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Qatar: Governance, Security, and U.S. Policy

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Summary

The state of Qatar, a member of the Gulf Cooperation Council (GCC: Saudi Arabia, Kuwait, Qatar, United Arab Emirates, Bahrain, and Oman), has employed its ample financial resources to try to “punch above its weight” on regional and international affairs. Qatar has intervened, directly and indirectly, in several regional conflicts, including in Syria and Libya. Qatar also has sought to establish itself as an indispensable interlocutor on some issues, such as those involving the Palestinian Islamist organization Hamas, the Taliban insurgent group in Afghanistan, some Syrian rebel groups, Lebanon, and Sudan.

Qatar’s efforts to promote what its officials assert are new models of Arab governance and relationships between Islam and the state have sometimes caused disputes with Qatar’s GCC allies. The voluntary relinquishing of power in 2013 by Qatar’s former Amir (ruler), Shaykh Hamad bin Khalifa Al Thani, departed sharply from GCC patterns of governance in which leaders generally remain in power for life. Qatar’s support for regional Muslim Brotherhood organizations, which Qatari leaders offer as a positive example of “political Islam,” continues to plague relations between Qatar and Saudi Arabia and the UAE, which assert that the Brotherhood is a threat to regional and domestic security. Qatar has supported Brotherhood-linked groups in Egypt and which are involved in internal conflicts in Syria and Libya. On Iran, Qatar has generally adopted a middle ground within the GCC by supporting efforts to limit Iran’s regional influence while maintaining dialogue with Iran’s senior officials.

As do the other GCC leaders, Qatar’s leaders apparently view the United States as the guarantor of Gulf security. Qatar hosts nearly 10,000 U.S. forces at its military facilities, including those that house the regional headquarters for U.S. Central Command (CENTCOM). These forces are participating in operations all over the region, including Operation Inherent Resolve (OIR) against the Islamic State organization in Iraq and Syria. The United States and Qatar have had a formal Defense Cooperation Agreement (DCA) since 1992, which provides for the U.S. troop presence, consideration of U.S. arms sales to Qatar, U.S. training, and other defense cooperation.

The Qatari government is helping the United States combat regional Islamist terrorist organizations. However, radical Islamist organizations profess ideologies that are attractive to some Qatari citizens, and there have been repeated accusations by international observers that wealthy Qataris have contributed funds and services to these groups. Members of Congress generally have taken into account these and all the other aspects of Qatar’s policies in consideration of U.S. arms sales to Qatar.

Even though Qatar’s former Amir stepped down voluntarily, U.S. and international reports criticize Qatar for numerous human rights problems. Most of them, such as suppression of critics using social media and deprivation of labor rights, are common to the other GCC states. A recent Gulf-wide trend also apparent in Qatar has been a crackdown on dissent against the ruling establishment on social media networks. Qatar is also the only one of the smaller GCC states that has not yet formed a legislative body that is at least partly elected, even though such elections have long been promised. Qatar has held municipal elections, most recently in 2015.

Qatar is wrestling with the downturn in global hydrocarbons prices since 2014, as are the other GCC states. Qatar is positioned to weather the downturn because of its small population and substantial financial reserves. Qatar shares with virtually all the other GCC states a lack of economic diversification and reliance on revenues from sales of hydrocarbon products.

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Brief History

Prior to 1867, Qatar was ruled by the leaders of neighboring Bahrain, the Al Khalifa family. That year, following an uprising against the Al Khalifa, Britain, then the main Western power in the Persian Gulf region, installed the head of a leading Qatari family, Muhammad bin Thani Al Thani, as ruler of what is now Qatar. In 1916, in the aftermath of World War I and the demise of the Ottoman Empire, Qatar and Britain signed an agreement under which Qatar formally became a British protectorate.

In 1971, after Britain announced it would no longer exercise responsibility for Persian Gulf security, Qatar and Bahrain considered joining with the seven emirates (principalities) that were then called the “Trucial States” to form the United Arab Emirates. However, Qatar and Bahrain decided to become independent rather than join that union. The UAE was separately formed in late 1971. Qatar adopted its first written constitution in April 1970 and became fully independent on September 1, 1971. The United States opened an embassy in Doha in 1973. The current U.S. Ambassador to Qatar is Dana Shell Smith.

The Al Thani family claims descent from the central Arabian tribe of Banu Tamim, the tribe to which Shaykh Muhammad ibn Abd Al Wahhab, the founder of Wahhabism, belonged.¹ Thus, Qatar officially subscribes to Wahhabism, a conservative Islamic tradition that it shares with Saudi Arabia. However, Qatar has also welcomed members of the Muslim Brotherhood who have been persecuted in other states, such as in Egypt and Syria, and has hosted Islamic scholars who adhere to the Brotherhood’s traditions, such as Egyptian cleric Yusuf al-Qaradawi. At the same time, Qatari leaders have reportedly insisted that these activists remain focused on political activities only outside Qatar.²

Table 1. Senior Leaders of Qatar

Position	Leader
Amir (ruler) and Minister of Defense	Tamim bin Hamad Al Thani
Deputy Amir and Crown Prince (heir apparent)	Abdullah bin Hamad Al Thani
Prime Minister and Minister of Interior	Abdullah bin Nasir bin Khalifa Al Thani
Deputy Prime Minister	Ahmad bin Abdallah al-Mahmud
Minister of State for Defense Affairs	Khalid bin Muhammad Al-Attayah
Minister of Foreign Affairs	Muhammad bin Abd al-Rahman Al Thani
Minister of Finance	Ali Sharif al-Imadi
Ambassador to the United States	Mishaal bin Hamad bin Khalifa Al Thani

Source: Central Intelligence Agency “Chiefs of State and Cabinet Members of Foreign Governments.”

¹ Information in this section is taken from Bernard Haykel. “Qatar and Islamism.” Policy Brief: Norwegian Peacebuilding Resource Centre. February 2013.

² Ibid.

Figure I. Qatar At-A-Glance



Area	11,586 sq km (slightly smaller than Connecticut).
People	<p><i>Population:</i> 2.2 million (July 2015 estimate), of which about 80% are expatriates.</p> <p><i>Religions:</i> Muslim 77.5%, of which about 90% are Sunni; Christian 8.5%; other (mainly Hindu and other Indian religions) 14%. Figures include expatriates.</p> <p><i>Ethnic Groups:</i> Arab 40%; Pakistani 18%; Indian 18%; Iranian 10%; other 14%. Figures include expatriates. Virtually all citizens are Arab.</p>
Economy	<p><i>Gross Domestic Product (GDP):</i> \$334 billion (2016) on purchasing power parity (ppp) basis.</p> <p><i>GDP per capita:</i> \$130,000 (2016) on ppp basis.</p> <p><i>Inflation:</i> 3.8% (2016).</p> <p><i>GDP Growth Rate:</i> 2.6% (2016)</p> <p><i>Export Partners:</i> (In descending order) Japan, South Korea, India, China, Singapore, UAE.</p> <p><i>Import Partners:</i> (In descending order) United States, China, UAE, Germany, Japan, Britain, Italy, Saudi Arabia.</p>
Oil and Gas	<p><i>Oil Exports:</i> Slightly more than 700,000 barrels per day. Negligible amounts to the United States.</p> <p><i>Natural Gas Exports:</i> Almost 125 billion cubic meters in 2014.</p>

Source: Graphic created by CRS. Map borders and cities generated by Hannah Fischer using data from Department of State, 2013; Esri, 2013; and Google Maps, 2013. At-a-glance information from CIA World Factbook, May 2016.

Governance and Human Rights

Governance

Qatar's governing structure approximates that of the other GCC states. The country is led by a hereditary Amir (literally prince, but interpreted as "ruler"), Shaykh³ Tamim bin Hamad Al Thani. Amir Tamim, who became Amir in June 2013 when his father, Amir Hamad bin Khalifa Al Thani, relinquished power voluntarily. The Amir governs through a prime minister, who is a member of the Al Thani family, and a cabinet, several of whom are members of the Al Thani family or of prominent allied families. Amir Tamim serves concurrently as Minister of Defense, although most of the defense policy functions are performed by the Minister of State for Defense, a position with slightly lower status than that of full minister. The Minister of State for Defense post is held by Khalid bin Muhammad al-Attiyah, who was Foreign Minister until January 2016. A dynamic young ruling family member, Shaykh Muhammad bin Abd al-Rahman Al Thani, was given the Foreign Minister position at that time. Earlier, in November 2014, Amir Tamim appointed a younger brother, Shaykh Abdullah bin Hamad, as deputy Amir and the heir apparent. The Prime Minister, Shaykh Abdullah bin Nasir bin Khalifa Al Thani, serves concurrently as Interior Minister; he took those posts when Amir Tamim assumed the rulership.

As is typical in the GCC states, political parties are banned. Unlike Kuwait and Bahrain, in Qatar there are no well-defined or publicly active "political societies" that act as the equivalent of parties. Unlike in Bahrain, Oman, and to a lesser extent, Kuwait, there were no significant protests in Qatar during the "Arab Spring" uprising of 2011, and there have not been any public demonstrations critical of the government in recent years. Disputes and disagreements within the leadership, and between leaders and citizens, tend to be aired in private as part of a process of consensus building.⁴

Then-Amir Hamad put a revised constitution to a public referendum on April 29, 2003, and it achieved a 98% "yes" vote. Nevertheless, it left in place significant limitations: for example, it affirms that Qatar is a hereditary emirate. Some western experts also criticize Qatar's constitution for specifying Islamic law as the main source of legislation.⁵ Further, the constitution's stipulation that a national legislative authority will consist of a 45-person Advisory Council (*Majlis Ash-Shura*), of which two-thirds (30 seats) will be elected, has been repeatedly delayed. In 2008, the government and the existing advisory council reached agreement on the criteria for suffrage and candidacy: naturalized Qataris who have been citizens for at least 10 years will be eligible to vote, and those whose fathers were born in Qatar will be eligible to run. In 2013, then-Amir Hamad issued a decree extending the term of the current, all-appointed Council. If and when the Council is formed, the government says it will have the ability to remove ministers (two-thirds majority vote), to approve a national budget, and to draft and vote on proposed legislation that can become law (two-thirds majority vote and concurrence by the Amir). Qatar's failure to hold elections for a new Advisory Council makes it the only GCC state other than Saudi Arabia to have not held elections for any of the seats in a national legislative body.

³ Shaykh is an honorific term.

⁴ The Economist. "Qatar: Democracy? That's for Other Arabs." June 8, 2013. <http://www.economist.com/news/middle-east-and-africa/21579063-rumours-change-top-do-not-include-moves-democracy-democracy-thats>.

⁵ Amy Hawthorne. "Qatar's New Constitution: Limited Reform from the Top." August 26, 2008. <http://carnegeiendowment.org/sada/?fa=21605>.

Qatari officials note that the country already holds elections, for a 29-seat Central Municipal Council. Elections for the fourth Council (each serving a four-year term) were held on May 13, 2015. The Council advises the Minister of Municipality and Urban Affairs on local public services. Voter registration and turnout—21,735 voters registered out of an estimate 150,000 eligible voters, and 15,171 of those voted—were lower than observers expected.⁶ The relatively low participation rate in the latest election could suggest that Qatari citizens view the Council as lacking influence. The State Department human rights report for 2016 stated that “observers considered [the municipal council elections] free and fair.”⁷

⁶ Department of State. Human Rights Report for 2015: Qatar. p.13.

⁷ <https://www.state.gov/documents/organization/265728.pdf>

Qatari Leadership



Shaykh Tamim bin Hamad Al Thani

Shaykh Tamim bin Hamad Al Thani was born on June 3, 1980. He is the fourth son of the former Amir, Hamad bin Khalifa Al Thani, and the ninth Al Thani ruler in Qatar. He was appointed heir apparent in August 2003 when his elder brother, Shaykh Jasim, renounced his claim reportedly based on his father's lack of confidence in Shaykh Jasim's ability to lead. Shaykh Tamim became Amir on June 25, 2014, when Amir Hamad stepped down voluntarily to pave the way for the accession of a new generation of leadership. Amir Tamim was educated at Great Britain's Sherbourne School and graduated from its Royal Military Academy at Sandhurst in 1998, from which his father graduated in 1971. Concurrently, Amir Tamim heads the Qatari Investment Authority, which has billions of dollars of investments in Europe, including in Harrod's department store in London, the United States, and elsewhere.



Shaykh Hamad bin Khalifa Al Thani

Amir Tamim's father, *Shaykh Hamad bin Khalifa Al Thani*, took power in June 1995, when his father, Amir Khalifa bin Hamad Al Thani, was in Europe. Amir Hamad took power in a fashion similar to his father. In 1972, after finishing his education in Britain and assuming command of some Qatari military units, Hamad had helped his father depose his grandfather in a bloodless seizure of power while then-Amir Ahmad bin Ali Al Thani was on a hunting trip in Iran.

While Shaykh Hamad is no longer Qatar's ruler, he, his wife, and several of their other children remain key figures in the ruling establishment. Qatari media refer to Shaykh Hamad as "The Father Amir" and acknowledge that he has some continuing role in defense matters, although observers report that he influences many aspects of policy. His favored wife (of three), Shaykha Moza al-Misnad Al Thani, chairs the powerful Qatar Foundation for Education, Science, and Community Development (QF). The QF runs Doha's Education City, where several western universities have established branches, and which is a large investor in the United States and Europe. One daughter (and full sister of the current Amir), Shaykha Mayassa, chairs the Qatar Museums, a major buyer of global artwork. Another daughter, Shaykha Hind, is vice chairman of the QF. Both daughters graduated from Duke University. Another relative, Hamad bin Jasim Al Thani, remains active in Qatar's investment activities and international circles. During Amir Hamad's rule, Shaykh Hamad bin Jasim was Foreign Minister, Prime Minister, and architect of Qatar's relatively independent foreign policy. Shaykh Hamad's father—and the current Amir's grandfather—Khalifa bin Hamad died in October 2016.

Sources: <http://www.mofa.gov>, Wikipedia, author conversations with Qatari and U.S. officials.

Human Rights Issues⁸

Recent State Department reports on human rights in Qatar identify several major human rights problems, most of them related to the closed Qatari political structure. Among them are restrictions on freedoms of speech, the press, assembly, and access to a fair trial for persons held under the “Protection of Society Law” and “Combating Terrorism Law.” Other human rights concerns expressed by the State Department include restrictions on freedom of religion and movement, legal and institutional discrimination against women, and the unresolved legal status of so-called “stateless persons,” or “*bidoons*.”⁹ There is a nominally independent “National Human Rights Committee (NHRC) that investigates allegations of human rights abuses in the country, but it is administratively under the authority of the broader Qatar Foundation that was founded and is still run by the Amir’s mother, Shaykha Moza.

Freedom of Expression

Like virtually all the other GCC states, since the 2011 “Arab Spring” uprisings, Qatar has issued new laws that severely restrict freedom of expression and increase penalties for criticizing the ruling establishment. In 2014, the government approved a new cybercrimes law that provides for up to three years in prison for anyone convicted of threatening Qatar’s security, and compels Internet providers in Qatar to block “objectionable” content. A November 2015 law increased penalties for removing or expressing contempt at the national flag or the GCC flag. However, the country continues to host and partially fund the Al Jazeera satellite television network, which has evolved into a global media conglomerate. In December 2016, human rights groups accused the government of blocking domestic Internet users from viewing the website of *Doha News*, an independent English-language daily.¹⁰

Women’s Rights

According to recent State Department human rights reports on Qatar, institutional discrimination against women continues. There is no specific law criminalizing domestic violence, and a national housing law discriminates against women married to non-citizen men and divorced women. Testimony by women in court cases is either dismissed or carries far less weight than that of a man. On the other hand, women in Qatar drive and own property, and constitute about 15% of business owners and more than a third of the overall workforce (this includes such professional positions as managers and professors). There is one female minister, the Minister of Public Health, who is a member of the powerful Kuwari family, although most of the other small GCC states now have more than one female minister. The law criminalizes rape, with the penalty being death if the perpetrator is a relative or guardian of the victim.

⁸ Much of the information in this section is based on: Department of State. Country Reports on Human Rights for 2016: Qatar 2016 Human Rights Report. <https://www.state.gov/documents/organization/265728.pdf>

⁹ *Bidoon* is the Arabic word for “without,” and refers to persons without documentation for their residency in country.

¹⁰ <https://www.amnesty.org/en/latest/news/2016/12/qatar-blocking-of-doha-news-website-is-an-outright-attack-on-media-freedom/>.

Trafficking in Persons and Labor Issues¹¹

The State Department's Trafficking in Persons report for 2016 maintained Qatar at the ranking of Tier 2: Watch List—one level below Tier 3, the worst ranking. The report assesses that the government is not fully complying with the minimum standards for the elimination of trafficking, but that it is making significant efforts to do so. According to the report, during the reporting period, Qatar “did not demonstrate overall increasing anti-trafficking efforts compared to the previous reporting period.” Qatar is a destination country for men and women subjected to forced labor and, to a much lesser extent, forced prostitution. Female domestic workers are particularly vulnerable to trafficking due to their isolation in private residences and lack of protection under Qatari labor laws.

The State Department assesses Qatar's labor rights as not adequately protecting the rights of workers to form and join independent unions, conduct legal strikes, or bargain collectively. The labor code only allows for one trade union - the General Union of Workers of Qatar – but which the State Department assesses as “not a functioning entity.” Qatari law does not prohibit anti-union discrimination or provide for reinstatement of workers fired for union activity. In October 2015, the government enacted a reform to its labor policy—which went into effect December 13, 2016—to offer greater protections for the large population of foreign workers. The law changes the “*kafala*” system (sponsorship requirement for foreign workers) to enable employees to switch employers at the end of their labor contracts rather than having to leave Qatar when their contracts end. Nevertheless, some critics say that, in practice, the reform will likely only modestly increase freedoms for foreign workers.¹²

International criticism of Qatar's labor practices has increased as Qatar makes preparations to host the 2022 FIFA World Cup soccer tournament; additional engineers, construction workers, and other laborers have been hired to work in Qatar. Some companies report not being paid for work and a lack of dispute resolution, causing salary delays or non-payment. Some reports suggest the government is worried about being cheated by international corporations.¹³

Religious Freedom¹⁴

Qatar's constitution stipulates that Islam is the state religion, and national law incorporates secular legal traditions as well as Islamic law. Islamic law is “a main source of legislation.” The law recognizes only Islam, Christianity, and Judaism. Adherents of unrecognized religions, such as Hindus, Buddhist, and Bahais, are generally allowed to worship privately, but do not have authorized facilities in which to practice their religions. The overwhelming majority (possibly as much as 95%) of Qatari citizens are Sunni Muslims, possibly explaining why there have been no outward signs of sectarian schisms within the citizenry. Since 2015, the government has permitted eight registered Christian denominations to worship publicly at the Mesaymir Religious Complex, and it has allowed the Evangelical Churches Alliance Qatar to break ground on the first new church to be built in Qatar in several years.

¹¹ This section is based on the State Department “Trafficking in Persons” report for 2016. <http://www.state.gov/documents/organization/258881.pdf>.

¹² James Dorsey. “New Qatari Labour Law: Too Little, Too Late.” *Huffington Post*, October 28, 2015.

¹³ Qatar ranks 68th on the World Bank's ease of doing business rankings. *Doing Business 2016, Measuring Regulatory Quality and Efficiency*, p. 228. Available at <http://www.doingbusiness.org>. “Qatar building boom proves a challenge for foreign construction firms.” Reuters, June 23, 2016.

¹⁴ This section is based on the State Department report on International Religious Freedom for 2015. <http://www.state.gov/documents/organization/256497.pdf>.

Foreign Policy

Qatar has used its ample financial resources to implement a foreign policy characterized by engagement with a wide range of regional actors, many of which are at odds with each other. In so doing, Qatar has emerged as a key mediator in regional conflicts and its foreign policy has sometimes contradicted that of de-facto GCC leader Saudi Arabia. Qatar has engaged Israeli officials while at the same time hosting leaders of Hamas. Qatari leaders have also maintained consistent ties to Iranian leaders, while at the same time hosting U.S. forces that Tehran calls a major threat to Iran and an unwarranted Western interference in Persian Gulf affairs. Qatar has hosted an office of the Afghan Taliban movement, and facilitated talks between the United States and the Taliban. As have some of the other GCC states, Qatar has sought, in some cases using its own military forces, to shape the outcome of regional uprisings since 2011. Examples of such intervention include airstrikes to support forces that ousted Libyan leader Mu'ammarr Al Qadhafi and support for Sunni groups battling to overthrow President Bashar al Asad of Syria. Qatar developed some ties to the Al Nusra Front rebel group in Syria as part of an apparent effort to persuade the group to sever its links to Al Qaeda. The group formally did so in 2016 although observers assess that it might still have ties to Al Qaeda leadership.

Qatar and the GCC

Qatar is a member of the GCC, but it has often diverged from its GCC allies on regional issues. Qatar has embraced Muslim Brotherhood movements that have been part of the post-2011 political struggles in several Arab states,¹⁵ arguing that the movement represents a moderate political Islamist movement that can foster regional stability. Differences widened to the point where Saudi Arabia, UAE, and Bahrain—who all see the Muslim Brotherhood as a significant threat—withdraw their ambassadors from Doha in March 2014, accusing Qatar of supporting “terrorism.”¹⁶ The Ambassadors returned in November 2014 in exchange for a pledge by Qatar not to allow leading Brotherhood figures to operate in Qatar.¹⁷ The manifestations of these differences are discussed in sections below.

A development that has helped GCC unity was the resolution in 2011 of a long-standing territorial dispute between Qatar and Bahrain, dating back to the 18th century, when the ruling families of both countries controlled parts of the Arabian peninsula. Qatar and Bahrain agreed to refer the dispute to the International Court of Justice (ICJ) in 1991 after clashes in 1986 in which Qatar landed military personnel on a man-made reef (Fasht al-Dibal) that was in dispute. In March 2001, the ICJ sided with Bahrain on the central dispute over the Hawar Islands, but with Qatar on ownership of the Fasht al-Dibal reef and the town of Zubara on the Qatari mainland, where some members of the ruling Al Khalifa family of Bahrain are buried. Two smaller islands, Janan and Hadd Janan, were ruled not part of the Hawar Islands and awarded to Qatar. Qatar expressed disappointment over the ruling but accepted it as binding.

¹⁵ “Saudi Arabia, UAE, and Bahrain End Rift with Qatar, Return Ambassadors.” Reuters, November 16, 2014. <http://www.reuters.com/article/us-gulf-summit-ambassadors-idUSKCN0J00Y420141116>.

¹⁶ Author conversations with GCC officials. 2013-2015.

¹⁷ Ibid.

Egypt

In Egypt, after the fall of Egyptian President Hosni Mubarak in 2011, the Muslim Brotherhood-linked party there won a parliamentary majority and one of its leaders, Muhammad Morsi, won presidential elections in 2012. Qatar's support for Morsi and the Muslim Brotherhood organization in Egypt contributed to a significant rift between Qatar on one side and Saudi Arabia and the UAE, which strongly backed Morsi's ouster by Egypt's military in 2013. Qatar reportedly provided as much as \$5 billion in aid to the Morsi government.¹⁸ Because of its support for Morsi, Qatar's relations with former military leader President Abdel Fattah el-Sisi are strained.

Libya

In Libya, Qatar joined the United States and several GCC and other partner countries in air operations to help oust Qadhafi in 2011. Subsequently, however, Qatar supported Muslim Brotherhood-linked factions in Libya opposed by the UAE, Egypt, and Saudi Arabia.¹⁹ As of late 2016, Qatar and UAE continue to back their favored rival factions in Libya, perhaps complicating international efforts to forge a unified political structure in that country.

Yemen

In 2015, Qatar joined the Saudi-led military coalition that is battling Iran-backed Zaidi Shiite Houthi rebels in Yemen. Qatari aircraft have conducted strikes against Houthi and allied positions. In September 2015, Qatar deployed about 1,000 military personnel, along with armor, to Yemen in support of the effort. Four Qatar soldiers have been killed in Yemen, to date. Qatar's involvement in the Yemen war represents a policy shift from Qatar's 2006-2007 mediation efforts between the Houthis and the government of President Ali Abdullah Saleh, who left office in 2012 following an "Arab Spring" related uprising in Yemen. The Qatari mediation reportedly was hindered by Saudi Arabia, which viewed Qatar as an interloper in Yemeni issues.

Iran

Qatari leaders have generally stood with their GCC allies and the United States in countering Iran strategically, while at the same time seeking to maintain dialogue with their Iranian counterparts. Qatar enforced international sanctions against Iran during 2010-2016, and no Qatar-based entities have been designated by the United States as Iran sanctions violators. Amir Tamim attended both U.S.-GCC summits (May 2015 at Camp David and April 2016 in Saudi Arabia), a summit process established to address GCC concerns about the July 2015 U.S.-led multilateral agreement on Iran's nuclear program (Joint Comprehensive Plan of Action, JCPOA). The GCC states publicly expressed support for the JCPOA while insisting that the United States help them counter Iran's efforts to expand its influence in the region.²⁰ Qatar withdrew its Ambassador from Tehran in January 2016 in solidarity with Saudi Arabia, which was in a dispute with Iran over the Saudi

¹⁸ <https://www.brookings.edu/wp-content/uploads/2016/06/Final-PDF-English.pdf>.

¹⁹ U.N. Security Council. Final Report of the Panel of Experts on Libya Established Pursuant to Resolution 1973 (2011). March 9, 2016. http://www.un.org/ga/search/view_doc.asp?symbol=S/2016/209.

²⁰ The U.S.-GCC summits have resulted in new U.S. commitments to assist the GCC states against Iran and other regional threats, including through new arms sales, counter-terrorism cooperation, countering cyber-attacks, joint military exercises, and other measures. See: White House Office of the Press Secretary. "Annex to U.S.-Gulf Cooperation Council Joint Statement." May 14, 2015. <https://www.whitehouse.gov/the-press-office/2015/05/14/annex-us-gulf-cooperation-council-camp-david-joint-statement>.

execution of a dissident Shiite cleric. However, Qatar did not break relations with Tehran outright, as did Saudi Arabia and Bahrain. Qatar did join the February 2016 GCC declaration that it considers Lebanese Hezbollah to be a terrorist organization and that GCC citizens should not stay in or travel to Lebanon.

Qatar and Iran have shared a large natural gas field in the Persian Gulf without incident, although some Iranian officials have occasionally accused Qatar of cheating with regard to the arrangement.²¹ Amir Tamim has, at times, had direct conversations with Iran's elected President Hassan Rouhani.²² In February 2010, Shaykh Tamim, who was at that time the Crown Prince/heir apparent, visited Iran for high-level talks with Iranian leaders. On March 8, 2017, in connection with an initiative by Kuwait and Oman to try to reduce tensions with Iran, in part to pave the way for a resolution of the Yemen conflict, Iranian Foreign Minister Mohammad Javad Zarif visited Doha and met with Shaykh Tamim.

Syria

Qatar has been active in supporting anti-Asad rebels in Syria, including by providing weaponry.²³ Qatar reportedly has supported anti-Assad factions in Syria that compete with and sometimes fight anti-Asad factions supported by Saudi Arabia and UAE. Also, Qatar reportedly has been a close partner of Turkey in supporting rebel factions.²⁴ At the same time, Qatar has had some ties to a faction fighting in Syria, Jabhat al Nusra (JAN), that is designated by the United States as a Foreign Terrorist Organization (FTO).²⁵ Qatar's apparent intent in establishing such ties had been to induce the group to sever its ties to Al Qaeda, which it formally did in July 2016, although observers perceive the group is still aligned with Al Qaeda's leadership. Qatari mediation also succeeded on a few occasions in obtaining the release of Lebanese and Western prisoners captured by the group.

In the wake of Russia's direct intervention in the Syria conflict in September 2015, Amir Tamim visited Russia in January 2016 and reiterated Qatar's long-standing support for a negotiated solution to the conflict. In late November 2016, Qatar's Foreign Minister stated that Doha would continue to arm Syrian rebels even if the incoming U.S. Administration ceases its support for rebel factions. He added that Qatar would not supply the rebels with shoulder-held anti-aircraft weaponry absent a multilateral decision to do so.²⁶ At the same time, recognizing Russia's influence in Syria and perhaps in the region more broadly, Qatar's sovereign wealth fund has increased its investments in Russia, particularly in its large Rosneft energy firm. Qatar has flown some airstrikes in Syria against the Islamic State as part of the U.S.-led coalition battling that organization.

²¹ "Iran, Qatar, Face Off Over North Field, South Pars. Oil and Gas News," June 6-12, 2016.

http://www.oilandgasnewsworldwide.com/Article/35647/Iran,_Qatar_face_off_over_North_Field,_South_Pars.

²² "Iran, Qatar Seek Improved Relations Despite Differences." Al Arabiya, June 2015.

<http://english.alarabiya.net/en/News/middle-east/2015/06/19/Iran-Qatar-seek-improved-relations-despite-differences.html>.

²³ Mark Mazzetti and Matt Apuzzo. "U.S. Relies Heavily on Saudi Money to Support Syrian Rebels." New York Times, January 23, 2016. http://www.nytimes.com/2016/01/24/world/middleeast/us-relies-heavily-on-saudi-money-to-support-syrian-rebels.html?_r=0.

²⁴ "Turkey Opens First Mideast Military Base in Qatar. Voice of America News, May 10, 2016.

²⁵ Al Jazeera, December 2, 2015. <http://www.aljazeera.com/news/2015/12/lebanese-hostages-released-prisoner-swap-151201072408599.html>.

²⁶ "Qatar will Help Syrian Rebels even if Trump Ends U.S. Role." Reuters, November 26, 2016.

Israeli-Palestinian Issues/Hamas

Qatar's independent foreign policy has positioned the Gulf state to potentially play a constructive role in Israeli-Palestinian peace negotiations. A year after taking power, then-Amir Hamad welcomed then-Prime Minister of Israel Shimon Peres and allowed Israel to open a formal trade office in Doha. That step went beyond Qatar's dropping of the secondary Arab League boycott of Israel, a step it took in 1993 in concert with all the GCC states. In April 2008, then-Foreign Minister Tzipi Livni visited Qatar to attend a government-sponsored annual conference (the "Doha Forum"), and met with then-Amir Hamad.²⁷ Nevertheless, Qatar ordered the Israeli offices in Doha closed in January 2009 at the height of an Israel-Hamas conflict that broke out that month. The offices have not reopened, in part because of the stagnation in the Israeli-Palestinian peace process in recent years. Amir Tamim has regularly criticized Israel, accusing it of severe abuses against the Palestinians and insincerity in seeking a political solution to the dispute.²⁸ Still, small levels of direct Israel-Qatar trade reportedly continue; Israeli exports to Qatar consist mostly of machinery and technology, and imports from Qatar are primarily plastics.²⁹

Using financial and political leverage, including its aid to the Gaza Strip, Qatar also is extensively involved in Palestinian politics, particularly by attempting to broker reconciliation between the Fatah-led Palestinian Authority (PA) on the West Bank and the Islamist group Hamas, which has exercised de-facto control of the Gaza Strip since 2007. Qatar has hosted reconciliation talks between Hamas and Fatah, including in late October 2016, when PA President Mahmoud Abbas visited Doha for the funeral of former Amir Khalifa and met with Hamas political bureau leader Khalid Meshal, who resides in Qatar. Qatar's Foreign Minister attended the meeting. The Hamas-PA meetings were facilitated by Amir Tamim's meeting with Meshal and his deputy Ismail Haniyah, earlier in October, and a September 2016 comment in Doha by Meshal indicating that ruling the Gaza Strip was difficult for Hamas alone.³⁰ However, Qatar's hosting of Meshal and its financial aid to the Gaza Strip have drawn criticism as support for a terrorist organization. Qatari officials assert that the country funds only humanitarian and civilian projects that benefit the residents of the Gaza Strip and have no military applications. Qatar's leaders express consistent support for Palestinian efforts for full United Nations membership and recognition, while at the same time backing negotiations between the Palestinians and Israel.

Afghanistan

Qatar did not deploy forces to support U.S.-led military operations in Afghanistan, but it has served as a mediator between the United States and the Taliban insurgency. Unlike Saudi Arabia and UAE, Qatar did not recognize the Taliban as the legitimate government of Kabul when the movement ruled during 1996-2001 but it allowed some Taliban representatives to reside in Doha and engage in contacts with U.S. and other officials. In June 2013, the Taliban opened a representative office in Qatar, but it violated U.S.-Qatar-Taliban understandings by raising a flag of the former Taliban regime on the building. Qatar, at U.S. request, closed the office. Taliban officials remained in Qatar, and revived U.S.-Taliban talks led to the May 31, 2014, exchange of captured U.S. soldier Bowe Bergdahl for five Taliban figures held by the United States and the

²⁷ "Qatar and Israel: A Strategic but Complicated Alliance." *Fanack Chronicle of the Middle East and North Africa*. April 27, 2013.

²⁸ "Israel Doesn't Want Peace: Emir." *Qatar The Peninsula*, September 29, 2015. <http://www.thepeninsulaqatar.com/news/qatar/353598/israel-doesn-t-want-peace-emir>.

²⁹ *Ibid.*

³⁰ Peter Baker. "Palestinian Rivals Try, Again, to Bridge Divide." *New York Times*, October 28, 2016.

prison facility in Guantanamo Bay, Cuba. The five released to Qatar were Mullah Mohammad Fazl, the chief of staff of the Taliban's military; Noorullah Noori, the Taliban commander in northern Afghanistan; Khairullah Khairkhwa, the Taliban regime Interior Minister; Mohammad Nabi Omari, a Taliban official; and Abdul Haq Wasiq, the Taliban regime's deputy intelligence chief. The five were banned from traveling outside Qatar for at least one year. That deadline expired on June 1, 2015, but Qatari officials extended the travel ban until there is an agreed solution that would ensure the five do not rejoin the Taliban insurgency.

Since May 2015, and as recently as late 2016, the Pugwash International Conference on Science and World Affairs has talks in Qatar between Taliban representatives and Afghan officials, acting in their personal capacities. The earliest meetings reportedly resulted in agreement for the Taliban to reopen its office in Qatar and on possible amendments to the Afghan constitution should a settlement be reached.³¹ The head of the Taliban office in Qatar is Sher Mohammad Stanekzai.

Other Mediation Efforts³²

Qatar's efforts to mediate regional disputes have taken several other forms. In May 2008, Qatar brokered the "Doha Agreement" to resolve a political crisis in Lebanon that had resulted in fighting between Lebanon government forces and Iran's main regional ally, Hezbollah. Qatar's acceptance by the various Lebanese factions as a mediator stemmed, at least in part, from Qatar's role in helping reconstruct Lebanon after the 2006 Israel-Hezbollah war, and from then-Amir Hamad's post-war visit to Hezbollah strongholds in Lebanon.

Somewhat outside the traditional Middle East, Qatar has played an active role in mediating conflict over Sudan's Darfur region. In 2010, Qatar helped broker a series of agreements, collectively known as the Doha Agreements, between the government and various rebel factions. Qatar's grants and promises of investment reportedly were pivotal to achieving these outcomes.

U.S.-Qatari Defense and Security Cooperation

U.S. defense and security relations with Qatar developed during the 1980-1988 Iran-Iraq war. The six Gulf monarchies formed the GCC in late 1981 as a response to the threat posed by Iran in that war, and they financially and diplomatically backed Iraq despite political and ideological differences with Iraq's Saddam Hussein. In an apparent attempt to intimidate the Gulf states into reducing their support for Iraq, Iran attacked international shipping in the Gulf and some Gulf state oil loading facilities. In part because Iran did not target Qatari facilities, Qatar and the United States did not develop extensive defense cooperation during that period.

After Iraq invaded GCC member Kuwait in August 1990, all the GCC countries sided with the U.S.-led military coalition that expelled Iraq from Kuwait in February 1991. Still, Qatar remained dependent largely on French-made combat systems and U.S.-Qatar defense relations remained strained over Qatar's illicit procurement in the late 1980s of U.S.-made "Stinger" shoulder-held anti-aircraft missiles.³³ In January 1991, Qatari armored forces helped coalition troops defeat an

³¹ Author meeting with Pugwash representatives. June 2015.

³² For more information on Qatar's mediation efforts, see Sultan Barakat, Brookings Doha Center publication "Qatar Mediation: Between Ambition and Achievement." <https://www.brookings.edu/wp-content/uploads/2016/06/Final-PDF-English.pdf>.

³³ Elaine Sciolino. "Qatar Rejects U.S. Demand for Return of Illicit Stingers." *New York Times*, June 28, 1988. Congress responded to the Qatari Stinger acquisition by enacting a ban on arms sales to Qatar (Section 566(d) of P.L. 100-461). The ban was repealed by Section 568 of the foreign aid appropriations act for FY1991 (P.L. 101-513).

Iraqi attack on the Saudi town of Khafji. After the expulsion of Iraq from Kuwait, U.S.-Qatari defense relations deepened and the two countries signed a formal Defense Cooperation Agreement (DCA). Since then, defense cooperation has expanded and deepened, including through U.S. sales of increasingly sophisticated arms and missile defense systems.

Qatar is one of the wealthiest states in the world on a per capita gross domestic product (GDP) basis. It receives virtually no U.S. security or economic assistance of any kind, although at times small amounts have been provided to help Qatar develop capabilities to prevent smuggling and the movement of terrorists or proliferation-related gear into Qatar or around its waterways.

Qatar has also developed relations with NATO under the “Istanbul Cooperation Initiative” (ICI). Qatar’s Ambassador to Belgium serves as the interlocutor with NATO, the headquarters of which is based near Brussels.

Defense Cooperation Agreement (DCA)

The United States and Qatar signed a formal defense cooperation agreement (DCA) on June 23, 1992. The DCA was renewed for 10 years, reportedly with some modifications, in December 2013. The text of the pact is classified, but it reportedly provided for U.S. military access to Qatari military facilities, pre-positioning of U.S. armor and other military equipment, and U.S. training of Qatar’s military forces.³⁴

Approximately 10,000 U.S. troops are currently deployed at the various facilities in Qatar.³⁵ Most are U.S. Air Force personnel based at the large Al Udeid air base southwest of Doha, working as part of the Coalition Forward Air Component Command (CFACC).³⁶ The air field, which also hosts the forward headquarters for U.S. Central Command (CENTCOM), has been steadily expanded and enhanced with Qatari as well as some U.S. military construction funding. Qatar invested about \$1 billion to construct the base in the 1990s. The U.S. Army component of U.S. Central Command pre-positions armor (enough to outfit one brigade) at Camp As Sayliyah,³⁷ and that armor was deployed in Operation Iraqi Freedom that removed Saddam Hussein from power in Iraq in 2003. The U.S. personnel deployed to Qatar participate in U.S. operations such as Operation Inherent Resolve (OIR) to combat the Islamic State organization in Iraq and Syria. Qatar’s own air force participated in some of the first OIR air strikes against Islamic State forces in Syria in late 2014 but, after a few weeks of such operations, Qatar curtailed its participation in the air operations, according to press releases from the U.S. military.

The DCA also reportedly provides for U.S. training of Qatar’s military. Qatar’s force of about 11,800 is the smallest in the region except for Bahrain. Of that force, about 8,500 are ground forces, 1,800 are naval forces, and 1,500 are air forces. Qatar’s armed forces continue to field mostly French-made equipment, such as the AMX-30 main battle tank. Males aged 18-35 are required to perform three to four months of national service, with a reserve commitment of 10 years (up to age 40).

³⁴ U.S. Library of Congress. Country Studies: Persian Gulf States. Some provisions of DCA’s with other GCC states are discussed in Sami Hajjar, *U.S. Military Presence in the Gulf: Challenges and Prospects* (U.S. Army War College: Strategic Studies Institute), March 2002, p. 27.

³⁵ “Turkey Opens First Mideast Military Base in Qatar.” Voice of America News. May 10, 2016. <http://www.voanews.com/content/turkey-opens-first-middle-east-military-base-in-qatar/3323653.html>.

³⁶ See: <http://www.afcent.af.mil/>.

³⁷ See Global Security.org at <http://www.globalsecurity.org/military/facility/camp-as-sayliyah.htm>

U.S. Arms Sales to Qatar

Most of Qatar's arsenal of major combat systems still consists of French-made equipment. However, a growing percentage of its new arms purchases are of U.S. equipment.³⁸

- **Tanks.** Qatar's 30 main battle tanks are French-made AMX-30s. In 2015, Germany exported several "Leopard 2" tanks to Qatar. Qatar has not purchased U.S.-made tanks, to date.
- **Combat Aircraft.** Qatar currently has 18 combat capable aircraft, of which 12 are French-made Mirage 2000s. In July 2013 Qatar submitted a letter of request to purchase 72 U.S.-made F-15s. After a long delay reportedly linked to the U.S. defense relationship with Israel and the U.S. commitment to Israel's "Qualitative Military Edge" (QME), on November 17, 2016, the Defense Security Cooperation Agency (DSCA) notified Congress of the potential sale which, along with support, training, and related equipment, has an estimated value of \$21 billion (Transmittal Number 16-58). The FY2016 National Defense Authorization Act (Section 1278 of P.L. 114-92) required a Department of Defense briefing for Congress on the risks and benefits of the F-15 sale, including the effect of such a sale on the U.S. commitment to maintain Israel's QME. During the U.S. consideration period, and perhaps as a hedge against an adverse U.S. decision on the F-15, Qatar signed a \$7 billion agreement in May 2015 to purchase 24 French-made Rafale aircraft.³⁹
- **Helicopters.** In 2012, the United States sold Qatar AH-64 Apache attack helicopters and related equipment; UH-60 M Blackhawk helicopters; and MH-60 Seahawk helicopters. The total potential value of the sales was estimated at about \$6.6 billion, of which about half consisted of the Apache sale.
- **Missile and Rocket Systems.** During 2012-2013, the United States sold Qatar Hellfire air-to-ground missiles, Javelin guided missiles, the M142 High Mobility Artillery Rocket System (HIMARS), the Army Tactical Missile System (ATACMS), and the M31A1 Guided Multiple Launch Rocket System (GMLRS). The total potential value of the sales was estimated at about \$665 million. On April 22, 2016, the Defense Security Cooperation Agency notified to Congress a potential sale to Qatar of 252 RIM-116C Rolling Airframe Tactical Missiles and Two RIM 116C-2 Rolling Airframe Telemetry Missiles, plus associated equipment and support, with an estimated sale value of \$260 million.⁴⁰ On May 26, 2016, DSCA notified to Congress an additional sale of 10 Javelin launch units and 50 Javelin missiles plus associated equipment and support. The potential sale has an estimated value of \$20 million.⁴¹
- **Ballistic Missile Defense (BMD) Systems.** Qatar has purchased various U.S.-made BMD systems, consistent with U.S. efforts to promote a coordinated Gulf missile defense capability against Iran's missile arsenal. In 2012, the United

³⁸ Information on Qatar's existing military forces and equipment is derived from The International Institute for Strategic Studies (IISS). "The Military Balance: 2016." Chapter 7: The Middle East and North Africa.

³⁹ Tom Hussain. "Is France Positioning Itself for Lead Role in Persian Gulf?" McClatchy, May 1, 2015; "Senators Begin Push for Jet Sales to Kuwait, Qatar." Defense News, January 22, 2016.

⁴⁰ Defense Security Cooperation Agency. Transmittal Number 16-07.

⁴¹ Defense Security Cooperation Agency. Transmittal Number 16-20.

States sold Qatar Patriot Configuration 3 (PAC-3, made by Raytheon) fire units and missiles at an estimated value of nearly \$10 billion. Also that year, the United States agreed to sell Qatar the Terminal High Altitude Area Air Defense (THAAD), the most sophisticated ground-based missile defense system the United States has made available for sale.⁴² The UAE ordered that system in 2011, and the delivery and training process for the UAE's THAADs began in late 2015.⁴³ However, because of Qatar's budget difficulties discussed below, the THAAD sale has not been finalized to date.⁴⁴ In late February 2017, Raytheon reportedly concluded an agreement to sell Qatar an early warning radar system to improve the capabilities of its existing missile defense systems. The estimated value of the sale is \$1.1 billion

- **Naval Vessels.** In August 2016, DSCA transmitted a proposed sale to Qatar of an unspecified number of U.S.-made Mk-V fast patrol boats, along with other equipment, with a total estimated value of about \$124 million. In June 2016, Qatar agreed to purchase from Italy four multirole corvette ships, two fast patrol missile ships, and an amphibious logistics ship, with a total value of about \$5.6 billion.⁴⁵

Counterterrorism Cooperation

When the United States and Qatar agree on a terrorism threat, Qatar's cooperation against terrorism is extensive. However, counterterrorism cooperation is often clouded by a lack of agreement on which groups or individuals should be characterized as "terrorists." Some groups that the United States considers as terrorist organizations are considered by Qatar to be legitimate Arab movements pursuing goals with which Qatari officials and citizens often agree. As noted above, Qatar supports the Sunni Islamist Palestinian group Hamas, but it joined the other GCC states in a March 2016 naming of Lebanese Hezbollah—a Shiite Islamist movement heavily supported by Iran—as a terrorist organization. In the past, perhaps before the global threat from the Al Qaeda organization was acute, at least one high-ranking Qatari official provided support to Al Qaeda figures residing in or transiting Qatar, including suspected September 11, 2001, attacks mastermind Khalid Shaykh Mohammad.⁴⁶

The State Department report on international terrorism for 2015 states that "the United States and Qatar maintained a strong partnership in the fight against terrorism."⁴⁷ As noted in the State Department report, Qatar is cooperating in several ways with the U.S.-led campaign against the Islamic State. In 2015, Qatar asked to participate in the department's Anti-Terrorism Assistance (ATA) program, and it has continued to participate in and host Global Counterterrorism Forum events. Under the ATA program, participating countries are provided with U.S. training and

⁴² Defense Security Cooperation Agency announcement. November 5, 2012. <http://www.dsca.mil/major-arms-sales/qatar-terminal-high-altitude-area-defense-thaad>.

⁴³ Adriane Elliot. "Antiballistic Missile System Shared with U.S. Partner." Homepage of the U.S. Army. January 13, 2016. https://www.army.mil/article/160912/Antiballistic_system_shared_with_international_partner/.

⁴⁴ "Lockheed Says Qatar Budget Woes Could Delay Defense Deal." *Wall Street Journal*, April 26, 2016. <http://www.wsj.com/articles/lockheed-says-qatar-budget-woes-could-delay-defense-deal-1461692108>.

⁴⁵ "Qatar's EUR5 Billion Naval Deal with Italy Sees Three Ship Types to Be Delivered." IHS Jane's Navy International, June 17, 2016.

⁴⁶ Final Report of the National Commission on Terrorist Attacks Upon the United States.

⁴⁷ Department of State. Country Reports on Terrorism: 2015. <http://www.state.gov/j/ct/rls/crt/2015/index.htm>.

advice on equipment and techniques to prevent terrorists from entering or moving across their borders.

There have not been any recent U.S. official statements asserting that the government of Qatar or any of its senior officials support members of the Al Qaeda organization. Nevertheless, some experts have noted that the government has violated a pledge to the United States not to allow Qatari preachers to conduct what some consider religious incitement in mosques in Education City, where several U.S. universities have branches.⁴⁸ Also, Qatari agencies such as the State Security Bureau and the Ministry of Interior have limited manpower and are reliant on nationals from third countries to fill law enforcement positions—a limitation Qatar has tried to address by employing U.S. and other Western-supplied high technology.⁴⁹

Terrorism Financing Issues

U.S. reports indicate that Qatar has taken steps in recent years to prevent terrorism financing and the movement of suspected terrorists into or through Qatar. The country is a member of the Middle East North Africa Financial Action Task Force (MENAFATF), a regional financial action task force that coordinates efforts combatting money laundering and terrorism financing. In 2014, the Amir approved Law Number 14, the “Cybercrime Prevention Law,” which criminalized terrorism-linked cyber offenses, and clarified that it is illegal to use an information network to contact a terrorist organization or raise funds for terrorist groups, or to promote the ideology of terrorist organizations. Nevertheless, according to the Department of State, “entities and individuals within Qatar continue to serve as a source of financial support for terrorist and violent extremist groups, particularly regional Al Qa’ida affiliates such as the Nusrah Front.”⁵⁰ In October 2016, Daniel Glaser, then Assistant Secretary for Terrorist Financing in the Office of Terrorism and Financial Intelligence, told a Washington, DC, research institute that, over the past decade, Qatar had made less progress in countering terrorism financing than had Saudi Arabia.⁵¹ The United States has imposed sanctions on several persons living in Qatar, including Qatari nationals, for allegedly raising funds or making donations to both Al Qaeda and the Islamic State.⁵² In late February 2017, perhaps in an effort to demonstrate increased cooperation, Qatar hosted a meeting of the “Egmont Group” global working group consisting of 152 country Financial Intelligence Units.

Countering Violent Extremism

Qatar has hosted workshops on developing plans to counter violent extremism and has participated in similar sessions hosted by the UAE’s Hedayat Center that focuses on that issue. Also in 2015, Qatar pledged funding to the U.N. Office on Drugs and Crime (UNODC) to help address violent extremism and radicalization among youth and vulnerable populations.

⁴⁸ David Weinberg. “Hate Preachers on Qatar Campus: Obama Gives Qatar Undeserved A+ on Fighting Incitement.” *The Huffington Post*, May 2, 2016.

⁴⁹ Department of State. Office of the Coordinator for Counterterrorism. “Country Reports on Terrorism: 2014.”

⁵⁰ State Department report on international terrorism for 2015.

⁵¹ Barbara Slavin. “U.S. Treasury Official Praises Saudi Cooperation Against Terror Funding.” *Al Monitor*, October 14, 2016.

⁵² U.S. Treasury Department: “Treasury Designated Twelve Foreign Terrorist Fighter Facilitators,” September 24, 2014; “Treasury Designated Al-Qa’ida Supporters in Qatar and Yemen,” December 18, 2013; “Treasury Targets Key Al-Qa’ida Funding and Support Network Using Iran as a Critical Transit Point,” July 28, 2011.

Economic Issues

Qatar is wrestling with the economic effects of the fall in world energy prices since mid-2014—a development that has caused GCC economies to slow, their budgets to fall into deficit, and the balance of their ample sovereign wealth funds to stagnate or decline. Oil and gas reserves have made Qatar the country with the world’s highest per capita income and perhaps the lowest unemployment (less than half of one percent). Qatar is a member of the Organization of Petroleum Exporting Countries (OPEC), along with fellow GCC states Saudi Arabia, Kuwait, and UAE.

Proven oil reserves of about 25 billion barrels are far less than those of Saudi Arabia and Kuwait, but enough to enable Qatar to continue its current levels of oil production (about 700,000 barrels per day) for over 50 years. Its proven reserves of natural gas exceed 25 trillion cubic meters, about 13% of the world’s total and third largest in the world. Along with Kuwait and UAE, in November 2016 Qatar agreed to a modest oil production cut (about 30,000 barrels per day) as part of an OPEC-wide production cut intended to raise world crude oil prices.

Oil and gas still account for 92% of Qatar’s export earnings, and 56% of government revenues.⁵³ Qatar is the world’s largest supplier of liquefied natural gas (LNG), which is exported from the large Ras Laffan processing site north of Doha. That facility has been built up with U.S.-made equipment, much of which was exported with the help of about \$1 billion in Export-Import Bank loan guarantees. Qatar is a member and hosts the headquarters of the Gas Exporting Countries Forum (GECF), which is a nascent natural gas cartel and includes Iran and Russia, among other countries. State-run Qatar Petroleum is a major investor in the emerging U.S. LNG export market, with a 70% stake (Exxon-Mobil and Conoco-Phillips are minority stakeholders) in an LNG terminal in Texas that is seeking U.S. government approval to expand the facility to the point where it can export over 15 million tons of LNG per year.⁵⁴ In addition, other LNG suppliers, such as Australia, are challenging Qatar’s market leadership; Australia has the advantage of being geographically close to Qatar’s main gas customers, Japan and South Korea. Qatar is the source of the gas supplies for the Dolphin Gas Project established by the UAE in 1999 and which became operational in 2007. The project involves production and processing of natural gas from Qatar’s offshore North Field, which is connected to Iran’s South Pars Field (see **Figure 2**), and transportation of the processed gas by subsea pipeline to the UAE and Oman.⁵⁵

Because prices of hydrocarbon exports have fallen dramatically since mid-2014, the Economist Intelligence Unit (EIU) estimates that for all of 2016 Qatar ran its first budget deficit (about \$13 billion). It was the only GCC state to avoid running a deficit for 2015. Qatar’s GDP growth rate also slowed to below 3% in 2016, down from over 4% during each of 2013-2015.⁵⁶ As have other GCC rulers, Qatari leaders assert publicly that the country needs to diversify its economy, that generous benefits and subsidies need to be reduced, and that government must operate more efficiently. At the same time, the leadership apparently seeks to minimize the effect of any cutbacks on Qatari citizens.⁵⁷ Still, if oil prices remain far below their 2014 levels, it is likely that

⁵³ CIA World Factbook. June 2016. https://www.cia.gov/library/publications/the-world-factbook/geos/print_qa.html.

⁵⁴ Adam Schreck. “AP Interview: Qatar Energy Minister Wants ‘Fair’ Oil Price.” Associated Press, May 24, 2016.

⁵⁵ Dolphin Energy website. <http://www.dolphinenergy.com/en/6/about-dolphin-energy/about-us>.

⁵⁶ Economist Intelligence Unit, May 2, 2016; CIA World Factbook, accessed in late May 2016.

⁵⁷ Giorgio Cafiero. “Qatar Cuts Spending to Cope with Low Oil Prices.” Middle East Institute, March 1, 2016. <http://www.mei.edu/content/article/qatar-cuts-spending-cope-low-oil-prices>.

many Qatari citizens will be required to seek employment in the private sector, which they generally have shunned in favor of less demanding jobs in the government.

The national development strategy from 2011 to 2016 seeks to develop Qatar's housing, water, roads, airports, and shipping infrastructure in part to promote economic diversification, as well as to prepare to host the 2022 FIFA World Cup soccer tournament, investing as much as \$200 billion. In Doha, the result has been a construction boom, which by some reports has outpaced the capacity of the government to manage, and perhaps fund. A metro transportation system is under construction in Doha.

Qatar's main sovereign wealth fund, run by the Qatar Investment Authority (QIA), has an estimated value of about \$250 billion. The fund could give the country a substantial cushion to weather low energy prices for at least the next several years.⁵⁸ Qatar has been hesitant to draw on these assets to fund its budgetary operations because many of the QIA's investments consist of real estate and other relatively illiquid holdings, such as interest in London's Canary Wharf project. In May 2016, Qatar offered \$9 billion in bonds as a means of raising funds without drawing down its investment holdings.⁵⁹ Qatar also has cut some subsidies to address its budgetary shortfalls.

U.S.-Qatar Economic Relations

In contrast to the two least wealthy GCC states (Bahrain and Oman), which have free trade agreements with the United States, Qatar and the United States have not negotiated an FTA. However, in April 2004, the United States and Qatar signed a Trade and Investment Framework Agreement (TIFA). Qatar has used the benefits of the more limited agreement to undertake large investments in the United States, including the City Center project in Washington, DC. Also, several U.S. universities and other institutions, such as Cornell University, Carnegie Mellon University, Georgetown University, Brookings Institution, and Rand Corporation, have established branches and offices at the Qatar Foundation's Education City outside Doha. In 2005, Qatar donated \$100 million to the victims of Hurricane Katrina.

According to the U.S. Census Bureau's "Foreign Trade Statistics" compilation, the United States exported \$4.9 billion in goods to Qatar in 2016 (about \$600 million higher than 2015), and imported \$1.16 billion worth of Qatari goods in 2016, slightly less than in 2015. U.S. exports to Qatar consist mainly of aircraft, machinery, and information technology. U.S. imports from Qatar consist mainly of petroleum products, but U.S. imports of Qatar's crude oil or natural gas have declined to negligible levels in recent years, reflecting the significant increase in U.S. domestic production of those commodities.

Qatar's growing airline, Qatar Airways, is a major buyer of U.S. commercial aircraft. In October 2016, the airline agreed to purchase from Boeing up to another 100 passenger jets with an estimated value of \$18 billion—likely about \$10 billion if standard industry discounts are applied. However, some U.S. airlines are challenging Qatar Airways' benefits under a U.S.-Qatar "open skies" agreement. The U.S. carriers assert that the airline's privileges under that agreement should be revoked because the airline's aircraft purchases are subsidized by Qatar's government, giving it an unfair competitive advantage.⁶⁰ The Obama Administration did not reopen that agreement in

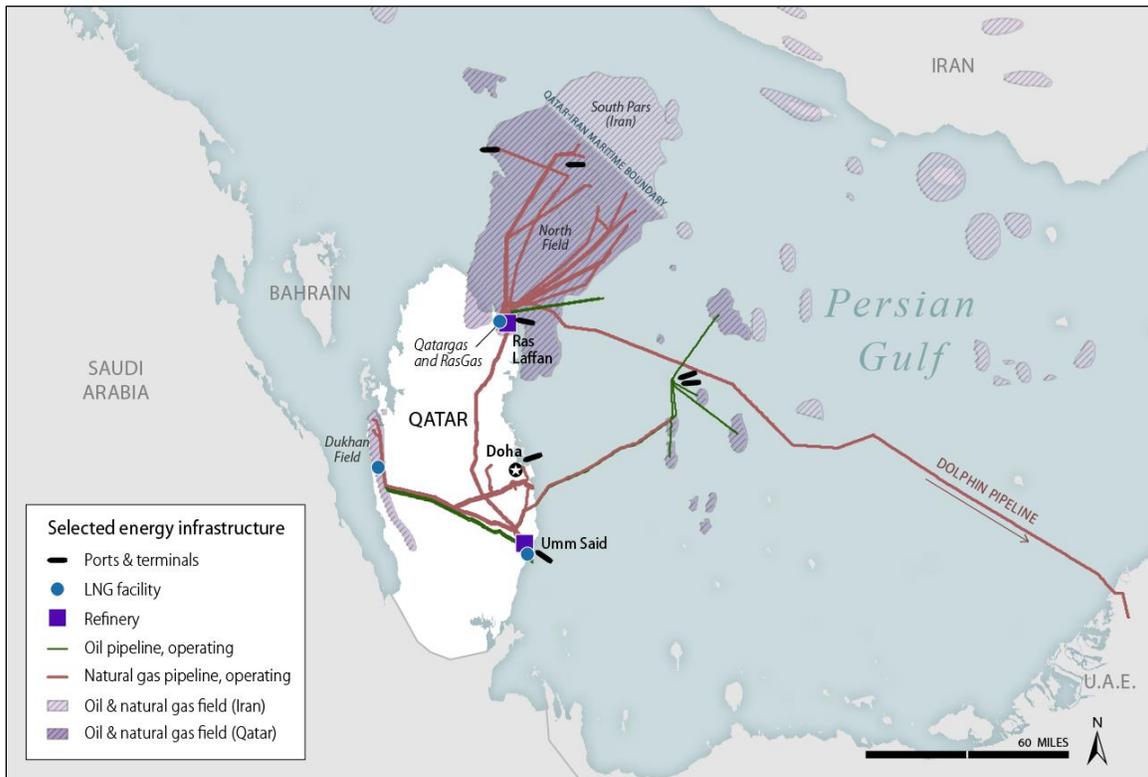
⁵⁸ Economist Intelligence Unit. "Qatar Continues to Invest Abroad, Although More Modestly."

⁵⁹ <https://finance.yahoo.com/news/saudi-arabia-might-pull-qatar-174900348.html>.

⁶⁰ "Open Skies Dispute Between US and Gulf Airlines Escalates." UAE the National, January 30, 2016.

response to the complaints, and the Trump Administration, including during President Trump’s February 2017 meeting with airline executives, has not indicated it would do so either.

Figure 2. Map of Qatari Energy Resources and Select Infrastructure



Source: U.S. Energy Information Agency, as adapted by CRS.

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