

The contents of this document are preliminary and subject to change.

GRAY/22/1327

May 25, 2022

**Statement by Mr. Jennings, Mr. O'Brolchain, and Mr. Rankin on Qatar
(Preliminary)
Executive Board Meeting
May 27, 2022**

We thank staff for the well-written reports. As highlighted by Mr. Mohieldin, Mr. Alhosani, and Ms. Al-Riffai in their helpful Buff, Qatar has managed the COVID-19 pandemic well and a robust recovery is now underway. **This economic upswing and strong outlook provide a great opportunity to realize “Qatar National Vision 2030” and build a more inclusive, diversified, and greener economy.**

Gender inequality drags on Qatar’s growth prospects. We highlight staff’s findings that Qatar’s female labour participation rate is among the lowest in the world, despite relatively high female human capital. Qatar could achieve stronger and more inclusive growth by increasing female labour participation. To this end, we echo staff on the need for regulatory reforms that ensure equal remuneration, protection in the workplace, paid parental leave, as well as equal retirement age and pension benefits. Increasing female representation in decision-making bodies and allowing equal access to finance would also help unlock Qatar’s economic potential. We are disappointed that staff found “limited progress” on 2019 Article IV recommendations in these areas and encourage additional gender-based analysis in future reports. *Could staff outline the potential economic gains of closing gender gaps in Qatar?* We welcome Qatar’s recent abolition of Kafala, allowing expatriate workers to change jobs without their employer’s permission, as well as the introduction of a minimum wage as important first steps to strengthen protection and labour mobility for expatriate workers.

Diversifying government revenues beyond fossil fuels would reduce fiscal risks. We note with concern that fossil fuels currently account for 80 percent of budget revenues in Qatar. While the North Field project, the largest ever LNG expansion, will have significant near-term growth benefits, we caution that dependence on fossil fuels makes Qatar vulnerable to volatile prices, as well as global climate mitigation actions. We therefore welcome Qatar’s commitment to diversify the economy. Introducing a Value Added Tax, as most other

countries in the region have done, would not only provide a significant new revenue base but also a foundation to modernize the tax system more broadly. We also welcome Qatar's recent commitments on minimum corporate income taxation and encourage the authorities to accelerate implementation, which could help further reduce fiscal risks.

Qatar's per capita emissions are among the highest in the world. We welcome the authorities' plan to reduce emissions by 25 percent by 2030 and encourage additional efforts towards decarbonization. As staff highlight, removing energy subsidies would be a cost-effective way to reduce emissions, as well as provide important public health and fiscal benefits. *Have the authorities considered carbon pricing to help further reduce emissions?* We found staff's overview of "Climate Risks and Actions in Qatar" helpful and encourage similar analysis in other Article IV reports.

We wish the authorities every success in achieving Qatar National Vision 2030.