



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 its small citizenry enjoys the world's highest per capita income. The emir of Qatar, Shaykh Hamad bin Khalifa Al Thani, has managed a course of major economic growth and very limited political liberalization since replacing his father in a bloodless palace coup in 1995. The emir has undertaken several projects to capitalize on Qatar's hydrocarbon resources, improve educational opportunities for Qatari citizens, and pursue economic diversification. As part of Qatar's liberalization experiment, the Qatari monarchy founded *Al Jazeera*, the first all-news Arabic language satellite television network, in 1995. The network has proven influential and controversial since its establishment, including during recent unrest in the Arab world. In an April 2003 referendum, Qatari voters approved a new constitution that officially granted women the right to vote and run for national office. Long-delayed elections for two-thirds of the seats in a national Advisory Council outlined by the new constitution are planned for 2013. Central Municipal Council elections were 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. In April 2003, the U.S. Combat Air Operations Center for the Middle East moved from Prince Sultan Airbase in Saudi Arabia to Qatar's Al Udeid airbase south 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, including Iraq and Afghanistan. In spite of serving as the host to a large U.S. military presence and supporting U.S. regional initiatives, Qatar has remained mostly secure from terrorist attacks. Terrorist statements indicate that energy infrastructure and U.S. military facilities in Qatar remain potential targets. U.S. officials have described Qatar's counterterrorism cooperation since 9/11 as significant; however, some observers have raised questions about possible support for Al Qaeda and other violent extremist groups by some Qatari citizens, including members of Qatar's large ruling family.

Human rights concerns persist. The 2010 State Department human rights report on Qatar notes that basic civil liberties are restricted and states that the foreign workers who make up most of the country's population of 1.8 million "in many cases worked under circumstances that constituted forced labor." Since 2007, the State Department has reported that the safety and labor rights regulations that have been enacted remain largely unenforced, and foreign diplomats' visits to labor camps revealed "the majority of unskilled foreign laborers living in cramped, dirty, and hazardous conditions, often without running water, electricity, or adequate food."

Qatari officials have taken an increasingly active diplomatic role in recent years, seeking to position themselves as mediators and interlocutors in a number of regional conflicts. Qatar's deployment of fighter jets and transport planes to support NATO-led military operations in Libya signaled a new assertiveness, as have Qatari leaders' calls for providing weapons to the Syrian opposition. Qatar's willingness to embrace Iran, Hezbollah, Hamas, and the Taliban as part of its mediation and outreach initiatives has drawn scrutiny from some U.S. observers. Unrest in Syria and Hamas-Fatah reconciliation attempts have created challenging choices for Qatar, and Qatari leaders now host Hamas leader Khaled Meshaal following his split with the Asad regime. The Obama Administration has not voiced public concern about Qatar's multidirectional foreign policy and has sought to preserve and expand 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, gained independence from the United Kingdom on September 3, 1971. It is a constitutional monarchy governed by the Al Thani family. Of the country's approximately 1.8 million people, roughly 225,000 are citizens; the rest are foreign residents and temporary laborers.¹ The emir of Qatar, Shaykh Hamad bin Khalifa Al Thani, has sought to increase the global profile and influence of his small, energy-rich country since he replaced his father as emir in a palace coup in 1995. Like King Abdullah II of Jordan, he was educated in the United Kingdom and holds degrees from Sandhurst Military Academy and Cambridge University. He is 60 years old, and has 3 wives and 24 children. His second wife, Shaykha Mohza, remains very active in Qatari public life, leading education, health, and women's initiatives. In 1997, the emir had kidney transplant surgery in the United States.

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. Qatar's small native population of 225,000 is politically active in private but not publicly restive, and members of the fluid expatriate population of 1.6 million have no political rights. Shaykh Hamad appoints members of his extended family and other notables to a governing Council of Ministers (cabinet), which is headed by his powerful cousin, Prime Minister and Foreign Minister Hamad bin Jassem bin Jabr Al Thani.

The rule of the Qatari state is hereditary within the Al Thani family, and the constitution reflects the previously contested principle that future successors to the throne will follow the line of the emir's male offspring. The emir's fourth-oldest son, Tamim bin Hamad, is now the named successor to the Qatari monarchy; he is 31 years old. 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 the Central Municipal Council were held in May 2011, and long-delayed national Advisory Council elections are planned for 2013. Public debate on some issues is encouraged, although the 2010 U.S. State Department human rights report notes Qatar's ban on political parties and restrictions on freedom of speech, press, assembly, association, and religion.

The emir visited Washington, DC, in April 2011 for consultations with President Obama and congressional leaders. In the wake of the visit, U.S. Ambassador to Qatar Joseph LeBaron referred to "a deepening of the relationship in political terms" and stated his belief that President Obama's consultation with Shaykh Hamad moved the U.S.-Qatari relationship "in a direction that is qualitatively different from the past 10 years."² The Administration has not elaborated on what new political arrangements or agreements, if any, were concluded during the emir's visit. In the months since, Qatar has continued its bold responses to unrest in various Arab countries by backing opposition movements in Libya and Syria and offering sanctuary to Hamas leader Khaled Meshaal after his departure from Damascus.

¹ As of April 30, 2010, the Qatar Statistics Authority reported that the population had reached 1.67 million people, of which 1.27 million were male and 400,000 were female. The State Department 2010 report on human rights in Qatar estimates that there are 225,000 Qatari citizens.

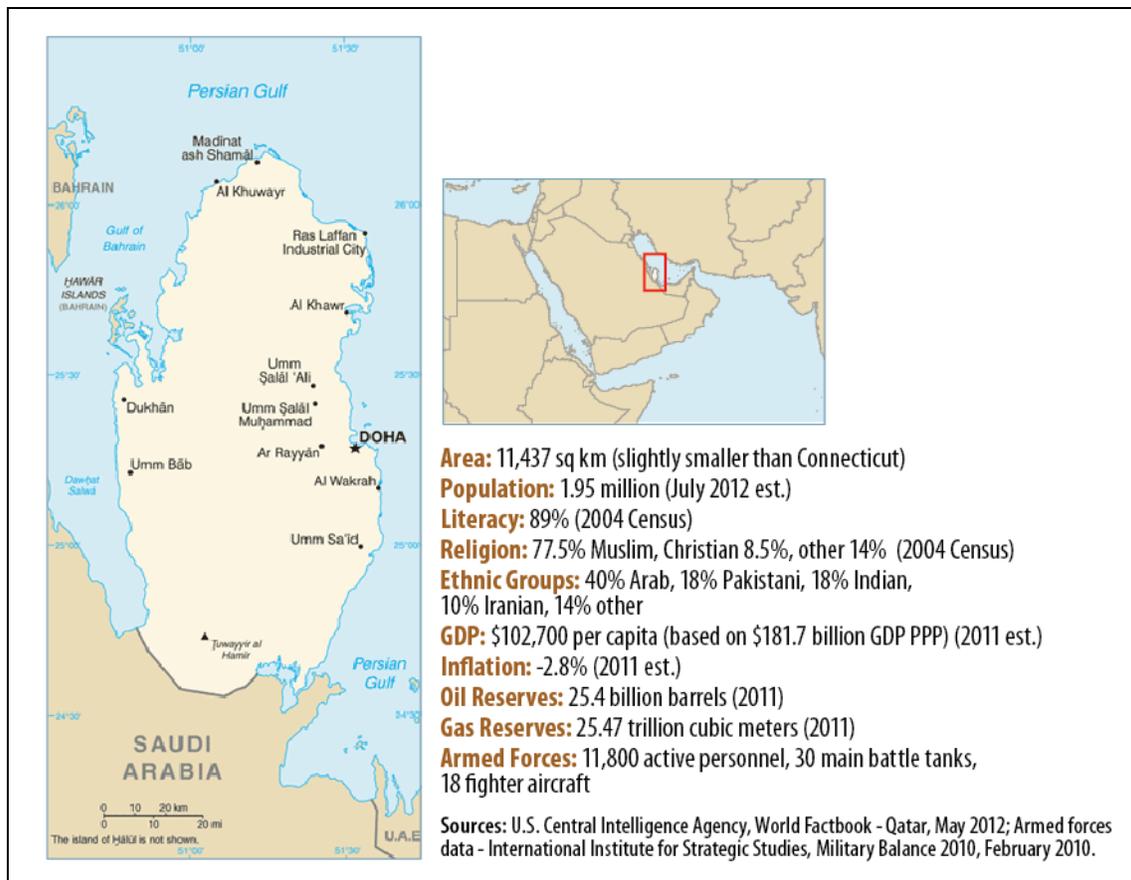
² Peter Townson, "U.S. envoy heralds a shift in relationship," *Gulf Times* (Doha), May 2, 2011.

Table I. Chiefs of State and Select Cabinet Members of Qatar

Emir	Hamad bin Khalifa Al Thani
Heir Apparent	Tamim bin Hamad bin Khalifa Al Thani
Prime Minister	Hamad bin Jassem bin Jabr Al Thani
Deputy Prime Minister	Abdallah bin Abdallah Al Mahmoud
Foreign Minister	Hamad bin Jassem bin Jabr Al Thani
Energy and Industry Minister	Muhammad Salih Al Sada
Interior Minister	Abdallah bin Khalid Al Thani ^a
Finance and Economy Minister	Youssef Hussein Al Kamal
Ambassador to the United States	Mohammed bin Abdallah bin Miteb al Rumayhi

a. Minister of State for Interior Affairs Abdallah bin Nasser bin Khalifa Al Thani conducts the official business of the Ministry of Interior, including serving as liaison to foreign governments and security services.

Figure I. Qatar at a Glance



Assertive Diplomacy and Economic Clout

Qatar's strategic location, its leaders' multifaceted foreign policy, and its explosive economic growth contribute to the small country's relatively large profile. Qatar's energy export-fueled GDP growth and small population have catapulted the country to the top of the global per capita GDP rankings, with a 2011 U.S. Central Intelligence Agency (CIA) estimate of \$102,700, the second highest in the world. Extending northward from the central Arabian Peninsula into the Persian Gulf, Qatar hosts the forward headquarters of U.S. Central Command (CENTCOM) at the Al Udeid air base outside of the capital city, Doha. The emir has maintained close strategic relations with the United States as a balance to the influence of powerful neighbors in Saudi Arabia and Iran. Qatar and Iran share the large North Field/South Pars natural gas deposit, providing a basis for economic coordination and shared security interests with Tehran. Qatar's relatively ambiguous approach to some regional issues of U.S. concern and its willingness to maintain relations with Iran, Syria, and Hamas in recent years have generated some criticism among U.S. observers, including some Members of Congress. Qatar's opposition to the Assad government may complicate this picture in the months ahead. The emir has prioritized efforts to raise Qatar's global profile, and outbid the United States and others to secure the right to host the FIFA World Cup (soccer) in 2022.

Qatar's Foreign Policy

Qatar's approach to regional affairs is best described as a multi-directional balancing act. To the chagrin of Saudi Arabia and other regional powers, Qatar has sought to mediate regional conflicts and political disputes by engaging a wide range of parties in Yemen, Lebanon, Sudan, and Gaza, some of whom are hostile to the United States. Qatari leaders have responded boldly to recent political unrest in the region, while the increasing Sunni-Shiite and Arab-Iranian tensions in the Gulf region have led Qatar to close ranks with its Sunni Arab allies in the Gulf Cooperation Council (GCC). Qatari leaders have embraced political change in Tunisia, Egypt, Libya, Syria, and Yemen, while offering support to their traditional rivals in Bahrain's ruling Al Khalifa family. The emir also took a measured approach to unrest in Syria during 2011, but has shifted to a more confrontational approach as violence has continued and worsened during 2012. 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 during the unfolding "Arab Spring." Some critics assert that despite Qatar's active foreign policy, its regional diplomacy has actually yielded little, with the exception of the 2008 Doha agreement that ended Lebanon's 18-month long political crisis. Qatari support for opposition groups in Libya and Syria has the potential to have a more lasting impact on the region, but may challenge the traditional Qatari preference for remaining engaged with all sides in regional disputes.

General Responses to Regional Unrest

In general, Qatar has taken an open, flexible approach to recent regional unrest, highlighting its own modest reform efforts to date as broadly reflective of popular demands for effective, transparent government. Thus far, the emir has avoided much regional or domestic criticism of the centralized political system he presides over. Bahrain and Saudi Arabia remain exceptions to Qatar's embrace of "change," and Qatar has offered unspecified security support to Bahrain alongside military and police forces from Saudi Arabia and the United Arab Emirates (UAE).

Qatar also has leveraged its participation in the Arab League as an instrument of influence and chairs the Arab League committee on Syria. Some activists have criticized *Al Jazeera* for the tone and limited scope of its coverage of political debate and unrest in Saudi Arabia, Bahrain, and initially in Syria, in contrast to the network's enthusiastic coverage of unrest and debate in Egypt, Libya, Tunisia, and Yemen.

Afghan Taliban Ready to Open Political Office in Qatar

Multilateral diplomacy aimed at ending the insurgency in Afghanistan entered a new phase in late 2011, culminating in an announcement by the Afghan Taliban that the movement is ready to open a political office in the Qatari capital, Doha, to engage with third parties.³ The announcement signaled a formal return to the international diplomatic stage by the Taliban, which operated embassies in Saudi Arabia and the United Arab Emirates prior to its ouster by U.S.-backed Afghan militias in 2001. Qatari Prime Minister and Foreign Minister Hamad bin Jasssem bin Jabr Al Thani has said, "A solution in Afghanistan requires the participation of the Taliban in a way that must be decided by the Afghans. That requires talking to them."⁴ The Doha office was part of a package of U.S. proposals for confidence building measures with the Taliban; Afghan authorities reportedly had preferred Saudi Arabia or Turkey as a proposed site for the office, presumably out of concern that Qatar might not adequately monitor or limit the activities of senior Taliban personnel.

Afghanistan withdrew its ambassador from Doha for consultations in mid-December 2011, in apparent protest of what it implied were Qatari efforts to circumvent Afghan government participation in discussions concerning the proposed office and a negotiated settlement to the conflict. The Afghan ambassador returned to Doha in early 2012, in line with Afghan President Hamid Karzai's acceptance of the Doha office concept. Still, Karzai has insisted that his government remain fully involved in all aspects of any negotiations, in Doha or elsewhere. Afghan Foreign Minister Dr. Zalmay Rassoul visited Doha in early April 2012 and said that Qatar and the United States can help Afghans negotiate peace by "providing the appropriate environment for success," but such peace talks should be "between Afghans." Rassoul told the April 22 NATO Foreign and Defense Ministers Meeting in Brussels that, "we're today closer to the opening of an address in Qatar for the purpose of facilitating direct negotiations between the Afghan government and the Taliban and other armed opposition groups than at any other point in the past. We hope to finalize an understanding on this in Kabul soon."⁵

Qatar Hosts Hamas Leader, Promotes Palestinian Unity Agreement

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

³ A Taliban statement said, "We are at the moment, besides our powerful presence inside the country ready to establish a political office outside the country to come to an understanding with other nations and in this series, we have reached an initial agreement with Qatar and other related sides. Islamic Emirate has also asked for the release of its prisoners from the Guantanamo prison in exchange basis." U.S. Open Source Center (OSC) Report SAP20120104618001, "Statement of Islamic Emirate of Afghanistan regarding negotiations," Taliban Voice of Jihad Online in English, January 3, 2012.

⁴ Agence France Presse, "Taliban must be part of any Afghan solution: Qatar," December 17, 2011.

⁵ Statement by Foreign Minister Dr. Zalmay Rassoul, NATO Foreign and Defense Ministers Meeting, Brussels, April 19, 2012.

and Israel.⁶ In April 2011, Shaykh Hamad bin Khalifa said during a visit to the White House that “the most important issue for us in the region is that Palestine-Israeli conflict and how to find a way to establish a Palestinian state.” He signaled his support for President Obama’s goal of “supporting the existence of two states peacefully living side by side.” Qatari leaders also have criticized recent Israeli decisions on settlements and Jerusalem that they feel undermine prospects for a two-state solution. Qatar has been in the forefront of Arab-Israeli talks on expanding economic ties during periods of progress in the peace process. However, Qatar’s position regarding the Arab boycott of Israel is governed by the September 1994 decision by the GCC to terminate enforcement of the indirect boycotts, while maintaining, at least in theory, the primary boycott. An Israeli trade office in Doha was shuttered by the Qatari government in response to the January 2009 Gaza war and has not been reopened.

In recent years, some observers have viewed Qatar’s diplomatic approach as supportive of Hamas and indirectly supportive of Iran and Syria, although Qatari officials view their approach as supporting a consistent policy of engagement with all sides in the interests of peace. In October 2006, the Qatari government launched an ultimately unsuccessful round of shuttle diplomacy aimed at resolving differences between Palestinian factions and securing the release of kidnapped Israeli soldier Gilad Shalit by his Hamas captors.⁷ Qatar offered \$50 million in financial support to the then-Hamas-led Palestinian Authority government and has hosted Hamas officials for numerous talks and consultations since January 2006. Israel’s then-Foreign Minister Tzipi Livni declined a Qatari invitation to participate in an October 2006 democracy conference in Doha because of the presence of Hamas representatives, but an Israeli delegation participated in the conference, led by lower-ranking Foreign Ministry officials.⁸ Israeli Deputy Prime Minister Shimon Peres visited Qatar in February 2007 and declined the emir’s reported suggestion that Israel negotiate directly with Hamas.⁹

In light of escalating violence in Syria and tension with the Assad government, members of Hamas’s leadership have left their long-standing sanctuary in Damascus. Hamas politburo chief Khaled Meshaal now resides in Doha, where he appears and speaks at public events and conducts his regular engagement with regional figures, in spite of his decision not to stand for reelection during a recent Hamas internal poll. Many regional analysts presume that Qatari diplomats helped engineer the Hamas departure from Syria, and Meshaal’s subsequent reengagement in discussions on Palestinian unity appear to reflect Qatar’s preferences. In the past, some Members of Congress have criticized Qatar for providing financial and political support to Hamas.¹⁰

Meshaal continues to refer to Israel as “the Zionist enemy” in his public remarks, and has made a number of statements since relocating to Doha that may be designed to reestablish his credibility with hard-line members of Hamas who opposed his endorsement of the Palestinian unity agreement in February 2012. For example, he told a Doha conference audience in April 2012, “we should decide that the resistance and the gun are the only and real course to regain and purge

⁶ *Agence France Presse* (AFP), “Arabs support Palestinian call for peace conference,” February 12, 2012.

⁷ *Daily Star* (Beirut), “Qatari Mediation Fails to Bridge Hamas-Fatah Gap,” October 11, 2006.

⁸ AFP, “Livni Shuns Qatar Conference, but Israel There,” October 29, 2006.

⁹ Danna Harman, “Tiny Qatar Vies for Big Regional Role,” *Christian Science Monitor*, February 6, 2007.

¹⁰ For example, 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.

Jerusalem.”¹¹ Qatar, like other Arab states, continues to support the Palestinian bid for recognition and full membership at the United Nations.

Qatar Underwrites Some Libyan Groups, Faces Criticism

Among Qatar’s foreign policy moves since the emergence of the uprisings in the Middle East, one of the boldest has been its forceful intervention in Libya on the side of rebel forces that ousted and killed Muammar al Qadhafi. Qatar was active in diplomatic efforts to create international pressure on the Qadhafi regime in the Arab League and Gulf Cooperation Council, and deployed military aircraft in support of the U.N. Security Council-authorized civilian protection mission led by the North Atlantic Treaty Organization (NATO) Operation Unified Protector. Qatar also provided direct military assistance to rebel groups in the form of weapons shipments and on-the-ground advisory and communications support, both of which reportedly proved decisive in organizing some of the western Libya-based fighters who seized Tripoli.

Since Qadhafi’s death, some Libyans and regional commentators have criticized what they view as selective Qatari support for militias and political forces, particularly Islamist groups affiliated with the Libyan Islamic Movement for Change.¹² Qatar also continues to host and financially support several Libyan television networks, including the influential *Libya TV* satellite channel. At a December national reconciliation conference in Tripoli, Qatari State Minister for Foreign Affairs Khalid al Attiyah responded to criticism of Qatar’s role by saying: “Qatar indeed has interests in Libya. Our interest is to see a stable Libya where security prevails. This is all we, in Qatar, want.” Some observers speculate that Qatar may be encouraging Libyan militia groups to provide weaponry or volunteers to support counterparts in the Syrian opposition. Qatari leaders have called for Syrian rebels to be armed, but no public confirmation of any connection to Libya has been established.

Iran, Syria, and Lebanon: Doha’s Delicate Dance with Damascus Ends

Qatar has pursued a policy of engagement with Iran in recent years, probably based on the countries’ shared energy reserves and Qatar’s calculation that engagement may help deter Iranian reprisal attacks on U.S. and Qatari targets in the event of any regional conflict involving Iran. Qatari and Iranian officials signed a defense and security cooperation agreement in February 2010, and, in April 2010, Qatari military officers reportedly were invited to observe Iranian military drills in the Persian Gulf. In February 2010, Qatari Prime Minister Hamad bin Jassem bin Jabr Al Thani reportedly encouraged the United States to engage directly with Iran in order to resolve the ongoing dispute over Iran’s nuclear program.¹³ In 2009, Shaykh Hamad bin Jassem characterized Iran’s election dispute as “an internal matter” and stated, “we must respect the right of each state to solve its own problems.”¹⁴ Neither he or the emir have publicly reconciled that

¹¹ Remarks at International Union of Muslim Scholars Jerusalem Festival, Doha, Qatar. OSC Report GMP20120407620001, “Hamass’s Mish’al Outlines Stand on Jerusalem, Palestinian Cause, Arab Spring,” *Al Quds TV* (Beirut) April 6, 2012.

¹² Some Libya-based members of the Libyan Islamic Fighting Group, a U.S.-designated terrorist organization, announced a reorganization of the group as the Libyan Islamic Movement for Change (LIMC) in February 2011.

¹³ OSC Report GMP20100215135001, Mobin Pandit, “Talk Directly to Iran, US Told. Doha: Qatar Yesterday Urged the United States to Talk Directly to Iran on the Nuclear Issue,” *The Peninsula* (Doha), February 15, 2010.

¹⁴ OSC Report GMP20090624615003, “Qatari Premier Discusses Qatar’s Mediations, Ties with Egypt, Israel, Al-Jazirah,” June 24, 2009.

view with Qatar's active approach to the unfolding unrest in the Arab world. Prior to 2011, Qatari engagement with Syria and Iran and its support for unity government arrangements in Lebanon that include Hezbollah and its allies led some U.S. observers to place Qatar in the so-called "axis of resistance" vis-à-vis the United States, its Arab allies, and Israel.

In early 2011, Qatar attempted to resolve a government crisis in Lebanon and was rebuffed by Hezbollah and its Syrian and Iranian supporters. This precipitated the fall of the government of then-Prime Minister Saad Hariri and paved the way for a more confrontational Qatari approach to its relations with the government of President Bashar al Asad in Damascus. During the Syrian uprising, Qatar has taken an increasingly direct approach to insisting on a halt to violence against protestors, organizing multilateral Arab sanctions on Syria while quietly lending political support to opponents of Asad's regime. During most of 2011, Qatari authorities said their efforts were intended to prevent further "internationalization" of the crisis, which was broadly understood to refer to potential action by the U.N. Security Council or military intervention by non-Arab third parties. In 2012, Qatar's leaders have taken a more aggressive stance, with Prime Minister Hamad bin Jassem criticizing the Syrian government for failing to implement the Annan ceasefire plan and stating that Qatar and other third parties "should do whatever necessary to help them [the Syrian opposition], including giving them weapons to defend themselves."¹⁵ Emir Hamad bin Khalifa has also called for Syrian rebels to be supported "with arms."¹⁶ The Syrian and Iranian governments view Qatar's actions as intrusive and hostile. Regardless of the outcome in Syria, Qatar may remain an important interlocutor with Sunni Arabs and Islamists in Syria, who would likely expand their influence in Syrian political life in the event of regime change.

Sudan and Darfur Mediation

Qatari officials have worked over several years to negotiate a peaceful resolution to the armed conflict in Darfur, Sudan. Sudanese President Omar Hassan al Bashir visited Doha in July 2011 to sign the Doha Document for Peace in Darfur along with leaders of the Darfuri Liberation and Justice Movement (LJM).¹⁷ The agreement, which was facilitated by a joint-African Union/United Nations Mediator, marked a major milestone in a multi-year Qatari effort as the leader of the Arab League's mediation group for the conflict in Darfur. It was agreed to at a stakeholders conference in late May 2011 for the government of Sudan, Darfuri rebel groups, Sudanese organizations, and international parties. The Justice and Equality Movement (JEM)—viewed by many as the most militarily capable of the Darfuri groups—refused to sign the document. The JEM previously suspended its participation in the Doha process, arguing that the government of Sudan could not be trusted to abide by its terms. The JEM has since aligned itself with the main factions of the Sudan Liberation Movement and the Sudan Peoples Liberation Movement-North in a renewed effort to unseat Bashir's government. The opposition groups refer to their collective effort as the Sudan Revolutionary Front. In early 2012, Bashir issued decrees changing the governors of two states and creating two new states in the Darfur region as called for in the Doha document. Qatar, in turn, has pledged to begin following through on plans to

¹⁵ Qatar crosses the Syrian Rubicon: £63m to buy weapons for the rebels

¹⁶ Agence France Presse, "No progress in implementing Annan plan on Syria: Qatar PM," April 17, 2012.

¹⁷ President Bashir has visited Qatar multiple times since the issuance of an international warrant for his arrest by the International Criminal Court (ICC). Qatar is not a signatory to the Rome Statute and has rejected the ICC decision and warrant. Qatari officials consider the warrant disruptive to their efforts and those of others to mediate a peace agreement between the government of Sudan and a number of rebel groups in Darfur.

establish a development bank in Darfur and to make several strategic investments in Sudan, including investments in Sudanese state bonds seen as crucial to propping up Sudan's currency.

Qatar's Economy

Qatar has backed up its diplomatic approach with increasing financial resources and economic influence during a period of "unparalleled prosperity."¹⁸ Between 2000 and 2011, Qatar's nominal GDP skyrocketed from \$35 billion to an estimated \$139 billion. According to a December 2011 International Monetary Fund (IMF) statement, annual growth reached 17% in 2010 and 19% in 2011. Hydrocarbon exports have led the way, but non-oil and gas sector growth reached 9% in 2011.¹⁹ Oil and natural gas export proceeds provide over half of the government's revenue, and private sector growth has been robust in recent years, while slowing slightly from 2008 to present. Qatar based its recently approved 2012-2013 budget on an assumed oil price of \$65 per barrel—well below current global market prices. In recent years, government spending has exceeded budget projections, but conservative energy export price estimates have ensured large surpluses. The IMF estimates Qatar's 2011 surplus will be \$16.4 billion and predicts fiscal surpluses will continue through at least 2015. The emir's government is investing surplus revenue abroad for future generations and investing in domestic infrastructure, housing, and health sector improvements. Qatari press outlets feature limited criticism of domestic budget transparency, spending priorities, foreign contractors, and government efficiency.

Many regional economic experts are arguing that although the global credit crunch and resulting recession significantly lowered the value of many Qatari real estate and local stock holdings, the experience may turn out to have been a net positive for economies like Qatar's, where rapidly expanding real estate sectors and inflows of speculative capital had driven inflation rates into the double digits (15% in 2008) and local banks were not exercising good management practices over their lending portfolios. In describing Qatar's response to the losses facing its banking sector, the *Middle East Economic Digest* described Qatar as having "probably the most interventionist government in the region." Qatar has invested close to \$6 billion to purchase several types of asset holdings from its domestic banks in an effort to ensure that the banks continue lending. The IMF praised the Qatari bailout program in its February 2010 Article IV staff report.

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 recent boom, to reconsider planned projects, and, where possible, to take advantage of lower input costs by delaying project start dates or renegotiating contracts.

Managing the infrastructure and service needs created by the influx of laborers to the country remains the immediate challenge. The country's population, including expatriates, tripled between 2000 and 2010, to over 1.7 million in 2010.²⁰ As such, Qatar's economic successes have

¹⁸ 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.

¹⁹ IMF, 2011 Article IV Consultation, Concluding Statement of the IMF Mission, December 1, 2011.

²⁰ Based on figures available from Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, "World Population Prospects: The 2010 Revision," accessed May 2012.

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 2030.²¹ The emir's son and heir apparent Tamim bin Hamad Al Thani chairs the implementation oversight body for the *Vision 2030* project. 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.²²

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 896 trillion cubic feet (Tcf).²³ Qatar Petroleum (QP), the state-owned oil company, increased its crude oil output from 593,000 barrels per day (b/d) in 1999 to approximately 824,000 b/d after an OPEC-coordinated production cut in December 2008.²⁴ As of April 2012, Qatari officials stated that crude oil production was 730,000 b/d. However, with oil reserves likely to be exhausted before 2026 at current production rates, Qatar has rapidly moved to exploit its vast natural gas reserves. Japan, South Korea, and Singapore are the leading importers of oil from Qatar.

As part of a long-term development strategy, Qatar has tapped international financial markets and invited foreign investment in recent years in order to finance the expansion of its gas extraction and liquefied natural gas (LNG) production facilities.²⁵ The Export-Import Bank of the United States has provided over \$1 billion in loan guarantees to support the development of Qatar's gas production facilities in cooperation with a range of U.S., European, and Asian companies, banks, and export credit agencies.²⁶

Qatar has expanded its yearly LNG output from 4.5 million tons annually in 2002 to 43 million tons in 2009, and is now the world's largest exporter of LNG.²⁷ By the end of 2012, the final pending LNG projects are scheduled to be complete, bringing annual output capacity to 78 million tons. Although Qatar's LNG industry has low capital costs due to government investment,

²¹ For more information, see the General Secretariat for Development Planning website at http://www.gsdp.gov.qa/portal/page/portal/GSDP_Vision_Root/GSDP_EN/What%20We%20Do/QNV_2030

²² See Qatar National Development Strategy 2011-2016, Chapter 3, Figure 3.2, p. 72. Available at http://www2.gsdp.gov.qa/www1_docs/NDS_EN.pdf

²³ Qatar's supply of natural gas doubled in 2002, when surveyors discovered new gas deposits in Qatar's North Field.

²⁴ *Economist Intelligence Unit*, "Qatar has cut oil production in line with OPEC's decision," December 8, 2008.

²⁵ 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.

²⁶ 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.

²⁷ *Middle East Economic Digest*, "Doha continues to shine," October 30, 2009.

it has high operational costs, which has required Qatar to develop economies of scale in order to be more competitive with established LNG exporters such as Indonesia and Nigeria.²⁸ 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, with several independent gas production and conversion "trains" linked to corresponding fields and contracted export markets. Long-term contracts at fixed prices have ensured that Qatar has earned steady returns from its exports even in light of the global economic downturn. 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.²⁹

Qatar has signed several agreements with U.S. energy companies (ConocoPhillips and ExxonMobil) and other international companies to develop facilities to export LNG to the United States, the United Kingdom, Spain, Italy, South Korea, Taiwan, and India. Under Project Dolphin, Qatar has begun exporting natural gas via an underwater pipeline to the United Arab Emirates, although objections from Saudi Arabia have limited progress in other areas. Qatari government officials reported that natural gas revenues exceeded oil income for the first time in 2008. Qatar also is in the midst of gas-to-liquids (GTL) projects and aims to become the largest GTL producer in the world.³⁰ In February 2007, Qatar Petroleum and ExxonMobil announced that a planned joint-GTL production facility project would be cancelled in the wake of rising cost projections, but other GTL plans are proceeding.

Qatar has paused its rapid expansion of export oriented oil and natural gas projects through 2015 in expectation of clearer market signals about long-term investment needs. Although global economic uncertainty since 2008 and natural gas market changes have complicated global demand projections for Qatari energy exports, steady growth in regional energy consumption and the recent effects of regional unrest have created new opportunities for growth in Qatari oil and natural gas exports. Insecurity in Egypt has spurred Jordanian authorities to urgently explore the potential for building infrastructure to import Qatari gas as early as 2013.

U.S.-Qatar Relations and Key Issues

A U.S. embassy opened 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.³¹ 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

²⁸ Meeting with Qatar Petroleum, Qatar Gas, and Ras Gas executives, Ras Laffan, Qatar, January 2005.

²⁹ In February 2010, GECF Secretary General Leonid Bokhanovsky told Qatar's *Gulf Times*, "Naturally, the positive experience of OPEC was taken into consideration in the process of development of the GECF organizational structure, though characteristic properties of oil and gas necessitate different angles of approach." Specifically, Bokhanovsky highlighted the transportation and storage requirements of natural gas and the corresponding use of long-term supply and delivery contracts as key differences influencing the approach of GECF members.

³⁰ For more information on GTL and Qatar's GTL projects, see U.S. Energy Information Administration, Qatar Country Analysis Brief, January 2011. Available at <http://www.eia.doe.gov/countries/cab.cfm?fips=QA>.

³¹ Qatar defended its procurement of the missiles in protest of the sale of similar missiles by the United States to Bahrain, with which Qatar had an unresolved border dispute until 2001. Elaine Sciolino, "Qatar Rejects U.S. Demand For Return of Illicit Stingers," *New York Times*, June 28, 1988; Patrick E. Tyler, "U.S. Drawn Into Gulf Dispute - Stray Stingers Tied To Qatar-Bahrain Tiff," *Washington Post*, October 6, 1988.

War, when Qatar allowed coalition forces to operate from Qatari territory and agreed to destroy the missiles in question.³² In January 1991, Qatari armored forces helped coalition troops repel an Iraqi attack on the Saudi Arabian town of Khafji, on the coastal road leading south from Kuwait into Saudi Arabia's oil-rich Eastern Province.³³ 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 has welcomed Qatar's defense cooperation, as well as its political, economic, and educational reform efforts. Today, Qatari-U.S. relations remain cordial and close. Qatari-U.S. defense relations have expanded over the last 15 years 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 members 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 being used in ongoing operations in Iraq and Afghanistan.

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."³⁴ 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 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 (see **Table 2** below), 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 limited U.S. foreign assistance and in recent years has requested military construction funds for facilities in Qatar. Since September 2005, Qatar has donated \$100 million to victims of Hurricane Katrina in the U.S. Gulf states.

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 a personnel strength of 11,800, Qatar's armed forces are the second smallest in the Middle East.³⁵ France has provided approximately 80% of

³² 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."

³³ Thomas Ferraro, "Allies Retake Saudi City," *United Press International*, January 31, 1991; and Joseph Albright, "Marines Take Credit for Khafji Victory," *Atlanta Journal and Constitution*, February 3, 1991.

³⁴ Carrie Sheffield, "Tiny nation, global clout," *Washington Times*, June 24, 2009.

³⁵ Bahrain, with an estimated 11,000-member force, has the smallest.

Qatar's arms inventory. Since the 1991 Gulf war, Qatar has pursued a limited program of force modernization. To date, however, it has not purchased significant U.S. weapons systems, although the Qatari government may be considering the purchase of U.S. air and missile defense systems in line with trends that have seen increased interest in such systems from governments in the region. The U.S. military has deployed Patriot anti-ballistic missile defense systems to some publicly unnamed Gulf countries, ostensibly to defend against potential missile attacks from Iran.

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

The Al Udeid airbase now serves as a logistics, command, and basing hub for U.S. operations in Afghanistan and Iraq. Nearby Camp As Sayliyah houses significant U.S. military equipment pre-positioning and command facilities for the U.S. Central Command (CENTCOM) area of operations.³⁶ Both Qatar and the United States have invested in the construction and expansion of these facilities since the mid-1990s, and they form the main hub of the CENTCOM air and ground logistical network in the AOR. As a result of ongoing operations in Iraq and Afghanistan, U.S. and partner nation facilities in Qatar and elsewhere have received greater use in recent years and may require further investment to meet current and potential future needs.

From FY2003 to FY2007, Congress appropriated and authorized \$126 million for U.S. military construction activities in Qatar. The National Defense Authorization Act for Fiscal Year 2008 (P.L. 110-181) authorized \$81.7 million in FY2008 spending to build new Air Force and Special Operations facilities in Qatar. The National Defense Authorization Act for Fiscal Year 2009 (P.L. 110-417) authorizes \$69.6 million in FY2009 spending to build new Air Force and Special Operations facilities. The National Defense Authorization Act for Fiscal Year 2010 (P.L. 111-84) authorizes \$117 million in FY2010 spending to build new Air Force recreational, dormitory, and other facilities at Al Udeid. The Administration's FY2011 military construction request for Qatar was \$64.3 million, for Air Force facilities and a National Security Agency warehouse. The FY2012 request included \$37 million to continue the dormitory and recreation facility project.

The Administration also requested \$10,000 in International Military Education and Training (IMET) assistance funds for Qatar in FY2010, and requested an additional \$10,000 for FY2011 but did not allocate funds for Qatar during that fiscal year. The nominal IMET assistance had the administrative effect of making Qatar eligible to purchase other U.S. military training at a reduced cost level that is available only to IMET recipients.

The Administration's FY2012 Foreign Operations request and FY2013 Foreign Operations and Military Construction requests do not include funding for Qatar programs.

³⁶ According to the U.S. Department of Defense, "Qatar continues to host the Combined Air Operations Center, which provides airpower command and control for Afghanistan. Qatar also hosts USCENTCOM's forward headquarters, which has a crucial command and control responsibility for Afghanistan." U.S. Department of Defense, Report on Progress Toward Security and Stability in Afghanistan, (P.L. 110-181), April 2010, p. 85.

Table 2. U.S. Foreign Assistance to Qatar FY2005-2011

(\$ thousands)

Account	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
IMET ^a	-	-	-	-	-	10	-
NADR-ATA ^b	1,379	788	1,120 ^c	268 ^c	-	-	-
NADR-CTF	-	118			-	-	-

Source: U.S. Department of State, Congressional Budget Justifications for Foreign Operations, FY2007-FY2011.

- Qatar did not participate in the IMET program prior to FY2010. The Bush Administration requested the provision of nominal IMET assistance because Qatari participation in the IMET program would make Qatar eligible to purchase other U.S. training at a reduced cost. The Obama Administration continued this request for FY2010. Section 21(c) of P.L.90-629, the Arms Export Control Act (AECA) as amended, states that IMET recipient countries are eligible to purchase non-IMET training at reduced cost. Section 108(a) of P.L. 99-83 amended the AECA to provide this reduced cost benefit to IMET recipients. The U.S. Defense Security Cooperation Agency (DSCA) implements the authority provided in P.L. 99-83 to apply a lower cost to U.S. military training purchased by Qatar and other IMET recipient countries through the Foreign Military Sales (FMS) program. At present, the "incremental rates" applied to the FMS training purchases of IMET recipient countries are calculated according to the terms outlined in Department of Defense Financial Management Regulation (FMR), Volume 15, Chapter 7 (Sections 0711 and 0712).
- Through the end of FY2006, over \$3.3 million in Nonproliferation, Anti-terrorism, De-mining and Related Programs - Anti-terrorism Assistance (NADR - ATA) has been provided to train over 500 Qatari security officers and officials since FY1987.
- Aid allocation amounts released by the State Department did not distinguish between NADR sub-accounts.

Counterterrorism

Recent Cooperation

The U.S. State Department has characterized Qatar's counterterrorism support since September 11, 2001, as "significant,"³⁷ but noted in its August 2011 report on terrorism issues that U.S. officials "continued to seek improved cooperation and information sharing" with their Qatari counterparts. The report also noted that "Qatari efforts to counter terrorist financing outside its borders by private individuals and charitable associations often fell short of recognized international standards," and highlighted the fact that "Qatar's leaders maintained political relations with top-ranking Hamas and Hezbollah leaders."³⁸ Qatar's Combating Terrorism Law, passed in March 2004, established definitions of terrorism and terrorist financing and broadened the government's power to detect and prevent terrorist threats and to investigate and prosecute terrorists and their supporters. Qatar also established the Qatar Authority for Charitable Activities (QACA) in March 2004 to monitor the activities of all Qatari domestic and international charitable organizations, including prominent organizations such as the Qatar Charitable Society and the Shaykh Eid bin Mohammed Al Thani Charitable Association. All international financial

³⁷ U.S. State Department - Office of the Coordinator for Counterterrorism, Country Reports on Terrorism, 2004, April 27, 2005.

³⁸ U.S. State Department - Office of the Coordinator for Counterterrorism, Country Reports on Terrorism, 2010, August 11, 2011.

charity transfers and project verification fall within the jurisdiction of the new QACA. However, the State Department reported in 2011 that Qatari authorities “did not adequately enforce its laws and international standards to track funds transfers to individuals and organizations (including charities) associated with extremists and terrorist facilitators outside Qatar.” Qatar’s central bank operates a financial intelligence unit (FIU) which monitors activity in Qatar’s banking system and serves as a liaison office to similar units in the United States and around the world.

Historic Concerns

According to the 9/11 Commission Report and former U.S. government officials, royal family member and current Qatari Interior Minister Shaykh Abdullah bin Khalid Al Thani during the 1990s provided safe harbor and assistance to Al Qaeda leaders, including the suspected mastermind of the September 11 hijacking plot, Khalid Shaykh Mohammed.³⁹ Several former U.S. officials and leaked U.S. government reports state that the late Osama Bin Laden also visited Doha twice during the mid-1990s as a guest of Shaykh Abdullah bin Khalid, who served then as Qatar’s minister for religious endowments and Islamic affairs, and later as minister of state for internal affairs.⁴⁰ According to other accounts, Shaykh Abdullah bin Khalid welcomed dozens of so-called “Afghan Arab” veterans of the anti-Soviet conflict in Afghanistan to Qatar in the early 1990s and operated a farm where some of those individuals lived and worked over a period of several years.⁴¹

In January 1996, FBI officials narrowly missed an opportunity to capture Khalid Shaykh Mohammed in Qatar, where he held a government job at Qatar’s Ministry of Electricity and Water. Mohammed had been targeted for arrest in connection with an investigation of his nephew—1993 World Trade Center bombing mastermind Ramzi Yousef.⁴² The FBI dispatched a

³⁹ According to the 9/11 Commission Report, Khalid Shaykh Mohammed provided financial support to a co-conspirator in the 1993 World Trade Center bombing while living in Qatar and later moved his family to Qatar at Shaykh Abdallah bin Khalid Al Thani’s suggestion. The Report also states that Mohammed “claims that Shaykh Abdallah was not a member, financier, or supporter of al Qaeda,” and that Mohammed admitted “that Abdallah underwrote a 1995 trip [Mohammed] took to join the Bosnia jihad.” Final Report of the National Commission on Terrorist Attacks Upon the United States (The 9/11 Commission Report), pp. 73, 147-8, 488-9. The emir named Shaykh Abdullah bin Khalid Al Thani to the post of Minister of Interior in January 2001, a post he continues to hold. His deputy, Minister of State for Interior Affairs Abdallah bin Nasir bin Khalifa Al Thani, currently serves as the official ministry liaison to foreign governments, including the United States. James Risen and David Johnston, “Qaeda Aide Slipped Away Long Before September 11 Attack,” *New York Times*, March 8, 2003; Josh Meyer and John Goetz, “Qatar’s Security Chief Suspected of Having Ties to Al Qaeda,” *Los Angeles Times*, March 28, 2003.

⁴⁰ During a January 1996 visit to Doha, Bin Laden reportedly “discussed the successful movement of explosives into Saudi Arabia, and operations targeted against U.S. and U.K. interests in Dammam, Dharan, and Khobar, using clandestine Al Qaeda cells in Saudi Arabia.” Memorandum from the Department of Defense to the Senate Select Committee on Intelligence partially reprinted in Steven F. Hayes, “Case Closed,” *Weekly Standard*, November 24, 2003. Pentagon spokesmen responded to the publication of the excerpts from the memorandum in the Hayes article by indicating that the memorandum was a collection of intelligence data from various sources which did not constitute a finished intelligence product. It is unclear if Bin Laden’s reported visit was related to preparations for the June 1996 attack on the Khobar Towers military barracks in Saudi Arabia that killed 19 U.S. servicemen. Press reporting from the late 1990s cites a former U.S. intelligence official as indicating that the “Qatari individual” who hosted Bin Laden was Abdallah Bin Khalid Al Thani. See James Risen and Benjamin Weiser, “U.S. Officials Say Aid for Terrorists Came Through Two Persian Gulf Nations,” *New York Times*, July 8, 1999.

⁴¹ James Risen and Benjamin Weiser, “U.S. Officials Say Aid for Terrorists Came Through Two Persian Gulf Nations,” *New York Times*, July 8, 1999. James Risen and David Johnston, “Qaeda Aide Slipped Away Long Before Sept. 11 Attack,” *New York Times*, March 8, 2003; Josh Meyer and John Goetz, “Qatar’s Security Chief Suspected of Having Ties to Al Qaeda,” *Los Angeles Times*, March 28, 2003.

⁴² According to the 9/11 Commission Report (p. 147), Khalid Shaykh Mohammed “engaged in extensive international (continued...)”

team to arrest Mohammed, but he fled Qatar before he could be detained. Some former U.S. officials have since stated their belief that a high-ranking member of the Qatari government alerted Mohammed to the impending raid, allowing him to flee the country.⁴³

Any discussions by U.S. officials with the government of Qatar regarding these allegations have not been made public. U.S. security officials working to ensure the safety and security of U.S. facilities, citizens, and assets in Qatar have reported that their relationships with Ministry of Interior officials, including serving Minister of State for Interior Affairs Shaykh Abdullah bin Nasir bin Khalifah Al Thani, are positive and cooperative. The emir reappointed Shaykh Abdullah bin Khalid as minister of the interior in April 2007 and did not alter his status in a 2008 expansion of the cabinet or in recent cabinet reshuffles.

U.S.-Qatar Trade

According to the U.S. Census Bureau, U.S. exports to Qatar amounted to \$2.8 billion in 2011, consisting mainly of machinery and transport equipment. U.S. imports from Qatar, mainly oil and gas, totaled \$1.2 billion during 2011. On April 6, 2011, Qatar Airways signed a \$1.4 billion contract with Boeing for five 777 airplanes. ExxonMobil and an affiliate of Qatar Petroleum cooperated in the construction of a large LNG terminal (known as Golden Pass) on the Texas coast that was damaged by Hurricane Ike and received its first shipment of Qatari LNG in October 2010.⁴⁴ According to the 2011 U.S. Investment Climate Statement for Qatar, “Qatar has not entered into a bilateral investment, trade, or taxation treaty with the U.S. However, Qatar and the U.S. did sign a Trade and Investment Framework Agreement (TIFA) in April 2004.”

Political Reform and Elections

Shaykh Hamad and his advisers have embarked on a gradual political reform program designed to make Qatar’s government more participatory and accountable, within limits. Although a series of national elections have been held (see below), the government continues to maintain strict limits on freedoms of assembly and association; a series of new laws allow for individuals to organize political demonstrations and public gatherings, but organizers must obtain a permit from the government, and Qatari authorities may impose restrictions on the topics of discussion. Political parties are not allowed in Qatar, and all private professional and cultural associations must register with the state and are monitored.

Qatari authorities have allowed a series of national elections as components of the country’s gradual transition toward greater democratic participation. The elections also have provided a “trial and error” setting for the creation and improvement of Qatar’s national electoral infrastructure. In April 1998, 3,700 business community leaders participated in an election for a national Chamber of Commerce, selecting 17 members from a slate of 41 candidates. In a March

(...continued)

travel during his tenure [at the Ministry of Electricity and Water]... much of it in furtherance of terrorist activity.”

⁴³ “The U.S. Attorney obtained an indictment against KSM in January 1996, but an official in the government of Qatar probably warned him about it... In January 1996, well aware that U.S. authorities were chasing him, he left Qatar for good and fled to Afghanistan.” *9/11 Commission Report*, p. 73. The Report provides the following citation:

“Intelligence report, interrogation of KSM, July 23, 2003.”

⁴⁴ *The Peninsula* (Doha), “Golden Pass LNG Terminal to receive first Qatar shipment by Oct,” April 1, 2010.

1999 Central Municipal Council election, 248 candidates (including 6 women) competed for 29 seats, and all adult Qatari citizens, with the exception of members of the police and armed forces, were allowed to vote and run for office. The election marked the first time a Persian Gulf country had enfranchised all of its male and female citizens in a nationwide election.⁴⁵

In April 2003, national elections for the Municipal Council's new term resulted in the first electoral victory for a Qatari female candidate, Shaykha Yousef Al Jiffri, an appointed officer at the Education Ministry who ran unopposed.⁴⁶ The latest Council elections were held in May 2011, and reports suggested that turnout was low. Some domestic critics argued that the limited authority and accomplishments of the Municipal Council undermined desire for participation. Although the Municipal Council functions primarily in an advisory role to the Ministry of Municipal and Agricultural Affairs, some observers view it as a stepping-stone to the wider political liberalization implied by the creation of the national Advisory Council in the new constitution. Similarly, the elections for the Municipal Council have been described by Qatari officials as test cases for future Advisory Council elections.

The 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.⁴⁷ 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.⁴⁸ 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 empowers the Advisory Council to issue motions of no-confidence against government ministers; no-confidence motions must be approved by two-thirds of the Advisory Council. Council members will serve four-year terms.

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.⁴⁹ It is unclear how ongoing regional unrest will affect Qatari citizens' views of the planned Advisory Council elections, or how the unrest will shape 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 suggests that regardless of the degree of

⁴⁵ All six female candidates were defeated in the 1999 election.

⁴⁶ "Qatar Elects First Woman to Council Doha," *Gulf News*, April 8, 2003.

⁴⁷ 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.

⁴⁸ Reportedly some members of the Al Thani family sought to restrict voting rights to so-called "native" Qataris whose families have lived in Qatar since 1930 or before. The 2007 U.S. Department of State Human Rights report for Qatar estimated that an electorate with that criteria could be "less than 50,000." Under a compromise, post-1930 naturalized citizens who have been citizens for ten years will have voting rights and will be eligible to run for office if their fathers were born in Qatar. *Economist Intelligence Unit*, "Advisory Council approves new electoral law," June 1, 2008.

⁴⁹ Mehran Kamrava, "Royal Factionalism and Political Liberalization in Qatar," *Middle East Journal*, Volume 63, Issue 3, July 1, 2009.

implementation of expected reforms, most inhabitants will not participate in democratic decision making about the country's development and orientation.

Human Rights and Social Issues

Human Rights and Labor Conditions

The U.S. State Department *Country Report on Human Rights for 2011* states that Qatar's government "prohibited organized political life and restricted civil liberties, including freedoms of speech, press, and assembly and access to a fair trial for persons held under the Protection of Society Law and Combating Terrorism Law."⁵⁰ The report also cites "pervasive denial of workers' rights." According to the report, the rights of non-citizens are at times abused, and "reports of forced labor continued, especially in the construction and domestic labor sectors." Expatriate laborers remain vulnerable to exploitation by employers who capitalize on their fear of deportation. Citizenship is not available to foreign workers, who outnumber native Qataris in the labor force by an estimated ratio of nearly seven to one.⁵¹ Since 2007, the annual State Department reports have cited foreign diplomats' visits to labor camps as having revealed "unskilled foreign laborers living in cramped, dirty, and hazardous conditions, often without running water, electricity, or adequate food."

Qatar's Ministry of Interior operates a Human Rights Office to field complaints, and the report indicates that "the government took steps to prosecute those who committed abuses." In May 2004, the emir issued a new labor law, which gives Qatari nationals the right to form associations with legal status and allows workers to strike. The legislation also bans employing youth under the age of 16, sets the working day at eight hours, and grants women equal rights with men, in addition to a paid 50-day maternity leave. Some observers have criticized the new legislation for not extending legal protections to Qatar's large foreign workforce. Critics charge that the labor law places additional restrictions on guest workers by prohibiting non-citizens from forming labor unions and restricting their ability to bargain collectively and to strike. Law Number 7 of 2007 established a labor court to hear the grievances of foreign laborers.

In December 2004, Qatar announced that it was banning the use of children as camel jockeys, a practice long decried by the international community. Qatar remained a Tier 2 Watch List country in the U.S. State Department 2011 *Trafficking in Persons Report*.⁵² According to the report, as of June 2011, "did not demonstrate evidence of significant efforts to punish traffickers or proactively identify victims." Qatar adopted a new anti-trafficking law adopted in October 2011, in line with long-standing pledges. The law has been praised by U.S. officials who now underscore the importance of vigorous implementation.

⁵⁰ U.S. State Department, 2010 Country Report on Human Rights Practices in Qatar, April 8, 2011. Available at <http://www.state.gov/g/drl/rls/hrrpt/2010/nea/154471.htm>.

⁵¹ The new Qatari constitution does not address the rights of foreign guest workers.

⁵² U.S. State Department 2010 Trafficking in Persons Report on Qatar available at <http://www.state.gov/g/tip/rls/tiprpt/2010/index.htm>. Released on June 14, 2010.

Islam and Religious Freedom⁵³

Islam is the official religion of the state of Qatar. Conditional freedom of worship is protected under the constitution, although proselytizing by non-Muslims is illegal. Qatar, like Saudi Arabia, officially adheres to the Hanbali school of Sunni Islam; however, in contrast with Saudi Arabia, social tenets are not publicly enforced or as strictly adhered to in many public settings in Qatar.⁵⁴ Qatar hosts a number of conservative Islamic clerics, including Dr. Yusef Al Qaradawi, a controversial figure whose views on the conditional legitimacy of suicide bombing and whose outspoken critiques of Israel, the United States, and terrorism have made him a target of criticism from a wide range of observers. Qaradawi returned to Egypt briefly after the fall of former President Hosni Mubarak in February 2011, and he has been outspoken in his advice to Egyptians and his criticism of other governments during the recent unrest. During the summer 2006 Israel-Hezbollah war and 2008-2009 Israel-Hamas war, Qaradawi publicly argued that Muslims should support the activities of Hezbollah and Hamas as legitimate resistance activities, based on Quranic injunctions to defend Muslim territory invaded by outsiders.⁵⁵ Qaradawi hosts a popular weekly call-in television show on *Al Jazeera* and frequently delivers sermons in Qatari mosques.

Qaradawi has worked with a charitable umbrella organization, known as the Union of Good, that coordinates the delivery of relief and assistance to Palestinians in the West Bank and Gaza Strip. In November 2008, the U.S. Department of the Treasury designated the Union of Good as a financial supporter of terrorism pursuant to Executive Order 13224. According to the Treasury, “The Union of Good acts as a broker for Hamas by facilitating financial transfers between a web of charitable organizations—including several organizations previously designated under E.O. 13224 for providing support to Hamas—and Hamas-controlled organizations in the West Bank and Gaza.”⁵⁶ Qaradawi has appeared at public events in Doha with Hamas leader Khaled Meshaal since Meshaal’s relocation to Doha in early 2012.

According to State Department reports on international religious freedom, Qatar has officially recognized the Catholic, Anglican, Greek and other Eastern Orthodox, Coptic, and Indian Christian churches, and permits private worship for other denominations and religions. In November 2005, the emir donated a plot of land for the construction of a \$7 million Anglican church; construction began in April 2006.⁵⁷ A new Roman Catholic church opened in March 2008 and others remain under construction. Qatar established diplomatic ties with the Holy See in November 2002. Qatar does not ban alcohol, which is available in licensed premises such as the bars of major hotels and clubs.

⁵³ U.S. State Department 2009 International Religious Freedom Report on Qatar available at <http://www.state.gov/g/drl/rls/irf/2009/127356.htm>. Released on October 26, 2009.

⁵⁴ For more on Sunni Islam and Wahhabism, see CRS Report RS21745, *Islam: Sunnis and Shiites*; and CRS Report RS21695, *The Islamic Traditions of Wahhabism and Salafiyya*, both by Christopher M. Blanchard.

⁵⁵ “Islamic Cleric Al-Qaradawi Supports Hizballah, HAMAS,” *Al-Jazirah Television* (Doha), OSC Document GMP20060730638004, July 30, 2006. Qaradawi is regarded as conservative by many Muslims, although his declared views on the legitimacy of “struggle” and “martyrdom operations” against “occupation forces” have made him controversial to some in the Islamic world as well as many in the United States and Israel. He has been criticized by violent Islamic groups for his condemnations of terrorist attacks on civilians.

⁵⁶ For more on the Union of Good, see <http://www.treas.gov/press/releases/hp1267.htm>.

⁵⁷ Michael Theodoulou, “Muslim State to Build first Christian Church for 1,400 Years,” *The Times* (London) November 2, 2005.

Al Jazeera and the Qatari Media

Al Jazeera

Shaykh Hamad helped establish the *Al Jazeera* satellite television news network in 1996 with a \$140 million grant. Since then, the Qatari government has provided most of the channel's funding; advertising revenue reportedly does not support the entirety of *Al Jazeera's* annual operating expenses. In the past, Qatari government officials and *Al Jazeera* executives have argued that the station's inability to attract sufficient advertising revenue was a function of the channel's controversial status across the Middle East. These officials and executives alleged that other Arab governments exerted pressure on companies based in or operating in their countries to refrain from advertising on *Al Jazeera*, because the channel was providing coverage of internal political, social, and economic developments that may have been unflattering to ruling regimes, or were less biased or censored than traditional government-run media outlets.⁵⁸ The network also developed a reputation for being critical of Israel and the United States and supportive of Palestinian nationalism. Some U.S. critics argued the network was behaving ambiguously toward Al Qaeda by airing attack footage and video statements by terrorist leaders.

As *Al Jazeera* became more widely accepted in the region and stepped back its criticism of some regional governments, some of these concerns became less relevant. The proliferation of similar satellite news channels in the region also has increased competition and created outlets for other views. Since its founding, *Al Jazeera* has devoted considerably less of its air time to coverage of Qatari affairs than to coverage of the internal affairs of other Arab states. *Al Jazeera* launched an international English language satellite channel in 2006 that now broadcasts in the United States. It has won praise from some media observers for its coverage of international affairs, including conflicts and issues often overlooked by other media outlets. Others have criticized the international English channel as carrying the same alleged biases reflected in the programming of its Arabic language affiliate.

Since 2011, the network's coverage of the uprisings in Tunisia, Egypt, Libya, Yemen, and Syria has been the subject of intense attention and debate in the region. Some analysts and observers credit a so-called "Al Jazeera effect" for the rapid spread of political activism, as *Al Jazeera* and its competitors transmit live images and select information that shapes the perceptions and actions of governments and publics. Others accuse Qatari authorities of manipulating the coverage and editorial policy of the *Al Jazeera* network and its channels to serve their foreign policy agenda.

In September 2011, the Qatari chairman of the network replaced its long-serving managing director Waddah Khanfar, a Palestinian media executive seen by some in the region as having Islamist sympathies, with a member of the Qatari royal family, Shaykh Ahmad bin Jassem Al Thani, a young former executive with QatarGas. The reshuffle fueled speculation that the royal family was seeking more direct control over the network. Qatari authorities repeatedly have contested such speculation over the years. Shaykh Ahmad announced plans to launch new channels for audiences in the Balkans, Turkey, and East Africa during 2012, and has responded to questions about *Al Jazeera's* coverage of the Arab Spring by arguing that the network "succeeded in conveying the voice of the weak and the oppressed throughout the Arab world not only to our

⁵⁸ Author meeting at Al Jazeera headquarters, January 2005.

narrow circle but also to the whole world.... The Arab Spring has also formed the peak of the institution's remarkable contribution in its coverage over 15 years."⁵⁹

Media Freedom

Although the Qatari government lifted formal censorship of the Qatari media by decree in 1995, the U.S. Department of State reports that journalists continue to exercise a degree of self-censorship, particularly with regard to the emir and his immediate family.⁶⁰ Internet service in Qatar is monitored for pornography and other material considered insulting to Islam. In January 2008, Qatar signed an agreement with Reporters Without Borders to create the Doha Media Freedom Center, an organization intended to spread "the culture of freedom of the press and media and in defending the press and media people who are subjected to harassment, detention and ill-treatment because of their professional activity."⁶¹ Its first director, former Reporters Without Borders head Robert Menard, resigned in a public spat with Qatari leaders in June 2009 after he claimed that the Center "has been suffocated," and alleged that "some Qatari officials never wanted an independent Center, free to speak out without concern for politics or diplomacy, free to criticize even Qatar."⁶² Qatari observers alleged mismanagement by Menard and criticized him as having pursued an agenda that jeopardized Qatar's diplomatic relationships. The center remains active, and in early April 2011, a Dutch journalist named Jen Keulen was named its new director-general.

Education

Qatar in recent years has invested heavily in improving the educational opportunities available to its citizens. This investment is designed to support the emir's program of "Qatarization," which seeks to prepare the next generation of Qatari citizens to assume leadership roles in the country's economy and political and military institutions. Prominent Qatari women have taken a leading role in a number of education reform programs,⁶³ and in 2002 Shaykha Mohza Bint Nasser Al Missned, the emir's second wife, helped launch Qatar's Education City, a state-of-the-art campus complex in Doha. Shaykha Mohza serves as the chairperson of the Qatar Foundation, which directs Education City's activities.⁶⁴ Education City and its university programs sit at the top of a diverse public and private education system, which serves Qatari citizens as well as resident expatriates and visiting students from around the world. Qatari citizens receive tuition support for participation in primary, secondary, and university education, and the Qatari government offers significant financial support to many institutions.

⁵⁹ OSC Report GMP20111103184001, "New Al-Jazirah Manager Asserts No Change in Editorial Policy, Qatarization Plans," *Al Sharq Online* (Doha), November 1, 2011.

⁶⁰ U.S. State Department, 2010 Country Report on Human Rights Practices in Qatar, April 8, 2011. Available at <http://www.state.gov/g/drl/rls/hrrpt/2010/nea/154471.htm>.

⁶¹ *Qatar News Agency*, "Deal on media freedom signed," January 4, 2008.

⁶² *Agence France Presse*, "French head of Qatar media watchdog quits," June 23, 2009.

⁶³ On May 5, 2003, Shaykh Hamad appointed Shaykha Bint Ahmed al Mahmoud, daughter of the Minister of State for Foreign Affairs, as Minister of Education. This appointment signified the first appointment ever of a female cabinet minister in any Gulf state. She resigned in April 2009 and was replaced by a member of her family Saad Bin Ibrahim al Mahmoud.

⁶⁴ For more on Education City and the Qatar Foundation, which oversees its activities, see the Foundation's website, available at <http://www.qf.edu.qa/output/Page1.asp>.

Education City houses the Qatar Academy, which offers a pre-kindergarten through high school program, and a number of university programs, which offer degrees from several U.S. partner-universities such as Weill Cornell Medical College, Georgetown University's Edmund A. Walsh School of Foreign Service, Texas A&M University, Virginia Commonwealth University, Northwestern University, and Carnegie Mellon University. Qatar Foundation officials indicate that the programs, while of immediate benefit to Qatari students, also are intended to serve as centers of educational excellence for students from elsewhere in the region.

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