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For the Record

Saad S. El Fishawy

Qatar: Mr. McNamara's Visit - March 13, 1975

Summary of the Meeting with H.E. Sheikh Abdul Aziz Al-Thani, Minister of Finance and Petroleum

Others present were Messrs. Abdul Kadir Qadi, Director of Financial Affairs, El Fishawy and Burmester.

Mr. McNamara explained the purpose of his visit and elaborated on each of the three topics he came to discuss, in the same way as he did previously in Kuwait and Saudi Arabia 1/.

1 - Capital Increase:

Mr. McNamara emphasized that this issue is not a financial one. He would try hard to negotiate an increase from 5% to 15% in the voting power of OPEC countries to reflect their newly acquired economic strength and assert their position in the new economic order. He could not even start before being assured that this is the wish of the OPEC countries and that they would subscribe to the special capital increase that would be offered to them. He pointed out that the results could not be guaranteed since the other member countries which presently have about 95% of the voting power would have to give up their pre-emptive right in order to enable OPEC countries to increase their relative voting power by the additional 10%.

The Minister asked about the outcome of Mr. McNamara's meetings in Kuwait and Saudi Arabia and with whom he had met. Mr. McNamara informed the Minister about the meetings he had just completed in Kuwait and Saudi Arabia. The Minister stated that he is in full support of the increase in the voting power of OPEC countries to 15% and that he would prepare a working paper and a plan of action to be presented to the Ruler and the cabinet soon.

2 - Third Window:

Mr. McNamara described the adverse circumstances with which the least developed and poorest countries were faced: draught, increase in fertilizer and food prices, inflation, increase of import and oil prices, recession in the developed countries and decrease in volume and prices of exports of the developing countries. Mr. McNamara explained how the "Third Window" scheme was designed to enable the Bank to increase its lending by an additional one billion dollars. These funds would be used to assist in financing economic development projects. He stated that Kuwait and Saudi Arabia had expressed strong support of the "Third Window" and that Kuwait has indicated that it was prepared to contribute 20 million dollars or more to this scheme.

1/ Cf. my memos on Summaries of Meetings in Kuwait and in Saudi Arabia on March 8 and 11, respectively.
Bank was in touch with other OPEC and OECD countries. The United Kingdom, the Netherlands and Canada had announced their support. Mr. McNamara expressed his hope that Qatar would contribute 15 million dollars to this intermediary lending facility.

The Minister felt that the plight of the poorest should be relieved by both OECD and OPEC countries. He stated that Qatar was experiencing a reduction in oil production and that it has made very sizeable commitments towards bilateral aid. OECD countries should contribute more in relieving the plight of the poorest countries. Qatar is just starting to be in a position to develop itself. Twenty years ago when they were among the poorest of the poor, nobody cared to extend any help to them. Mr. McNamara explained that the amounts proposed for contributions to the "Third Window" did not reflect any burden-sharing formulae and were envisaged as an expeditious way of getting the scheme started soon on a voluntary basis. He informed the Minister of the Bank's plan to get the Executive Directors' agreement in principle to the scheme on March 25 and of holding a meeting of the prospective donors some time in April. The Bank was aiming at getting the scheme operational and commencing lending under it at the beginning of the Bank's FY1976, which started July 1, 1975. The OECD countries contributed about 1.5 billion dollars a year to IDA. Qatar's past sufferings should make the country more sympathetic towards the plight of others.

The Minister asked how long was this scheme to be for, and Mr. McNamara said that it was designed for only one year. The Minister also inquired about who would the beneficiaries be, and Mr. McNamara said that the "Third Window" loans would be extended to countries with a per capita income of less than 375 dollars a year. The Minister said that he personally supported the establishing of the "Third Window" and that he would present the request to the Ruler and would let the Bank know as soon as possible.

3 - Borrowing Program:

Mr. McNamara explained that the Bank borrowed from surplus capital markets at commercial rates. Up to 1968, it used to borrow mainly from the United States market. After that it borrowed from the German market and then from Japan. It had also been borrowing for the past few years from OPEC surplus countries. For the Bank's FY1976, borrowing from Qatar at the level of 100 million dollars had been included. The Minister said that in their budget they have included 200 million dollars both for the IMF and the Bank combined. With regard to specific transactions, he would like to delay this for 3-4 months. Their financial situation would become clearer by that time.

SELFishawy/rh

cc: Messrs. McNamara
     Knapp
     Cargill
     Benjenk
     Kochman
     Burmester
SUMMARY NOTES FROM QATAR, March 13, 1975

Meeting in the Ministry of Finance, 10:45 a.m.

Present: Mr. Al Thani, Minister of Finance, and Mr. Qadi, and Messrs. McNamara, El Fishawy, and Burmester

Mr. McNamara first explained the proposed increase in voting power for OPEC countries and stressed that this was mainly a political problem. The Minister asked with whom Mr. McNamara had spoken about this in Kuwait and Saudi Arabia. Mr. McNamara answered that he had talked with the Prime Minister Sheikh Jabir in Kuwait and King Faisal in Saudi Arabia. The Minister said that he fully supported the increase in voting power for OPEC countries. He would prepare a working paper and a plan of action to be presented to The Ruler and Cabinet.

Mr. McNamara said that events of the last three years had had an inverse impact on the development prospects of many LDCs. He mentioned the drought, the increase in food imports, the price increase of manufactured goods and fertilizer and finally the decline in export growth of the LDCs. These events had led to a demand for increased finance on concessional terms. The Bank therefore intended to establish a "Third Window" to lend at 4-1/2%. The finance ministers of several OPEC countries had supported this at the Development Committee meeting in January. Kuwait and Saudi Arabia would contribute to the subsidy fund. So would the Dutch and possibly the British, Germans and Canadians. Mr. McNamara would hope that Qatar could contribute with $15 million to the subsidy fund. The Minister of Finance explained that the financial position of Qatar was somewhat difficult. Production had been cut back and Qatar had other commitments to Arab and African countries. To a question from Mr. Qadi, Mr. McNamara responded that the commitment was only for one year. The Minister felt that the plight of the poorest should be relieved by both OECD and OPEC countries. Nobody had helped Qatar 20 years ago. Mr. McNamara said that the OECD countries already contributed strongly to the Bank Group through IDA. He also felt that Qatar's past suffering should make the country more sympathetic towards the plight of others. A lengthy discussion on moral obligations towards developing countries followed. Finally, the Minister said that he personally agreed to the establishment of the Third Window. He would present the request to The Ruler and would let the Bank know as soon as possible.

Mr. McNamara said that he would like to borrow $100 million from Qatar during FY76. The Minister said that $200 million had been included in the budget for the IMF and the Bank combined. He said that he would like to talk to the Bank again about lending in approximately four months.

cc: Mr. El Fishawy

Sven Burmester
March 24, 1975
Qatar

GEOGRAPHY

The Sheikdom of Qatar is a peninsula roughly 100 miles in length, with a breadth varying between 35 and 50 miles, on the west coast of the Persian Gulf. The total area is 4,000 square miles. There are over 170,000 inhabitants, two-thirds of whom are concentrated in the town of Doha, on the east coast. Two other ports, Zakrit on the west coast and Umm Said on the east, owe their existence to the discovery of oil. Zakrit is a convenient, if shallow, harbour for the import of goods from Bahrain, and Umm Said affords anchorage to the deep-sea tankers and freighters.

Qatar is stony, sandy and barren; limited supplies of underground water are unsuitable for drinking or agriculture because of high mineral content. Over half the water supply is now provided by sea water distillation processes. The inhabitants have traditionally lived from pearl-diving, fishing and nomadic herding.

HISTORY

Owing to the aridity of the peninsula, the early history of Qatar is of little interest, though archaeological expeditions have found evidence of habitation in the Stone and Iron ages and as early as 4,000 B.C. In 1916 Great Britain, in order to exclude other powers from the area, made an agreement with the Sheikh of Qatar, who undertook not to cede, mortgage or otherwise dispose of parts of his territories to anyone except the British Government, nor to enter into any relationship with a foreign government other than the British without British consent. Similar agreements had been concluded with Bahrain in 1850 and 1892, with the Trucial States in 1892 and with Kuwait in 1899. In return Britain undertook to protect Qatar from all aggression by sea, and to lend her good offices in case of an overland attack.

The discovery of oil in the 1930s promised greater prosperity for Qatar, but because of the Second World War production did not begin on a commercial scale until 1946 (see below). An ambitious development programme is now being put into operation with the revenues from the production and export of oil. The Sheikdom has taken a leading part in moves towards the formation of a Gulf Federation; it also enjoys close relations with Saudi Arabia. In January 1961 Qatar joined the Organization of Petroleum Exporting Countries, and in May 1970 it also became a member of OAPEC (the Organization of Arab Petroleum Exporting Countries).

In April 1970 a provisional constitution was announced which, it was said, would assist Qatar's entry into the Federation of Arab Emirates. The first cabinet was formed in May; the Ruler became Prime Minister with responsibility for oil, and six of the other nine members were also members of the Royal Family.

However, Qatar decided to remain outside a Gulf Federation and became independent on September 1st, 1971. Qatar and the United Kingdom immediately signed a new treaty of friendship. In the same month Qatar was first admitted as a member of the Arab League, and then to membership of the United Nations. Sheikh Ahmad bin Ali Al Thani became Amir on September 4th, but apparently took little interest in affairs of the State. He was deposed on February 22nd, 1972 in a bloodless coup staged by his cousin Sheikh Khalifa bin Hammad Al Thani. Sheikh Khalifa seized power with the support of the ruling Al Thani family, although his avowed purpose included the curtailment of some of the family's long-held privileges. The coup also thwarted the ambitions of the deposed Amir's son, Sheikh Abdul Aziz, who went into exile.

Moves made immediately after the February coup affecting salaries in the public sector, housing and Royal appropriations, suggested that the new ruler was about to introduce an era of steadier social and political reform. In accordance with the 1970 constitution, Sheikh Khalifa decreed the first Advisory Council, to complement the ministerial government. Its 20 members, initially appointed, should eventually be elected representatives. The Advisory Council's constitutional entitlements include power to debate legislation drafted by the Council of Ministers before ratification and promulgation. It also has power to request ministerial statements on matters of general and specific policy inclusive of the draft budget.

ECONOMIC SURVEY

Agriculture is still developing but outside the capital most of the population is employed in the oil industry, which is the state's principal source of wealth. Fishing, apart from shrimp fishing and processing, is carried on to supply local demands. Unlike many of the other Sheikdoms, Qatar has no entrepot trade.

Interest in the petroleum possibilities of Qatar was first stimulated by the entry of Standard of California into Bahrain in 1930. Shortly after this date the Anglo-Iranian Company received permission from the ruler to make a survey of his territories, and in 1935 they were granted a concession. This gave them exclusive petroleum rights in the Sheikdom and its territorial waters for 75 years. Payments were to be 400,000 rupees upon signature; an annual rental of 150,000 rupees for the first 5 years and 300,000 rupees thereafter; and a royalty of 3 rupees per long ton. The concession was later transferred to Petroleum Concessions Ltd., which formed an operating company, Petroleum Development (Qatar) Ltd.

Petroleum Development started exploration in 1937 and oil was discovered in 1939. Field activities were interrupted during the war, but resumed in 1947. By 1949 the company had completed a drilling programme, the laying of a pipeline system from the
field of Dukhan, on the west coast to Umm Said, and the construction of terminal facilities. At the end of that year the first shipment was made from the Umm Said offshore berths. From 1963 to 1970 production stagnated at about nine million tons a year but expanded rapidly during 1971 to reach 10.4 million tons, and the increase was maintained when production reached 11.4 million tons in 1972 and 11.7 million tons in 1973.

In 1963 the royalty rate was raised to 10 rupees, and in 1972 a profit-sharing scheme was adopted. A year later the name of the company was changed to Qatar Petroleum Company Ltd.

An offshore grant was awarded to the "Shell" Overseas Exploration Company in 1952. This covers an area of approximately 10,000 square miles and it expires in 2027. A down payment of over £160,000 was made and exploration started in 1953. The first and second exploratory wells failed to find oil and were abandoned in 1955 and 1956 respectively. The operating company, the Shell Company of Qatar Ltd., lost their original drilling platform in a storm in 1956. This was replaced and drilling operations recommenced in December 1959. Test production from the offshore field at Fdd el Shargi through temporary facilities began in January 1964. Construction of permanent facilities on Haidi Island, some 60 miles off the coast of Qatar, were completed early in 1966. This also enabled production to be commenced from Shell's second field in Maydam Mazam. Shell Qatar began commercial production of oil in 1966 at an annual rate of more than 5,000,000 tons, and this had increased to 15.4 million tons by 1973. Production from a third field, Dukhan, began in 1972. In 1963 the Continental Oil Company of Qatar was granted a concession over land and offshore areas relinquished by the Qatar Petroleum Company and the Shell Company of Qatar, and over a strip of territory in the south of the peninsula not previously included in any concession. In March 1969 a Japanese consortium was granted an exploration concession in the southeastern offshore area, but discontinued its search and returned the concessionary rights to the Government in 1974. Also in 1969 Qatar and Abu Dhabi agreed on the joint exploration of the al-Bunduq field, which is shared by the two countries. This is being developed by the al-Bunduq Co. Ltd., which is owned by British Petroleum, Compagnie Francaise des Petroles and Qatar Oil Japan. In 1971 the Belgian Oil Corporation was granted a 30 year exploration concession in an area of 12,000 square km. offshor'e and offshore, covering the whole of the Qatar peninsula except for the Dukhan field.

In April 1972 the Amir signed a law to create the Qatar National Petroleum Co., with power to carry out a comprehensive range of production, refining and marketing functions. In January 1973 the Qatar Government signed participation agreements with both local crude-producing companies—Qatar Petroleum Co. Ltd. and Shell Company of Qatar Ltd.—whereby it acquired a 25 per cent share in the operations of each company, this to rise to a controlling interest by 1983. Following the Arab-Israeli war of October 1973, however, a movement developed in all the Arab oil-producing states towards increased participation in the operations of the western-owned oil companies (see chapter Oil in the Middle East and North Africa). Accordingly, the Qatar Government held negotiations with Qatar Petroleum Company and Shell Company of Qatar in February 1973 and reached agreement on the immediate acquisition by the Government of a 60 per cent interest in each of the companies. Two months afterwards it was further agreed that the companies should buy back at least 60 per cent of the Government's 60 per cent share of production at an average price of 93 per cent of posted prices. After the first six months the price was to be subject to quarterly review. The Government retained its option to sell its remaining 40 per cent of production on world markets or to sell it to the two companies at the price agreed.

Equally significant results of the Arab-Israeli conflict were severe but temporary cutbacks in oil production among Arab states and sharp but sustained increases in oil prices. Between October 1973 and January 1974 the "take" of the governments of the Gulf producer states (which include Qatar) rose from $3 per barrel to $7. Qatar's revenue, which was $197.8 million in 1971 and $254.3 million in 1972, was estimated to be $592 million in 1973 and $1,391 million in 1974.

In order to avoid complete dependence on oil the Government has encouraged the growth of other industries, and the proportion of the revenue from oil used to finance development projects has been rising steadily, particularly since the seizure of power by Sheikh Khalifa in 1972. Government capital expenditure, at $360.1 million in 1973-74, was scheduled to rise to $510 million in 1974-75.

The most significant completed project so far is an ammonia and urea fertilizer plant, based on the conversion of waste gas, which came into operation at Umm Said in February 1973 with a planned output of 450,000 tons per annum. Other developments have been in diverse fields. The Qatar Flour Mills Co., which, though privately owned, was set up at the prompting of the Government, operates a mill completed at Umm Said in 1972, that can process 100 tons of flour a day. The Qatar National Fishing Co., originally formed in 1966 as an extension of the local shrimp-fishing industry, now has refrigeration and processing plant near Doha harbour capable of handling seven tons of shrimp daily. The Qatar National Cement Manufacturing Co. at Umm Bab began production at a rate of 100,000 tons per year early in 1969; its capacity has since been expanded. The Department of Agriculture has already succeeded in making the country self-sufficient in vegetables—production of which was negligible as recently as ten years ago—and in the planting of trees and in rapid progress. Some vegetables, mainly tomatoes, marrows and cucumbers, are now exported to other Gulf states. A natural gas liquefaction plant, begun by the Qatar Petroleum Company in 1971, was expected to become operational in 1974.
QATAR

Projects under preparation during 1973 included an aluminium smelter, a glass plant and a steel rolling mill. In June 1974 two French firms, CDP Chimie and Marocian, were awarded a contract, said to be worth over $2,000 million, to build a petrochemical plant at Umm Sayid (in which the Qatar Government would have an 80 per cent interest) and provide a fleet of tankers to carry its products. The plant would produce 300,000 tons of ethylene per year.

Considerable amounts of revenue have also been invested in infrastructural development. A 150-bed hospital, built in Doha at a total cost of £3.5 million, was said to be one of the most modern in the world. Plans were underway in 1974 for the construction of a 600-bed general hospital. A desalination plant, powered by natural gas, is expected to supply Doha with over two million gallons of piped water per day. A 30-MW power station is also powered by natural gas. Work was begun in 1973 on the construction of a new desalination-power plant at Wakra to be completed by 1975.

As for communications, Doha has an international airport and plans have been drawn up for a new one to be located outside Doha. An earth satellite communications station is also projected, and the road, rural electrification and port systems are all being developed.

In May 1973 the Monetary Agency of Qatar announced the issue of its own Qatari currency, the Qatar riyal (QR) with the same parity and exchange value as the old currency, the Qatar/Dubai riyal.

In November 1973 the metric system was introduced.

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**STATISTICAL SURVEY**

### AREA AND POPULATION

<table>
<thead>
<tr>
<th>Area</th>
<th>Population (1972 Estimates)</th>
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<tbody>
<tr>
<td></td>
<td>Total</td>
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<tr>
<td>4,000 sq. miles</td>
<td>170,000</td>
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**OIL**

**QATAR PETROLEUM COMPANY CRUDE OIL PRODUCTION**

<table>
<thead>
<tr>
<th>Year</th>
<th>Long Tons</th>
<th>Long Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964</td>
<td>9,978,000</td>
<td>1969</td>
</tr>
<tr>
<td>1965</td>
<td>9,158,000</td>
<td>1970</td>
</tr>
<tr>
<td>1966</td>
<td>9,059,000</td>
<td>1971</td>
</tr>
<tr>
<td>1967</td>
<td>9,070,000</td>
<td>1972</td>
</tr>
<tr>
<td>1968</td>
<td>9,018,000</td>
<td>1973</td>
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**SHELL QATAR CRUDE OIL PRODUCTION**

<table>
<thead>
<tr>
<th>Year</th>
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<tbody>
<tr>
<td>1970</td>
<td>7.4</td>
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<td>1971</td>
<td>9.9</td>
</tr>
<tr>
<td>1972</td>
<td>11.5</td>
</tr>
<tr>
<td>1973</td>
<td>15.4</td>
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</table>

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Economic Survey, Statistical Survey
FINANCE AND TRADE
100 dirhams = 1 Qatar riyal (QR).
Coins: 1, 5, 10, 25 and 50 dirhams.
Notes: 1, 5, 10, 25, 50 and 100 riyals.
100 Qatar riyals = £10.666 = $25.333.

Note: Before June 1966 Qatar's currency was the Persian Gulf Indian rupee, valued at 18.64 sterling (£1 = 11.33 rupees). When the Indian rupee was devalued in June 1966 Qatar adopted Saudi Arabian currency prior to the introduction of the Qatar/Dubai riyal (at par with the old rupee) in September 1966. This new currency was also used in the states of Trucial Oman (now the United Arab Emirates) except Abu Dhabi. The Q/D riyal was equal to 31 U.S. cents (93½ U.S. cents) until August 1971. From December 1971 to February 1973 the riyal's value was 22.8 U.S. cents (51½ US. cents). The present dollar valuation has been effective since February 1973. In terms of sterling, the value of the Q/D riyal between November 1967 and June 1972 was 18.90 (8.75 new pence), the exchange rate being £1 = 11.420 riyals. When the United Arab Emirates adopted a national currency in May 1973 the Q/D riyal was superseded by the Qatar riyal, with the same value as the old currency. Some figures in this Statistical Survey are still expressed in Q/D riyals.

Budget: The budget for the Muslim year 1392 (February 16th, 1972, to February 3rd, 1973) totalled 700 million Q/D riyals, of which 300 million were allocated to capital projects.

GOVERNMENT CAPITAL EXPENDITURE
(million Qatar riyals)

<table>
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<tr>
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<th>1973-74</th>
<th>1974-75</th>
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<tr>
<td></td>
<td>(1393)</td>
<td>(1394)</td>
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<tr>
<td>Public Services</td>
<td>11.4</td>
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<td>Economic Services</td>
<td>93.1</td>
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<tr>
<td>Social and Cultural Services</td>
<td>43.5</td>
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<td>General and Other Services</td>
<td>45.5</td>
<td>51</td>
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<tr>
<td>Land Acquisition and other allocations</td>
<td>60.0</td>
<td>160</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>338.0</td>
<td>616.0</td>
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OIL REVENUES
(1000 Q/D riyals)

<table>
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<tr>
<th></th>
<th>1970-71</th>
<th>1971-72</th>
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<tbody>
<tr>
<td></td>
<td>(1399)</td>
<td>(1301)</td>
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<tr>
<td>Payments by Qatar Petroleum Co.</td>
<td>327,985</td>
<td>517,911</td>
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<td>Payments by Shell Qatar</td>
<td>267,016</td>
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EXTERNAL TRADE
IMPORTS (1000 Q/D riyals)

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<th>Value</th>
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<td>1970</td>
<td>305,491</td>
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<tr>
<td>1971</td>
<td>515,869</td>
</tr>
<tr>
<td>1972</td>
<td>607,263</td>
</tr>
<tr>
<td>1973</td>
<td>788,440</td>
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Exports: Non-oil exports are negligible, and the customs do not provide figures, but there is a flourishing re-export trade with other Gulf States.
PRINCIPAL TRADING PARTNERS
(1,000 Q riyals)

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<th></th>
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<td>104,213</td>
<td>150,573</td>
<td>214,301</td>
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<td>U.S.A.</td>
<td>39,505</td>
<td>50,268</td>
<td>63,149</td>
<td>80,040</td>
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<tr>
<td>Japan</td>
<td>28,492</td>
<td>34,168</td>
<td>37,807</td>
<td>43,239</td>
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<td>Germany, Federal Republic</td>
<td>17,053</td>
<td>23,324</td>
<td>52,133</td>
<td>44,139</td>
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<tr>
<td>Lebanon</td>
<td>19,449</td>
<td>25,904</td>
<td>42,033</td>
<td>44,139</td>
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<tr>
<td>India</td>
<td>18,523</td>
<td>24,737</td>
<td>42,455</td>
<td>31,077</td>
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<td>Bahrain</td>
<td>6,994</td>
<td>8,427</td>
<td>11,571</td>
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<td>19,459</td>
<td>6,219</td>
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<td>France</td>
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<td>Netherlands</td>
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<tr>
<td>China</td>
<td>6,095</td>
<td>7,850</td>
<td>11,384</td>
<td>16,284</td>
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EXPORTS AND RE-EXPORTS

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<th>1972</th>
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<td>Saudi Arabia</td>
<td>37,366</td>
<td>37,017</td>
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<tr>
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<td>11,470</td>
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<td>Iran</td>
<td>3,562</td>
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<td>Kuwait</td>
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<td>Bahrain</td>
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<td>Oman</td>
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<td>Japan</td>
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EDUCATION

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<th>Teachers</th>
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<td>14,479</td>
<td>15,725</td>
</tr>
<tr>
<td>Preparatory General</td>
<td>2,537</td>
<td>3,020</td>
</tr>
<tr>
<td>Secondary General</td>
<td>91</td>
<td>1,123</td>
</tr>
<tr>
<td>Teacher Training</td>
<td>2</td>
<td>88</td>
</tr>
<tr>
<td>Commercial School</td>
<td>66</td>
<td>58</td>
</tr>
<tr>
<td>Technical School</td>
<td>143</td>
<td>123</td>
</tr>
<tr>
<td>Religious Institutions</td>
<td>158</td>
<td>175</td>
</tr>
</tbody>
</table>

In 1972-73 there were 16 kindergarteners with 2,595 infants; 89 Qatari students graduated from foreign universities.

THE CONSTITUTION

A new provisional constitution came into effect in July 1970. Executive power is put in the hands of the Council of Ministers, appointed by the Head of State, and assisted by an Advisory Council of twenty members whose posts are elective. All fundamental democratic rights are guaranteed.
QATAR

The Government, Diplomatic Representation, Judicial System, Religion

THE GOVERNMENT

HEAD OF STATE
Amir: Sheikh Khalifa bin Hamad Al-Thani.

COUNCIL OF MINISTERS
(August 1973)

Prime Minister: Sheikh Khalifa bin Hamad Al-Thani.
Minister of Finance and Petroleum: Sheikh Abdul-aziz bin Khalifa Al-Thani.
Minister of Foreign Affairs: Sheikh Saqr Bin Hamad Al-Thani.
Minister of Education, Culture and Youth Care: Sheikh Jasim Al Halad Al-Thani.
Minister of Public Health: Khalid Muhammad Al-Maliki.
Minister of the Economy and Commerce: Sheikh Nasser bin Khalid Al-Thani.
Minister of Electricity and Water: Sheikh Jasim bin Muhammad Al-Thani.
Minister of Justice: Sheikh Abdul Rahman bin Saud Al-Thani.
Minister of the Interior: Sheikh Khalid bin Hamad Al-Thani.
Minister of Industry and Agriculture: Sheikh Faisal bin Thani Al-Thani.
Minister of Public Works: Khalid bin Abdullah Al-Arifyah.
Minister of Information: Isa Grand Al-Kaabi.
Minister of Municipal Affairs: Sheikh Muhammad bin Jair Al-Thani.
Minister of Labour and Social Affairs: Ali bin Ahmed Al-Ansari.
Minister of Communications and Transport: Abdullah bin Nasir Al-Dawadi.

DIPLOMATIC REPRESENTATION

EMBASSIES ACCREDITED TO QATAR

Canada: Tehran, Iran.
Egypt: P.O.B. 2889; Ambassador: Salih Zahgolin.
France: P.O.B. 2899; Ambassador: B. Lopinot.
India: P.O.B. 2788; Ambassador: Omar Qusein.
Iran: P.O.B. 1633; Ambassador: Houcing Mokaddam.
Iraq: Ambassador: Daham Al-Aleus.
Jordan: P.O.B. 2566; Ambassador: Hashim Abu Amara.
Kuwait: P.O.B. 1177; Ambassador: Sulaiman Saheem.
Lebanon: P.O.B. 2441; Ambassador: Marcelle Nammoor.

Norway: Teheran, Iran.
Pakistan: P.O.B. 334; Ambassador: Hakim Muhammad Alisoon.
Somalia: Ambassador: Abdullah Haji Abdel-Rahman.
Sudan: Ambassador: Muhammad Uthman Shendi.
Switzerland: Jeddah, Saudi Arabia.
Tunisia: Ambassador: Muhammad Sharmoor.
United Kingdom: P.O.B. 3; Ambassador: Edward Henderson.
Yemen Arab Republic: Ambassador: Abdulla Hiji.

Qatar also has diplomatic relations with Afghanistan, Austria, Algeria, Brazil, Chad, Denmark, Finland, Japan, "the Republic of Korea, Morocco, the Netherlands, Pakistan, Senegal, Sweden, Syria, Trinidad and Tobago, the U.S.A. and Venezuela.

JUDICIAL SYSTEM

Justice is administered by five courts (Higher Criminal, Lower Criminal, Civil, Appeal and Labour) on the basis of codified laws. In addition, traditional Shari'a courts apply the Holy Law in certain cases. Non-Muslims are invariably tried by a court operating codified law. Independence of the judiciary is guaranteed by the provisional Constitution.

RELIGION

The indigenous population are Muslims of the Sunni sect, most being of the strict Wahhabi persuasion.
QATAR

PRESS

Al-Doha Magazine; Ministry of Information, P.O.B. 3374, Doha; f. 1970; monthly; Arabic; circ. 3,000.

Dar al-Dura: P.O.B. 636, Doha; Newspaper Printing and Publishing, Doha; pub. daily Arabic newspaper Al-

Arab, circ. 7,000; weekly Arabic magazine Al-Dura, circ. 12,000; and weekly English magazine Gulf News.

RADIO AND TELEVISION

Radio Qatar: P.O.B. 1414, Doha; f. 1968; government service, transmitting for 15 hours in Arabic, Saturday
to Thursday, and 18 hours on Fridays; and in English

for three hours daily.

Qatar Television: P.O.B. 1914, Doha; f. 1970; two 5 kW transmitters began beaming programmes throughout
the Gulf in March 1972. A second phase of development,
including colour transmission, began in mid-1973.

FINANCE

BANKING

Qatar Monetary Agency: P.O.B. 1214, Doha; f. 1966 as
Qatar and Dubai Currency Board; became Qatar
Monetary Agency 1973 when Qatar issued its own
currency, the Qatar riyal; currency in circulation
(Dec. 1973) QR 129 million; Governor Majed Al-
Majid.

Qatar National Bank, S.A.Q.: Doha, P.O.B. 1006; f. 1955;
cap. and res. Q. Riyals 57.41tln., dep. 27th Nov. (1973); Chair.
Sheikh Abdul Aziz bin Khaliphe Al Thani.

Arab Bank Ltd.: Amman, Jordan; Doha, P.O.B. 172;
Msn Shafiq Al J'Airab.

Bank of Qatar: P.O.B. 553, Doha.

Bank of Oman: Doha.

Banque de Paris et des Pays-Bas: Paris; Doha.

British Bank of the Middle East: Doha, P.O.B. 57;

Chartered Bank: London; P.O.B. 29, Doha.

First National City Bank: P.O.B. 2309, Doha.

Al-Mashreq Bank: Doha.

National and Grindlays Bank Ltd.: London; Doha, P.O.B.
2001; Man. L. B. Cart.

Qatar Commercial Bank: P.O.B. 637, Doha.

Sedaral Bank: P.O.B. 2256, Doha.

United Bank of Pakistan: P.O.B. 242, Doha.

INSURANCE

Qatar Insurance Co.: P.O.B. 666, Doha; f. 1964; assets and
reserves tom. Q. Riyals (1973); branches in Dubai and
Riyadh; Man. Fatih I. Gane.

COMMERCE

Qatar Chamber of Commerce: P.O.B. 402, Doha; f. 1965;
11 mems. appointed by decree; Pres. Ahmed Muham-
mad Al Sowaidi; Sec. Kamal Ali Saleh.

OIL

Qatar National Petroleum Company: f. April 1972; in
line with OPEC policy the Government agreed a

participation agreement with the Qatar Petroleum
Company and Shell Qatar in January 1974 to secure
Qatar's interest. On February 20th, 1974 the Govern-
ment signed a further agreement which gives it a
60 per cent interest in QC and Shell Qatar. It has
taken over the National Oil Distribution Co., which
handles distribution and marketing.

Qatar Oil Co. Ltd (Japan): Doha; formed by a consortium
of Japanese companies; granted an 8,500 square mile
offshore concession in March 1966; drilling began in
January 1971. The company discontinued its search for
oil and returned the concession rights to the Government
in May 1974.

Qatar Petroleum Co.: Doha; an associate of Iraqi Petroleum
Co. and 40 per cent shareholder in the operating
company producing and exporting crude oil from the
Dubai oilfield (onshore). Under a participation agree-
ment signed in 1973 the Government became a 60
per cent interest holder in the QPC concession and crude
oil production facilities effective from January 1st,
1974. The operations in Qatar have been carried out on
behalf of the interest holders by QPC as interim
operator. Total production from the Dubai fields in
1973 was 97.65 million barrels (11.73 million long tons).

Shell Company of Qatar: P.O.B. 57, Doha; holds an
offshore concession. A Government participation agree-
ment was signed in February 1974 (see above); Man.
Dir. H. R. H. CREPEL. Total production in 1973 was
13.6tn. long tons.

TRANSPORT

ROADS

There are some 600 miles of surfaced road linking Doha
and the oil centres of Dukhan and Umm Said with the
northern end of the peninsula. A 65-mile long road from
Doha to Salwa was completed in 1970, and joins one leading
from Al Hofuf in Saudi Arabia, giving Qatar land access
to the Mediterranean. A 200-mile highway, built in con-
junction with Abu Dhabi, links both states with the Gulf
network. Road construction is a continual process through-
out the peninsula.

PIPELINES

Oil is transported by pipeline from the oilfield at Dukhan
to the loading terminal at Umm Said. Natural gas is
brought by pipeline from Dukhan to Doha where it is used
as fuel for a power station and water distillation plant.

SHIPPING

Qatar National Navigation and Transport Co. Ltd.: P.O.B.
155, Doha; shipping agents, lightering contractors
ship chandlers, clearing and forwarding agents at the
ports of Qatar.

Doha Port: A four-berth quay costing £10 million was
completed in 1969; it is linked with Doha Town by a
3,600-ft. causeway. A new expansion project, estimated to
cost QR 162 million is expected to double the size of
the port.

Umm Said Harbour: Although accommodating smaller
vessels (up to 60,000 d.w.t.) Umm Said still has the
country's main oil terminal. A 220,000 ton capacity tank
farm is connected by a series of pipelines with QG's three
main gathering stations. A 700 ft. wide jetty is linked to a
grain mill and a newly constructed fertilizer plant.
QATAR

CIVIL AVIATION

Doha international airport is equipped to receive jumbo jets; its runway was extended to 15,000 ft. in 1970. Plans for a new civil airport, which will have one of the longest runways in the world (11,000 ft.) are under preparation.

Gulf Air Co. Ltd.: jointly owned by Bahrain, Qatar, Abu Dhabi and British Airways (see Bahrain—Civil Aviation).

Gulf Helicopters: P.O. B. 811, Doha; 72 per cent owned by Gulf Air, 20 per cent by a British Airways Group; fleet of four Sikorsky S.62-A.

Doha is served by the following airlines: Air France, Alia (Jordan), British Airways, EgyptAir, Gulf Air, Iranian Airways, Iraqi Airways, Kuwait Airways, MEA, Pakistan International Airlines, Saudia, Syrian Arab Airlines, TMA, Yemen Airlines.

EDUCATION

All education within Qatar is free and numerous scholarships are awarded for study overseas. The state education system was inaugurated in 1956, when 1,400 boys attended 17 primary schools; by 1972-73 some 15,700 children (8,450 boys and 7,250 girls) attended primary school. The six-year primary stage is followed by a three-year preparatory stage (1,871 boys and 1,733 girls in 1972-73) and a further three-year secondary stage. General secondary education facilities are complemented by a teacher-training Institute, a technical school, a school of commerce and an Institute of religious studies. 735 boys and 226 girls received general secondary education in 1972-73, while there were 366 trained teachers enrolled. A number of Qataris are at present enrolled in higher education institutions abroad, almost all in other Arab countries, Britain, or the USA. The number of schools (33 in 1973) and of teachers (1,350), together with expenditure under the 1970-71 budget of about 2,500 per pupil indicates the importance given to education in Qatar. In October 1973 the first two Higher Teacher Training Colleges were opened, providing education to university level. The Ministry of Education has made substantial efforts to mitigate the effects of social deprivation on equal educational opportunity.

BIBLIOGRAPHY

See Bibliography on Bahrain, p. 234, and United Arab Emirates, p. 772.
Table of Contents

A. Itinerary

B. Map and State Department Country Note

C. List of Cabinet Ministers/Officials and Bio Datas

D. Reference Material
   1. Political Background/Situation
   2. Economic Background/Situation
   3. Petroleum Sector - Position and Prospects
   4. Aid flows from Qatar

E. Bank Group Operations
   1. IBRD Capital Subscription and Bond Holdings
   2. Existing Technical Assistance Activities
   3. Prospective Technical Assistance Activities
   4. Memoranda of Previous Discussions

F. UNDP Activities
TENTATIVE ITINERARY

March 13 (Thursday)  Arrive Doha  1100
March 14 (Friday)  Leave Doha  0950

Meet with:

1. H.H. Sheikh Khalifa bin Hamad Al-Thani
   Emir of the State of Qatar

2. H.E. Sheikh Abdel Aziz Al-Thani
   Minister of Finance and Petroleum

(Details of timing will be provided by Mr. El-Fishawy.)
GEOGRAPHY AND PEOPLE

The State of Qatar (pronounced gawturr) occupies the main peninsula jutting northward into the Persian Gulf from the eastern Saudi Arabian mainland. Al Dawhah, commonly known as Doha, is the capital and Qatar's leading commercial center. The terrain is mainly flat and barren, covered with loose sand and gravel and interspersed with occasional limestone ridges. A negligible amount of land is forested; most of it is desert.

Qatar has very little rainfall, and vegetation is scarce. The climate is hot most of the year, reaching 120°F in the summer, with high humidity along the coast.

The people are largely Arab in origin, only about half of whom are indigenous Qatars. The remainder are Arab immigrants from Egypt, Iraq, Oman, and the United Arab Emirates (formerly called the Trucial Shaikdoms); a significant number of Palestinian refugees; and expatriates from Iran, India, and Pakistan. There is also a small community of Europeans. Most Qatars who do not live in Doha live in towns and villages along the coast where they have traditionally engaged in fishing, pearl diving, and coastal trading. Nomadic Bedouin tribes roam the interior with their herds of camels, sheep, and goats.

The Qatars are mainly Sunni Muslims of the Waliabi sect. Arabic is the predominant language. Education is compulsory and free in Qatar for children 6-16 years of age. The literacy rate, estimated at more than 20 percent, is rapidly increasing.

HISTORY

Archaeological evidence shows that human habitation existed in Qatar for many centuries. A period of dominance over Qatar by the Khalifa family of Bahrain persisted until 1868, when, at the request of the Qatari nobles, the British conducted negotiations for the termination of the Bahraini claim, except for the payment of tribute. The tribute ended with the occupation of Qatar by the Ottomans in 1872.

When the Ottomans evacuated the peninsula at the beginning of World War I, the British recognized as Ruler of Qatar Sheikh Abdullah ibn Jasim Al-Thani, whose family had
been resident in Qatar for 200 years. The treaty concluded in 1916 between the United Kingdom and Shaikh Abdullah was similar to those entered into by the British with other Persian Gulf principalities. Under it the Ruler undertook not to dispose of any of his territory except to the United Kingdom and not to enter into relationships with any foreign government other than the United Kingdom without British consent. The British promised to protect Qatar from all aggression by sea and to lend its good offices in case of land attack. A 1934 treaty extended fuller British protection to Qatar.

In 1935 a 75-year oil concession was granted to the Qatar Petroleum Co., a subsidiary of the Iraq Petroleum Co. High-quality oil was discovered in 1940 at Dukhan, on the western side of the peninsula. Exploitation was delayed by World War II, however, and
the oil exports did not begin until 1949.

During the 1950's and 1960's gradually increasing oil income brought economic prosperity, rapid immigration, substantial social progress, and the beginnings of modern industry.

When the U.K. Government announced a policy decision in 1968 (reaffirmed in March 1971) to end the treaty relationships with the Persian Gulf sheikdoms, Qatar joined the other states (Bahrain and the seven Trucial Shaikbdoms, the latter now called the United Arab Emirates) under British protection in an effort to form a union of Arab emirates. By mid-1971, however, the two shaikdoms still had not been able to agree on terms of union, and the termination date (end of 1971) of the British treaty relationship was approaching. Accordingly, Qatar decided to seek independence as a separate entity. It became fully independent on September 3, 1971, as the State of Qatar.

GOVERNMENT AND POLITICAL CONDITIONS

Politically, Qatar is developing from a traditional society under the guidance of the Amir (Chief of State) toward modern constitutional government. Government departments gradually have developed to meet the requirements of social and economic progress.

In 1970, in anticipation of independence, Qatar promulgated a "Basic Law," including a bill of rights, practically equivalent to a constitution. It provides for a Council of Ministers (Cabinet) and an Advisory Council, members of which are to serve 3-year terms. The Council of Ministers, led by a Prime Minister (Head of Government), is appointed by the Amir. Its primary responsibility is to formulate public policy and direct the ministries.

To date the Advisory Council has very little real power. An electoral system has not been instituted and no specific provisions for suffrage have been established.

The Basic Law provides for the concept of an independent judiciary to be established under subsequent legislation.

The influx of numerous expatriate Arabs has begun to introduce progressive and nationalist ideas into Qatar's heretofore traditionalist society. There has been little evidence of political instability. Traditional values still predominate and there are no organized political parties.

In February 1972 the Deputy Ruler and Prime Minister of Qatar, Shaik Khalifa, deposed his cousin, Amir Ahmad, and assumed the position of Amir. This move, which had the support of the key members of their powerful family (the Al-Thani), took place without violence and with no subsequent signs of political unrest.

Principal Government Officials

Amir: Acting Prime Minister—Khalifa bin Hamad Al-Thani

Ministers

Foreign Affairs—Suhaim bin Hamad Al-Thani
Communications and Transport—'Abdallah bin Nasir Al-Suwaydi
Economy and Commerce—Nasir bin Khalifa Al-Thani
Education—Qasim bin Hamad Al-Thani
Electricity and Water Resources—Qasim bin Muhammad Al-Thani
Industry and Agriculture—Faysal bin Sami Al-Thani
Justice—'Abd Al-Rahman bin Sa'ud Al-Thani
Interior—Khalid bin Hamad Al-Thani
Finance and Oil—Abdul Aziz bin Khalifa Al-Thani
Labor and Social Affairs—Ali bin Ahmad Al-Ansari
Public Health—'Abd al-Aziz bin Abdul Al-Thani
Public Works—Khalid bin 'Abdallah al-Atiya
Defense—Maj. Gen. Hamad bin Khalifa Al-Thani
Ambassador to the U.S.—Abdullah Salih Al-Mana
Ambassador to the U.N.—Jasmin Yousif Jamal

The State of Qatar maintains an Embassy in the United States at 2721 Connecticut Avenue, NW., Washington, D.C. 20008.

ECONOMY

Oil income has revolutionized Qatar's economy since 1949 and by 1974 provided the country with an income estimated at $1.5 billion. Doha, formerly a poverty-stricken village, has become a relatively modern city. A water supply is distilled from the sea, streets have been paved, electricity provided, and modern buildings constructed. With the expansion of commercial activity, a chamber of commerce was founded in 1963. Duties which were formerly paid to Bahrain and Dubai (one of the seven United Arab Emirates) on goods imported through these entrepôts are saved by having imports brought in at

READING LIST

These titles are provided as a general indication of the material which may be found in many libraries or may be purchased in bookstores.


Arab States of the Persian Gulf and South-East Arabia. London: Central Office for Information, 1959.


TRAVEL NOTES

Climate and Clothing-May through mid-October is very hot in Qatar, and lightweight attire is recommended. From mid-October through April temperatures range from 45°F to 80°F and spring and fall clothing is most comfortable. Traditional attitudes toward dress prevail, and although Western styles are perfectly acceptable, some 'wild dress conservatively in public places.

Transportation-There are daily air connections from Dubai to Doha, the United Arab Emirates, and Saudi Arabia. Direct flights to Europe are available several times weekly.

Telecommunications-Allow one week for airmail delivery between the United States and Qatar. Cable and telex lines to leading hotels and places of business are good. Telephone connections can be excellent, depending on atmospheric conditions between Qatar and Bahrain, where intercontinental calls enter the satellite communications system.

Health-Visitors to Qatar should have valid smallpox and cholera immunizations.

Doha and the oil port of Umm Said, 20 miles to the south.

Major development projects in progress include a new air terminal, an enlarged 57 million harbor at Doha, additional desalting plants, a modern fishing industry with refrigerated storage, and a cement plant. The construction of a petrochemical plant, based on natural gas currently being flared, has recently been completed and a second is under consideration.

Traditional occupations have included pearling, fishing, and nomadic herding. Pearling, now all but abandoned, was an important source of income in the Qatari coastal villages until development of cultured pearls by the Japanese in the 1930's. Commercial fishing is conducted, and modern methods are being introduced. Agriculture under private ownership has been a government priority, and as a result, despite limited potential, Qatar is now a substantial exporter of various fruits and vegetables to other Gulf markets.

By 1974 Qatar's imports, more than adequately covered by oil revenues, had reached over $200 million. The United Kingdom remained the leading supplier, and imports from the United States were valued at over $10 million. Projected total exports, which are closely tied to total oil exports, are expected to exceed $1.5 billion in 1974.

Qatar's two producing oil concessionaires are: (1) Qatar Petroleum Co. (QPC), a subsidiary of the Iraq Petroleum Co. (owned 23.75 percent each by Royal Dutch Shell, British Petroleum Co., and Cie. Francaise des Petroles; 23.75 percent jointly by Mobil Oil Corp. and Standard Oil of New Jersey; and 5 percent by the Gulfian's Participations and Explorations Corp.). QPC has held concession rights for 34 years. It operates a 70-mile crude oil pipeline from its Dukhan oilfield to the deepwater terminal at Umm Said, where there is a small topping plant.

(2) Shell of Qatar (owned by Royal Dutch Shell) has since 1962 operated an offshore concession centered around Halul Island, some 60 miles east of Doha. Its Id al-Sharqi field entered commercial production in 1964, followed by the Mayden Mezham field.

By 1974 these two companies were producing 600,000 barrels of crude oil daily, and the government had concluded "participation" agreements giving it 60 percent control of each.

FOREIGN RELATIONS

Qatar achieved full independence in an atmosphere of cooperation with the United Kingdom and friendship with neighboring states. Most Arab states, the Soviet Union, the United Kingdom, and the United States were among the first countries to recognize Qatar, which promptly gained admittance to the United Nations and the Arab League. Qatar was an early member of the Organization of Petroleum Exporting Countries (OPEC).

While pursuing a course of separate independence, Qatar continues to support the concept of eventually joining a larger grouping of Persian Gulf states.

U.S.-QATAR RELATIONS

When Qatar became independent, the U.S.-Qatar relationship, long friendly on an informal basis, was transformed by the formal establishment of diplomatic relations. Initially, the U.S. Ambassador to Kuwait acted also as Ambassador to Qatar. An independent U.S. Embassy was opened under a Chargé d'Affaires in March 1973. A resident U.S. Ambassador arrived in July 1974.

Principal U.S. Official
Ambassador—Robert P. Paganelli

The U.S. Embassy in Qatar is located at the capital city, Doha.
LIST OF CABINET MINISTERS

*H.H. Sheikh Khalifa bin Hamad Al-Thani

H.E. Sheikh Jassim bin Hamad Al-Thani

H.E. Sheikh Suhaim bin Hamad Al-Thani

H.E. Sheikh Nassir bin Khalid Al-Thani

H.E. Sheikh Abdul-Rahman bin Saoud Al-Thani

H.E. Sheikh Jassim bin Mohammad Al-Thani

H.E. Sheikh Faisal bin Thani Al-Thani

H.E. Sheikh Mohammad bin Jabr Al-Thani

H.E. Sheikh Khalid bin Hamad Al-Thani

*H.E. Sheikh Abdul Aziz bin Khalifa Al-Thani

H.E. Khalid bin Abdullah al-Attiyah

H.E. Ali bin Ahmed Al-Ansari

H.E. Abdullah bin Nassir al-Suwaidy

H.E. Khalid Mohammad al-Mana

H.E. Isa Ghanim al-Kawari

H.E. Major General Sheikh Hamad bin Khalifa Al-Thani

Emir and Prime Minister

Minister of Education, Culture and Youth Care

Minister of Foreign Affairs

Minister of Economy and Commerce

Minister of Justice

Minister of Electricity and Water

Minister of Industry and Agriculture

Minister of Municipal Affairs

Minister of Interior

Minister of Finance and Petroleum

Minister of Public Works

Minister of Labor and Social Affairs

Minister of Communications and Transport

Minister of Public Health

Minister of Information

Commander-in-Chief of the Armed Forces

* Those likely to meet Mr. McNamara.

EMIDA
February 14, 1975
LIST OF SENIOR OFFICIALS
WHO MIGHT BE MET BY MR. KONAMARA

Abdul Latif Madhat Masoud  Director of Minister's Office,
                          Ministry of Finance and Petroleum
Ali Muhammad Jaidah       Director of Petroleum Affairs,
                          Ministry of Finance and Petroleum
Abdul Kadir Qadi          Director of Financial Affairs,
                          Ministry of Finance and Petroleum
Mostafa Hassan             Economic Advisor,
                          Office of the Emir

EMIDA  
February 14, 1975
Sheikh Khalifa bin Hamad al-Thani was born in 1930, in the Ruling Family which has ruled Qatar since the nineteenth century. He was schooled by private tutors.

He entered public service at a young age in 1949, when he became the Director of Police and Internal Security. In 1956 he became the Minister of Education and in 1959, the head of the courts in Qatar.

Sheikh Khalifa was designated as Crown Prince and Deputy Ruler in October 1960 and has acted as Prime Minister since December 1969. In 1969, he also took over as the supervisor of the newly established Foreign Affairs Administration and, later that year, became the Minister of Finance as well, when that Ministry was established for the first time. He was given the title of Prime Minister and Deputy Ruler in May 1970. When Qatar became independent in September 1971, the latter title was changed to that of Deputy Emir.

He deposed his cousin Sheikh Ahmad bin Ali al-Thani as the Emir of Qatar in a peaceful transfer of power on February 22, 1972. Since then, he has also retained the Prime Ministership. He reorganized the Cabinet, named his younger son Sheikh Hamad as Commander-in-Chief of the Armed Forces, and his other son Abdel Aziz, as Minister of Finance and Petroleum.

Sheikh Khalifa is recognized as being responsible for most of Qatar's development following the rapid increase in oil revenues during the sixties, since the deposed Emir largely concerned himself with ceremonial and social duties. His sense of dedication and involvement is demonstrated by the fact that he took steps, on becoming Emir, to reduce both his own and his large family's (20,000 riy) personal income in order to better distribute his nation's wealth. When Qatar was a British protectorate, and even now, he relies heavily on British and US advice. He has a close relationship with King Faisal of Saudi Arabia. Sheikh Khalifa distrusts the USSR and opposes Soviet presence in the Middle East. He was a strong supporter of the aborted Federation of Arab Emirates and was the Prime Minister and President of its Temporary Federation Council.

Sheikh Khalifa is married, with two wives and five children. He is a well-travelled man. He reads, writes and speaks Arabic and has taught himself some English.

February 14, 1975
BIO DATA

Sheikh Abdel Aziz bin Khalifa al-Thani
Minister of Finance and Petroleum

The Sheikh, who is the son of the Emir of Qatar, was born in 1949. He was schooled in Doha. He subsequently studied abroad for several years: 1967-1970 in England, September, 1970-June, 1971 at Southern Illinois University (Carbondale), June-September, 1971 at Miami State University and September, 1971 to March, 1972 at a small college in Chicago, from which he graduated.

He returned to Qatar in 1972, when he was appointed Acting Minister of Finance. He represented Qatar at the IMF Meeting in September, 1972. Last year, he became the Minister of Finance and Petroleum.

EMIDA
February 14, 1975
1. Political Background and Situation

1. Politically, Qatar is still a tribal, patriarchal society under the firm control of the Emir, who acts as a traditional and absolute monarch. A hesitant and slow process towards modern constitutional government has however been initiated, since 1970.

Background

2. The desert peninsula (100 x 50 sq mi) of Qatar, east of Bahrain and bordered on the south by Saudi Arabia and the UAE, was ruled by the Khalifa family of Bahrain until 1868. In that year, at the request of Qatari sheikhs, Great Britain conducted negotiations for the termination of the Bahraini rule, except for the payment of a tribute. This tribute, however, ended with the occupation of Qatar by the Turks in 1872. At the beginning of World War I, when the Turks evacuated Qatar, Great Britain recognized Sheikh Abdullah bin Jasim Al-Thani, whose family had been resident in Qatar for over 200 years, as the country's ruler. In 1910, a Treaty of Protection, more comprehensive than the one in 1868, was concluded with Great Britain; in return in exchange for British protection, the Sheikh agreed that he would not dispose of any Qatari territory except to the UK and not enter into diplomatic relationships with any foreign government without British consent. In 1934, this treaty was further extended, after which a British political agent and other British advisors resided in Qatar to assist the Sheikh in his task of governing the country.

3. Following Great Britain's decision in 1968 to end its treaty relationships with many of the Gulf sheikhdoms, Qatar joined eight other sheikhdoms in the British-sponsored abortive Temporary Federation of the Gulf Emirates.

4. By mid-1971, these sheikhdoms were still unable to agree to the final terms of a federated union. At that time, Qatar decided to break away from the Temporary Federation and establish its independence as a sovereign state. Great Britain reconfirmed its intention to withdraw its "protective umbrella" over these sheikhdoms, and Qatar proclaimed full independence on September 3, 1971. The existing treaty of protection was replaced by a Treaty of Friendship and some measure of British influence still continues.

Present Political Framework and Recent Developments

5. Sheikh Ahmad bin Ali Al-Thani, the Ruler of Qatar in 1971, was more interested in the ceremonial and social aspects of his office and was deposed in a bloodless coup by his cousin, the present Ruler, Sheikh Khalifa bin Hamad Al-Thani, on February 22, 1972. This action is believed to have taken place with the general agreement and support of the other members of the Al-Thani family.
6. Sheikh Khalifa, who has provided dynamic and progressive leadership, has opted for policies of general redistribution of wealth and rapid modernization of his country. He however continues to experience some opposition from other branches of his family and from the more conservative elements in the Qatari society -- which is dominated by the puritanical Wahabi sect.

7. The experimentation in modern government began in 1970, prior to independence, when Sheikh Khalifa was Deputy Ruler and Prime Minister. A "Basic Law," which included a Bill of Rights and was deemed to be more or less a Constitution, was decreed at the time. It provided for a Council of Ministers and an Advisory Council -- members of which were to serve for three-year terms. Under that Law, the Prime Minister is primarily responsible for the formulation of public policy and the administrative direction of the Ministries in the Government. Sheikh Khalifa has however chosen to be his own Prime Minister, and key cabinet members and those in control of the armed forces, are his sons or close family members with allegiance to him. To date, the Advisory Council has remained one in name only; the electoral system has not been developed, and the Council of Ministers essentially serves as the executive arm of the Ruler.

Foreign Relations

8. Qatar maintains close relations with all Arab countries. It also maintains diplomatic relations with some of the Western countries -- including the USA and UK, and the USSR. It became a member of the UN and the Arab League following independence, and is one of the early members of OPEC. It has also been supporting the "front-line Arab states" with financial assistance, in their conflict with Israel. With the recent increases in oil revenues, Qatar has begun providing economic assistance to some of the Arab countries.

EMIDA
February 14, 1975
1. Qatar is an oil producing country situated on the Gulf coast of
Saudi Arabia. It occupies a peninsula of about 11,300 square kilometers,
roughly two-thirds the size of Kuwait, most of it flat and barren land.
It has an estimated population of 120,000, of which 60 percent are Ex-
patriates (Palestinians, Iranians and Indians).

Resource Base

2. Oil and natural gas are the country's dominant resource bases.
Water resources and soils suitable for agriculture are scarce and the
limited supplies of seawater need to be supplemented by desalinated
seawater. Apart from cement there is no other significant non-oil In-
dustry, and trading activities and other service sectors are closely
related to the development of the oil sector.

Population

3. The total population is estimated for 1973 at 120,000, of which at
least 80 percent is concentrated on the capital area of Doha. Population
growth in recent years has exceeded 5 percent a year due to immigra-
tion - the growth rate of the native population being estimated at about
3.0-3.5 percent per annum. Immigration also explains the fact that the native
population constitutes only about 40 percent of total population and prob-
ably less than 20 percent of total labor force. In recent years immigration
has become subject to some government restrictions as Qatariization became a
major political goal.

Dominance of Oil

4. Qatar's economy is heavily dependent on oil. The Bank's estimate
of Qatar's GNP in 1973 was about US$500 million, of which oil constituted
about 70 percent, giving a per capita GNP of about US$3,300. 1974 oil
production was about half-a-million barrels a day, yielding revenues esti-
ated at $1.64 billion on an accrual basis (or $1.63 billion on actual cash
basis). GNP in 1974 is accordingly estimated to be about $2 billion or about
$10,500 per capita. Qatar's oil industry, however, has remained loosely
connected with the rest of the economy, employing only 1 percent of the popu-
lation, and spending locally (in 1973) what amounted to about 20 percent of
the non-oil GNP.

Recent Developments and Their Implications

5. Increased oil revenues have permitted a high level of public expendi-
tures, which are estimated to have reached QR 1,100 million or $262 million
in FY1974. Public sector investment has consistently comprised a large
portion of this (about 50 percent in FY1974) and has thereby generated income
in other sectors, notably construction, trade and related services. Major
infrastructure projects completed recently include the expansion and modernization of Doha airport, the construction of a new highway from Doha to Salwa on the Saudi Arabian border, improved housing complexes and basic facilities for the industrial zone of Fur Sure. The supply of power and water and the provision of educational and health services have been continuously improved. Substantial progress has also been made in setting up a number of new industrial enterprises, mostly with the active participation of the Government.

6. The rapid expansion of public spending has led to bottlenecks in the supply of various goods and services and to increased inflationary pressure. These limitations in Qatar's absorptive capacity kept government expenditures well below recent oil incomes, and enabled the Government to considerably expand its financial support of other Arab and Islamic states, while investing the residual surpluses abroad, primarily in money markets. The cash surplus of the financial operations of the Government, before deduction of aid payments to other Arab and Islamic states, rose from QR 75 million ($19.2 million) in 1970 to about QR 535 million ($127 million) in 1973, and was originally budgeted to reach almost QR 3.6 billion ($900 million) in 1974. Preliminary estimates indicate 1974's surplus to now be about $1.6 billion.

7. The massive increase in the financial surplus of the public sector, has important implications for the development strategy of the Government. While in the past the main objectives of development policies were aimed at providing the country with an adequate and modern infrastructure (which has largely been achieved) and at redistributing the new wealth to improve the living conditions of the population, increased emphasis is now given to diversifying the economy to reduce the dependence on oil. It is being increasingly realized that Qatar's oil reserves are limited and their exhaustion will inevitably bring about a sudden deterioration in the standard of living of the population, unless present oil surpluses are wisely invested for economic diversification. In fact, according to Government estimates (made in 1973) current proven recoverable oil reserves stood at 4,500 million barrels, equivalent to only 24 years of production at the estimated 1974 level (90 million barrels).

8. However, Qatar is fortunate in having large reserves of natural gas. These are officially estimated at 7.2 trillion cubic feet, of which 6.6 trillion SCF is non-associated gas. Non-associated gas has not yet been exploited, and even a large portion of associated gas is being flared off. Present major uses of gas involve on-plant oil company requirements, fertilizer production (100,000 tons of ammonia and 330,000 tons of urea per annum) and power and seawater distillation. However, a large IGU plant (800,000 tons/year) is nearing completion and several major new industrial projects, mostly based on gas, have emerged and more are being discussed. The projects have in common, a high capital intensity and export orientation. In 1973, agreements were concluded with major foreign firms to set up a $2.2 billion petrochemical complex and a $150 million steel mill, the latter designed to produce
construction steel from imported iron ore that would be reduced and processed by using gas instead of coke. For other projects, such as a large aluminum smelter and gas liquefaction plants, the Government is currently seeking foreign partners.

9. In view of the abundance of natural gas, the country's geographic location and the availability of domestic capital, the current move towards diversification through capital-intensive industries is an important step in the right direction. However, there is also a danger that Qatar could be trying to achieve too much at a time, thus involving the danger of delays in project implementation and waste of resources. The risks are enhanced by the absence of a central planning organization which would evaluate and coordinate the development projects. Responsibilities for sectoral programs are at present scattered among ministries, with little national coordination. The establishment of a central planning office in combination with a central statistical office appears to be essential for the success of Qatar's development efforts and should be urgently pursued by the authorities, not at least because of the magnitude of projects in preparation or under consideration.

EMIDA
February 14, 1975
Area: 11,300 sq. km. 190,000

Population (1974 estimate): 1/ 190,000
Current Population Growth Rate of 3.0 - 3.5 percent
Native Population: about 12,300

Per Capita Oil Revenue, 1973 2/ about $9,000 (est.)

Primary school enrollment (1974): 100 percent
Total enrollment in primary schools (1974): approx. 15,000
Number of teachers in primary schools (1974): approx. 1,500
Population per Physician, 1973: 1,600
Population per Hospital Bed, 1973: 250

Government Finance (in QR million)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Revenues</td>
<td>945.1</td>
<td>1,230.4</td>
<td>1,719.7</td>
<td>5,196.6</td>
</tr>
<tr>
<td>Current Expenditures</td>
<td>474.5</td>
<td>671.8</td>
<td>716.3</td>
<td>1,000.7</td>
</tr>
<tr>
<td>Domestic Development Expenditures</td>
<td>169.3</td>
<td>227.5</td>
<td>243.6</td>
<td>580.5</td>
</tr>
<tr>
<td>Aid to Arab and Islamic Countries</td>
<td>-</td>
<td>26.8</td>
<td>357.0</td>
<td>350.0</td>
</tr>
<tr>
<td>Extra-Budgetary Operations</td>
<td>46.0</td>
<td>32.5</td>
<td>189.7</td>
<td>-</td>
</tr>
</tbody>
</table>

Overall Surplus 255.3 271.8 177.9 3,565.3

Money and Credit (in QR million at end of period)

<table>
<thead>
<tr>
<th>1971</th>
<th>1972</th>
<th>1973</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money and Quasi-Money</td>
<td>1,624.9</td>
<td>664.0</td>
</tr>
<tr>
<td>Bank Credit to Public Sector (net)</td>
<td>-61.6</td>
<td>-20.2</td>
</tr>
<tr>
<td>Bank Credit to Private Sector</td>
<td>262.4</td>
<td>332.7</td>
</tr>
</tbody>
</table>

Balance of Payments (in SDR million)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil Sector Transactions 1/</td>
<td>722.5</td>
<td>193.1</td>
<td>252.5</td>
<td>367.0</td>
</tr>
<tr>
<td>Exports and Re-Exports (other than oil) 6/</td>
<td>9.2</td>
<td>11.6</td>
<td>14.0</td>
<td>14.6</td>
</tr>
<tr>
<td>Imports of Goods, c.i.f. 7/</td>
<td>64.2</td>
<td>108.4</td>
<td>127.6</td>
<td>163.5</td>
</tr>
<tr>
<td>Trade Balance</td>
<td>67.5</td>
<td>96.3</td>
<td>138.9</td>
<td>212.1</td>
</tr>
<tr>
<td>Other Services, Transfers and Non-Monetary Capital</td>
<td>-56.3</td>
<td>-26.0</td>
<td>-54.1</td>
<td>-172.1</td>
</tr>
<tr>
<td>Changes in Reserves (increase)</td>
<td>-11.2</td>
<td>-70.3</td>
<td>-84.8</td>
<td>-40.0</td>
</tr>
</tbody>
</table>

Exchange Rate
QR 1 = US$0.2564
US$1 = QR 3.90

1/ Based on the official population figure which is likely to represent an overestimation.
3/ Budget. FY71-74 corresponds to Muslim Hijri years 1391-94. FY74 ended on January 12, 1975. Actual Government expenditures during the year were reported to be about 1100 million. Details of the actual revenues accruing during 1974 as well as the magnitudes of the FY75 budget are not yet available.
4/ On fiscal year basis.
5/ Cash basis. Accrual basis about SDR 1,530 million.
6/ Largely reexports.
7/ Excluding defense imports.
Oil Concessions and Exploration

1. Crude oil is produced in Qatar by two major companies: the Qatar Petroleum Company (QPC) from its Dukhan concession area (offshore), and by Shell Company of Qatar from three offshore fields north and southwest of Halul Island. Other companies including the Japanese Qatar Oil Company, the German Wintershall Group and various American firms also hold concession rights and have been undertaking exploration drilling, but so far have failed to discover oil in commercial quantities.

2. QPC's amended concession agreement of May 1957 is for 75 years. Apart from paying an annual rental of 522,500, QPC is to pay royalty of 20 percent of the relevant posted price of oil and an 85 percent income tax on the annual net profits (based on the posted price after deduction of production expenditure and royalty). QPC's original concession covered the entire offshore and onshore area of Qatar. After successive relinquishments, it is now confined to about 2,000 square kilometers along the western coast (mainly Dukhan field). Exploration has virtually come to an end.

3. Shell's concession agreement of August 1952 is also for 75 years. Shell pays an annual rental of £ 37,707 and the same royalty and tax rates as QPC. Payments of both QPC and Shell are in sterling. Shell's original concession included all the seabed, subsoil and lands under jurisdiction of the Ruler of Qatar, with the exception of the territorial waters. After successive relinquishment of about half of the original concession area, Shell holds now the concession covering approximately 13,000 sq. km. Successful exploratory wells were first drilled in 1950 at Al Shargi field which in 1964 started producing. Further exploration works of Shell led to the discovery in 1963 of the large Haydan Mahzan field, and during 1965, the Bul Hanine oilfield was discovered, where most of Shell's offshore now originates. Bul Hanine appears to have considerable potential for expansion of oil production.

Commercial Production and Exports

4. Commercial production and exports of crude in Qatar first started in 1949, from QPC's Dukhan field and were growing at a moderate rate until 1963. In 1964 Shell began producing; by 1972, its offshore oil production was larger than the production from QPC's Dukhan onshore fields. Production (same as exports) of both companies together is estimated to have averaged 513,000 barrels per day in 1974 or about 25 million metric tons a year (Attachment II).
5. Crude produced by QPC is light (41.5° API average) of about 1.1 percent sulphur content, low by Middle East standards. Shell's blend of marine crude is about 30.6° API, and of about 1.5 percent sulphur content. Attachments III and IV indicate prices and costs of the two crudes in 1974.

6. QPC oil associated gas (37 billion SCF in 1973) is mainly utilized for QPC's own requirements. However, an increasing portion is sold to the Government's power generating and water desalination plants, and to the cement and the fertilizer plants. Shell, on the other hand, utilizes only a small portion of its associated gas, and the surplus is flared.

7. Data on crude oil production, costs, prices and aggregate revenues are attached (Attachments I - VI).

Investments by Oil Companies

8. Investments of these two operating oil companies in Qatar are largely in transport, storage and shipping facilities for oil and gas which is produced in association with oil. QPC has built four oil pipelines over a distance of 31 km to connect the Dukhan field at Umm Bab with the storage and terminal facilities of Umm Said on the east coast. Moreover, two gas pipelines each were constructed to connect degassing stations in the Dukhan field with Doha and the industrial zone of Umm Said. At Umm Said, a farm of 16 storage tanks for crude was set up from which the oil is pumped to tankers through submarine lines to two offshore berths. One of these berths (the North Berth) was completed as recently as October 1972. Shell, on the other hand, has built submerged pipelines to connect the producing wells with the tank farm and the two mooring buoys at Halul Island. The new buoy at Halul Island was completed in 1972 and is one of the largest in the world.

Government-Company Relationships

9. After acquiring 25 percent interest in both operating oil companies on January 1, 1973, Qatar on February 20, 1974 assumed a 60 percent interest in their assets and production retroactive to January 1, 1974. To assume the 60 percent interest, Qatar paid both companies an equivalent of about $80 million. In December 1974, it was reported that the Government took over all the assets of both oil companies operating in Qatar. Details of the takeover are not yet available.

Attachments:

I. Estimated crude oil production in 11 OPEC countries, 1973
II. Estimated crude oil production in 11 OPEC countries, 1974
III. Estimated Government oil revenue accruing from 11 OPEC countries, 1973
IV. Estimated Government oil revenue accruing from 11 OPEC countries, 1974
V. Qatar: Prices and costs of Dukhan crude oil (40.0° API) F.O.B. Umm Said, 1974
VI. Qatar: Prices and costs of Qatar Marine (36.0° API) crude oil F.O.B. Halul Island, 1974

See Briefing on Kuwait, F 3
### OPEC: Prices and Costs of Persian Gulf Oil (40.0° API) F.O.S., U.S. S.Ald, 1974

| January 1 1974 | June 1 1974 | July 1 1974 | October 1 1974 | November 1, 1974 | November 1, 1974 (U.S. $ per barrel) | Government exports priced as percentage of posting | Average $ imported
<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I. FOREIGN OIL COMPANY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### A. Equity Code Oil

<table>
<thead>
<tr>
<th>Category</th>
<th>January 1 1974</th>
<th>June 1 1974</th>
<th>July 1 1974</th>
<th>October 1 1974</th>
<th>November 1, 1974</th>
</tr>
</thead>
<tbody>
<tr>
<td>less: production cost</td>
<td>0.206</td>
<td>0.206</td>
<td>0.206</td>
<td>0.206</td>
<td>0.206</td>
</tr>
<tr>
<td>Net taxable income</td>
<td>10.608</td>
<td>10.608</td>
<td>10.608</td>
<td>10.608</td>
<td>10.608</td>
</tr>
<tr>
<td>Income tax</td>
<td>0.866</td>
<td>0.866</td>
<td>0.866</td>
<td>0.866</td>
<td>0.866</td>
</tr>
<tr>
<td>less: royalty</td>
<td>1.552</td>
<td>1.552</td>
<td>1.552</td>
<td>1.552</td>
<td>1.552</td>
</tr>
<tr>
<td>add: government share</td>
<td>7.414</td>
<td>7.414</td>
<td>7.414</td>
<td>7.414</td>
<td>7.414</td>
</tr>
<tr>
<td>add: production cost</td>
<td>0.206</td>
<td>0.206</td>
<td>0.206</td>
<td>0.206</td>
<td>0.206</td>
</tr>
</tbody>
</table>

#### B. Participation Oil (C)

<table>
<thead>
<tr>
<th>Category</th>
<th>January 1 1974</th>
<th>June 1 1974</th>
<th>July 1 1974</th>
<th>October 1 1974</th>
<th>November 1, 1974</th>
</tr>
</thead>
</table>

#### C. Total Availability

- Average cost of equity and participation oil
- Profit margins
- Price to affiliates and others (\( p \))

### II. GOVERNMENT UNIT REVENUE

#### A. Participation Oil

<table>
<thead>
<tr>
<th>Category</th>
<th>January 1 1974</th>
<th>June 1 1974</th>
<th>July 1 1974</th>
<th>October 1 1974</th>
<th>November 1, 1974</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil bought back by foreign partners</td>
<td>11.346</td>
<td>11.346</td>
<td>11.346</td>
<td>11.346</td>
<td>11.346</td>
</tr>
<tr>
<td>Sales to third parties</td>
<td>11.346</td>
<td>11.346</td>
<td>11.346</td>
<td>11.346</td>
<td>11.346</td>
</tr>
<tr>
<td>Weighted average price</td>
<td>11.346</td>
<td>11.346</td>
<td>11.346</td>
<td>11.346</td>
<td>11.346</td>
</tr>
<tr>
<td>less: production cost</td>
<td>0.206</td>
<td>0.206</td>
<td>0.206</td>
<td>0.206</td>
<td>0.206</td>
</tr>
<tr>
<td>Government net revenue</td>
<td>11.140</td>
<td>11.140</td>
<td>11.140</td>
<td>11.140</td>
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#### B. Foreign Companies' Equity Oil

<table>
<thead>
<tr>
<th>Category</th>
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<th>June 1 1974</th>
<th>July 1 1974</th>
<th>October 1 1974</th>
<th>November 1, 1974</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government share</td>
<td>7.414</td>
<td>7.414</td>
<td>7.414</td>
<td>7.414</td>
<td>7.414</td>
</tr>
</tbody>
</table>

#### C. Average Government Revenue from Participation and Equity Oil

<table>
<thead>
<tr>
<th>Category</th>
<th>January 1 1974</th>
<th>June 1 1974</th>
<th>July 1 1974</th>
<th>October 1 1974</th>
<th>November 1, 1974</th>
</tr>
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</table>

### III. EXPORT PRICES

<table>
<thead>
<tr>
<th>Category</th>
<th>January 1 1974</th>
<th>June 1 1974</th>
<th>July 1 1974</th>
<th>October 1 1974</th>
<th>November 1, 1974</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign partners (average)</td>
<td>-</td>
<td>11.346</td>
<td>11.346</td>
<td>11.346</td>
<td>11.346</td>
</tr>
<tr>
<td>Government to third parties</td>
<td>-</td>
<td>11.346</td>
<td>11.346</td>
<td>11.346</td>
<td>11.346</td>
</tr>
<tr>
<td>Weighted average &quot;Nominal&quot; spot price ( p ):</td>
<td>-</td>
<td>11.346</td>
<td>11.346</td>
<td>11.346</td>
<td>11.346</td>
</tr>
</tbody>
</table>

### IV. OPEC PRODUCTION SHARING

<table>
<thead>
<tr>
<th>Category</th>
<th>January 1 1974</th>
<th>June 1 1974</th>
<th>July 1 1974</th>
<th>October 1 1974</th>
<th>November 1, 1974</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign partners' equity oil</td>
<td>40.0</td>
<td>40.0</td>
<td>40.0</td>
<td>40.0</td>
<td>40.0</td>
</tr>
<tr>
<td>Participation oil sold to foreign partners ( p )</td>
<td>60.0</td>
<td>60.0</td>
<td>36.0</td>
<td>36.0</td>
<td>36.0</td>
</tr>
<tr>
<td>Sold to third parties ( p )</td>
<td>0</td>
<td>0</td>
<td>28.0</td>
<td>28.0</td>
<td>28.0</td>
</tr>
</tbody>
</table>

### V. OPEC PRODUCTION

<table>
<thead>
<tr>
<th>Category</th>
<th>January 1 1974</th>
<th>June 1 1974</th>
<th>July 1 1974</th>
<th>October 1 1974</th>
<th>November 1, 1974</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.723</td>
<td>0.212</td>
<td>0.212</td>
<td>0.212</td>
<td>0.212</td>
<td>0.212</td>
</tr>
</tbody>
</table>

\( p \) in line with OPEC decisions in 1974, later increased (a) royalty from 12.5% to 15% effective July 1 and to 16.5% effective October 1974, and (b) income tax from 50.0% to 65.0% effective October 1, 1974.

\( ^{a} \) Effective November 1, 1974, below the posted price by 40 cents but increased the royalty rate to 5% and the tax rate to 5%. It is believed that participation oil will be sold to foreign partners at 96.8% of posted price. The prices are stated to last until July 31, 1975.

\( ^{b} \) The 1974 average assumes that participation oil will be sold to foreign partners at 96.8% of posting during November-December, 1974.

\( ^{c} \) Water set the price for participation oil sold back to foreign partners at 93.6% for January-May, 1973, 93.6% for June-September, 93.6% for October, and (reportedly) 92.5% for November-December.

\( ^{d} \) Price to affiliates and others range according to foreign partners, in some cases retroactively to cover costs of revised participation arrangements.

\( ^{e} \) Spot prices are reported for short-term sales in a thin market by foreign partners and brokers; they have not been weighted into the average export prices. The reported prices are composite credit terms which are not required equivalent to 10 cents per barrel for every 30 days' credit.

\( ^{f} \) Foreign partners are to buy back at least 60% of government's 60% of all (i.e. 36% of total output) and all or part of remaining 34% to extend that government does not dispose of it elsewhere. The government sold to foreign partners all its share in the first half and expressed intention of selling them only 60% of its share in the third quarter.
<table>
<thead>
<tr>
<th>Month</th>
<th>January 1, 1974</th>
<th>June 1, 1974</th>
<th>July 1, 1974</th>
<th>October 1, 1974</th>
</tr>
</thead>
<tbody>
<tr>
<td>Royalty</td>
<td>0.266</td>
<td>0.286</td>
<td>0.266</td>
<td>0.286</td>
</tr>
<tr>
<td>Production cost</td>
<td>1.902</td>
<td>1.742</td>
<td>2.003</td>
<td>2.303</td>
</tr>
<tr>
<td>Net income</td>
<td>10.255</td>
<td>10.225</td>
<td>9.905</td>
<td>7.725</td>
</tr>
<tr>
<td>Income tax</td>
<td>5.654</td>
<td>5.624</td>
<td>6.092</td>
<td>6.384</td>
</tr>
<tr>
<td>Government share</td>
<td>7.126</td>
<td>7.126</td>
<td>7.245</td>
<td>8.397</td>
</tr>
<tr>
<td>Tax-paid cost</td>
<td>7.742</td>
<td>7.611</td>
<td>7.260</td>
<td>8.683</td>
</tr>
<tr>
<td>Royalty</td>
<td>0.266</td>
<td>0.286</td>
<td>0.266</td>
<td>0.286</td>
</tr>
<tr>
<td>Production cost</td>
<td>1.902</td>
<td>1.742</td>
<td>2.003</td>
<td>2.303</td>
</tr>
<tr>
<td>Net income</td>
<td>10.255</td>
<td>10.225</td>
<td>9.905</td>
<td>7.725</td>
</tr>
<tr>
<td>Income tax</td>
<td>5.654</td>
<td>5.624</td>
<td>6.092</td>
<td>6.384</td>
</tr>
<tr>
<td>Government share</td>
<td>7.126</td>
<td>7.126</td>
<td>7.245</td>
<td>8.397</td>
</tr>
<tr>
<td>Tax-paid cost</td>
<td>7.742</td>
<td>7.611</td>
<td>7.260</td>
<td>8.683</td>
</tr>
</tbody>
</table>

**B. Participation Oil**

- **Royalty**
  - Average: 11.172
  - Sold to affiliates: 11.172
  - Total: 11.172

**C. Total Availability**

- **Revenue**
  - Total: 9,668
  - Average: 9,668
  - Profit margin: 9,250

**D. Government Share**

- **Foreign Companies**
  - Equity Oil
    - Government share: 7.126
    - Foreign partners: 9.282

**E. Export Prices**

<table>
<thead>
<tr>
<th>Type</th>
<th>Government to third parties</th>
<th>Weighted average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign partners</td>
<td>11.172</td>
<td>11.172</td>
</tr>
</tbody>
</table>

**IV. S.P.C. Production Share**

<table>
<thead>
<tr>
<th>Type</th>
<th>Foreign partners' equity oil</th>
<th>Participation oil</th>
<th>Sold to foreign partners</th>
<th>Sold to third parties</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>40.0</td>
<td>40.0</td>
<td>40.0</td>
<td>40.0</td>
</tr>
<tr>
<td></td>
<td>40.0</td>
<td>40.0</td>
<td>40.0</td>
<td>40.0</td>
</tr>
</tbody>
</table>

**V. S.P.C. Production**

<table>
<thead>
<tr>
<th>Type</th>
<th>Sold (million b/d)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.293</td>
</tr>
</tbody>
</table>

**VI. S.P.C. Production**

<table>
<thead>
<tr>
<th>Type</th>
<th>Sold (million b/d)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.293</td>
</tr>
</tbody>
</table>

**Notes:**
- **A. Government Share**
  - Government share refers to half of the S.P.C. production share.
- **B. Government Share**
  - Government share refers to half of the S.P.C. production share.
- **C. Export Prices**
  - Export prices are reported for short-term sales in a thin market by foreign partners and brokers; they have not been weighted into the average export price but are a useful indicator of price trends. Reported prices are complicated credit terms which are now roughly equivalent to 10 cents per barrel for every 30 days' credit.
- **D. Export Prices**
  - Export prices are reported for short-term sales in a thin market by foreign partners and brokers; they have not been weighted into the average export price but are a useful indicator of price trends. Reported prices are complicated credit terms which are now roughly equivalent to 10 cents per barrel for every 30 days' credit.
Aid Flows from Qatar

1. The total flow of aid from Qatar was highest in 1973 with total commitments rising to almost tenfold the 1972 level and amounting to $211 million. In 1974, total aid commitments amounted to $185 million and disbursements were at the level of $92 million.

2. Of the total aid commitments, bilateral aid accounted for $190 million and $126 million in 1973 and 1974, respectively, and was advanced almost exclusively in the form of official development assistance. Qatar participates in the Arab Investment Company and is to contribute $20 million for the financing of the big oil refinery near Alexandria. Qatar is co-financing with IBRD two projects in Egypt - Talkha II Fertilizer ($3.4 million) and Suez Canal Rehabilitation ($10 million). In April 1974, it extended a $10 million loan to Tunisia at a 3% interest rate and a maturity of 15 years. The total aid commitments by Qatar to most seriously affected oil importing countries aggregated $66.6 million in 1974, with the largest contribution made to Pakistan ($30 million), followed by Sudan ($14 million), Somalia ($10 million), Mauritania ($9 million), Arab Republic of Yemen ($2.1 million) and Bangladesh ($1.5 million). In a recent agreement with Egypt, Qatar is reported to provide assistance to the amount of $102 million, of which $10 million are for the Suez Canal rehabilitation. The agreement also includes the establishment of a joint investment company with a capital of $25 million to be contributed in equal shares by the two countries.

3. A significantly higher proportion of total aid commitments by Qatar in 1974 was in the form of multilateral aid being channeled through regional and international organizations. Total multilateral aid commitments thus amounted to $59 million in 1974 as compared to $20 million and $21 million in 1973 and 1972 respectively. These were basically in the form of contributions to IBRD ($20.8 million in 1972), to the Arab Bank for Economic Development in Africa ($20 million in 1973), as well as to the Islamic Development Bank ($30 million), the Islamic Solidarity Fund ($10 million), the Special Fund for Africa ($10 million), the Special Fund for Arab Non-Oil Producing Countries ($5 million), the UN Emergency Special Fund ($14 million) and other UN agencies ($1 million) in 1974.
1. Capital Subscriptions to IBRD, IDA and IFC
   and Bank Bond Holdings

I. IBRD Capital Subscription

<table>
<thead>
<tr>
<th>Shares</th>
<th>1973 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>171</td>
<td>17,100,000</td>
</tr>
</tbody>
</table>

II. IDA

Qatar is not a member of IDA.

III. IFC

Qatar is not a member of IFC.

IV. Outstanding Bank Bonds

1. Two-Year Bond Issues

<table>
<thead>
<tr>
<th>Interest</th>
<th>Due on</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-3/4%</td>
<td>March 15, 1975</td>
<td>100,000</td>
</tr>
<tr>
<td>8-5/8%</td>
<td>Sept. 15, 1975</td>
<td>200,000</td>
</tr>
<tr>
<td>6.5%</td>
<td>March 15, 1976</td>
<td>200,000</td>
</tr>
<tr>
<td>9%</td>
<td>Sept. 15, 1976</td>
<td>100,000</td>
</tr>
</tbody>
</table>

Total 600,000

2. Public Bond Issues

None.

EMIDA
February 14, 1975
The first purchase of Two Year Bonds by the Government of Qatar was made in September 1970. Total purchases of such bonds by the Government of Qatar have amounted to $1.3 million, of which $0.6 million is presently outstanding ($0.1 million thereof will mature on March 15, 1975).
2 Existing Technical Assistance Activities

1. There are no ongoing technical assistance operations in Qatar.

2. However, over the last four years, the Government has requested Bank's technical assistance only twice. These are summarized below.

3. In early 1972, the Government requested the Bank to review the feasibility studies of two industrial projects, for (i) an aluminum smelter and (ii) an LNG plant. Both were reviewed and detailed comments sent as requested. Particular attention was drawn to the need for a further analysis of the commercial prospects of both projects, since the assurance of satisfactory marketing arrangements appeared crucial for their economic justification. Several technical points were made on the feasibility study of the LNG plant. Other points raised, included the social problems related to the proposal made in the feasibility study to have expatriate labor to operate the aluminum smelter. The Government is still considering both projects.

4. In June 1972, the Government also informally approached the Bank regarding possible advice with respect to the construction of a bridge or a causeway connecting Qatar and Bahrain. When the subject was raised with both the Qatar and the Bahrain delegations to the 1972 Annual Meetings, the Bahrainis seemed very hostile to this proposal and explained the sensitivity of the issues they had with the Qatari proposal. Qatar thereafter dropped its proposal and has not pursued it since then.

5. The first economic mission visited Qatar in February/March 1974. As mentioned above, its report was sent to the Dubai Government in early September 1974 for its comments, which have not yet been received.

EM124
February 14, 1975
3. **Prospective Technical Assistance Activities**

1. **In course of the economic mission to Qatar in February/March 1974,** and subsequently at the September 1974 Annual Meetings, the Bank repeated its willingness to provide such technical assistance as Qatar may need for its development in the field of development planning at the present stage of its economic development.

2. **During the September discussions,** we reiterated the offer made in our letter of September 5 to the Government (attached hereto), under cover of which the draft economic report was sent for Government's comments, to assist with the following:

   (a) **assistance in establishing a centralized planning authority in view of Qatar's large investment program and lack of a centralized decision-making authority for development planning;**

   (b) **assistance in establishing a centralized statistical office, preferably attached to the planning authority.**

3. **No response has yet been received,** although the Government representatives at the Annual Meetings anticipated that the Government might be in a position to respond by late 1974 or early 1975. At these discussions, they also seemed particularly interested in the possibility of receiving Bank Group assistance in the form of reviews of completed feasibility studies for development projects. However, the Government has not followed up as they indicated they would. The Bank has not taken up the matter again, since it is believed that this might be misinterpreted by the Qataris as unnecessary pressure and because it would be advisable for them to make up their minds as to the need, scope and fields for Bank's technical assistance.

4. **In calendar 1975,** the Bank could be involved with either or both of these technical assistance activities. However, this will depend on Qatar's response. The Bank should be prepared, in principle, to help Qatar with any reasonable request it may make.

**EMB**

February 14, 1975
September 5, 1974

His Highness
Sheikh Abdul Aziz Bin Khalifa Al Thani
Minister of Finance and Petroleum
Doha, Qatar

Your Highness:

I should like to thank you, and through you the officials of your Government, for the assistance rendered to the World Bank economic mission which visited Qatar in February/March 1974. As indicated in Mr. Benjank's letter of January 9 to Your Highness, the purpose of the mission was to assess the economic position and prospects of the State of Qatar and the possibilities for technical assistance from the World Bank Group.

The mission's report, "The Economy of Qatar," dated August 29, 1974, is being dispatched under separate cover to the Government for comments.

The mission observed that considerable efforts have been made by your Government to continuously improve the physical and social infrastructure and the welfare of Qatar's population. Further, the mission has reported that your Government is now also intensifying its efforts in diversifying the economy to enhance the prospects for further improving the standard of living of the population should oil income alone no longer suffice to maintain the pace of economic and social progress. This drive towards reducing the dependence of the economy on oil by setting up capital-intensive, export-oriented natural gas-based industries is an important step in the right direction. In order to avoid a situation whereby efforts are dissipated on too many large projects at the same time thus involving risks of delays in project implementation and of less than optimal uses of resources, this would seem the appropriate time for the Government to consider the establishment of a central planning authority which could evaluate and coordinate the development projects underway or under consideration.

Particularly in view of the magnitude of trends reported for such projects, I would concur with the mission's conclusion that the establishment of such a central planning authority, combined with a central statistical office, would seem to be a prerequisite to ensure the success of Qatar's development efforts. This could also be an area in which
technical assistance from abroad may be most useful and considerable and, as has already been stressed by the mission to your officials in Qatar, the Bank Group would be pleased to assist Qatar towards establishing such an authority if your Government so desires.

I look forward to receiving your comments on the draft economic report and on the points raised above including any further suggestions you may have with regard to possible areas of cooperation between the Bank Group and Qatar.

In view of his interest in this matter, I am sending copies of this letter and of the report to His Excellency Issa G. Al-Kawari.

With kind regards,

Sincerely yours,

Willi A. Wapenhangs
Acting Vice President
Europe, Middle East & North Africa Region

cc: His Excellency
Mr. Issa G. Al-Kawari
Amir's Office
Doha, Qatar

Cleared with and cc: Messrs. Maiss, Aiyer

cc: Messrs. Knapp, Cargill, Benjenk (o/r)
Minister of Petroleum and Finance Visit to the Bank - Qatar

Sheikh Abdul Aziz Ben Khalifa, Qatar's Minister of Petroleum and Finance accompanied by Mr. Jazim Jamal, the Ambassador of Qatar to the United Nations met with Mr. McNamara yesterday.

Present from the Bank were Messrs. Shoaib, Benjenk and Dajany.

Mr. McNamara welcomed Sheikh Abdul Aziz and told him how much he enjoyed his recent visit to Qatar and the meeting with H.H. the Amir. Following the cordialities, Mr. McNamara asked Sheikh Abdul Aziz if there were any developments on any of the subjects discussed with the Amir. The Minister said that his father had asked him to meet with Mr. McNamara and pursue discussion on a couple of points that were discussed in Doha. Right now, he said, there is a Bank mission in Qatar but he specifically wanted to discuss the following matters:

1) Possible joint operations with the Bank and,
2) Advice on the investment of their surplus funds.

1) The Minister said that they would like to participate with the Bank in joint projects involving Bank operations in some of the Arab countries and wanted to know how to go about this. Mr. McNamara said that this was a very easy proposition. Mr. Benjenk will be happy to prepare a list of projected Bank operations in his area and all the Minister would have to do is to let us know the countries he is interested in, the kind of projects and the amounts he is thinking of. He suggested that Sheikh Abdul Aziz meet with Mr. Benjenk in the afternoon or this morning but the Minister had other commitments that afternoon and was planning to leave Washington today so a meeting was not possible.

It was then suggested that Mr. Benjenk would arrange to have such a list prepared and given to Mr. Dajany who in turn will deliver it to Sheikh Abdul Aziz sometime prior to his departure.

2) The Minister said that they now have some surplus funds in Qatar and wanted the Bank's advice on how to invest them. Mr. McNamara said that this was the most difficult of the two matters raised by the Minister but that, nevertheless, the Bank would try to do its best to help them.

Before the Bank could express an opinion or be of practical help to them, Mr. McNamara recalled what he had suggested to the Amir in Doha regarding the advisability of working out projections of a five-year plan or a longer period which would give us an idea of the amounts of their anticipated surpluses. This could be arrived at by projecting
the estimated revenues for each year and deducting their estimated requirements, obligations and other commitments thus leaving an approximate amount of the surpluses for each year. Mr. McNamara said he realized these projections may not be very accurate, but they would at least give us an idea of the magnitude of what we are talking about. It is only then that we can usefully try to work out a plan for them.

Mr. Dajany said that since Mr. McNamara's visit to Qatar he has been discussing this point with Sheikh Abdul Aziz and had explained what is involved and offered his help in making these projections. He said he would continue to work with Sheikh Abdul Aziz to assist him in this exercise. It was agreed, however, that while we in the Bank may have the information regarding oil revenues yet, the basic information for these projections must come from them and Mr. McNamara suggested that they stay in touch with Mr. Shaib or Mr. Dajany when they have this basic information. It was also recognized that this information had a direct bearing on the first subject discussed above.

Mr. McNamara requested the Minister to convey his respects to H.H. the Amir and to thank him again for their hospitality during his visit to Qatar.

Today, I had a long meeting with Sheikh Abdul Aziz prior to his departure from Washington. We reviewed again both matters raised by him in the meeting with Mr. McNamara yesterday and Mr. Dajany expanded a little suggesting to the Minister ways of how we could work together on both subjects which he had raised yesterday. We agreed on the following:

1) He will call me when he returns to New York next week and I will meet with him to deliver the list of potential joint operations for his consideration.

2) He will send us from Doha the projections of revenues, expenditures, etc. for the period 1973 through 1978. If he encounters any problems in preparing these figures he will inform the Bank and I have agreed that I would be willing to go to Doha and assist him if that was needed.

cc: Mr. McNamara (2)
Mr. Aldoveredl
Mr. Shaib
Mr. Benjenk
Mr. Rotberg

ODajany: dlh
Mr. McNamara visited Doha, capital of Qatar from February 12 to February 13th. He was accompanied by Mrs. McNamara, Mr. and Mrs. Mohammed Sheib, Mr. Anders Ljungqvist and Mr. Omar Dajany. Because of a delay in the arrival in Doha, the meetings scheduled for the morning of February 12th were canceled and rescheduled for the following morning. On February 13th, therefore, Mr. McNamara met with His Highness the Amir, Sheikh Khalifa Bin Hamad Al Thani, H.E. Sheikh Abdul Aziz Bin Khalifa; Minister of Petroleum and Finance and H.E. Sheikh Subeim Bin Hamad Al Thani; Minister of Foreign Affairs.

In addition, Mr. McNamara visited the fertilizer plant at Um-Said; toured the city of Doha and attended a dinner given in his honor by the Minister of Petroleum and Finance at the Marmar Palace.

1) Meeting with H.H. The Amir, Sheikh Khalifa Bin Hamad Al Thani

The Amir welcomed Mr. McNamara to Qatar and asked if this was his first visit to the Gulf. Mr. McNamara said that except for a brief visit to Kuwait in 1969 this is the first time he is visiting the Gulf and has been looking forward to it very much. The Amir said that in Qatar he may not see evidence of vast construction or a lot of activity. This in part is due to the fact that the change in the regime in Qatar is not yet one year old and their efforts have thus far been concentrated on internal reforms, government reorganization, closing of ranks and weeding out the dead wood that his regime has inherited. Despite this big and time consuming undertaking, Qatar is trying at the same time to plan for the future. He pointed to the fertilizer plant, the port improvement, the agricultural projects in Northern Qatar which transformed a desert Qatar into a vegetable exporting country and said, in addition, that they now have approximately one thousand students studying in the United States and Europe who will soon form the backbone of the Qatar of the future. Mr. McNamara said that he has learnt of the progress being made and realizes that it will take time to get all these things accomplished. However, Qatar is blessed with wealth from oil which, if prudently used, could insure prosperity not only for its people but for other Arabs in other Arab countries. He said that he had suggested in Kuwait and would like to suggest here and to the officials in the United Arab Emirates, a common approach in the utilization of revenues from oil. Mr. McNamara went on to say that since no one knows precisely the amount of oil reserves present in each country it would be prudent to diversify by investing both within and outside each country in a manner which would insure the continued prosperity of the people when and if the oil reserves are exhausted. It is only natural, Mr. McNamara said, that a country should first take care of its own house and assure the well being of its people. Next would come the welfare of one's neighbors and after that the build up of reserves. Here is where a country should periodically review what may, for the lack of any other word, be called a five-year plan, in which estimated revenues are compared to estimated
commitments and other requirements. This would leave a close enough estimate of anticipated surpluses annually for which prudent plans could then be made. Naturally the World Bank would like to attract some of these surplus funds but the main emphasis should be on investment, in long-term plans both within and outside Qatar which would form the basis of a diversified economy.

The Amir agreed with Mr. McNamara's sequence for economic planning. He said Qatar has not participated as much as it would have liked to in IBRD bonds but hoped to do so more in the future. Right now, because of Qatar's obligations under the oil participation agreement it would be difficult to spare any funds but beginning 1974 the situation should improve and from then on he hoped that Qatar would be a greater participant in IBRD bonds. Mr. Dajany referred to the special bond issues made in Kuwait in Kuwaiti dinars and the contemplated special bond issue for the United Arab Emirates as soon as the United Arab Emirates has its own currency. The advantages of such issues in local currencies were pointed out and the Amir said that this would be a matter for the Minister of Finance to consider although he personally was in favor.

Mr. McNamara said that there had been some discussion on the possibility of sending a mission to Qatar some time this spring and wanted to know if the Amir has any views on the mandate for such a mission. The Amir did not react one way or the other and again said that these were matters for the Minister of Finance to handle. It is a good feeling to know, Sheikh Khalifa said that the Bank is willing to provide technical assistance when we need it and I am sure we are going to be needing it. The Amir then went into a lengthy discussion about the need for unity first in the Gulf and then in the Arab world. If the Russians and the Americans have agreed to coexist, then why can't the Arabs who in reality are one and the same people, learn to coexist as well. He said that he has been calling for an Arab common market in which the Gulf would have a unified currency and its own zone similar to that of the sterling and dollar areas. He drew attention to important statements he made in this regard to "Al-Hawadess Magazine" which appeared in that magazine's issue on January 19, 1973. A translation of this article is attached.

2) Meeting with the Minister of Petroleum and Finance, H.E. Sheikh Abdel Aziz Bin Khalifa
Since Sheikh Abdel Aziz accompanied Mr. McNamara to the fertilizer plant and was with him most of the time during the visit, the subjects that they discussed cannot, of course, be included in this memorandum. During the brief visit to Sheikh Abdel Aziz in his office, Mr. McNamara spoke again, elaborating on his view for the need of a continuous review of possible surpluses and the long-term investment of these funds. Sheikh Abdel Aziz said that he has had some talks with Mr. Dajany on the subject but plans to have continuous contact with him in order to formulate a
plan along the lines which Mr. McNamara suggested. He hoped to go to 
Vienna in March and then come to the United States. He intends to contact 
Mr. Dajany for a possible meeting in Europe or the United States and 
wanted to make such meetings as regular as possible in order to maintain 
the closest touch with the Bank on this subject.

When the subject of a roll over by Qatar of the amount they hold in 
our two-year bond issue maturing on March 15, 1973 was raised by Mr. 
Dajany, Sheikh Abdel Aziz called in the Director of Finance and, after 
a brief discussion, it was agreed that the amount will be rolled over. 
Since then we have had official confirmation to this effect.

3) The meeting with Sheikh Suhaim Bin Hamad Al Thani; Minister 
of Foreign Affairs was brief and more in the nature of a courtesy call. 
The Minister, accompanied by some of his aides welcomed Mr. McNamara 
to Qatar and wished that his stay could have been longer. The Minister also 
was glad that Qatar managed to complete the formalities in time to join 
the last Annual Meeting as a full member and looked forward to a period 
of long and close cooperation between the Bank and Qatar.

cc: Mr. McNamara (2) 
    Mr. Aldewereld 
    Mr. Shoaib 
    Mr. Benjenk (2) 
    Mr. Rotberg

Attachments

ODajany:dlh
1. UNDP does not have a separate resident mission for Qatar. This country, as other Gulf states, is covered by the Regional Resident Mission, headquartered in Riyadh. This Mission has, however, a Deputy Regional Resident Representative residing in Bahrain, who is in charge of Gulf states, including Qatar.

2. The UNDP Indicative Planning Figure (IPF) for the 5-year Country Program (1972-76) is $1,500,000. Of this amount, $336,000 has been spent up to the end of 1973, leaving about $1.1 million for the remaining years. The costs of ongoing and proposed projects for these years are estimated at $3,395,000. In the circumstances, the Government will meet the difference amounting to some $2.2 million.

3. The UNDP program focusses on (1) agriculture and fisheries, (2) education, and (3) labor, management and employment. These sectors will absorb 88% of projected expenditures. The main UNDP projects are:

(a) an Animal Husbandry Production and Livestock Improvement Farm, which will set up and initiate a research program, and train national counterparts in research, training and extension;

(b) an Integrated Water and Land Use Project, which will assist the Government in continuing the collection and maintenance of data on rainfall, recharge, and groundwater levels and quality, and provide training and extension services for the introduction of modern cultivation and irrigation methods and the economic use of groundwater;

(c) a Program for Assistance to Higher Teacher Training Colleges, which will help the Government to establish two colleges for men and women, and which will also include training in the reform of school curricula and administration at all levels;

(d) a Vocational Training Scheme, which will continue to assist the Regional Vocational Training Centre in Doha.

4. For ready reference, the names and addresses of the UNDP Regional Representative and Deputy Regional Representative responsible for Qatar are given below:
Mr. Abdullahi Suqar  
Regional Representative of the UNDP  
for Saudi Arabia and the Gulf Area  
P. O. Box 558  
Riyadh, Saudi Arabia

Mr. Per Sjogren  
Deputy Regional Representative of  
the UNDP in Bahrain  
P. O. Box 314  
Manama, Bahrain

Cable address:
UNDEVPRO  
RIYADH (SAUDI ARABIA)

Phone: 22568; 26807

Cable address:
UNDEVPRO  
BAHRAIN

Phone: 8687; 8688