Qatar: Background and U.S. Relations

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Summary

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

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

Following joint military operations during Operation Desert Storm in 1991, Qatar and the United States concluded a defense cooperation agreement that has been subsequently expanded and was renewed in 2013. In 2003, the U.S. Combat Air Operations Center for the Middle East moved from Prince Sultan Airbase in Saudi Arabia to Qatar’s Al Udeid airbase southwest of Doha, the Qatari capital. Al Udeid and other facilities in Qatar serve as logistics, command, and basing hubs for the U.S. Central Command (CENTCOM) area of operations. U.S. officials have described Qatar’s counterterrorism cooperation since 2001 as significant, but Administration officials and some Members of Congress remain critical of Qatar’s efforts to combat reported support for Al Qaeda and other violent extremist groups by some Qatari citizens.

According to the 2013 U.S. State Department Country Report on Human Rights in Qatar, principal U.S. human rights concerns included the “inability of citizens to change their government peacefully, restriction of fundamental civil liberties, and pervasive denial of noncitizen workers’ rights.” Political parties remain prohibited and civil liberties remain restricted. According to the report, “The government made efforts to prevent and eliminate forced labor, although the existence of the restrictive sponsorship system left some migrant workers vulnerable to exploitation.” These concerns are drawing increased attention as Qatar implements large scale infrastructure projects in preparation for hosting the 2022 FIFA World Cup.

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

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

Of the country’s approximately 2.1 million people, roughly 15% are citizens; the rest are foreign residents and temporary laborers. Qatar’s small native population is not publicly restive, and members of the fluid expatriate population of more than 1.7 million have no political rights. Public debate on some issues has been encouraged, although recent U.S. State Department human rights reports have noted Qatar’s ban on political parties and restrictions on freedom of speech, press, assembly, association, and religion for citizens and noncitizens alike.

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

A broad shift in government leadership accompanied the 2013 transition and suggests that changes were managed in order to accommodate the interests of others than the emir and his immediate family. The emir appoints members of his extended family and other leading figures to a governing Council of Ministers, which serves as the national cabinet (see Table 1 below).

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

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

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1 Treaties signed in 1868 and 1916 between the Al Thani family and the United Kingdom recognized the Al Thani family’s authority in Qatar but placed mutually agreed restrictions on Qatari sovereignty from 1868 through 1971.

2 The State Department 2014 Investment Climate Statement on Qatar estimated that there were approximately 250,000 Qatari citizens, “less than one-eighth of the total population.”
...we respect all sincere and active political trends in the region but we are not supportive of a trend against another. We are Muslims and Arab; we respect the diversity of religious schools of thoughts and respect all religions in our country and abroad. As Arabs, we reject dividing the Arab communities based on sectarianism or doctrine because this affects social and economic immunity and prevents its modernization and development on the basis of citizenship regardless of religious sects or thoughts.

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

Figure 1. Qatar: Map and Country Data

<table>
<thead>
<tr>
<th>AREA AT A GLANCE</th>
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<tbody>
<tr>
<td><strong>QATAR</strong></td>
</tr>
<tr>
<td><strong>Area:</strong> 11,586 sq km (slightly smaller than Connecticut)</td>
</tr>
<tr>
<td><strong>Population:</strong> 2.12 million (July 2014 est.), of which non-Qatari — 85%</td>
</tr>
<tr>
<td><strong>Literacy:</strong> 95.3%</td>
</tr>
<tr>
<td><strong>Religion:</strong> Muslim 77.5%, Christian 8.5%, other 14% (2004 Census)</td>
</tr>
<tr>
<td><strong>Ethnic Groups:</strong> Arab 60%, Pakistani 18%, Indian 10%, Iranian 10%, other 14%</td>
</tr>
<tr>
<td><strong>GDP:</strong> $102,100 per capita (based on $198.7 billion GDP PPP) (2013 est.)</td>
</tr>
<tr>
<td><strong>Public Debt/Budget Surplus:</strong> 30.6% of GDP/9.1% of GDP (2013 est.)</td>
</tr>
</tbody>
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**Sources:** Graphic created by CRS. Boundaries and cities generated by Hannah Fischer using data from Department of State, ERI, and Google Maps (all 2013). At-a-glance information: CIA, World Factbook, Qatar; Population percentage from the IMF; Armed Forces data from International Institute for Strategic Studies, Military Balance 2013.

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

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

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

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

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

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

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

U.S.-Qatar Relations and Issues before Congress

The United States opened its embassy in Doha in 1973, but U.S. relations with Qatar did not blossom until after the 1991 Persian Gulf War. In the late 1980s, the United States and Qatar engaged in a prolonged diplomatic dispute regarding Qatar’s black market procurement of U.S.-made Stinger anti-aircraft missiles.7 The dispute froze planned economic and military cooperation, and Congress approved a ban on arms sales to Qatar (§566(d), P.L. 100-461) until the months leading up to the 1991 Gulf War, when Qatar allowed coalition forces to operate from Qatari territory and agreed to destroy the missiles in question.8 In January 1991, Qatari armored forces helped coalition troops repel an Iraqi attack on the Saudi Arabian town of Kafji, on the coastal road leading south from Kuwait into Saudi Arabia’s oil-rich Eastern Province.9 In June 1992, Qatar signed a defense cooperation agreement with the United States, opening a period of close coordination in military affairs that has continued to the present. The United States promptly recognized the assumption of power by Shaykh Hamad in June 1995 and welcomed Qatar’s defense cooperation, as well as Shaykh Hamad’s modest political, economic, and educational reform efforts.

President Obama congratulated Emir Tamim upon his accession to the throne in June 2013, and Qatari-U.S. relations remain close, amid some differences over regional security questions. Qatari-U.S. defense relations have expanded to include cooperative defense exercises, equipment pre-positioning, and base access agreements. U.S. concerns regarding alleged material support for terrorist groups by some Qataris, including reported past support by a prominent member of the royal family, have been balanced over time by Qatar’s counterterrorism efforts and its broader, long-term commitment to host and support U.S. military forces active in Iraq, Afghanistan, and the rest of the CENTCOM area of responsibility. In December 2013, U.S. Secretary of Defense Chuck Hagel visited Doha, met with Emir Tamim, and signed a new 10-year defense cooperation agreement, followed in July 2014 by agreements for $11 billion in advanced arms sales.

Qatari officials are quick to point out their commitment to the general goal of regional peace and their support for U.S. military operations, even as they maintain ties to Hamas and others critical of Arab-Israeli peace negotiations. In June 2009, U.S. Ambassador to Qatar Joseph LeBaron explained Qatar’s policy in the following terms: “I think of it as Qatar occupying a space in the middle of the ideological spectrum in the Islamic world, with the goal of having doors open to it across that ideological spectrum. They have the resources to accomplish that vision, and that’s rare.”10 By all accounts, Qatar’s balancing strategy toward its relationship with the United States and regional powers such as Iran and Saudi Arabia is likely to persist, which may continue to

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


place Doha and Washington on opposing sides of some important issues even amid close cooperation on others.

The United States has provided limited counterterrorism assistance to Qatar to support the development of its domestic security forces, and the Export-Import Bank has provided over $2 billion in loan guarantees to support various natural gas development projects in Qatar since 1996. The Obama Administration has phased out U.S. foreign assistance and has not requested military construction funds for facilities in Qatar since FY2012. Qatar donated $100 million to victims of Hurricane Katrina in the U.S. Gulf states, and Qatari state entities and private individuals continue to make large investments in the United States. Several prominent U.S. universities have established satellite campuses in Doha at Qatar’s Education City, where Qatari, American, and other students pursue undergraduate and graduate coursework across a broad range of subjects.

In Congress, legislative action related to Qatar remains relatively limited with the exception of appropriations and authorization legislation that affects U.S. defense programs and congressional review of proposed foreign military sales to the Qatari military. Qatar’s foreign and domestic policies are monitored by congressional foreign affairs, defense, and intelligence committees, while Qatar’s resource wealth and associated economic clout fuels congressional interest in U.S.-Qatari trade and investment ties.

In the 113th Congress, H.Res. 297 would congratulate Emir Tamim “on his ascension to the throne”; express “thanks and appreciation” to Sheikh Hamad bin Khalifa Al Thani; and recognize “the continued friendship between the United States and the people of the State of Qatar.” H.Res. 682 would call on the United States government and U.S. corporations to prioritize the rights of migrant workers in dealing with Qatar, and would call on the government of Qatar to take added steps to protect and improve laborers’ rights, particularly in light of preparations for the 2022 Federation Internationale de Football Association (FIFA) World Cup.

A Congressional Caucus on Qatari-American Economic Strategic Defense, Cultural and Educational Partnership remains active.

**U.S. Military Cooperation and Foreign Assistance**

With its small territory and narrow population base, Qatar relies to a large degree on external cooperation and support for its security. With 11,800 personnel, Qatar’s armed forces are the second smallest in the Middle East, and in 2014, the government instituted mandatory short-term military training and service and long-term reserve service requirements for Qatari males aged 18 to 35.

A series of major proposed U.S. arms sales to Qatar since 2012 has marked a shift in Qatar’s defense planning toward the future use of advanced U.S. attack and transport helicopters and other weapons systems, including items for air defense and missile defense (see Table 2 below). Secretary Hagel visited Doha in July 2014 and announced the sale of more than $11 billion in weapons and air defense systems previously notified to Congress. The sale of Patriot missile

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11 Bahrain, with an estimated 11,000-member force, has the smallest.

batteries, Apache attack helicopters, and Javelin anti-tank missiles marks the highest value sale of
U.S. weaponry to date in 2014. Qatar’s purchase of U.S. weapons systems, including U.S. air and
missile defense systems, corresponds to trends that have seen increased interest in such systems
from other governments in the region, ostensibly to defend against potential missile attacks from
Iran. France has provided approximately 80% of Qatar’s existing arms inventory, including its
fighter aircraft. Some reports suggest that in 2013, Qatar delayed a final decision about
purchasing new fighter aircraft in order to consider revised proposals from potential U.S.
suppliers.

Qatar invested over $1 billion to construct the large Al Udeid air base southwest of Doha during
the 1990s; it had only a small air force of its own at the time. The U.S. Army Corps of Engineers
also awarded over $100 million dollars in Military Construction Air Force (MCAF) contracts for
the construction of U.S. storage, housing, service, command, and communication facilities.
Qatar’s financing and construction of some of the state-of-the-art air force base at Al Udeid and
its granting of permission for the construction of U.S.-funded infrastructure facilitated gradually
deeper cooperation with U.S. military forces.

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

<table>
<thead>
<tr>
<th>Items</th>
<th>Estimated Cost ($, million)</th>
<th>Notification Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>UH-60M BLACK HAWK Helicopters</td>
<td>$1,112</td>
<td>June 13, 2012</td>
</tr>
<tr>
<td>MH-60R and MH-60S SEAHAWK Helicopters</td>
<td>$2,500</td>
<td>June 26, 2012</td>
</tr>
<tr>
<td>AH-64D APACHE Block III Longbow Helicopters; Related Missiles</td>
<td>$3,000</td>
<td>July 12, 2012</td>
</tr>
<tr>
<td>HELLFIRE Missiles</td>
<td>$137</td>
<td>July 12, 2012</td>
</tr>
<tr>
<td>Terminal High Altitude Area Defense (THAAD) Fire Units</td>
<td>$6,500</td>
<td>November 5, 2012</td>
</tr>
<tr>
<td>PATRIOT Configuration-3 Missile Fire Units and Missiles</td>
<td>$9,900</td>
<td>November 7, 2012</td>
</tr>
<tr>
<td>M142 High Mobility Artillery Rocket System (HIMARS); M57 Army</td>
<td>$406</td>
<td>December 24, 2012</td>
</tr>
<tr>
<td>Tactical Missile System (ATACMS) Block I A T2K Rockets; M31A1 Guided Multiple Launch Rocket System (GMLRS) Rockets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Javelin Guided Missiles</td>
<td>$122</td>
<td>March 28, 2013</td>
</tr>
<tr>
<td>Large Aircraft Infrared Countermeasures (LAIRCM) Systems</td>
<td>$110</td>
<td>May 15, 2013</td>
</tr>
<tr>
<td>C-17 Globemaster III Equipment and Support</td>
<td>$35</td>
<td>June 27, 2013</td>
</tr>
<tr>
<td>A/N FPS-132 Block 5 Early Warning Radar</td>
<td>$1,100</td>
<td>July 29, 2013</td>
</tr>
</tbody>
</table>


The Al Udeid airbase now serves as a logistics, command, and basing hub for the U.S. Central
Command (CENTCOM) area of operations. Nearby Camp As Sayliyah houses significant U.S.
military equipment pre-positioning and command facilities. Both Qatar and the United States
have invested in the construction and expansion of these facilities since the mid-1990s, and they
form the main hub of the CENTCOM air and ground logistical network in the region. Operations
in Iraq and Afghanistan put U.S. and partner-nation facilities in Qatar to greater use in recent
years. These facilities may require further investment to meet current and potential future needs.

13 Qatar also hosts USCENTCOM’s forward headquarters” U.S. Department of Defense, Report on Progress toward
including needs associated with ongoing U.S. and coalition military operations against the Islamic State and other extremist groups in Iraq and Syria. From FY2003 to FY2011, Congress appropriated and authorized more than $457 million for U.S. military construction activities in Qatar.14 The Administration’s FY2013 through FY2015 Military Construction requests have not included funding for Qatar-based projects.

Counterterrorism Cooperation and Concerns

U.S.-Qatari counterterrorism cooperation has improved since the 1990s when, according to the 9/11 Commission Report and former U.S. government officials, Qatari royal family member and later Interior Minister Shaykh Abdullah bin Khalid Al Thani provided support to Al Qaeda figures, including the suspected mastermind of the September 11 attacks, Khalid Shaykh Mohammed.15 The U.S. State Department has characterized Qatar’s counterterrorism support since September 11, 2001, as “significant.”16 Hamas political chief Khaled Meshaal continues to operate from Doha after decamping there from Damascus in 2012. U.S officials are aware of the presence of Hamas leaders, Taliban members, and designated Al Qaeda and Islamic State financier s in Qatar.17

Qatari officials in public and in private meetings deny supporting extremist groups, and in general terms the Qatari government continues to pursue a foreign policy based on strategic ambiguity and openness to engagement with all actors (including violent armed extremist groups). Emir Tamim said on September 17, “What is happening in Iraq and Syria is extremism and such organizations are partly financed from abroad, but Qatar has never supported and will never support terrorist organizations.”18 Qatar’s air force participated in coalition military operations against Islamic State targets in Syria in September 2014.

The U.S. government has not publicly accused the Qatari state of providing material support to terrorist organizations, but recent U.S. government statements allege that private Qatari citizens and individuals based in Qatar provide such support. In March and October 2014, U.S. Treasury


18 Deutsche Welle (Germany), “Emir Assures Merkel: Qatar has never supported 'IS' militants,” September 17, 2014.
Under Secretary David Cohen for Terrorism and Financial Intelligence referred to Qatar as a “permissive” terrorist financing jurisdiction in public remarks, but stated that Qatar “in other respects has been a constructive partner in countering terrorism.”

In June 2014, the new U.S. Ambassador to Qatar Dana Shell Smith said that the United States government has “an active and productive dialogue with Qatar in the areas of counterterrorism,” adding that “we are working with Qatar to improve the capacity of its counterterrorist financing regime and disrupt illicit cash flows, including through the provision of training.” In her confirmation hearing, Ambassador Shell Smith responded to a question about the status of U.S. efforts to convince Qataris to refrain from supporting extremist groups in Syria by saying, “I haven’t heard from anymore that we’re ready to just declare, you know, everything is wonderful and perfect, but we do feel that we are making progress in our shared understanding of which groups are constitute moderate opposition and who is worthy of our support.”

During 2012, the Middle East and North Africa Financial Action Task Force (MENAFATF) completed a required review of Qatar after determining that “Qatar had improved its anti-money laundering/combating the financing of terrorism regime and was either ‘Compliant or Largely Compliant’ with all of the Task Force’s recommendations.” The Qatari central bank operates a financial intelligence unit (FIU) that monitors activity in Qatar’s banking system and serves as a liaison office to similar units in the United States and around the world.

U.S. government reporting identifies areas where U.S. officials believe that Qatari state controls on financial activities could be improved in order to better combat terrorist financing. According to the latest State Department counterterrorism reporting, in 2013:

Qatar’s monitoring of private individuals’ and charitable associations’ contributions to foreign entities remained inconsistent. Qatari-based terrorist fundraisers, whether acting as individuals or as representatives of other groups, were a significant terrorist financing risk and may have supported terrorist groups in countries such as Syria. ...The Government of Qatar routinely engages with international interlocutors on terrorist financing and has taken some steps to improve oversight of foreign charities that receive contributions from Qatari institutions and to work with the banking sector to identify suspicious transactions.

...Despite a strong legal framework, judicial enforcement and effective implementation of Qatar’s anti-money laundering/counterterrorist the financing of terrorism (AML/CFT) law are lacking. Qatar’s lack of outreach and enforcement activities to ensure terrorist financing-related transactions are not occurring and the lack of referrals by the financial intelligence unit of cases are significant gaps.

The State Department’s 2014 Narcotics Control Strategy Report annex entry on Qatar recommends:

Qatar should continue its efforts to effectively implement AML/CFT regulations and procedures, and should ensure sufficient resources and training are provided to develop the necessary institutional capacity. Qatar should continue to work to increase the rate of

20 The MENAFATF findings did not address the enforcement of Qatar’s AML-CFT laws. For details, see MENAFATF, Mutual Evaluation Report - Fourth Follow-Up Report for Qatar Anti-Money Laundering and Combating the Financing of Terrorism, April 28, 2012.
investigations and prosecutions by building capacity within its law enforcement authorities. Qatar also should pursue outreach and enforcement activities to ensure terrorist financing-related STR [suspicious transaction] reporting occurs, and ensure the UNSCRs 1267 and 1373 freezing regime is effectively implemented. Qatar should mandate the declaration of cross-border movements of bulk cash or negotiable instruments.

In September 2014, the U.S. government designated a senior Islamic State (IS/ISIL) organization leader who helped raise funds for the group in the Gulf region, including a reported $2 million payment from an unidentified “Qatar-based ISIL financial facilitator.” In December 2013, the U.S. government designated Abdelrahman bin Umayr al Nuaymi, a Qatari national and human rights activist, as a Specially Designated Global Terrorist (SDGT) for allegedly acting as an Al Qaeda financier. Nuaymi is the president of the leadership council of the Switzerland-based Al Karama Foundation. U.S.-designated Al Qaeda financiers Salim Hasan Khalifa Rashid al Kuwari and Abdallah Ghanim Mafuz Muslim al Khawar also were reported to be living in Qatar at the time of their designation in July 2011.

Qatar’s Foreign Policy

Qatar’s approach to regional affairs can be described as a multi-directional balancing act. To the chagrin of Saudi Arabia and other regional powers, Qatar has sought in recent years to mediate regional conflicts and political disputes by engaging a wide range of parties in Yemen, Lebanon, Sudan, Libya, Egypt, and Gaza, some of whom are hostile to the United States. Qatari leaders responded boldly to the regional unrest that emerged in 2011, and embraced political change that brought Islamist parties to power in Tunisia and Egypt. In the period since, increasing criticism of Qatar by some of the Sunni Arab members of the Gulf Cooperation Council (GCC) and growing Sunni-Shiite and Arab-Iranian tensions in the Gulf region have led Qatar to close ranks with its neighbors to some degree. Among the key questions for the region is whether or not Qatar's official embrace of some Sunni Islamist movements, including the Muslim Brotherhood, will change significantly under the leadership of Emir Tamim. Several Muslim Brotherhood figures movement left Qatar in 2014 and claim that the government asked them to do so in response to pressure from fellow GCC states Saudi Arabia and the United Arab Emirates.

Qatar’s approach to the conflict in Syria has evolved over time. The former emir initially took a measured approach and promoted dialogue, but he and the current emir adopted a more confrontational approach as violence continued and worsened during 2012 and 2013. In September 2014, Emir Tamim said before the United Nations General Assembly that:

> the war of genocide being waged and the deliberate displacement carried out by the [Asad] regime, remain the major crime. …We reiterate the call for the Security Council to promptly shoulder its legal and humanitarian responsibility and support the Syrian people against both dangers posed by terrorism of the regime and the crimes of genocide it is perpetrating, and


23 U.S. Treasury Department, “Treasury Targets Key Al-Qa’ida Funding and Support Network Using Iran as a Critical Transit Point,” July 28, 2011.
by the terrorist forces that took advantage of the misery and bitterness and the absence of the
state and the international community. The first danger has begotten the second.24

While some regional voices clearly resent Qatar’s assertive diplomacy, the Qatari government’s
agility in the face of uncertainty and the soft power of its government-supported Al Jazeera
satellite television network have made Qatar a key player in regional unrest since 2011. Some
critics assert that in spite of Qatar’s active foreign policy, its regional diplomacy has actually
yielded few tangible results, with the exception of the 2008 Doha agreement that temporarily
ended an 18-month long political crisis in Lebanon. Reported Qatari support for Sunni armed
groups in Syria has the potential to have a more lasting impact on the region, but has challenged
the traditional Qatari preference for remaining engaged with all sides in regional disputes. Qatar’s
ability and willingness to engage directly with armed groups, as evidenced by a series of reported
hostage release negotiations and prisoner exchange agreements in 2014, appears to remain unique
in the region and may complicate calculations about the relative costs and benefits of Qatar’s
policies.

Afghan Taliban in Qatar

Multilateral diplomacy aimed at ending the insurgency in Afghanistan facilitated the opening in
June 2013 of a political office by the Afghan Taliban in the Qatari capital, Doha, to engage with
third parties. The Obama Administration supported the office initiative “for the purposes of
negotiations between the Afghan High Peace Council and the authorized representatives of the
Taliban.”25 However, a dispute over the nature of the office led to its closure weeks later in July
2013: Afghan government authorities protested the Taliban’s use of the name “Islamic Emirate of
Afghanistan” and the display of the former Taliban government flag at the facility. The Obama
Administration reiterated its view that, “The office must not be treated as or represent itself as an
embassy or other office representing the Afghan Taliban as an emirate government or
sovereign.”26 Qatari officials took steps to remove the disputed placards and flag. Afghan
President Hamid Karzai had long been critical of plans for the office and said in December 2013
that “Qatar is no longer an option for us.”27

Nevertheless, Qatar remains an interlocutor with the Afghan Taliban movement, and, in May
2014, Qatari officials announced they would host five Taliban prisoners from the U.S. prison at
Guantanamo Bay as part of a prisoner-exchange agreement that they had facilitated to secure the
release of U.S. Army Sergeant Bowe Bergdahl. As of November 2014, press reports suggest that
the five individuals—Khairullah Khairkhwa, Mullah Norullah Noori, Abdul Haq Wasiq,
Mohammed Nabi Omari, and Mohammad Fazl—remain in Qatar and thus far have abided by
their commitment not to leave the country for 12 months. Qatari officials have committed to

24 Emir Tamim bin Hamad al Thani, Address to the U.N. General Assembly, September 24, 2014.
26 Ibid.
27 “Doha was not our choice in the first place, Doha, Qatar was an American choice and an American plan, we
negotiated for almost two years, we told from the very beginning the Americans that is not our place, we want the
peace process to be in Afghanistan and if not in Afghanistan, then Saudi Arabia or Turkey but the Americans insisted
on Qatar and then we put conditions, the Americans agreed to those conditions and again, the US President gave me a
letter of assurances but when the Office in Qatar opened, it was exactly the opposite to those assurances therefore Qatar
is no longer an option for us.” OSC Report SAR2013121244787755, “Transcript of Interview by President Karzai with
monitoring the individuals in question and to ensuring they do not reengage in military or terrorism activity during their stay in Qatar. In October 2014, the Afghan Taliban movement reported that two leaders of the Haqqani Network (a U.S.-designated Foreign Terrorist Organization) were arrested and transferred to Afghan custody after reportedly visiting the released Taliban members in Qatar. The Taliban claim the arrests violated the prisoner release agreement because the individuals were related to or invited by relatives of the detainees. Some U.S. critics of the prisoner exchange have argued that the incident suggests that the terms of release for the Taliban detainees were not sufficiently rigid.

Qatar and the Israeli-Palestinian Conflict

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

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

Qatar, like other Arab states, continues to support the Palestinian bid for recognition and full membership at the United Nations. Qatari leaders regularly criticize Israeli decisions on settlements and Jerusalem that they claim undermine prospects for a two-state solution. In recent years, some observers have viewed Qatar’s diplomatic approach as supportive of Hamas, particularly since Hamas politburo chief Khaled Meshaal relocated from Syria to Doha at the Qatari government’s invitation in 2012.

Outspoken Qatari criticism of Israeli government military operations and negotiating positions continued during the summer 2014 Gaza conflict. In July 2014, Qatar and Turkey jointly sponsored a ceasefire proposal that garnered some positive consideration from U.S. officials but was ultimately rejected. Qatar’s Foreign Minister is reported to have subsequently described Israel as “the aggressor” in the conflict and said:

I expect the legitimate demands of our kinsfolk in Gaza to be met. I also expect a halt to the aggression and complete lifting of the land, air, and sea blockade. In addition, I expect them (in Gaza) to enjoy a commercial port albeit under international supervision. …The people in

28 According to Secretary of Defense Chuck Hagel, On May 12th, we signed a memorandum of understanding with Qatar detailing the specific security measures that would be undertaken and enforced -- and enforced by them if any Taliban detainees were transferred to their custody… Included in this MOU were specific risk mitigation measures and commitments from the government of Qatar, like travel restrictions, monitoring, information sharing and limitations on activities, as well as other significant measures… we have the kind of assurances we think are meaningful and enforceable. And we believe the Qatari government will enforce them.” Secretary Hagel, Testimony before the House Armed Services Committee, June 11, 2014.
Gaza have suffered enough. They have been living in a large prison since 1967. They are deprived of the most basic things in life. The residents of Gaza and the West Bank say that they are killed in any case. They say they are either killed by Israeli gunfire or slowly die of hunger. They resist and defend their land, and we move for their sake.32

At the September 2014 U.N. General Assembly, Emir Tamim described Israel’s summer 2014 military strikes in Gaza as “a crime against humanity.”33 He also said, “I salute the steadfastness of the resistance of the Palestinian people in Gaza in the face of occupation and in insisting on regaining its legitimate rights,” vowing that “the State of Qatar will spare no effort to provide assistance for the reconstruction of the Gaza Strip.”

Since 2013, Qatar reportedly has provided several million dollars for construction projects in the Hamas-controlled Gaza Strip and financed the Palestinian Authority’s purchase of a fuel shipment for the Gaza electricity generation plant that Israel approved in December 2013.34 Though Qatar has claimed to maintain control over its Gaza construction projects, some allege that these projects and Qatari-aided shipments of fuel into Gaza aid Hamas’s military or logistical efforts, while others deny this.35 A Qatari official has reportedly indicated that any money it would contribute to Gaza going forward for humanitarian purposes would not go directly to Hamas.36

Some Members of Congress, including then-Senator and now Secretary of State John Kerry, have criticized Qatar for providing financial and political support to Hamas.37 Qatari officials deny that their government supports Hamas financially and argue that their policy is to support the Palestinian people. Qatari officials have long argued that their relationship with Hamas reflects a consistent policy of engagement with all sides in the interests of peace.

In August 2014, Emir Tamim hosted meetings between PA President Abbas and Hamas leader Khaled Meshaal in Doha aimed at unifying Palestinian negotiating positions with regard to a potential long-term ceasefire arrangement with Israel (Figure 2). In a concurrent interview, Meshaal said:

The relationship between Qatar and HAMAS is not new. It is public. HAMAS has a broad network of Arab, Islamic, and international relations. No one is ashamed of this. We have great appreciation for the popular and official Qatari position and the courage of the Qatari leadership and what it offers to the Palestinian cause. The Qatari support is not for HAMAS as a movement in particular, but for the Palestinian people. Its former emir, Hamad Bin-Khalifah Al Thani, and current emir, Tamim Bin-Hamad Bin-Khalifah, have adopted positions toward Gaza, made direct visits, played a role in construction, adopted political positions that support Palestinian rights, and hosted many meetings in Doha between the Palestinian forces and between us and President Abbas, as well as the first Gaza summit in the 2008 and 2009 war. All of this is honorable history of Qatar, which is to be thanked and

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33 Emir Tamim bin Hamad al Thani, Address to the U.N. General Assembly, September 24, 2014.
34 “Palestinian Official: Rebuilding Gaza Will Cost $6 Billion,” Reuters, August 4, 2014. Overall these projects have been expected to cost more than $400 million to complete.
35 Channa Rifkin, “Qatar invests in the West, and funds Hamas,” Ynetnews, July 29, 2014.
37 For example, then-Senator John Kerry voiced specific concerns about alleged Qatari government and private support to Hamas, arguing in April 2009 that “Qatar ... can’t continue to be an American ally on Monday that sends money to Hamas on Tuesday.” US Fed News, “Sen. Kerry Speaks on Middle East to Brookings Institute,” April 2, 2009.
not blamed. For the enemy to attack it, this is a source of pride for Qatar and is evidence of the correctness of the Qatari position.38

**Figure 2. Qatar’s Emir Hosts Palestinian Leaders**

August 2014

Source: Qatar News Agency, August 21, 2014. PA President Abbas on left, Hamas leader Khaled Meshaal on right.

During past periods of progress in Arab-Israeli peace negotiations, Qatar was in the forefront of talks aimed at expanding Arab economic ties with Israel. Qatar’s position regarding the Arab boycott of Israel is governed by the September 1994 decision by the GCC to terminate enforcement of the indirect boycotts, while maintaining the primary boycott.39 An Israeli trade office in Doha was shuttered by the Qatari government in response to the January 2009 Gaza War and has not been reopened.

**Qatar’s Economy and U.S. Trade**

Qatar has backed up its active diplomacy with growing financial resources and economic influence over the last decade—a period of “unparalleled prosperity.”40 Between 2000 and 2012, Qatar’s nominal GDP skyrocketed from $35 billion to an estimated $185 billion. According to a May 2014 International Monetary Fund (IMF) report, GDP growth averaged 14% over the last decade and the country’s per capita GDP is the highest in the world.41 Hydrocarbon exports have

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

led the way, but non-oil and gas sector growth reached 9% in 2012. Oil and natural gas export proceeds provide roughly half of the government’s revenue, but the IMF expects the contribution of the non-hydrocarbon sector to grow steadily over the next five years.

Qatar continues to base its annual state budgets on an assumed oil price of $65 per barrel, making Qatar better positioned than other producers to deal with declining oil market prices. In recent years, government spending has exceeded budget projections, but conservative energy export price estimates have ensured large surpluses. The IMF has estimated that Qatar’s fiscal surpluses will continue through at least 2015, but are likely to decrease in size. The government continues to invest surplus revenue abroad for future generations and has increased public spending in support of domestic infrastructure, housing, and health sector improvements. Qatari press outlets feature limited criticism of domestic budget transparency, spending priorities, foreign contractors, and government efficiency.

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

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

**Oil and Natural Gas**

With proven oil reserves of 25.4 billion barrels, Qatar has far less oil than the major Persian Gulf producers, such as Kuwait (96.5 billion barrels), Iraq (112 billion barrels), and Saudi Arabia (252 billion barrels). However, Qatar has the third-largest gas reserves in the world, an estimated 25.2 trillion cubic meters (tcm). Qatar Petroleum (QP), the state-owned oil and natural gas company,
increased its crude oil output from 593,000 barrels per day (b/d) in 1999 to approximately 824,000 b/d in December 2008. However, production has been lowered closer to 700,000 b/d as investments are made in technology to extend the life and productivity of the country’s oil fields. According to the U.S. Energy Information Administration, Japan and South Korea are the top importers of Qatari oil.

As part of a long-term development strategy, Qatar has tapped international financial markets and invited foreign investment in order to finance the expansion of its gas extraction and liquefied natural gas (LNG) production and export facilities. U.S. companies, particularly ExxonMobil, are partners in most of Qatar’s LNG export projects. The Export-Import Bank of the United States has provided over $1 billion in loan guarantees to support the development of Qatar’s gas production facilities in cooperation with a range of U.S., European, and Asian companies, banks,

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47 Economist Intelligence Unit, “Qatar has cut oil production in line with OPEC’s decision,” December 8, 2008.
48 Qatar’s government has a 60%-70% stake in two joint partnerships with foreign firms, including ExxonMobil (USA), TotalFinaElf (France), KoGas (South Korea), and Matsui (Japan). In February 2005, Qatar Petroleum signed a $7 billion agreement with Shell and a $12 billion agreement with ExxonMobil to export natural gas to the United States and Europe.
and export credit agencies. Qatar expanded its yearly natural gas production from 31.4 billion cubic meters annually in 2002 to 158.5 billion cubic meters in 2013, and is now the world’s largest exporter of LNG. More than 60% of Qatari LNG exports go to Asian markets, and most export sales are conducted under the auspices of multi-year supply-purchase arrangements. The large natural gas production and shipping facilities at the coastal city of Ras Laffan in northern Qatar serve as the main site for the country’s gas development projects, including the world’s largest gas-to-liquids facility. Qatar owns numerous LNG import terminals in other countries, including the United States. Qatar participates in and hosts the headquarters of the Gas Exporting Countries Forum, an assembly of major gas exporting countries that some have described as a potential natural gas OPEC.

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

**U.S.-Qatar Trade**

According to the U.S. Census Bureau, the value of U.S. exports to Qatar reached $4.95 billion in 2013, consisting mainly of transport equipment, manufactured goods, and machinery—up from $3.57 billion over the same period in 2012. The value of U.S. imports from Qatar, mainly oil, totaled $1.3 billion in 2013 up from $1.01 billion in 2012. U.S. crude oil imports from Qatar have declined to zero, but U.S. imports of Qatari petroleum products have grown. Reflecting the impact of the increase in U.S. domestic natural gas production, U.S. LNG imports from Qatar declined from a peak of 90.9 million cubic feet in 2011 to zero beginning in April 2013.

According to the 2014 U.S. Investment Climate Statement for Qatar, “Qatar has not entered into a bilateral investment, trade, or taxation treaty with the United States. However, Qatar and the United States did sign a Trade and Investment Framework Agreement (TIFA) in April 2004.” Qatar has made a series of large investments in the United States in recent years, including a real estate investment in the City Center project in Washington, DC. In November 2013, Qatar Airways signed a letter of intent to purchase 50 additional Boeing 777 airplanes in a deal that may be worth more than $19 billion. As noted above (See “U.S. Military Cooperation and

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


52 U.S. State Department Bureau of Economic and Business Affairs, Qatar 2014 Investment Climate Statement, June 2014.
Foreign Assistance”), Qatar’s purchase of U.S. arms and defense equipment also should contribute to an expansion in the value of U.S. exports in coming years.

Outlook

The leadership transition in Qatar signaled the opening of a new chapter in U.S.-Qatari relations that already had grown increasingly close in recent years, in spite of some abiding policy differences. Emir Tamim and his government appear to be taking an equally active, if quieter approach to diplomacy than that of the emir’s father and his counterparts. Nevertheless, increasing scrutiny is being applied by some observers to Qatar’s relationships with Islamists and certain armed groups. Most observers expect Qatari policy makers to favor policies that will consolidate the political and economic gains that Qatar has made in recent years and set the country on a sustainable path. Expanding U.S.-Qatari defense relations also may signal a stronger commitment on the part of the new Emir to invest in relations with the United States. Decision makers in the United States appear likely to continue to debate how best to maintain improved defense and counterterrorism relations with Qatar while seeking to address more challenging issues related to regional security, human rights, political reform, and labor conditions.

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