



The Next Growth Phase of The Qatar Economy

Joannes Mongardini, Ph.D.
Head of Economics

The Euromoney Qatar Conference
December 10, 2013

Key Takeaways

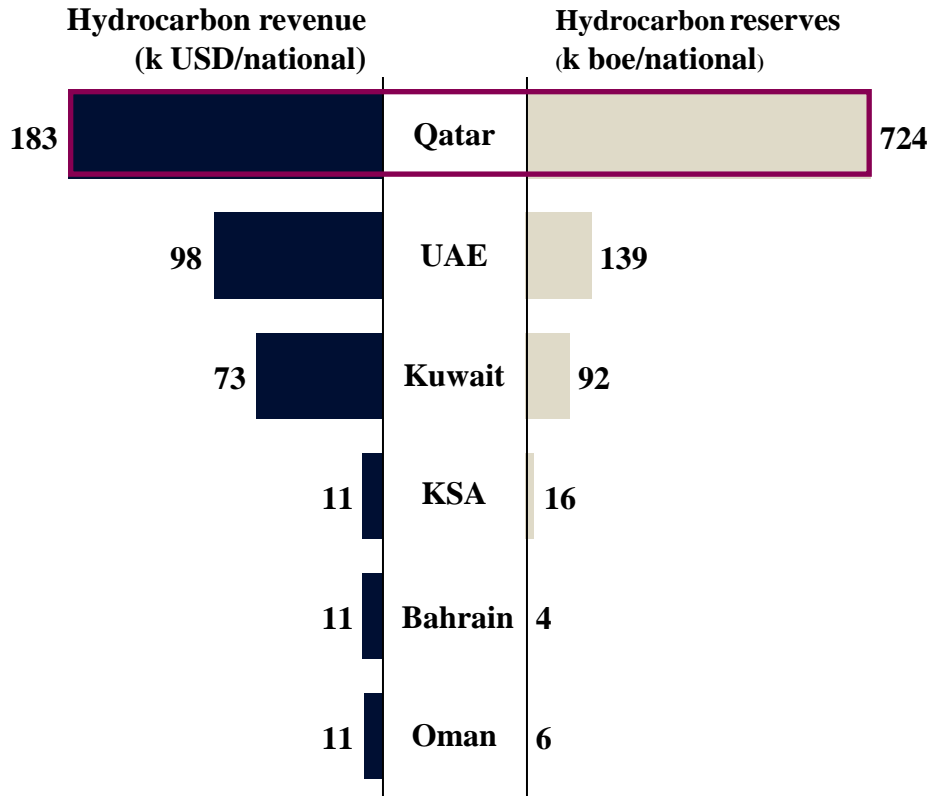
- The expansion of the hydrocarbon sector over the last 20 years has made Qatar **the richest country with the highest savings rate in the world**
- The economy has now embarked on **a new growth phase** to diversify its economy through infrastructure, manufacturing and services
- In line with its 2030 National Vision, the **development of its human capital** will drive Qatar's growth momentum forward



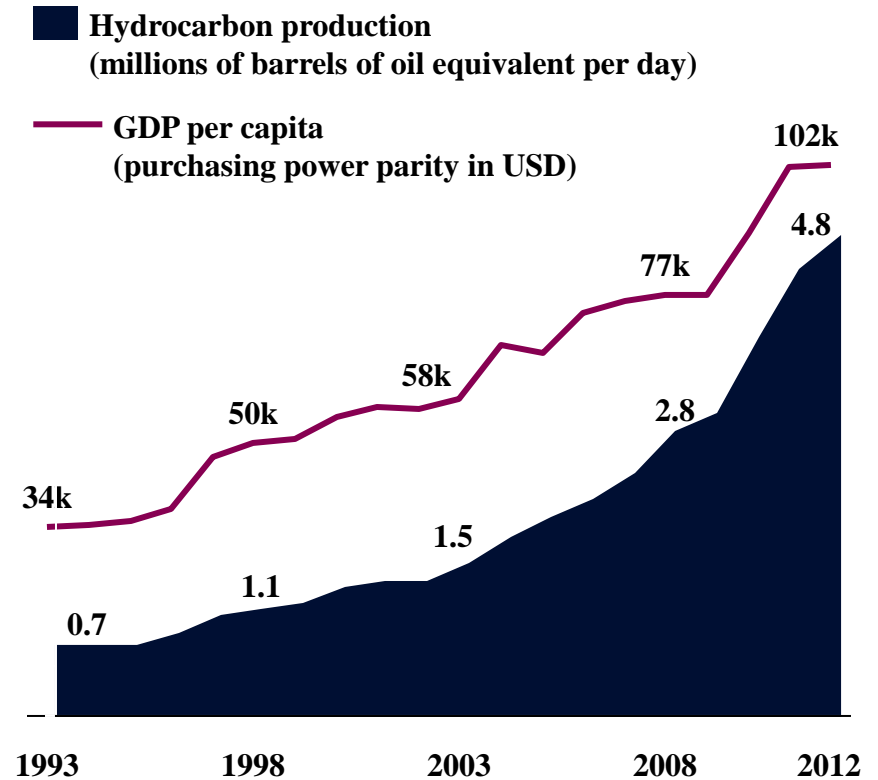
1. The Hydrocarbon Phase

Its large oil and gas wealth has made Qatar the richest country...

GCC Oil and Gas Wealth Per National (2012)



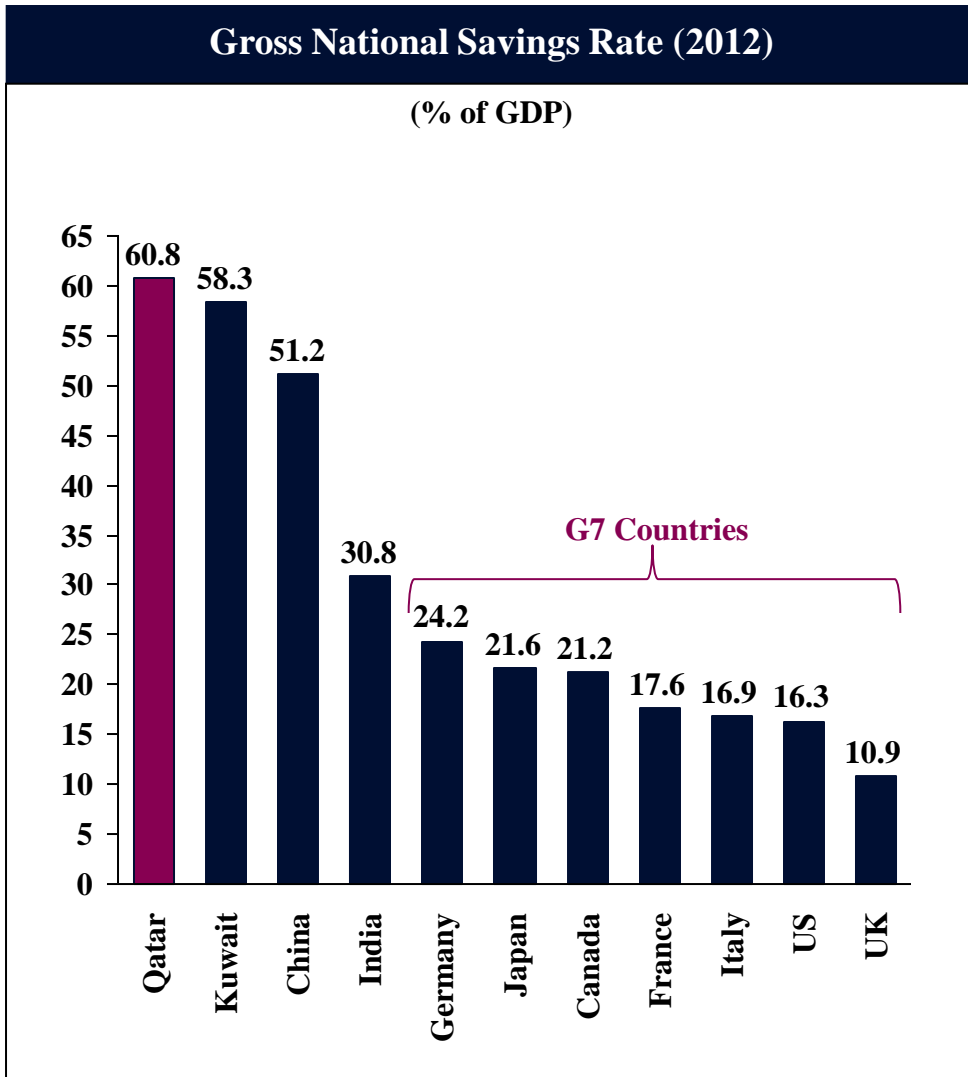
Hydrocarbon Production and Per Capita GDP (1993-2012)



• At current extraction rates, Qatar's gas and oil wealth will last at least another 160 years

• A moratorium on further explorations of the North Field until 2015 will reduce hydrocarbon growth over the next few years

...with the highest savings rate in the world



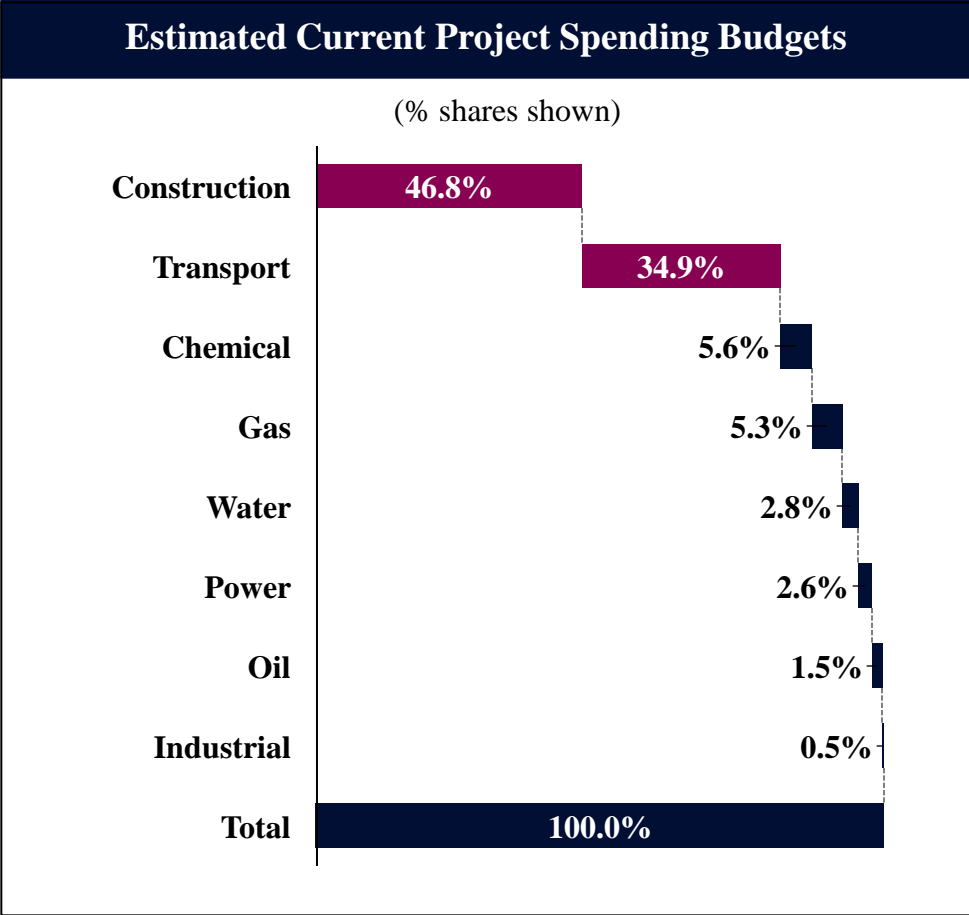
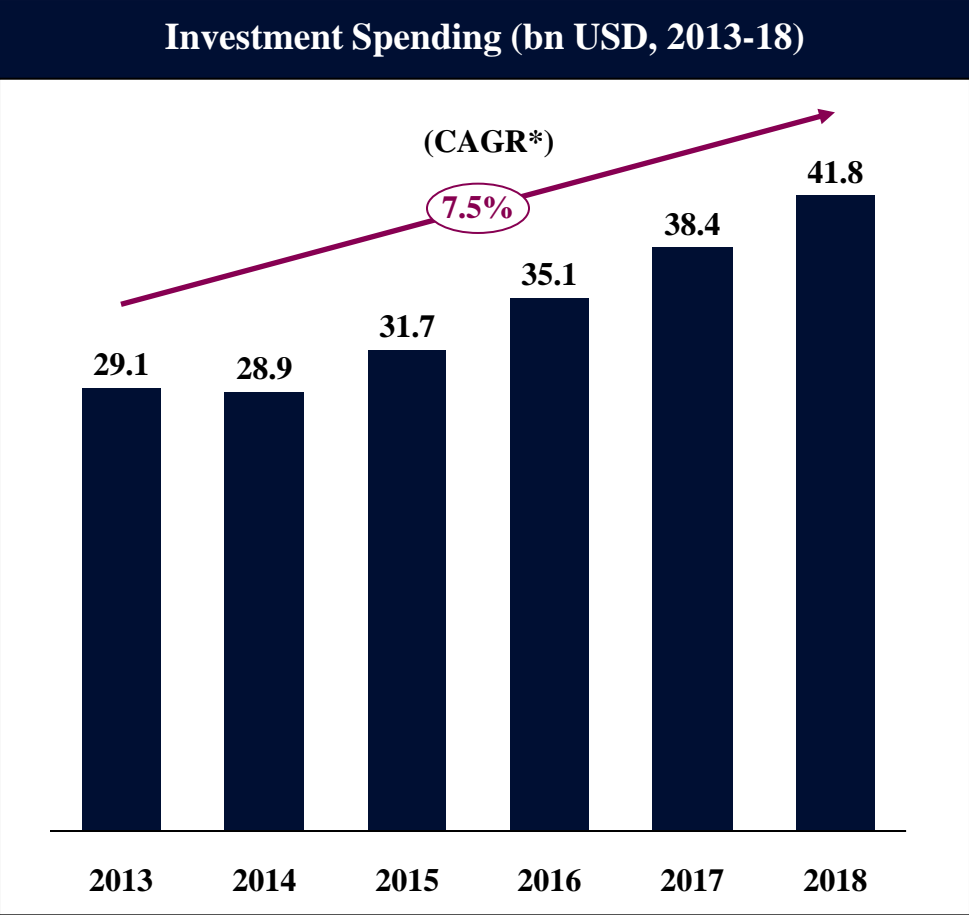
Commentary

- With the highest savings rate in the world, Qatar has a **large potential for further growth** through domestic investments in the non-hydrocarbon sector
- Critical to this growth potential is the **role of the financial sector**



2. The Diversification Phase

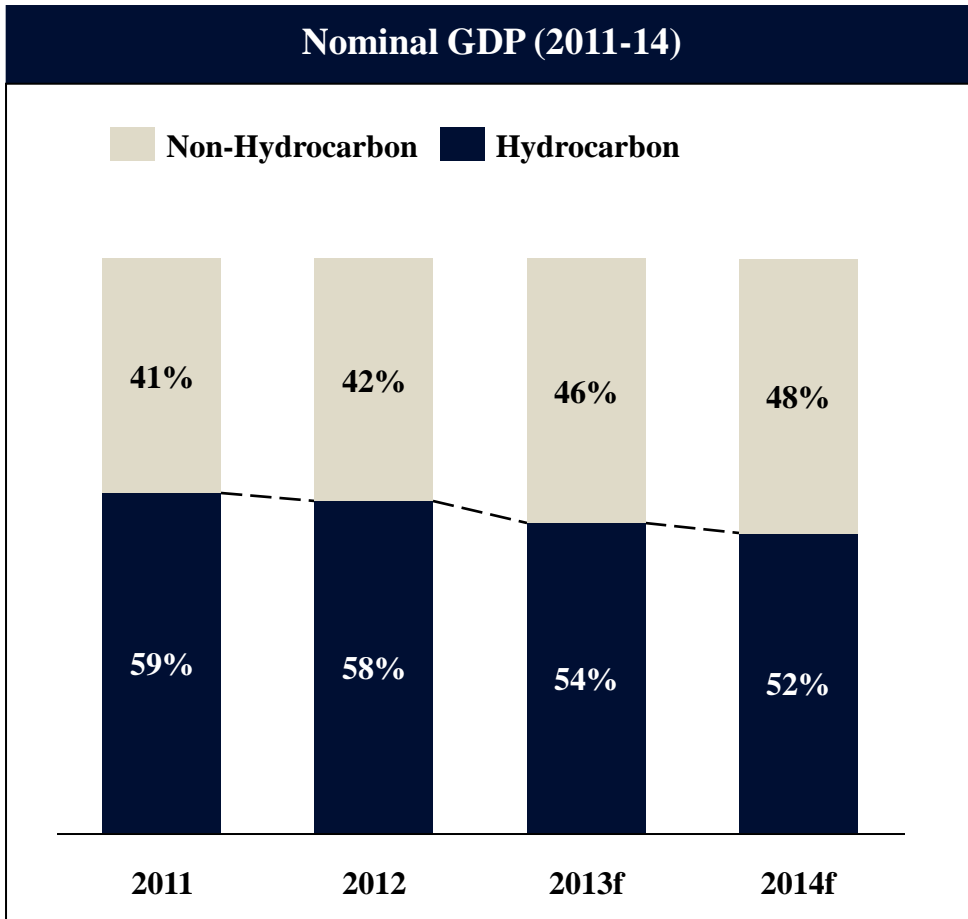
The large projected increase in investment spending in construction, transport and petrochemicals...



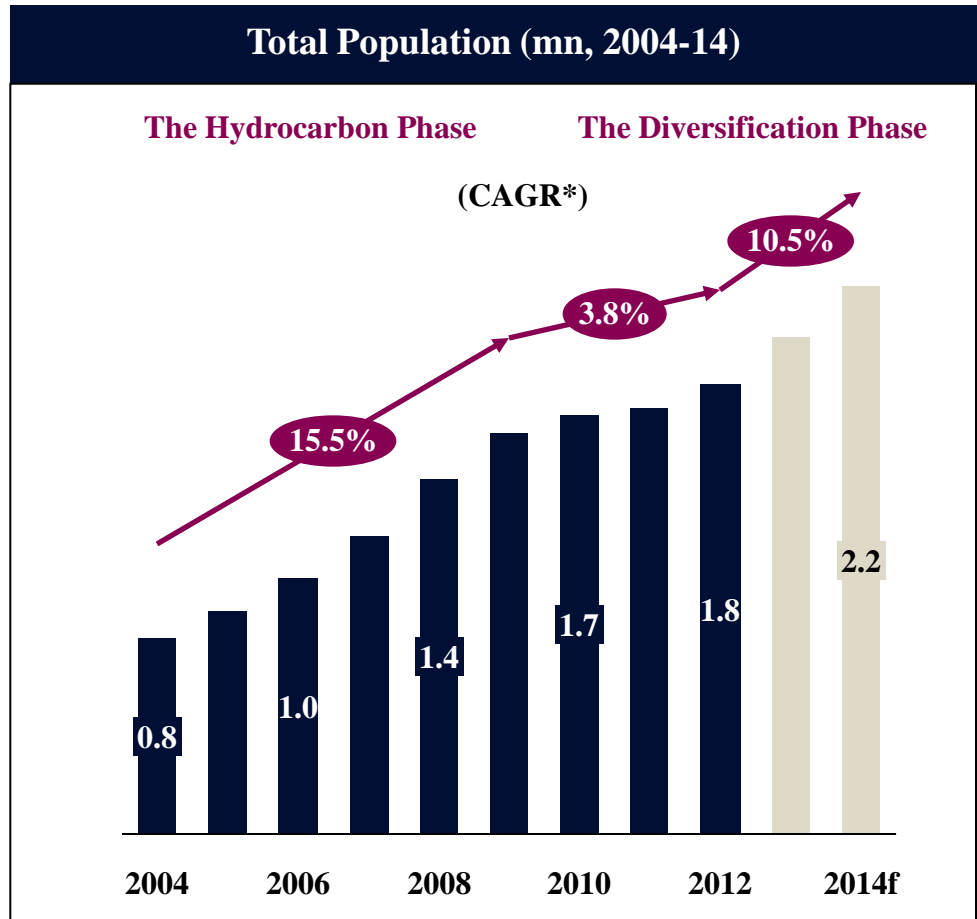
• The large increase in investment spending is likely to **create 240k jobs** over 2013-14 alone

• Most investment spending will be in **construction, transport and petrochemical sectors**

...leading to a significant diversification of the economy and a new population wave



• The share of the non-hydrocarbon sector will account for **nearly half of GDP by 2014**



• The diversification phase is creating a **significant pool of human capital**



3. What Next: The Human Capital Phase

The next phase of growth will depend less on hydrocarbon wealth, infrastructure or physical capital, and more on human capital

The Human Capital Phase



The House of Wisdom (بيت الحكمة)
Baghdad, 833-1258

Commentary

- Future economic growth will critically depend on **human capital** countries will be able to develop and retain
- In line with its National Vision 2030, Qatar can become a **center of intellectual excellence, research and development and innovation**
- **Human capital development** will therefore be essential to sustain economic growth