Conditions to modify any provision of, or action in respect of, these Conditions and the terms and conditions of other affected series of debt securities, as the case may be, the Aggregation Agent will, as soon as reasonably practicable after the relevant Written Resolution has been signed or confirmed in writing, calculate whether holders of a sufficient portion of the aggregate principal amount of the outstanding Bonds of the relevant series and, where relevant, each other affected series of debt securities, have signed or confirmed in writing in favor of the Written Resolution such that the Written Resolution is passed. If so, the Aggregation Agent will determine that the Written Resolution has been duly passed.

(d) ***Certificate***

For the purposes of Condition 13(b) (*Extraordinary Resolution*) and Condition 13(c) (*Written Resolutions*), the Issuer will provide a certificate to the Aggregation Agent up to three days prior to, and in any case no later than, with respect to an Extraordinary Resolution, the date of the meeting referred to in paragraph (b) (*Modification of a Single Series of Bonds only*), paragraph (c) (*Multiple Series Aggregation – Single limb voting*) or paragraph (d) (*Multiple Series Aggregation – Two limb voting*) of Condition 12 (*Meetings of Bondholders; Written Resolutions*), as applicable, and, with respect to a Written Resolution, the date arranged for the signing of the Written Resolution.

The certificate shall:

- (i) list the total principal amount of Bonds of the relevant series and, in the case of a multiple series aggregation, the total principal amount of each other affected series of debt securities outstanding on the record date; and
- (ii) clearly indicate the Bonds of the relevant series and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities which shall be disregarded and deemed not to remain outstanding as a consequence of paragraph (i) (*Bonds controlled by the Issuer*) of Condition 12 (*Meetings of Bondholders; Written Resolutions*) on the record date identifying the holders of the Bonds of the relevant series and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities.

The Aggregation Agent may rely upon the terms of any certificate, notice, communication or other document believed by it to be genuine.

(e) ***Notification***

The Aggregation Agent will cause each determination made by it for the purposes of this Condition 13 (*Aggregation Agent; Aggregation Procedure*) to be notified to the Fiscal Agent and the Issuer as soon as practicable after such determination. Notice thereof shall also promptly be given to the Bondholders of the relevant series.

(f) ***Binding nature of determinations; no liability***

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 13 (*Aggregation Agent; Aggregation Procedure*) by the Aggregation Agent and any appointed Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Fiscal Agent, the Bondholders of the relevant series and (subject as aforesaid) no liability to any such person will attach to the Aggregation Agent or the

Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(g) ***Manner of publication***

The Issuer will publish all notices and other matters required to be published pursuant to the Conditions including any matters required to be published pursuant to Condition 12 (*Meetings of Bondholders; Written Resolutions*), this Condition 13 (*Aggregation Agent; Aggregation Procedure*), Condition 14 (*Bondholders' Committee*) and Condition 9 (*Events of Default*):

- (i) on the website of the Ministry of Finance of the State of Qatar;
- (ii) through any relevant international and/or domestic clearing systems or similar through which the relevant series of Bonds are traded and/or held by Bondholders;
- (iii) in such other places and in such other manner as may be required by applicable law or regulation; and
- (iv) in such other places and in such other manner as may be customary.

(h) ***Electronic Consents***

If approval of a resolution proposed under the terms of these Conditions to modify any provision of, or action in respect of, these Conditions and the terms and conditions of other affected series of debt securities, as the case may be, is proposed to be given by way of Electronic Consent, the Aggregation Agent will, as soon as reasonably practicable after the relevant Electronic Consent has been given, calculate whether holders of a sufficient portion of the aggregate principal amount of the outstanding Bonds of the relevant series and, where relevant, each other affected series of debt securities, have consented to the resolution by way of Electronic Consent such that the resolution is approved. If so, the Aggregation Agent will determine that the resolution has been duly approved.

**14. Bondholders' Committee**

(a) ***Appointment***

- (i) Holders of at least 25% of the aggregate principal amount of the outstanding debt securities of all series of affected debt securities (taken in aggregate) may, by notice in writing to the Issuer (with a copy to the Fiscal Agent), appoint any person or persons as a committee to represent the interests of such holders (as well as the interests of any holders of outstanding debt securities who wish to be represented by such a committee) if any of the following events has occurred:
  - (A) an Event of Default under Condition 9 (*Events of Default*);
  - (B) any event or circumstance which could, with the giving of notice, lapse of time, the issuing of a certificate and/or fulfillment of any other requirement provided for in Condition 9 (*Events of Default*) become an Event of Default;
  - (C) any public announcement by the Issuer, to the effect that the Issuer is seeking or intends to seek a rescheduling or restructuring of any series of the Bonds or any other affected series of debt securities (whether by amendment, exchange offer or otherwise); or

- (D) with the agreement of the Issuer, at a time when the Issuer has reasonably reached the conclusion that its debt may no longer be sustainable whilst any series of the Bonds or any other affected series of debt securities are outstanding.
- (ii) Upon receipt of a written notice that a committee has been appointed in accordance with Condition 14(a)(i), and a certificate delivered pursuant to Condition 14(d) (*Certification*), the Issuer shall give notice of the appointment of such a committee to:
  - (A) all Bondholders of the relevant series in accordance with Condition 16 (*Notices*); and
  - (B) the holders of each affected series of debt securities in accordance with the terms and conditions of such affected series of debt securities,
 as soon as practicable after such written notice and such certificate are delivered to the Issuer.

(b) ***Powers***

Such committee in its discretion may, among other things:

- (i) engage legal advisers and financial advisers to assist it in representing the interests of the Bondholders of the relevant series;
- (ii) adopt such rules as it considers appropriate regarding its proceedings;
- (iii) enter into discussions with the Issuer and/or other creditors of the Issuer; and
- (iv) designate one or more members of the committee to act as the main point(s) of contact with the Issuer and provide all relevant contact details to the Issuer.

Except to the extent provided in this Condition 14(b), such committee shall not have the ability to exercise any powers or discretions which the Bondholders of the relevant series could themselves exercise.

(c) ***Engagement with the committee and provision of information***

- (i) The Issuer shall:
  - (A) subject to paragraph (c)(ii) below, engage with the committee in good faith;
  - (B) provide the committee with information equivalent to that required under Condition 12(f) (*Meetings of Bondholders; Written Resolutions - Information*) and related proposals, if any, in each case as the same become available, subject to any applicable information disclosure policies, rules and regulations; and
  - (C) pay any reasonable fees and expenses of any such committee as may be agreed with it (including without limitation, the reasonable and documented fees and expenses of the committee's legal and financial advisers, if any) following receipt of reasonably detailed invoices and supporting documentation.

- (ii) If more than one committee has been appointed by holders of affected series of debt securities in accordance with the provisions of this Condition 14 (*Bondholders' Committee*) and/or equivalent provisions set out in the terms and conditions of any affected series of debt securities, the Issuer shall not be obliged to engage with such committees separately. Such committees may appoint a single steering group (to be comprised of representatives from such committees), whereupon the Issuer shall engage with such steering group.

(d) **Certification**

Upon the appointment of a committee, the person or persons constituting such a committee (the “**Members**”) will provide a certificate to the Issuer and to the Fiscal Agent signed by the authorized representatives of the Members, and the Issuer and the Fiscal Agent may rely upon the terms of such certificate.

The certificate shall certify:

- (i) that the committee has been appointed;
- (ii) the identity of the initial Members; and
- (iii) that such appointment complies with the terms and conditions of the relevant bond documentation.

Promptly after any change in the identity of the Members, a new certificate which each of the Issuer and the Fiscal Agent may rely on conclusively, will be delivered to the Issuer and the Fiscal Agent identifying the new Members. Each of the Issuer and the Fiscal Agent will assume that the membership of the committee has not changed unless and until it has received a new certificate.

The provisions of this Condition 14(d) shall apply, *mutatis mutandis*, to any steering group appointed in accordance with Condition 14(c)(ii) (*Engagement with the committee and provision of information*).

In appointing a person or persons as a committee to represent the interests of any series of the Bondholders, such Bondholders may instruct a representative or representatives of the committee to form a separate committee or to join a steering group with any person or persons appointed for similar purposes by other affected series of debt securities.

## 15. Further Issues

With respect to the 2025 Bonds and the 2030 Bonds, the Issuer shall be at liberty from time to time, without the consent of any of the Bondholders, to create and issue further 2025 Bonds and further 2030 Bonds ranking equally in all respects (or in all respects save for the date for and amount of the first payment of interest thereon and the date on which such interest begins to accrue) so that the same shall be consolidated and form a single series with and increase the aggregate principal amount of the 2025 Bonds and the 2030 Bonds, as the case may be, then outstanding.

With respect to the 2050 Bonds, to the extent permitted by applicable laws and regulations of the Republic of China and subject to the receipt of all necessary regulatory and listing approvals from the relevant authorities, including but not limited to the Taipei Exchange and the Taiwan Securities Association, the Issuer shall be at liberty from time to time, without the consent of any of the Bondholders, to create and issue further 2050 Bonds ranking equally in all respects (or in all respects save for the date for and amount of the first payment of interest thereon and the date on which such interest begins to accrue) so that the same shall be



consolidated and form a single series with and increase the aggregate principal amount of the 2050 Bonds, as the case may be, then outstanding.

## **16. Notices**

Notices to the Bondholders will be sent to them by first class mail (airmail if overseas) at their respective addresses on the Register, and will be deemed to have been given on the fourth day after the date of mailing. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange (or any other relevant authority) on which the Bonds are for the time being listed and, for so long as any Bonds are listed on the Luxembourg Stock Exchange and/or any other stock exchange and the rules of the Luxembourg Stock Exchange and/or any other stock exchange so require, notices will also be published either on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)), the website designated by the relevant stock exchange or in a daily newspaper of general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*). Any such notice shall be in English and shall be deemed to have been given on the date of such publication, or if published more than once or on different dates, on the first date on which publication is made.

A copy of all notices provided pursuant to this Condition 16 shall also be given to The Depository Trust Company, Euroclear Bank SA/NV and Clearstream Banking, S.A.

## **17. Currency Indemnity**

U.S. dollars is the sole currency of account and payment for all sums payable by the Issuer under or in connection with the Bonds, including damages. Any amount received or recovered in a currency other than U.S. dollars (whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction or otherwise) by any Bondholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the U.S. dollar amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that U.S. dollar amount is less than the U.S. dollar amount expressed to be due to the recipient under any Bond, the Issuer shall indemnify such recipient against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. These indemnities constitute separate and independent obligations from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgences granted by any Bondholder and shall continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Bond or any judgment or order.

## **18. Governing Law, Jurisdiction and Arbitration**

### **(a) *Governing Law***

The Bonds (including the submission to jurisdiction contained in this Condition) and the Fiscal Agency Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to any principles of conflicts of laws that would mandate the application of the laws of another jurisdiction.

### **(b) *Jurisdiction***

Any New York State or Federal court sitting in the Borough of Manhattan, the City of New York is to have jurisdiction to settle any disputes which may arise out of or in connection with the Bonds, and accordingly any legal action or proceedings arising out of or in connection with the Bonds ("**Proceedings**") may be brought in such court. The Issuer hereby submits to the non-exclusive jurisdiction of such courts in any Proceedings which are not referred by a Bondholder to arbitration, and in any

action to compel arbitration and/or for provisional relief or other relief in aid of arbitration. The Issuer unconditionally waives any defense to such jurisdiction based on absence of jurisdiction, *forum non conveniens* or sovereign immunity. This submission shall not limit the right of any person to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) ***Process Agent***

The Issuer has irrevocably appointed Corporation Service Company of 80 State Street, Albany, New York 12207-2543 as its authorized agent for the service of process in the United States in respect of any Proceedings. Nothing contained herein shall affect the right to serve process in any other manner permitted by law.

(d) ***Arbitration***

Any dispute, controversy or claim with or against the Issuer which arises out of or relates to the Bonds may, at the sole option of any Bondholder, be referred to and be finally resolved by arbitration in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law (the “**UNCITRAL Rules**”). There shall be an arbitral tribunal composed of three arbitrators, one appointed by the relevant Bondholder in accordance with the UNCITRAL Rules and one nominated by the Issuer in accordance with the UNCITRAL Rules and the third, who shall chair the arbitral tribunal, appointed by the two party-appointed arbitrators in accordance with the UNCITRAL Rules. The presiding arbitrator shall be fluent in the English language and have substantial prior experience as an arbitrator of international commercial disputes. The appointing authority for the purposes of the UNCITRAL Rules shall be the International Chamber of Commerce International Court of Arbitration. The place of arbitration shall be New York City. The English language shall be used throughout the arbitral proceedings. The award of the arbitral tribunal shall be final and binding on the parties and may be entered and enforced in any court having jurisdiction.

(e) ***Waiver of Immunity***

To the extent that the Issuer may in any jurisdiction claim for itself or its revenues, assets or properties which consist of its public and private properties invested in financial, commercial or industrial activities or deposited in banks (“**Sovereign Assets**”) immunities from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or legal process and to the extent that in any such jurisdiction there may be attributed to itself or its Sovereign Assets such immunity (whether or not claimed), the Issuer hereby irrevocably agrees for the benefit of the Bondholders not to claim and hereby irrevocably waives such immunity to the fullest extent permitted by the laws of such jurisdiction (including, without limitation, the Foreign Sovereign Immunities Act of 1976 of the United States and Decree Law No. (18) of 1996 Amending Certain Provisions of Law No. (10) of 1987 in respect of the Public and Private Properties of the State of Qatar). In addition, to the extent that the Issuer or any of its Sovereign Assets shall be entitled in any jurisdiction to any immunity from set-off, banker’s lien or any similar right or remedy, and to the extent that there shall be attributed, in any jurisdiction, such an immunity, the Issuer hereby irrevocably agrees not to claim and irrevocably waives such immunity to the fullest extent permitted by the laws of such jurisdiction with respect to any claim, suit, action, proceeding, right or remedy arising out of or in connection with the Bonds.

(f) ***Consent of Proceedings***

The Issuer irrevocably and generally consents in respect of any Proceedings anywhere to the giving of any relief or the issue of any process in connection with those Proceedings including, without limitation, the making, enforcement or execution against any Sovereign Assets of any order or judgment which may be made or given in those Proceedings.

## THE GLOBAL BONDS

*The Global Bonds contain the following provisions which apply to the Bonds in respect of which they are issued while they are represented by the Global Bonds, some of which modify the effect of the Conditions. Terms defined in the Conditions have the same meaning in the paragraphs below.*

### Holders

For so long as DTC or its nominee or Euroclear, Clearstream, Luxembourg or the nominee of their common depositary is the registered holder of a Global Bond, DTC, Euroclear, Clearstream or such nominees, as the case may be, will be considered the sole owner or holder of the Bonds represented by such Global Bond for all purposes under the Fiscal Agency Agreement and the Bonds. Payments of principal, interest and additional amounts, if any, in respect of the Global Bonds will be made to DTC, Euroclear, Clearstream, Luxembourg or such nominee, as the case may be, as the registered holder thereof. None of the State, any Agent or any Bank or any affiliate of any of the above or any person by whom any of the above is controlled for the purposes of the Securities Act will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Global Bonds or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The holdings of book entry interests in the Bonds through Euroclear, Clearstream, Luxembourg and DTC will be reflected in the book entry accounts of each such institution. As necessary, the Registrar will adjust the amounts of each series of Bonds on the Register for the accounts of (i) a nominee of Euroclear and Clearstream, Luxembourg (ii) Cede & Co. to reflect the amounts of each series of Bonds held through Euroclear and Clearstream, Luxembourg on the one hand and DTC on the other. Beneficial ownership of Bonds will be held directly through DTC, Euroclear or Clearstream, Luxembourg in the case of accountholders (“**Direct Participants**”) or indirectly through organizations that are accountholders therein (“**Indirect Participants**” and, together with Direct Participants, “**Participants**”).

### Cancellation

Cancellation of any Bond represented by a Global Bond following its redemption or purchase by the State in accordance with the Conditions, will be effected by the presentation of the relevant Global Bond to or to the order of the Fiscal Agent for notation of such cancellation and by a corresponding reduction in the principal amount of such Bonds shown in the Register.

### Payments

Distributions of principal and interest with respect to book entry interests in each series of Bonds held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by Euroclear or Clearstream, Luxembourg from the Fiscal Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg customers in accordance with the relevant system’s rules and procedures.

Holders of book entry interests in each series of Bonds through DTC will receive, to the extent received by DTC from the U.S. Paying Agent, all distributions of principal and interest with respect to book entry interests in each series of Bonds from the U.S. Paying Agent through DTC in accordance with DTC’s customary procedures and practices. Distributions of principal and interest in the United States will be subject to relevant US tax laws and regulations.

Interest on each series of Bonds (other than interest on redemption) will be paid to the holder shown on the Register on the business day before the due date for such payment so long as such Bonds are represented by a Global Bond, instead of on the fifteenth day before the due date for such payment applicable if such Bonds cease to be represented by a Global Bond and are in the form of Certificates (the “**Record Date**”). Trading between the Restricted Global Bonds and the Unrestricted Global Bond of the same series will therefore be net of accrued interest from the relevant Record Date to the relevant interest payment date. For the purposes hereof and for the transfer of or exchange of interests in a Global Bond for Certificates, “**business day**” means a day (other than a Saturday or Sunday) on

which commercial banks and foreign exchange markets are open for business in London and New York City.

## Notices

So long as any of the Bonds are represented by one or more of the Global Bonds and such Global Bond(s) is/are held on behalf of a clearing system, notices to Bondholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for notification as required by the Conditions, except that so long as any of the Bonds are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, notices will also be published either on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) or in a daily newspaper of general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*). Any such notice shall be in English and shall be deemed to have been given on the date of such publication, or if published more than once or on different dates, on the first date on which publication is made.

## Registration of Title and Exchange for Individual Certificates

Registration of title to Bonds initially represented by the Restricted Global Bonds of any series in a name other than DTC or a successor depositary or one of their respective nominees will not be permitted unless (i) such depositary notifies the State that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the relevant Restricted Global Bonds or ceases to be a “clearing agency” registered under the Exchange Act, or is at any time no longer eligible to act as such, and the State is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of such depositary, or (ii) an Event of Default has occurred and is continuing.

Registration of title to Bonds initially represented by the Unrestricted Global Bond of any series in a name other than the nominee of the common depositary for Euroclear and Clearstream, Luxembourg will not be permitted unless (i) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so or (ii) an Event of Default has occurred and is continuing.

In such circumstances, the relevant Restricted Global Bonds shall be exchanged for individual certificates of the same series in definitive form (“**Restricted Certificates**”) and/or the relevant Unrestricted Global Bond shall be exchanged for individual certificates of the same series in definitive form (“**Unrestricted Certificates**”) and the State will, at the cost of the State (but against such indemnity as the Registrar or any relevant Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Certificates of the relevant series to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Bondholders. A person having an interest in a Global Bond of the relevant series must provide the Registrar with (i) a written order containing instructions and such other information as the State and the Registrar may require to complete, execute and deliver such Certificates, and (ii) in the case of the Restricted Global Bonds of the relevant series only, a fully completed, signed certificate substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of a simultaneous sale pursuant to Rule 144A, Regulation S or Rule 144 under the Securities Act (if available), as the case may be, that the transfer is being made in compliance with the provisions of Rule 144A, Regulation S or Rule 144, as applicable. Certificates issued in exchange for a beneficial interest in a Restricted Global Bond shall bear the legends applicable to transfers pursuant to Rule 144A, as set out under “*Transfer Restrictions*”.

The holder of a Bond may transfer such Bond in accordance with the provisions of Condition 2 (see “*Terms and Conditions of the Bonds—Transfer of Bonds and Issue of Bonds*”). Under the current procedures of the clearing systems, Certificates would not be eligible for trading in the clearing systems.

Upon the transfer, exchange or replacement of a Restricted Certificate bearing the legend referred to under “*Transfer Restrictions*” or upon specific request for removal of the legend on a Restricted Certificate, the State will deliver only Restricted Certificates that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the State and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the State that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

The Registrar will not register the transfer of or exchange of interests in any Global Bond for Certificates for a period of three business days ending on the due date for any payment of principal.

## **Transfers**

A beneficial interest in an Unrestricted Global Bond may be transferred to a person who wishes to take delivery of such beneficial interest through a Restricted Global Bond of the same series, but such transfers will continue to be subject to the transfer restrictions contained in the legend appearing on the face of such Restricted Global Bond, as set out under “*Transfer Restrictions*”. Transfers of beneficial interests in a Restricted Global Bond to persons wishing to take delivery of such beneficial interests through a Restricted Global Bond of the same series will at all times be subject to such transfer restrictions.

A beneficial interest in a Restricted Global Bond may be transferred to a person who wishes to take delivery of such beneficial interest through the Unrestricted Global Bond of the same series only upon receipt by the Registrar of a written certification from the transferor (in the applicable form provided in the Fiscal Agency Agreement) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 under the Securities Act (if available).

Any beneficial interest in either a Restricted Global Bond or an Unrestricted Global Bond that is transferred to a person who takes delivery in the form of a beneficial interest in the other Global Bond of the same series will, upon transfer, cease to be a beneficial interest in such Global Bond and become a beneficial interest in the other Global Bond of the same series and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to a beneficial interest in such other Global Bond for so long as such person retains such an interest.

The laws of some jurisdictions may require that certain persons take physical delivery of Bonds in definitive form. Consequently, the ability to transfer interests in a Global Bond to such persons will be limited. Because DTC, Euroclear and Clearstream, Luxembourg can only act on behalf of Participants, who in turn act on behalf of Indirect Participants, the ability of a person having an interest in a Global Bond to pledge such interest to persons or entities which do not participate in the relevant clearing system, or otherwise take actions in respect of such interest, may be affected by lack of a physical certificate in respect of such interest.

## **CLEARING AND SETTLEMENT**

Custodial and depository links are to be established between DTC, Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Bonds and cross-market transfers of the Bonds associated with secondary market trading. See “*Book-Entry Ownership*” and “*Settlement and Transfer of Bonds*”.

Investors may hold their interests in a Global Bond directly through DTC, Euroclear or Clearstream, Luxembourg as Direct Participants or indirectly through organizations that are accountholders therein as Indirect Participants.

### **Euroclear and Clearstream, Luxembourg**

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book-entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations.

### **DTC**

DTC has advised the State as follows: DTC is a limited purpose trust company organized under the laws of the State of New York, a “banking organization” under the laws of the State of New York, a member of the US Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its Participants and facilitate the clearance and settlement of securities transactions between Participants through electronic computerized book-entry changes in accounts of its Participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a DTC Direct Participant, either directly or indirectly.

Investors may hold their interests in the Restricted Global Bonds directly through DTC if they are Direct Participants in the DTC system, or as Indirect Participants through organizations which are Direct Participants in such system.

DTC has advised the State that it will take any action permitted to be taken by a holder of Bonds only at the direction of one or more Direct Participants and only in respect of such portion of the aggregate principal amount of the Restricted Global Bonds as to which such Participant or Participants has or have given such direction. However, in the circumstances described under “*The Global Bonds—Registration of Title and Exchange for Individual Certificates*”, DTC will cause the Custodian to surrender the Restricted Global Bonds for exchange for Restricted Certificates (which will bear the legend applicable to transfers pursuant to Rule 144A).

### ***Payments through DTC***

Payments of principal and interest in respect of a Global Bond registered in the name of, or in the name of a nominee for, DTC will be made to the order of such nominee as the registered holder of such Bond.

## **Book-Entry Ownership**

### ***Euroclear and Clearstream, Luxembourg***

The Unrestricted Global Bond for each series representing interests in the relevant series of Unrestricted Bonds will have an ISIN and a Common Code and will be registered in the name of a nominee for, and deposited with a common depository on behalf of, Euroclear and Clearstream, Luxembourg.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium, and the address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, L-1855, Luxembourg.

### ***DTC***

The Restricted Global Bonds for each series representing interests in the relevant series of Restricted Bonds will have an ISIN and a CUSIP number and will be deposited with the Custodian for, and registered in the name of Cede & Co. as nominee of, DTC. The Custodian and DTC will electronically record the principal amount of the Bonds held within the DTC System.

The address of DTC is 55 Water Street, New York, New York 10041, United States of America.

### ***Relationship of Participants with Clearing Systems***

Each of the persons shown in the records of DTC, Euroclear or Clearstream, Luxembourg as the holder of any Bond evidenced by a Global Bond must look solely to DTC, Euroclear or Clearstream, Luxembourg (as the case may be) for its share of each payment made by the State to the holder of such Global Bond and in relation to all other rights arising under such Global Bond, subject to and in accordance with the respective rules and procedures of DTC, Euroclear or Clearstream, Luxembourg (as the case may be). The State expects that, upon receipt of any payment in respect of Bonds evidenced by a Global Bond, the common depository by whom such Bond is held, or nominee in whose name it is registered, will immediately credit the relevant Participants' or accountholders' accounts in the relevant clearing system with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Global Bond as shown on the records of the relevant common depository or its nominee. The State also expects that payments by Direct Participants in any clearing system to owners of beneficial interests in any Global Bond held through such Direct Participants in any clearing system will be governed by standing instructions and customary practices. Save as aforesaid, such persons shall have no claim directly against the State in respect of payments due on the Bonds for so long as the Bonds are evidenced by such Global Bond and the obligations of the State will be discharged by payment to the registered holder of such Global Bond in respect of each amount so paid. None of the State or any Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in any Global Bond or for maintaining, supervising or reviewing any records relating to such ownership interests.

### **Settlement and Transfer of Bonds**

Subject to the rules and procedures of each applicable clearing system, purchases of any Bonds held within a clearing system must be made by or through Direct Participants, which will receive a credit for such Bonds on the clearing system's records. The ownership interest of each actual purchaser of each such Bond (the "**Beneficial Owner**") will in turn be recorded on the Direct and Indirect Participants' records.

Beneficial Owners will not receive written confirmation from any clearing system of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which such Beneficial Owner entered into the transaction.



Transfers of ownership interests in any Bonds held within the clearing system will be effected by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates evidencing their ownership interests in such Bonds, unless and until interests in any Global Bonds held within a clearing system are exchanged for Restricted and/or Unrestricted Certificates.

No clearing system has knowledge of the actual Beneficial Owners of the Bonds held within such clearing system and their records will reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the clearing systems to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

The laws of some jurisdictions may require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Global Bond to such persons may be limited. As DTC can only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, the ability of a person having an interest in a Restricted Global Bond to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by a lack of a physical certificate in respect of such interest.

#### ***Trading between Euroclear and/or Clearstream, Luxembourg Participants***

Secondary market sales of book-entry interests in any Bonds held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in such Bonds held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional Eurobonds.

#### ***Trading between DTC Participants***

Secondary market sales of book-entry interests in any Bonds between DTC Participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations in DTC's Same-Day Funds Settlement system in same-day funds, if payment is effected in U.S. dollars, or free of payment, if payment is not effected in U.S. dollars. Where payment is not effected in U.S. dollars, separate payment arrangements outside DTC are required to be made between the DTC participants.

#### ***Trading between DTC seller and Euroclear/Clearstream, Luxembourg Purchaser***

When book-entry interests in Bonds are to be transferred from the account of a DTC Participant holding a beneficial interest in a Restricted Global Bond to the account of a Euroclear or Clearstream, Luxembourg accountholder wishing to purchase a beneficial interest in the Unrestricted Global Bond of the same series (subject to the certification procedures provided in the Fiscal Agency Agreement), the DTC participant will deliver instructions for delivery to the relevant Euroclear or Clearstream, Luxembourg accountholder to DTC by 12 noon, New York City time, on the settlement date. Separate payment arrangements are required to be made between the DTC Participant and the relevant Euroclear or Clearstream, Luxembourg Participant. On the settlement date, the Custodian will instruct the Registrar to (i) decrease the amount of Bonds registered in the name of Cede & Co. and evidenced by the relevant Restricted Global Bond and (ii) increase the amount of Bonds registered in the name of the nominee of the common depositary for Euroclear and Clearstream, Luxembourg and evidenced by the Unrestricted Global Bond of the same series. Book-entry interests will be delivered free of payment to Euroclear or Clearstream, Luxembourg, as the case may be, for credit to the relevant accountholder on the first business day following the settlement date.

### ***Trading between Euroclear/Clearstream, Luxembourg seller and DTC Purchaser***

When book-entry interests in Bonds are to be transferred from the account of a Euroclear or Clearstream, Luxembourg accountholder to the account of a DTC Participant wishing to purchase a beneficial interest in a Restricted Global Bond (subject to the certification procedures provided in the Fiscal Agency Agreement), the Euroclear or Clearstream, Luxembourg Participant must send to Euroclear or Clearstream, Luxembourg delivery free of payment instructions by 7:45 p.m., Brussels or Luxembourg time, one business day prior to the settlement date. Euroclear or Clearstream, Luxembourg, as the case may be, will in turn transmit appropriate instructions to the common depository for Euroclear and Clearstream, Luxembourg and the Registrar to arrange delivery to the DTC Participant on the settlement date. Separate payment arrangements are required to be made between the DTC Participant and the relevant Euroclear or Clearstream, Luxembourg accountholder, as the case may be. On the settlement date, the common depository for Euroclear and Clearstream, Luxembourg will (a) transmit appropriate instructions to the Custodian of the Restricted Global Bonds who will in turn deliver such book-entry interests in the Bonds of the relevant series free of payment to the relevant account of the DTC Participant and (b) instruct the Registrar to (i) decrease the amount of such Bonds registered in the name of the nominee of the common depository for Euroclear and Clearstream, Luxembourg and evidenced by the Unrestricted Global Bond of the same series; and (ii) increase the amount of such Bonds registered in the name of Cede & Co. and evidenced by the Restricted Global Bonds of the same series.

Although DTC, Euroclear and Clearstream, Luxembourg have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in Global Bonds among Participants and accountholders of DTC, Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the State, any Agent or Bank, or any affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the Securities Act, will have any responsibility for the performance by DTC, Euroclear, Clearstream, Luxembourg or their respective Direct or Indirect Participants of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described above.

### **Settlement of Pre-Issue Trades**

It is expected that delivery of Bonds will be made against payment therefor on the Closing Date, which is expected to be seven business days following the date of pricing (being April 12, 2018). Under Rule 15c6-1 under the Exchange Act, trades in the United States secondary market generally are required to settle within three business days (T+3), unless the parties to any such trade expressly agree otherwise. Settlement procedures in other countries will vary.

Accordingly, purchasers who wish to trade Bonds in the United States between the date of pricing and the day falling four business days prior to the Closing Date will be required, by virtue of the fact the Bonds initially are expected to settle seven business days following the date of pricing, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary.

Purchasers of Bonds may be affected by such local settlement practices and purchasers of Bonds between the relevant date of pricing and the Closing Date should consult their own advisors.

### **Republic of China Settlement and Trading**

The State has not entered into any settlement agreement with Taiwan Depository & Clearing Corporation (“TDCC”) and has no intention to do so.

In the future, if the State enters into a settlement agreement with TDCC, an investor, if it has a securities book-entry account with a Taiwan securities broker and a foreign currency deposit account with a Taiwanese bank, may settle the Bonds through the account of TDCC with Euroclear or Clearstream, Luxembourg if it applies to TDCC (by filing in a prescribed form) to transfer the Bonds

in its own account with Euroclear or Clearstream to such TDCC account with Euroclear or Clearstream, Luxembourg for trading in the domestic market or vice versa for trading in overseas markets. For settlement through TDCC, TDCC will allocate the respective Bonds position to the securities book-entry account designated by such investor in the ROC. The Bonds will be traded and settled pursuant to the applicable rules and operating procedures of TDCC and the TPEx as domestic bonds. For such investors who hold their interest in the Bonds through an account opened and held by TDCC with Euroclear or Clearstream, Luxembourg, distributions of principal and/or interest for the Bonds to such holders may be made by payment services banks whose systems are connected to TDCC to the foreign currency deposit accounts of the holders. Such payment is expected to be made on the second Taiwanese business day following TDCC's receipt of such payment (due to time difference, the payment is expected to be received by TDCC one Taiwanese business day after the distribution date). However, when the holders actually receive such distributions may vary depending upon the daily operations of the Taiwanese banks with which the holder has the foreign currency deposit account.

## TAXATION

*The following summary of certain United States, Qatar, Republic of China and EU tax consequences of ownership of the Bonds is based upon laws, regulations, decrees, rulings, income tax conventions, administrative practice and judicial decisions in effect at the date of this Prospectus. Legislative, judicial or administrative changes or interpretations may, however, be forthcoming that could alter or modify the statements and conclusions set forth herein. Any such changes or interpretations may be retroactive and could affect the tax consequences to holders of the Bonds. This summary does not purport to be a legal opinion or to address all tax aspects that may be relevant to a holder of Bonds. Each prospective holder is urged to consult its own tax advisor as to the particular tax consequences to such holder of the ownership and disposition of Bonds, including the applicability and effect of any other tax laws or tax treaties, and of pending or proposed changes in applicable tax laws as of the date of this Prospectus, and of any actual changes in applicable tax laws after such date.*

### Certain United States Federal Income Tax Consequences

The following is a summary of certain United States federal income tax consequences of the acquisition, ownership and disposition of the Bonds by a holder that acquires Bonds for cash at their original issue price pursuant to this offer. The summary is based on the Internal Revenue Code of 1986, as amended (the “**Code**”), Treasury Regulations, judicial decisions, published positions of the Internal Revenue Service (the “**IRS**”) and other applicable authorities, all as in effect as of the date hereof and all of which are subject to change or differing interpretations (possibly with retroactive effect). The discussion does not address all the tax consequences that may be relevant to a particular person or to persons subject to special treatment under United States federal income tax law (such as financial institutions, broker dealers, insurance companies, tax-exempt organizations, or persons that are, or hold their Bonds through, partnerships or other pass through entities) or to persons who hold Bonds as part of a straddle, hedge, conversion, synthetic security or constructive sale transaction for United States federal income tax purposes, all of whom may be subject to tax rules that differ from those summarized below. Moreover, the discussion does not address any tax consequences other than United States federal income tax consequences and does not address the Medicare Surtax on net investment income. This summary deals only with persons whose functional currency is the U.S. dollar and who hold the Bonds as capital assets within the meaning of the Code (generally, property held for investment). No IRS ruling has been or will be sought regarding any matter discussed herein. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of those set forth below. **Holders should consult their tax advisors as to the particular United States federal tax consequences to them of acquiring, owning and disposing of the Bonds, as well as the effect of state, local, and non-United States tax laws.**

For purposes of this discussion a “**United States Holder**” means a beneficial owner of a Bond that, for United States federal income tax purposes, is, or is treated as, a citizen or individual resident of the United States, a corporation (or other entity taxable as a corporation) created or organized in the United States or under the laws of the United States or any political subdivisions thereof, an estate the income of which is subject to United States federal income taxation regardless of its source, or a trust if (i) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States fiduciaries have the authority to control all substantial decisions of the trust or (ii) the trust has a valid election in effect under applicable United States Treasury Regulations to be treated as a United States person. A “**non-United States Holder**” means any beneficial owner that is not a partnership and that is not a “**United States Holder**”.

If a partnership (including any entity treated as a partnership or other pass-through entity for United States federal income tax purposes) is a holder of a Bond, the United States federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of such partnership. Partners and partnerships should consult their tax advisors as to the particular federal income tax consequences applicable to them.

## ***United States Holders***

### ***Accelerated Accrual***

United States Holders that use an accrual method of accounting for tax purposes generally will be required to include certain amounts in income no later than the time such amounts are reflected on certain financial statements. The application of this rule thus may require the accrual of income earlier than would be the case under the general tax rules described below. Although the precise application of this rule is not entirely clear, recently released proposed regulations which are not yet in effect but upon which taxpayers may rely, generally would exclude, among other items, original issue discount and market discount (in either case, whether or not de minimis) from the applicability of this rule. United States Holders that use an accrual method of accounting should consult with their tax advisors regarding the potential applicability of this legislation to their particular situation.

### ***Certain Additional Payments***

In certain circumstances (see “*Terms and Conditions of the Bonds—Redemption, Purchase and Cancellation—Redemption at the Option of the Issuer*”), we may be obligated to pay amounts on the Bonds that are in excess of stated interest or principal on the Bonds. Although the issue is not free from doubt, we intend to take the position that the possibility of such payments does not result in the Bonds being treated as contingent payment debt instruments under the applicable Treasury Regulations. Our position is binding on a United States Holder unless such holder discloses its contrary position in the manner required by applicable Treasury Regulations. However, our position is not binding on the IRS, and if the IRS were to take a contrary position, United States Holders may be required to treat any gain recognized on the sale or other disposition of the Bonds as ordinary income rather than as capital gain. Furthermore, United States Holders would be required to accrue interest income on a constant yield basis at an assumed yield determined at the time of issuance of the Bonds, with adjustments to such accruals when any contingent payments are made that differ from the payments calculated based on the assumed yield. United States Holders are urged to consult their tax advisors regarding the potential application to the Bonds of the contingent payment debt instrument rules and the consequences thereof. The remainder of this discussion assumes that the Bonds will not be treated as contingent payment debt instruments.

### ***Interest Accrual on the Bonds***

Payments of stated interest on the Bonds will be taxable to a United States Holder as ordinary interest income at the time such holder receives or accrues such amounts in accordance with its regular method of tax accounting.

Should any non-United States tax be withheld, the amount withheld and the amount of additional amounts, if any, paid to a United States Holder will be included in such holder’s income at the time such amount is received or accrued in accordance with such holder’s method of tax accounting. If the non-United States withholding tax is in the nature of an income tax and is treated as paid on behalf of the United States Holder, such tax will, subject to limitations and conditions, be treated as foreign income tax eligible for credit against such holder’s United States federal income tax liability or, at such holder’s election, be eligible for deductions in computing taxable income. United States Holders should consult their tax advisors regarding the creditability or deductibility of any withholding taxes.

### ***Foreign Tax Credits; Source***

Interest income on a Bond generally will constitute “passive category income” for the purpose of computing the holder’s foreign tax credit allowable under United States federal income tax law.

### ***Sale or Other Disposition of the Bonds***

Upon the sale or other disposition of a Bond, a United States Holder will generally recognize a capital gain or loss equal to the difference, if any, between the amount realized and the holder’s adjusted tax basis in the Bond. Such gain or loss will be long-term capital gain or loss if the United States

Holder's holding period with respect to the Bonds disposed of is more than one year at such time. To the extent that amounts received include accrued but unpaid interest that the United States Holder has not yet included in income, such interest will not be taken into account in determining gain or loss, but will instead be taxable as ordinary interest income. The deductibility of capital losses is subject to limitations.

#### *Additional Bonds*

The State may issue additional bonds to be consolidated and form a single series with the 2025 Bonds, the 2030 Bonds or the 2050 Bonds then outstanding. See *"Terms and Conditions of the Bonds—Further Issues"*. The additional bonds, even if they are treated for non-tax purposes as part of the same series as the 2025 Bonds, the 2030 Bonds or the 2050 Bonds, in some cases may be treated as a separate series for United States federal income purposes. In such event, if the additional bonds are issued with original issue discount for United States federal income tax purposes, this may affect the market value of the 2025 Bonds, the 2030 Bonds or the 2050 Bonds, as the case may be, since such additional bonds may not be distinguishable from the outstanding 2025 Bonds, the outstanding 2030 Bonds or the outstanding 2050 Bonds.

#### *Information Reporting and Backup Withholding*

In general, payments of interest or principal and the proceeds from sales of Bonds held by a United States Holder will be required to be reported to the IRS unless the United States Holder is a corporation or other exempt recipient and, when required, demonstrates this fact. In addition, a United States Holder that is not an exempt recipient may be subject to backup withholding unless it provides a taxpayer identification number and otherwise complies with applicable certification requirements.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a holder's United States federal income tax liability and may entitle the holder to a refund, provided that the appropriate information is timely furnished to the IRS.

#### *Foreign Asset Reporting*

Certain United States Holders may be required to report information relating to an interest in the Bonds, subject to certain exceptions (including an exception for Bonds held in accounts maintained by certain financial institutions). This law also imposes penalties if a United States Holder is required to submit such information to the IRS and fails to do so. United States Holders are urged to consult their tax advisers regarding their information reporting obligations, if any, with respect to their ownership and disposition of Bonds.

#### ***Non-United States Holders***

##### *General*

Subject to the discussion below regarding information reporting and backup withholding, a non-United States Holder will generally not be subject to United States federal income taxation with respect to payments of interest on a Bond, or with respect to gain realized on the sale or other disposition of a Bond, unless:

- the non-United States Holder holds the Bond in connection with a United States trade or business and interest on the Bond is effectively connected with the conduct of such trade or business (and, in the event that a treaty applies, such non-United States Holder conducts business through a permanent establishment in the United States to which the interest on the Bond is attributable); or
- in the case of an individual, such individual is present in the United States for 183 days or more during the taxable year in which gain is realized and certain other conditions are met.

### *Information Reporting and Backup Withholding.*

A non-United States Holder not subject to United States income tax may nonetheless be subject to backup withholding and information reporting with respect to interest paid or accrued on the Bonds, unless the non-United States Holder provides the withholding agent with the applicable IRS Form W-8 or otherwise establishes an exemption. Non-United States Holders should consult their tax advisors as to their qualifications for an exemption from backup withholding and the procedure for obtaining such an exemption.

### **Qatari Taxation**

The following is a summary of the principal Qatari tax consequences of ownership of the Bonds by beneficial owners who or which are not incorporated in or residents of Qatar for Qatari tax purposes and do not conduct business activities in Qatar (“**Non-Qatari Holders**”). This summary of taxation in Qatar is based upon (i) the tax law of Qatar, (ii) the regulations thereunder and (iii) the practice that has been adopted and is applied by the Income Tax Department of the Ministry of Finance, each as in effect on the date of this Prospectus. The views expressed in this summary are subject to any subsequent change in Qatari law, regulations and practice that may come into effect as of such date.

Under the Income Tax Law, taxes are levied on a taxpayer’s income arising from activities in Qatar including tax on profits realized on any contract implemented in Qatar. Because the Bonds and the Fiscal Agency Agreement will be executed and delivered, and payments thereunder to Non-Qatari Holders will be made, outside Qatar, under current Qatari tax laws, payments of principal and interest on the Bonds by the State to Non-Qatari Holders will not be subject to Qatari income taxes. Further provisions of Qatari tax law provide that the revenue payable on the Bonds will not be subject to taxes.

The Income Tax Law does provide generally for withholding tax on interest payments made to non-residents. However, pursuant to the Income Tax Law, certain categories of interest will not be regarded as interest subject to withholding. One such exception is interest on bonds and securities issued by the State of Qatar and the public authorities, establishments and corporations owned by the State of Qatar. Therefore there will be no requirement under Qatari law to apply withholding tax on interest payments on the Bonds in Qatar.

Under current Qatari law, no Qatari stamp duty will be imposed on Non-Qatari Holders either upon the issuance of the Bonds or upon a subsequent transfer of the Bonds.

### **Republic of China Taxation**

*The following summary of certain taxation provisions under ROC law is based on current law and practice and that the 2050 Bonds will be issued, offered, sold and re-sold, directly or indirectly, to professional investors as defined under Paragraph 1 of Article 2-1 of the TPEX Rules only. It does not purport to be comprehensive and does not constitute legal or tax advice. Investors (particularly those subject to special tax rules, such as banks, dealers, insurance companies and tax-exempt entities) should consult with their own tax advisers regarding the tax consequences of an investment in the 2050 Bonds.*

#### *Interest on the 2050 Bonds*

As the State is not a Republic of China (“**ROC**”) statutory tax withholder, there is no ROC withholding tax on the interest or deemed interest to be paid on the 2050 Bonds.

Payments of any interest or deemed interest under the 2050 Bonds to an ROC individual holder are not subject to ROC income tax as such payments received by him/her are not considered to be ROC sourced income. However, such holder must include the interest or deemed interest received in calculating his/her basic income for the purpose of calculating his/her alternative minimum tax (“**AMT**”), unless the sum of the interest or deemed interest and other non-ROC sourced income received by such holder and the person(s) who is (are) required to jointly file the ROC income tax

return in a calendar year is below \$1 million New Taiwan Dollars (“NT\$”). If the amount of the AMT exceeds the annual income tax calculated pursuant to the ROC Income Basic Tax Act (also known as the AMT Act), the excess becomes such holder’s AMT payable.

ROC corporate holders must include any interest or deemed interest receivable under the 2050 Bonds as part of their taxable income and pay income tax at a flat rate of 20 per cent. (unless the total taxable income for a fiscal year is under NT\$120,000 or under), as they are subject to income tax on their worldwide income on an accrual basis. The AMT is not applicable.

Non-ROC corporate holders are not subject to ROC income tax or AMT on any interest or deemed interest receivable or received under the 2050 Bonds.

### *Sale of the 2050 Bonds*

In general, the sale of corporate bonds, financial bonds or other securities for public offering approved by the government of the ROC is subject to 0.1 per cent. securities transaction tax (“STT”) on the transaction price. However, Article 2-1 of the Securities Transaction Tax Act prescribes that STT will cease to be levied on the sale of corporate bonds and financial bonds from 1 January 2010 to 31 December 2026. Such Article 2-1 applies, *mutatis mutandis*, to the sale of foreign-currency denominated bonds issued by foreign governments and approved by the government of the ROC for public offering. The sale of the 2050 Bonds will be exempt from STT if the sale is conducted on or before 31 December 2026; otherwise STT will be applied for the sale of the 2050 Bonds. Starting from 1 January 2027, any sale of the 2050 Bonds will be subject to STT at 0.1 per cent. of the transaction price, unless otherwise provided by the tax laws or other governmental orders that may be in force at that time.

Capital gains generated from the sale of bonds are exempt from ROC income tax. Accordingly, ROC individual and corporate holders are not subject to ROC income tax on any capital gains generated from the sale of the 2050 Bonds. In addition, ROC individual holders are not subject to AMT on any capital gains generated from the sale of the 2050 Bonds. However, ROC corporate holders should include such capital gains in calculating their basic income for the purpose of calculating their AMT. If the amount of the AMT exceeds the annual income tax calculated pursuant to the ROC Income Basic Tax Act, the excess becomes the ROC corporate holders’ AMT payable. Capital losses, if any, incurred from the sale of the 2050 Bonds by such holders could be carried over 5 years to offset against capital gains of same category of income for the purposes of calculating their AMT.

Non-ROC corporate holders are not subject to ROC income tax on any capital gains generated from the sale of the 2050 Bonds. However, for non-ROC corporate holders with a fixed place of business (e.g., a branch) or a business agent in the ROC, their fixed place of business or business agent should include any such capital gains in calculating their basic income for the purpose of calculating AMT.

### **The Proposed Financial Transactions Tax**

On February 14, 2013, the European Commission published a proposal (the “**Commission’s proposal**”) for a Directive for a common financial transaction tax (“**FTT**”) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”). On March 16, 2016, Estonia formally withdrew from enhanced cooperation on FTT, leaving ten remaining participating Member States.

The Commission’s proposal has very broad scope and could, if introduced, apply to certain dealings in the Bonds (including secondary market transactions) in certain circumstances. The issuance and subscription of the Bonds should, however, be exempt. Under the Commission’s proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Bonds where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including: (i) by transacting with a person established in a participating Member State



or (ii) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

**PROSPECTIVE INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE APPLICATION TO THEIR PARTICULAR CIRCUMSTANCES OF UNITED STATES FEDERAL INCOME TAX LAWS, QATARI TAX OR THE FTT AS WELL AS ANY INCOME TAX CONSEQUENCES ARISING UNDER THE LAWS OF ANY STATE OR LOCAL TAXING JURISDICTION WITHIN THE UNITED STATES OR ANY OTHER NON-UNITED STATES TAXING JURISDICTION PRIOR TO MAKING AN INVESTMENT IN THE BONDS.**

## SUBSCRIPTION AND SALE

The State and the Banks listed in the first table below have entered into a subscription agreement dated April 8, 2020 with respect to the 2025 Bonds and the 2030 Bonds (the “**2025 Bonds and 2030 Bonds Subscription Agreement**”).

The State and each of Crédit Agricole Corporate and Investment Bank, Taipei Branch, Deutsche Bank AG, Taipei Branch and Standard Chartered Bank (Taiwan) Limited (together, the “**2050 Bonds Joint Bookrunning Managers**”) have entered into a subscription agreement dated April 8, 2020 with respect to the 2050 Bonds (the “**2050 Bonds Subscription Agreement**”). In addition, the State has entered into a structuring agent agreement dated April 8, 2020 with each of Barclays Bank PLC, J.P. Morgan Securities plc, QNB Capital LLC and UBS AG London Branch (the “**2050 Bonds Structuring Agents**”), in connection with certain structuring services performed by the Structuring Agents related to the issuance of the 2050 Bonds (the “**2050 Bonds Structuring Agent Agreement**”).

Subject to certain conditions, each of the Banks listed in the table below has severally agreed to subscribe for the number of 2025 Bonds and 2030 Bonds indicated in the table below.

	<b>Principal Amount of 2025 Bonds</b>	<b>Principal Amount of 2030 Bonds</b>
	<i>(in U.S.\$)</i>	
<b>Banks</b>		
Barclays Bank PLC	285,715,000	428,572,000
Crédit Agricole Corporate and Investment Bank	285,715,000	428,572,000
Deutsche Bank AG, London Branch	285,714,000	428,572,000
J.P. Morgan Securities plc	285,714,000	428,571,000
QNB Capital LLC	285,714,000	428,571,000
Standard Chartered Bank	285,714,000	428,571,000
UBS AG London Branch	285,714,000	428,571,000
<b>Total</b> .....	2,000,000,000	3,000,000,000

Subject to certain conditions, each of the 2050 Bonds Joint Bookrunning Managers has severally agreed to subscribe for the number of 2050 Bonds indicated in the table below.

	<b>Principal Amount of 2050 Bonds</b>
	<i>(in U.S.\$)</i>
<b>Banks</b>	
Crédit Agricole Corporate and Investment Bank, Taipei Branch	100,000,000
Deutsche Bank AG, Taipei Branch	4,559,000,000
Standard Chartered Bank (Taiwan) Limited	341,000,000
<b>Total</b> .....	5,000,000,000

The 2050 Bonds Structuring Agents are acting as structuring agents in connection with the offering of the 2050 Bonds. The 2050 Bonds Structuring Agents are not licensed or regulated entities in the ROC, and accordingly, none of the 2050 Bonds Structuring Agents has offered or sold, or will subscribe for or sell or underwrite, any of the 2050 Bonds offered, sold or re-sold hereby.

The purchase price for the 2025 Bonds will be the issue price of 3.400% of the principal amount of the 2025 Bonds, the purchase price for the 2030 Bonds will be the issue price of 3.750% of the principal amount of the 2030 Bonds, and the purchase price for the 2050 Bonds will be the issue price of 4.400% of the principal amount of the 2050 Bonds. The 2025 Bonds and 2030 Bonds Subscription Agreement entitles the Banks party thereto to cancel the issue of the 2025 Bonds and the 2030 Bonds

in certain circumstances prior to payment to the State. The 2050 Bonds Subscription Agreement entitles the 2050 Bonds Joint Bookrunning Managers to cancel the issue of the 2050 Bonds in certain circumstances prior to payment to the State.

The Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. Each Bank has agreed that it will only offer or sell the Bonds (a) in the United States to qualified institutional buyers in reliance on Rule 144A under the Securities Act and (b) outside the United States in offshore transactions in compliance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S and Rule 144A under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of such Bonds within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act if that offer or sale is made otherwise than in accordance with Rule 144A.

The State has given certain representations and warranties to the Banks in the 2025 Bonds and 2030 Bonds Subscription Agreement, the 2050 Bonds Subscription Agreement and the 2050 Bonds Structuring Agent Agreement. In addition, the State has agreed to indemnify the Banks against certain liabilities in connection with the offer and sale of the Bonds, including liabilities under the Securities Act. The State will also reimburse the Banks in respect of certain of their expenses incurred in connection with the offer and sale of the Bonds.

The Banks and their affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Banks and their affiliates have from time to time performed, and in the future may perform, various financial advisory, commercial banking and investment banking services for the State and its affiliates, for which they have received and/or will receive fees and expenses.

The State, through the QIA owns 50% of the ordinary share capital of Qatar National Bank S.A.Q., which owns 100% of the ordinary share capital of QNB Capital LLC, one of the Banks of the offering.

The State, through Qatar Holding LLC (a wholly owned subsidiary of the QIA) owns approximately 5.4% of the ordinary share capital of Barclays PLC, which is the parent company of Barclays Bank PLC, one of the Banks of the offering.

The State, through Qatar Holding LLC (a wholly owned subsidiary of the QIA) owns approximately 5.21% of the ordinary share capital of Credit Suisse Group AG, which is the parent company of Credit Suisse Securities (Europe) Limited, one of the Banks of the offering.

Any of the Banks and/or their subsidiaries and affiliates may act as a market maker in the financial instruments of the State and may act as underwriter, placement agent, advisor or lender to the State or its affiliates. The Banks and/or their affiliates, subsidiaries or employees may hold a position in any securities or financial instruments mentioned herein for their own account or deal in any other financial instruments of the State in the ordinary course of their various business activities, and may offer or sell financial instruments of the State otherwise than in connection with the offering contemplated herein. The Banks and/or their affiliates, subsidiaries or employees are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so.

## **United Kingdom**

Each Bank has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of the Bonds in circumstances in which section 21(1) of the FSMA does not apply to the State; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

## **Republic of China**

Each Bank has represented and agreed that the Bonds have not been, and shall not be, offered, sold or re-sold, directly or indirectly to investors other than “professional investors” as defined under Paragraph 1 of Article 2-1 of the TPEX Rules. Purchasers of the Bonds are not permitted to sell or otherwise dispose of the Bonds except by transfer to a professional investor.

## **Singapore**

Each Bank has acknowledged that this Prospectus has not been, and will not be, registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Bank has represented and agreed that it has not offered or sold any Bonds or caused such Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell such Bonds or cause such Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Bonds, whether directly or indirectly, to persons in Singapore other than: (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;

- (iii) where the transfer is by operation of law; or
- (iv) as specified in Section 276(7) of the SFA.

#### **State of Qatar (excluding the Qatar Financial Centre)**

Each Bank has represented and agreed that it has not offered, sold or delivered, and will not offer or sell or deliver at any time, directly or indirectly, any Bonds in the State of Qatar, except: (i) in compliance with all applicable laws and regulations of the State of Qatar; and (ii) through persons or corporate entities authorized and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar.

#### **State of Kuwait**

Each Bank has represented and agreed that the Bonds have not been licensed for offering in the State of Kuwait by the Kuwait Capital Markets Authority or any other relevant Kuwaiti government agency. The offering of the Bonds in the State of Kuwait on the basis of a private placement or public offering is, therefore, restricted in accordance with Decree Law No. (31) of 1990, as amended, and Law No. (7) of 2010 and the bylaws thereto, as amended governing the issue, offering and sale of securities. No private or public offering of the Bonds is being made in the State of Kuwait and no agreement relating to the sale of the Bonds will be concluded in the State of Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Bonds in the State of Kuwait.

#### **General**

Other than the actions taken or to be taken for the listing of the 2050 Bonds on the TPEX, which under the relevant laws and regulations of the ROC will be deemed to be a public offering in the ROC, no action has been taken or will be taken in any jurisdiction by the Banks or the State that would permit a public offering of the Bonds, or possession or distribution of this Prospectus or supplement thereto or any other offering or publicity material relating to the Bonds, in any country or jurisdiction where action for that purpose is required. Each Bank has represented and agreed that it will comply with all applicable laws and regulations in each jurisdiction in which it offers, sells or delivers Bonds or has in its possession or distributes any Prospectus or supplement thereto or any other offering material.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and a Bank or any affiliate of that Banks is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Bank or its affiliate on behalf of the State in such jurisdiction.

Persons into whose hands this Prospectus comes are required by the State and the Banks to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Bonds or have in their possession, distribute or publish this Prospectus or any other offering material relating to the Bonds, in all cases at their own expense.

## TRANSFER RESTRICTIONS

Each purchaser of Bonds offered hereby will be deemed to have represented and agreed and acknowledged as follows (terms used herein that are defined in Rule 144A or in Regulation S are used herein as defined therein):

1. It understands that the Bonds have not been registered under the Securities Act or any other applicable securities laws and that the Bonds are being offered for resale in transactions not requiring registration under the Securities Act or any other securities laws and, unless so registered, may not be offered, sold, pledged or otherwise transferred except pursuant to a registration statement under the Securities Act and in compliance with any other applicable securities law, pursuant to an exemption therefrom, or in a transaction not subject thereto, and in each case in compliance with the conditions for transfer set forth in paragraph 6 below.
2. It is not an “affiliate” (as defined in Rule 144 under the Securities Act) of the State or acting on behalf of the State and (A)(i) is a qualified institutional buyer, (ii) is acquiring the Bonds for its own account or for the account of a qualified institutional buyer, and (iii) is aware, and each beneficial owner of such Bonds has been advised, that the sale of the Bonds to it is being made in reliance on Rule 144A or (B) it is purchasing Bonds in an offshore transaction in compliance with Regulation S under the Securities Act.
3. It understands and agrees that if in the future it decides to resell, pledge or otherwise transfer any Bonds or any beneficial interests in any Restricted Global Bonds, such Bonds may be resold, pledged or transferred only (A) by an initial investor (i) to the State, or an affiliate of the State (as defined in Rule 144 of the Securities Act), (ii) to a person whom the seller reasonably believes is a qualified institutional buyer that purchases for its own account or for the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A under the Securities Act, (iii) in an offshore transaction meeting the requirements of Rule 903 or Rule 904 of Regulation S under the Securities Act, (iv) pursuant to an exemption from registration under the Securities Act provided by Rule 144 under the Securities Act (if available) (resales described in sub clauses (i) through (iv) of this paragraph (A), “**Permitted Resales**”), or (v) pursuant to an effective registration statement under the Securities Act, or (B) by a subsequent investor in a Permitted Resale or pursuant to any other available exemption from the registration requirements under the Securities Act (provided that, as a condition to the registration of transfer of any Bonds otherwise than in a Permitted Resale, the State may require delivery of any documents or other evidence (including but not limited to an opinion of counsel) that it, in its sole discretion, may deem necessary or appropriate to evidence compliance with such exemption), and in each of such cases, in accordance with any applicable securities laws of any state of the United States and any other jurisdiction.
4. It agrees to, and each subsequent holder is required to, notify any purchaser of the Bonds from it of the resale restrictions referred to in paragraph 3 above, if then applicable.
5. It understands and agrees that (A) Bonds initially offered in the United States to qualified institutional buyers will be represented by the Restricted Global Bonds and (B) that Bonds offered outside the United States in reliance on Regulation S will be represented by the Unrestricted Global Bonds.
6. It understands that the Restricted Global Bonds and any Restricted Certificates offered hereby will bear a legend to the following, or similar effect, unless the State determines otherwise in accordance with applicable law:

THE BONDS IN RESPECT OF WHICH THIS CERTIFICATE IS ISSUED HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933 (THE “**SECURITIES ACT**”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES OR ANY OTHER

JURISDICTION, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO THE ISSUER OR AN AFFILIATE OF THE ISSUER, (2) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT, (3) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATIONS UNDER THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, AND, IN EACH OF CASES (2) TO (5) INCLUSIVE, IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION, AND THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THE BONDS IN RESPECT OF WHICH THIS CERTIFICATE IS ISSUED FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR REALES OF THE BONDS IN RESPECT OF WHICH THIS CERTIFICATE IS ISSUED.

7. It acknowledges that, prior to any transfer of Bonds or of beneficial interests in Global Bonds, the holder of Bonds or the holder of beneficial interests in Global Bonds, as the case may be, may be required to provide certifications and other documentation relating to the manner of such transfer and submit such certifications and other documentation as provided in the Fiscal Agency Agreement.
8. It acknowledges that the State, the Banks and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements set forth herein and agrees that, if any of the acknowledgments, representations or agreements deemed to have been made by virtue of its purchase of the Bonds are no longer accurate, it shall promptly notify the State and the Banks in writing, and if it is acquiring any Bonds as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
9. It understands that no representation can be made as to the availability of the exemption provided by Rule 144 under the Securities Act for resales of the Bonds. Because the State is permitted to issue additional bonds which may be consolidated and form a single series of bonds with the 2025 Bonds, the 2030 Bonds or the 2050 Bonds offered hereby, the start of the applicable holding period under Rule 144, as applicable to all of the relevant series of Bonds, could be deferred until after the date of any such additional issues. Consequently, any issue of such additional bonds could have the effect of deferring the availability of Rule 144 for purchasers of such series of Bonds for a substantial period of time.

## GENERAL INFORMATION

1. The Bonds have been accepted for clearance through the facilities of DTC, Euroclear and Clearstream, Luxembourg. The State's LEI is 52990074F6OJOAXK4P65. The ISINs, common codes and CUSIP for each series of Bonds are set forth below:

Unrestricted Global Bond for the 2025 Bonds	ISIN: XS2155352151 Common Code: 215535215
Restricted Global Bonds for the 2025 Bonds	ISIN: US74727PBC41 CUSIP: 74727P BC4
Unrestricted Global Bond for the 2030 Bonds	ISIN: XS2155352664 Common Code: 215535266
Restricted Global Bonds for the 2030 Bonds	ISIN: US74727PBD24 CUSIP: 74727P BD2
Unrestricted Global Bond for the 2050 Bonds	ISIN: XS2155352748 Common Code: 215535274
Restricted Global Bonds for the 2050 Bonds	ISIN: US74727PBE07 CUSIP: 74727P BE0

2. If beneficial interests in the Global Bonds are exchanged for individual definitive certificates and any of the Bonds are listed on the official list of the Luxembourg Stock Exchange, the State will appoint a paying agent in Luxembourg.
3. Estimated total expenses related to admission to trading on the Luxembourg Stock Exchange are approximately EUR 30,000.
4. The State has obtained all necessary consents, approvals and authorizations in connection with the issue and performance of its obligations under the Bonds. The issue of the Bonds by the State was authorized by Emiri Decision No. 16 of 2020.
5. There has been no significant change (i) in the information set out in this Prospectus under "*The Economy of Qatar*", "*Public Finance*", "*Balance of Payments*", "*Indebtedness*", since September 30, 2019 and (ii) in the information set out in this Prospectus under "*Overview of the State of Qatar*" and "*Monetary and Financial System*", and "*Balance of Payments – Foreign Trade*", since December 31, 2019.
6. The State is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the State is aware) during the period covering the previous twelve months which may have, or have had in the recent past, a significant effect on the State's financial position or which are material in the context of the Bonds.
7. The State does not publish audited financial statements.
8. Copies of the following documents (or, pending execution thereof, drafts thereof subject to modification) will, for so long as any of the Bonds are listed on the Luxembourg Stock Exchange, be made available during usual business hours on any weekday (except Saturdays and public holidays) at the offices of the Fiscal Agent:
  - (a) the Fiscal Agency Agreement, incorporating the forms of the Bonds;
  - (b) an English translation of Emiri Decision No. 16 of 2020; and
  - (c) the English language Quarterly Statistical Bulletins as at December 31, 2019 published by the QCB.

This Prospectus will be published on the website of the Luxembourg Stock Exchange, <https://www.bourse.lu/issuer/Qatar/41759>. Any websites referred to in this Prospectus are for



information purposes only. The information in such websites does not form any part of this Prospectus and has not been scrutinized or approved by the competent authority.

9. The telephone number of the Ministry of Finance (through which the State is acting) is +974 444 61 444.
10. The yield on the 2025 Bonds will be 3.468% per annum, the yield on the 2030 Bonds will be 3.773% per annum and the yield on the 2050 Bonds will be 4.400% per annum.
11. The State of Qatar has been rated “AA-” with a stable outlook by S&P Global Ratings, a division of S&P Global Inc. (“**S&P**”), of “AA-” with a stable outlook by Fitch Ratings, Ltd. (“**Fitch**”), and of “Aa3” with a stable outlook by Moody’s Investors Service, Inc., a subsidiary of Moody’s Corporation (“**Moody’s**”). It is expected that the Bonds will be rated “AA-” by S&P, “AA-” by Fitch and “Aa3” by Moody’s. Each of S&P, Moody’s and Fitch is established in the European Union and registered under Regulation 1060/2009/EC on Credit Rating Agencies, as amended by Regulation (EU) No 462/2013 (the “**CRA Regulation**”). Each of S&P, Moody’s and Fitch is included in the list of credit rating agencies registered in accordance with the CRA Regulation as of the date of this Prospectus. This list is available on the website of the European Securities and Market Authority, <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>.

According to the ratings definitions of Moody’s, S&P and Fitch that are available as of the date of this Prospectus, the ratings assigned to the State and the bonds, as applicable have the following meanings:

- Pursuant to S&P’s ratings definitions, long-term obligations rated “AA” indicate the obligor’s capacity to meet its financial commitments on the obligations is very strong. A modifier of “+” or “-” shows relative standing within the rating category. An outlook of “stable” means that a rating is not likely to change.
- Pursuant to Moody’s ratings definitions, long-term obligations rated “Aa” are judged to be of high quality and are subject to very low credit risk. The modifier “3” indicates that the obligation ranks in the lower end of its rating category. A “stable” outlook means that the issuer or security, as applicable, has a low likelihood of a rating change over the medium term.
- Pursuant to Fitch Ratings’ ratings definitions, an ‘AA’ rating in respect of long-term obligations denotes expectations of very low default risk. The capacity for payment of financial commitments is considered very strong and not significantly vulnerable to foreseeable events. The addition of a “-” denotes relative status within the category. An outlook of “stable” indicates that a rating is not likely to change over a one- to two-year period.

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning credit rating agency. There is no guarantee that any rating of the State and/or the bonds assigned by any such credit rating agency will be maintained by the State following the date of this Prospectus. The State may seek to obtain ratings of the State and/or the bonds from other credit rating agencies.

**ISSUER**

**State of Qatar**  
**acting through the Ministry of Finance**  
P.O. Box 83  
Doha Qatar

**FISCAL AGENT AND PRINCIPAL PAYING AGENT**

**Deutsche Bank AG, London Branch**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

**U.S. PAYING AGENT, U.S. REGISTRAR AND U.S. TRANSFER AGENT**

**Deutsche Bank Trust Company Americas**  
Trust and Agency Services  
60 Wall Street, 24th Floor  
Mail Stop: NYC60-2405  
New York, New York 10005  
United States

**EURO REGISTRAR AND EURO TRANSFER AGENT**

**Deutsche Bank Luxembourg S.A.**  
2, Boulevard Konrad Adenauer  
1115 Luxembourg  
Luxembourg

**LEGAL ADVISORS**

*To the State of Qatar*

*As to New York and United States law:*

**White & Case LLP**  
Alfardan Office Tower, 7th Floor  
P.O. Box 22027  
West Bay, Doha  
Qatar

*To the Banks*

*As to New York and United States law:*

**Skadden, Arps, Slate, Meagher & Flom (UK) LLP**  
40 Bank Street  
London E14 5DS  
United Kingdom

*As to Qatari law:*

**Sharq Law Firm**  
Alfardan Office Tower, 17<sup>th</sup> Floor  
P.O. Box 6997  
West Bay, Doha  
Qatar

**LISTING AGENT**

**Deutsche Bank Luxembourg S.A.**  
2, Boulevard Konrad Adenauer  
1115 Luxembourg  
Luxembourg

**JOINT LEAD MANAGERS AND JOINT BOOKRUNNERS  
FOR THE 2025 BONDS AND THE 2030 BONDS**

**Barclays Bank PLC**  
5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom

**Crédit Agricole Corporate and Investment Bank**  
12 place des Etats-Unis  
CS 70052 92547  
Montrouge Cedex  
France

**Deutsche Bank AG, London Branch**  
One Cabot Square  
London E14 4QJ  
United Kingdom

**J.P. Morgan Securities plc**  
25 Bank Street  
Canary Wharf  
London E14 5JP  
United Kingdom

**QNB Capital LLC**  
Level 3  
QNG Msheireb Downtown  
PO Box 1000, Doha  
State of Qatar

**Standard Chartered Bank**  
One Basinghall Avenue  
London EC2V 5DD  
United Kingdom

**UBS AG London Branch**  
5 Broadgate  
London EC2M 2QS  
United Kingdom

**JOINT BOOKRUNNING MANAGERS FOR THE 2050 BONDS**

**Crédit Agricole Corporate and  
Investment Bank, Taipei Branch**  
16F, Hung Kuo Building  
No. 167, Tun Hua North Road  
Taipei 10549  
Taiwan

**Deutsche Bank AG, Taipei Branch**  
10 F, 296, Jen-Ai Road Sec. 4  
Taipei 106, Taiwan  
Republic of China

**Standard Chartered Bank (Taiwan) Limited**  
*(Lead Manager)*  
1F, No. 168, Tun Hua North Road  
Taipei, Taiwan  
Republic of China

**STRUCTURING AGENTS FOR THE 2050 BONDS**

**Barclays Bank PLC**  
5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom

**J.P. Morgan Securities plc**  
25 Bank Street  
Canary Wharf  
London E14 5JP  
United Kingdom

**QNB Capital LLC**  
Level 3  
QNG Msheireb Downtown  
PO Box 1000, Doha  
State of Qatar

**UBS AG London Branch**  
5 Broadgate  
London EC2M 2QS  
United Kingdom