



## In This Issue:

Articles	Page
U.S. – Qatar Relations . . . . .	1
<b>From the President's Desk:</b> U.S. Visa Policies: A Patriot's Perspective . . . . .	2
NUSACC Testifies Before Ways and Means Committee . . . . .	3
Happenings at NUSACC . . . . .	4
Oman Signs TIFA Agreement . . .	6
Interview with Qatar's Ambassador to the U.S. . . . .	8
The Key to Qatar's Economic Future . . . . .	9
Marathon Oil Brings Its Innovative Vision To Qatar . . . 11	
Qatar and ExxonMobil: Thinking Big . . . . .	11
ConocoPhillips Brings Diverse Expertise to Qatar . . . . .	12
Sasol Chevron Venture will Focus on Gas-to-Liquids . . . . .	12
Occidental Petroleum in Qatar – Good Corporate Citizenship . . . . .	13
Qatar's Economic Reform – A Systematic Approach . . . . .	14
Qatar's First Lady Encourages Excellence . . . . .	16
Shafallah Center – Serving Children with Special Needs . . 17	
Sheikha Mozah Promotes Sustainable Development . . . 17	
Qatar Brings 2006 Asian Games to Doha . . . . .	18
Qatar to Open New Embassy in Washington . . . . .	19
Useful Information . . . . .	19
NUSACC Report on U.S. Visa Policies . . . . .	20

NUSACC  
1023 15th Street, NW  
Fourth Floor  
Washington, DC 20005

Tel: (202) 289-5920  
Fax: (202) 289-5938

www.nusacc.org  
E-mail: tradeline@nusacc.org

## H.H. the Emir of Qatar: Blazing Trails and "Looking to the Future with Boldness"

### Statement from H.H. Sheikh Hamad bin Khalifa al-Thani, Emir of the State of Qatar

Our dear American friends,

Following in the noble path of America's Founding Fathers, the people of the State of Qatar are working hard to institute legislative procedures that will unburden government action and remove all obstacles from private business.

Our determination to increase popular participation in decision-making and bear its consequences is firm and irrevocable.

"Reform," as we understand it, is not a cosmetic operation or a formality, but the creation of a new culture that replaces a dysfunctional culture of dominance and oppression.

The reform culture we propose requires implementation of solid values that oppose corruption, promote transparency, build legal institutions, respect citizens, safeguard human rights, broaden the scope for dialogue, and open the way for shared responsibility.

We recognize, however, that we can only achieve these noble goals by cultivating an environment that guarantees freedom of expression.

The culture of reform we propose is not a culture for the few, but for all.

It is not a culture whose laws exclusively apply to those whom are governed. It will be a culture whose laws equally apply to the people who have



His Highness Sheikh Hamad bin Khalifa al-Thani.

"Our determination to increase popular participation in decision-making and bear its consequences is firm and irrevocable."

the responsibility to govern.

As we seek new ways to deepen the friendship between our two countries, let us look to the future with boldness.

Let our culture of reform be an example to others. And let us strive to provide coming generations with the best opportunities to meet future challenges with courage and gladness of heart. ♦

## U.S.–Qatar Relations: Free Trade Agreement Would Represent Latest Chapter

By Tim Kennedy

Qatar is within striking distance of sealing a Free Trade Agreement (FTA) with the United States. Having just signed a Trade and Investment Framework Agreement last April, negotiating teams from each country are now hard at work drafting the text of the official FTA document.

In Qatar, leaders are finding new ways to reform legal structures to ensure that the State of Qatar will

meet the strict requirements for FTA partnership. The legal reforms they seek include changes to laws that regulate labor, banking, human rights, intellectual property rights, the environment, and corporate legal structures.

"Opening any market is good for a multinational company trading with Qatar," says Bill Aosse, says Bill Aosse,

continued on page 7



NUSACC President David Hamod

## U.S. Visa Policies: A Patriot's Perspective

*Earlier this year, Secretary of State Colin Powell noted, "Just like the Statue of Liberty, our nation has a spine of iron and steel, but also a welcoming torch." Since September 11, 2001, U.S. visa policies have effectively ensured that visitors from the Arab world have felt the chill of iron and steel more than the warmth of American hospitality.*

– Excerpt from "The Impact of U.S. Visa Policies: Implications for America's Economy," NUSACC's just-released report

NUSACC's new report, released on September 10, has caused quite a stir. Most people are surprised to learn that new U.S. visa policies implemented since 9/11 are costing the United States an estimated \$5 billion per year from the Arab world alone. When they find out that this may be just the tip of the iceberg and that this figure does not include disinvestment or the downturn in new investments, presumably valued in the tens of billions of dollars, they become genuinely concerned.

At least, most people do. A very small minority of those who have read the report take a "What's the Big Deal?" approach. One pundit who reacted to something I said in an interview on National Public Radio's Marketplace fumed, "I don't think that's very patriotic!"

Since when is it unpatriotic to express concerns about the fact that U.S. companies, including hospitals, are now losing billions of dollars every year because some of our best friends and most reliable customers don't want to do business with us anymore?

Since when is it unpatriotic to say that it is not in America's interests to intimidate university students – representing a future generation of leaders in the Arab world – into eschewing the United States and doing their studies in other nations instead?

And since when is it unpatriotic to highlight the fact that international tourists – who comprise nearly 10 percent of America's total "export" dollars – are staying away from the United States in droves?

If patriotism equates to looking out for America's interests, generating business for U.S.

companies, preserving U.S. jobs, and working to enhance America's position and reputation in the world, then I would argue that it is unpatriotic NOT to speak up about problems caused by U.S. visa policies!

Nor will these issues work themselves out overnight. In many ways, their impact will be felt between the United States and the Arab world for decades to come.

Part of the problem is the continuing perception that the United States does not *want* to admit international visitors, particularly those from Arab nations. Bad news travels like wildfire, and the Arab world is rife with stories about humiliation endured by visitors at the hands of overzealous, inexperienced, and/or insensitive U.S. security officials.

In a choice between getting the "third degree" in the United States and enjoying the "red carpet treatment" in Europe or Asia, guess where folks are going?

America's visa policies must reflect the fact that the United States – unique in the world – has always been a beacon for foreign business leaders, students, and immigrants and that the presence of international residents and visitors within U.S. shores helps to make America strong. As President George W. Bush has said, they "make our nation more, not less, American."

The tragedy of 9/11 has placed the Arab and Muslim worlds in an uncomfortable spotlight. Yet this is precisely the time when the United States needs more, not less, outreach to Arabs and Muslims. There is no better way to do this than to keep America's borders secure, yet open. The nation's image and principles are at stake, and if U.S. policymakers succumb to reflexive fear, it will do incalculable damage to America's reputation around the world.

David Hamod  
 President

## NUSACC Testifies Before House Ways & Means Committee

### Testimony on U.S.-Morocco FTA Hits the Mark

“For years, America’s trade competitors in Europe have been successful in erecting tariffs and non-tariff barriers in North Africa that discriminate against U.S. products and services,” said David Hamod, NUSACC’s President. “From our perspective, the U.S.-Morocco Free Trade Agreement (FTA) will help to create a level playing field for U.S. businesses that have traditionally been excluded from markets in Morocco and the region.”

With those words, NUSACC began the crux of its testimony before the House Ways and Means Committee on July 7, 2004. The Committee was considering the advantages and disadvantages of the U.S.-Morocco FTA, and NUSACC, as the only chamber of commerce in America invited to testify, was pleased and honored to share its opinions.

“U.S. products entering Morocco face an average tariff of over 20 percent,” said Hamod, “while Moroccan products are subject to an average tariff of only four percent as they enter the United States. This disparity will change drastically with passage of the FTA.”

According to the U.S. International Trade Commission, U.S. exports to Morocco are likely to increase by \$740 million annually, and tariff liberalization should provide benefits to U.S. consumers in the range of \$110.5 to \$131.6 million per year.

“For Moroccans,” Hamod noted, “the FTA translates into opportunities for job creation in a nation whose 30 million citizens face double digit unemployment, particularly among the youth. If it is true that ‘hope begins with a paycheck,’ then the U.S.-Morocco FTA promises to provide a way out of the hopelessness that can fuel extremism and breed terrorism.”

NUSACC’s testimony noted that consideration of the FTA has implications not only for Morocco, but for the entire region. “Nations throughout the Arab world are watching closely to see how the United States treats this North African ally and trading partner,” said Hamod.

“If Congress supports the FTA, as we believe it should,” Hamod noted, then “this will send a very positive signal about economic reform to the entire Arab world, thereby encouraging Arab nations to take the tough steps necessary to integrate their economies further into the global



David Hamod, President of NUSACC, testifies on the U.S.-Morocco FTA. He is flanked by Jamal Belcaid of Yasmine Enterprises and David Mengebier of CMS Energy.

Photo credit: Gustave Assiri

marketplace. If Congress fails to support the U.S.-Morocco FTA, in our opinion, this will send precisely the opposite signal, thereby emboldening those in the Arab world who seek to diminish economic ties with the United States.”

There are a lot of reasons why the FTA process has been so successful. One of the most important reasons, in NUSACC’s opinion, is that a new generation of business and government leaders in the Arab world is helping to drive these Free Trade Agreements forward, using the FTA process as a catalyst to bring about long-overdue economic reforms in their own nations.

“Many of these leaders received their college educations in the United States,” Hamod told the Committee, “so if U.S. policymakers ever wonder about why it is important to have Arab students live in the USA and attend U.S. universities, these policymakers should wonder no more. As a result of their early exposure to the United States, these former students from the Arab world have an affinity for the USA, respect for American institutions, and an appreciation for the way we do business here in the United States.”

“Today, through the FTA process, these very same individuals – ministers, leading businessmen & businesswomen, and advisors to heads of state – are now playing an instrumental role in helping to open markets in the Arab world,” Hamod concluded. “This will enhance bilateral trade and investment with the United States, to be sure, but over time, it will also encourage regional trade and investment throughout the Middle East.” ♦

For a copy of NUSACC’s Ways and Means testimony, please go to:  
<http://waysandmeans.house.gov/hearings.asp?formmode=view&id=1721>

#### US-Arab Tradeline

Design  
 Rick Clark  
 Illustration & Design



# Happenings

## NUSACC to Host Energy Secretary Spencer Abraham on September 29

NUSACC is honored to host Secretary Abraham at an appreciation luncheon at the Ritz-Carlton Hotel. For further details, contact Chris Ross at [cross@nusacc.org](mailto:cross@nusacc.org).



Photo courtesy of the U.S. Department of Energy



Photo credit: Chris Ross

## NUSACC Hosts Roundtable Discussion with U.S. Ambassador to Jordan

On July 26, NUSACC held a standing-room-only session with Hon. Edward “Skip” Gnehm, outgoing U.S. Ambassador to Jordan.

## NUSACC Co-Hosts Reception in New York with the Arab Bankers Association of North America (ABANA)

From left: Ms. Diana L. Taylor, Superintendent of Banks, State of New York Banking Department; Hani Findakly, Board Member, Arab Bankers Association of North America; Hon. John Negroponte, U.S. Ambassador to Iraq; Don DeMarino, Chairman, National U.S.-Arab Chamber of Commerce; Hajji Faleh Dawood Salman, Deputy Governor of the Central Bank of Iraq.



Photo credit: ABANA

# at NUSACC

## NUSACC Hosts Senate Finance Committee Chairman

On September 9, NUSACC hosted a Roundtable Discussion for Arab Ambassadors with Hon. Charles Grassley (center).



Photo credit: Rola Sabbagh



Photo credit: Meridian International Center

## NUSACC Co-Hosts Reception at U.S. Department of State



Photo credit: WFLS

## NUSACC Participates in Meridian International Center forum

Hon. Mary Rose Oakar, NUSACC Board member, meets with young professionals from the Arab world.

NUSACC supported the annual Washington Foreign Law Society diplomatic reception. This year's event honored the Free Trade Agreement nations of Jordan, Morocco and Bahrain, whose ambassadors (above) accepted an award for their leadership.



## Oman Signs TIFA Agreement

### *NUSACC Co-Hosts Minister of Commerce & Industry*

The Sultanate of Oman is the most recent Arab nation to sign a Trade and Investment Framework Agreement (TIFA) with the United States. Just hours before inking the agreement with the Office of the U.S. Trade Representative on July 7, Oman's Minister of Commerce & Industry, H.E. Maqbool Ali Sultan, addressed a luncheon co-hosted by the National U.S.-Arab Chamber of Commerce.

"Oman is committed to a policy of open market economy based on free competition in which the private sector is encouraged to play a leading role," said Minister Sultan. "We have liberal laws and we are constantly attempting to make our rules, regulations, and procedures as simple and client-friendly as possible."

The luncheon at the Ritz-Carlton Hotel in Washington – organized by NUSACC, the Business Council for International Understanding and the National Foreign Trade Council – provided the Minister of Commerce with an excellent platform to reach the U.S. business community. And Minister Sultan came well prepared.

Oman wants to build on its relationship with the United States to "stimulate business-to-business discussions, partnerships and alliances with a view to refreshing, re-energizing and reorienting this relationship for our mutual benefit," he noted. The Sultanate "firmly believes that expanded, unrestricted trade is very effective in contributing to the process of economic development and growth," he suggested, as well as "enhancing the quality of life and welfare of our people."

Minister Sultan highlighted five major policy thrusts that Oman is pursuing as part of its master plan, "Vision 2020": natural gas-based industries, tourism, privatization, enhanced trading capacity through membership in the World Trade Organization (WTO), and human resource development and productivity enhancement through Oman's commitment to information & communications technology (ICT).

To underscore its emphasis on the tourism sector, Oman recently established a Ministry of Tourism. As for privatization, noted Minister Sultan, Oman has been a regional leader and will soon be offering privatization opportunities in such areas as telecommunications, water, sewage, and the ports system.

In many ways, some of the most exciting business opportunities in Oman revolve around ICT and the Sultanate's commitment to human resource development. According to Minister Sultan, ICT is being used "as a powerful tool to upgrade the education and knowledge of our boys and girls to equip them to cope with the rigorous demands of a competitive, globalized market economy." He highlighted a new IT park called Knowledge Oasis Oman, which will be home to two technical



Photo credit: Gustave Assiri

*H.E. Maqbool Ali Sultan addresses TIFA luncheon in Washington*

colleges, business incubators, and cutting edge IT facilities.

Minister Sultan noted that Oman, like the other nations of the Gulf Cooperation Council (GCC), faces two fundamental challenges: diversifying revenues away from oil, and generating employment for young people entering the job market. Fifty-five percent of Oman's population is under 20 years of age, a fact that Minister Sultan sees as both a challenge and an opportunity.

With this in mind, said the Commerce Minister, Oman is working to make itself as investor-friendly as possible. He cited the Sultanate's "minimal inflation, comfortable foreign exchange reserves, public debt and fiscal balances well within internationally recognized limits, a stable currency which is fully convertible, full freedom to repatriate capital and profits and, above all, non-discriminatory tax treatment." He pointed out that the Fraser Institute's "Economic Freedom of the World" report for 2003 ranked Oman 18th, ahead of such nations as Germany, Japan, Italy, and France.

In the same vein, Transparency International's "Corruption Perception Index" for 2003 ranked Oman at number 26 – the highest in the Arab world and not far behind Japan, France, Spain, and Portugal.

In his concluding remarks, Minister Sultan quoted the *Economist* magazine of April 24, 2004: "The Sultanate of Oman remains a calm and tranquil environment. . . a place where business visitors can expect high standards of corporate governance and tourists can relax on superb beaches or visit its castles and breathtakingly beautiful mountains. There remains a friendly and hospitable welcome for non-Omanis whatever their race or religion. Perhaps, that is Oman's best asset of all." ♦

continued from page 1

President of Midamar, a food supplier based in Cedar Rapids, Iowa. “For our company, Qatar already freely allows the importation of U.S. *Halal* products because of our quality and consistency. I’m sure the FTA agreement will ultimately assist us because the removal of constraints on the Qatari market will increase economic growth, and this will result in increased demand for American food exports.”

Establishing a more favorable trade relationship with the United States is important to Qatar because the country’s economic livelihood depends on its ability to deliver liquefied natural gas (LNG) to international destinations, including the increasingly vital American market.

“For the Qataris, the FTA is important because it sets a framework of the U.S.-Qatar relationship,” says Patrick Theros, President of the Washington-based U.S.-Qatar Business Council and a former U.S. Ambassador to Doha. “The other issue that is important to the Qataris is the export of LNG to the United States. In my opinion, LNG is an important component of our future relationship. It also makes a lot of sense in terms of being an effective, efficient, clean, and environmentally friendly source of energy that is available in relatively huge quantities around the world.”

With reserves of natural gas estimated at close to 900 trillion cubic feet, Qatar is the site of the third largest deposit of natural gas in the world. Beginning in the early 1990s, the Qatari government invested billions of dollars creating and expanding its ability to extract, market, sell, liquefy, and distribute natural gas. With this much influence over the entire supply chain, Qatar is strategically positioned to play a key role in world energy markets for decades to come.

## U.S. – Qatar: A Growing Relationship

Over the years, senior-level consultations between the two countries have been frequent. H.H. the Emir was the first Arab leader to visit Ground Zero after 9/11 and to pledge his support in the fight against terrorism. President George W. Bush paid a subsequent reciprocal visit to Sheikh Hamad in Doha, making him the first sitting American President to visit Qatar.

Qatar and the United States coordinate closely on regional diplomatic initiatives and enjoy extensive economic links, especially in the hydrocarbons sector. The two nations cooperate routinely to increase security in the Gulf and, as a result, Doha was chosen to serve as the U.S. military command and control headquarters when coalition forces moved on Iraq in 2003.

A highlight of the U.S.-Qatar relationship is the new Strategic Dialogue, which brings together top officials at the ministerial level from the two nations to discuss the areas of defense, energy, finance, foreign affairs, and counter terrorism. As a result of successes achieved at this year’s meeting, the Strategic Dialogue is expected to become an annual event.



In addition to its diplomatic, commercial, and security ties to the United States, Qatar has worked extensively with U.S. institutions to develop a world-class educational system, which the leadership sees as key to Qatar’s continued success (see story on p. 16). As a result, hundreds of Qataris study in the United States, and a number of U.S. universities have established operations in Doha.

Cornell University has set up a fully-accredited branch of its medical school in Doha, and other universities – including Texas A&M, Carnegie Mellon University, and the Virginia Commonwealth University School of Design – have also created branch campuses in Qatar’s newly inaugurated “Education City” complex.

This alliance with the United States is part of H.H. the Emir’s plan to raise the profile of Qatar around the world. Toward that end, Sheikh Hamad has introduced and pursued aggressive political reform, including municipal and parliamentary elections where women have the right to vote and run for office. The Qatari government has also encouraged freedom of the press and is home to *Al-Jazeera*, the independent Arabic-language satellite news channel.

“The history of U.S.-Qatari relations, until the current Emir came to power, were very weak,” says Gordon Brown, a former U.S. ambassador and founding president of the U.S.-Qatar Business Council. “It was his goal to make Qatar a front page item in Washington. And he has succeeded: Qatar has an excellent reputation in Congress, in the White House and particularly in the Defense Department. I think Qatar is known outside Washington only minimally, but what public attention it has gotten – aside from its association with *Al-Jazeera* television – has been almost entirely positive.”

Brown says Qatar, like many nations, has survived in a competitive world by setting up state monopolies and state-granted monopolies. “Qatar has always protected its importers. And its exporters have largely been these state companies,” Brown adds. “So the Qataris have had little real experience with true business competition. In order to qualify for the FTA, Qatar will have to liberalize its economy and liberalize its import regimes. And that is going to be a shock for many Qataris.” ♦



## Interview with H.E. Bader Omar Al-Dafa, Qatar's Ambassador to the United States

By Tim Kennedy

*Energy analysts predict that the United States will experience shortages of natural gas by 2006. How is Qatar preparing to supply the U.S. with adequate quantities of liquefied natural gas (LNG) in order to meet this demand?*

Qatar has the North Field, the largest single deposit of natural gas in the world. Currently, we supply LNG to Japan, India, Spain, France, and Great Britain.

We recently signed an agreement with Exxon Mobil to provide the U.S. market with 22 percent of its LNG needs for the next 22 years. Within the next four years, we hope to be one of the world's major producers of LNG.

*How would you characterize general relations between the United States and Qatar?*

Overall, I think the U.S.-Qatari relationship could serve as an ideal example of a close and mutually beneficial relationship between two countries.

Politically and diplomatically, we have strong relations. This is reflected by recent official Qatari visits to the United States, and official U.S. visits to Qatar for consultations.

On the economic side, trade is increasing between our two countries. Just recently, we concluded the first round of negotiations for a U.S.-Qatar Free Trade Agreement (FTA). The second round of FTA negotiations is set to begin next month in Qatar. In a few months, we hope to sign the FTA.

On an energy level, we have several major American energy companies operating in Qatar. They're working on oil production, concession production and LNG projects. These companies include ExxonMobil, ChevronTexaco, ConocoPhillips, Marathon Oil, and others. Many of these companies are involved in multi-billion dollar projects.

On the military level, there is a strong U.S. presence in Qatar by the U.S. Central Command. In addition to having a very good relationship at a senior military level, we exchange many Qatari officers with the United States for training, and we hold many joint maneuver exercises.

On an educational level, thousands of our students have attended colleges and universities in the United States. Qatar also hosts campuses of many top American universities, including Cornell University and Texas A&M.

*How will the FTA affect U.S.-Qatari relations?*

The FTA will definitely enhance our relations. It will open doors for Qatari companies seeking to invest and do business in the U.S., and I think the same is true of our potential trading partners in the United States.

Qatar is one of the few countries in the region where a business can come in without a sponsor. We are also making efforts to make the process of starting up a

business as smooth and uncomplicated as possible.

So far, for the most part, we only have major companies doing business in Qatar. But I think the FTA will open the door for medium and small businesses to come to Qatar as well.



H.E. Bader Omar Al-Dafa

*How would you characterize the pace of the FTA talks?*

We would like to see this agreement completed very soon. I think this is possible because Qatar isn't bringing any complicated sector issues to the negotiating table, such as agriculture and textiles.

Ideally, the talks could be concluded before the end of next year. I'm sure the U.S. is equally eager to conclude the FTA.

*In order to qualify for a Free Trade Agreement, a country sometimes must implement reforms. What reforms, if any, has Qatar had to make?*

Qatar is one of the few Arab countries that is actively reforming its political system. We now have a constitution, and we have held municipal elections since 1999. The most recent election saw the first woman take office in Qatar.

We recently implemented laws that offer legal protections in the human rights arena. These include the rights of children and women, and the freedom of religious expression.

When it comes to free speech and freedom of religion, Qatar is one of the few countries in the region that allows expatriates and foreigners to have their own houses of worship.

Qatar is also the first country in the region to enact a set of sweeping and comprehensive labor laws.

When it comes to educational reform, Qatar is the only Arab country that has implemented widespread reforms of its national curriculum. With the help of RAND Corporation, we are placing a stronger emphasis on mathematics, art, music, and the sciences.

While Qatar implements these reforms, I believe we are also managing to maintain our values and our traditions. This is part of our effort to strike a balance between modernity and traditional values.

In short, I believe that the relationship between the U.S. and Qatar is based on many common values. ♦

## Gas Liquids Exports – Key to Qatar’s Economic Future

By Tim Kennedy

Over the next ten years, Qatar and its international partners plan to spend more than \$55 billion on hydrocarbon projects. Much of that money will be spent on exploitation of its huge reserves of natural gas.

The push is part of the country’s strategy to reduce its dependence on revenues from oil exports (estimated in 2003 to be 70 percent of the country’s gross domestic product), while implementing significant economic and political reforms. It is a strategy that may serve as a model to other oil exporting countries in the region.

Since oil began to flow from Qatari oil fields in 1949, crude production has risen steadily. Today, with Qatar’s production capacity estimated at 823,000 barrels a day, daily exports over the past decade have averaged 454,000 barrels per day.

But Qatar’s oil reserves, estimated at only 15.2 billion barrels, are relatively meager compared to those of Kuwait and Saudi Arabia. This reality, coupled with export quotas imposed by the Organization of Petroleum Exporting Countries (OPEC), means that Qatar’s economic livelihood is highly dependent on geology and the whims of OPEC’s leadership.

In an effort to increase the country’s economic options, Qatar’s leadership set out to develop alternative sources of growth.

The plan they hit upon had three elements: promoting the private sector; intensifying natural gas production and – as a result – boosting production of liquefied natural gas (LNG) and gas-to-liquids (GTL); and increasing production of natural gas liquids (NGL).

### Private Sector Enhancement: The Tie That Binds

Despite the huge potential of Qatar’s hydrocarbon industry, the country’s visionary leadership recognized in recent years that Qatar would never truly achieve economic independence unless it made significant strides to encourage foreign direct investment (FDI) and to promote the private sector.

Toward that end, the government enacted a sweeping set of laws in 2000 that lowered taxes and permitted full or limited foreign ownership. The results were immediate: FDI inflows leapt to \$326 million, an increase of \$213 million from 1999.

Additional laws targeting foreign business reformed customs duties, reduced or completely waived income taxes, waived export duties, and deeply discounted the costs of electricity, natural gas and undeveloped rental property.

### Boosting Natural Gas to Reduce Debt Load

Since 1995, Qatar’s energy sector has received close to \$30 billion in investment, half of it in the form of loans.



By 1999, the national debt equaled 58 percent of Qatar’s gross domestic product (GDP), a situation that worried some Qataris and international economists.

By 2003, strong oil prices reduced the government’s internal and external debt load to \$9.2 billion, or 49 percent of GDP. Yet fiscal conservatives inside and outside Qatar sought further reductions to the country’s national debt.

The solution: further exploitation of Qatar’s enormous quantities of natural gas in the North Field.

### The North Field: Providing Feedstock for Qatar’s Economic Future

The North Field is the world’s largest non-associated deposit of natural gas, giving Qatar the third largest quantity of natural gas reserves in the world, after Russia and Iran. Qatar’s reserves, estimated at 900 trillion cubic feet, are equivalent to at least 150 billion barrels of crude oil.

Top recipients of Qatari LNG in 2003 were Japan (6.7 million tons), South Korea (4.8 million tons), Spain (1.6 million tons), and Taiwan (1.8 million tons). In coming years, Qatar expects to export LNG to Italy, India, the United Kingdom, and the United States. U.S. imports of LNG currently account for one percent of the natural gas consumed by the United States; experts predict that by 2025 LNG imports will supply 14 to 17 percent of U.S. gas demand.

Qatar’s entry into international LNG markets marked a significant turning point in the country’s economic history. Financed heavily by Japanese banks, Qatar’s LNG industry has reached maturity in record time. Loan agreements with these banks required revenues from

*continued on page 10*



“This is our challenge: How many LNG terminals can be designed, built, and become operational in time to meet America’s growing demand for natural gas?”

Barry Worthington, Executive Director, U.S. Energy Association



*continued from page 9*

LNG exports to directly service debt during the first nine years of production.

Qatar's newly signed LNG contracts with ExxonMobil for logistics, production and distribution (see accompanying story on p. 11) are expected to pave the way for a huge surge in LNG production, boosting annual LNG output to 60 million tons by 2010.

"Domestic supplies of gas are dwindling and will need to be supplemented with imported LNG. Qatar is well positioned to bridge that supply gap for the benefit of U.S. consumers and the economy. But the weak link in the LNG delivery chain is receiving terminals in North America."

David Sweet, Executive Director, International LNG Alliance

"We've been involved with the financing of virtually every LNG project in Qatar, starting with the Qatargas 1 plant," says Terry Newendorp, Chairman and CEO of Taylor-DeJongh, a Washington-based financial services company. "All of these projects are part of the massive push by the Qataris to become the world's largest supplier of LNG. Currently, this distinction belongs to Indonesia. But very soon Qatar will be supplying markets in Japan, Korea, India, Italy, the United Kingdom, and – it hopes – the United States."

### **Natural Gas Pipelines: Extending Qatar's Export Reach**

Qatar also intends to export natural gas to neighboring countries via overland and undersea pipelines.

The most advanced of these pipeline projects, managed by Dolphin Energy, will export natural gas to the United Arab Emirates as part of a wider gas grid proposed by the Gulf Cooperation Council (GCC). When the pipeline is operating at full capacity, the UAE will receive 2 billion cubic feet of Qatari gas each day.

Additional pipeline plans under discussion include a sub-sea pipeline to Kuwait and a proposal by Gulf South Asia Gas (GSAS) to create a gas pipeline between Qatar and Pakistan.

### **NGL: Turning Natural Gas Into Liquid Gold**

Qatar opened its first natural gas to liquids (NGL) plant in 1980. Since then, three additional NGL plants have come on stream, yielding several thousand tons per day of propane, butane, methane, and ethane.

Much of the NGL is exported, but some of the ethane derived from Qatar's plants serves as the feedstock for the country's growing ethylene and polyethylene industry.

NGL products are also piped to domestic steel mills, power plants and desalination facilities.



*Downtown Doha*

The advantages of NGL production are threefold: they are a value-added product in the international market, their production is not constrained by OPEC quotas, and they are a by-product of the processing that all North Field "wet" gas must undergo before the "dry" gas can be piped to domestic consumers or processed into exportable LNG.

### **Gas-to-Liquids (GTL)**

Unlike LNG, which is simply super-cooled natural gas, the finished products from gas-to-liquids (GTL) processing are identical to refined petroleum products such as jet fuel, diesel fuel and naphtha.

One important advantage of GTL processes over traditional petroleum refining is environmental. Products derived from natural gas are low in impurities, like sulfur, because natural gas is a cleaner fuel than oil.

"Currently, the United States has only four LNG terminals. Plans are underway to invest between \$5 billion and \$14 billion in North American regasification facilities through the year 2010. Right now, about three-dozen new terminals are in the proposal stage."

Barry Worthington, Executive Director, U.S. Energy Association

Last October, Qatar's state-owned Qatar Petroleum and Royal Dutch/Shell signed a \$5 billion deal to construct the world largest GTL plant. During the initial phase of the project, 2008-2009, the plant is expected to produce 70,000 barrels per day of refined oil products. Production will double during the second phase, 2010-2012.

Qatar is in negotiations with Marathon, ConocoPhillips and Sasol Cevron build additional GTL plants. Experts predict that if all planned GTL plants come online, Qatar's GTL output could reach a half-million barrels a day by 2014. At that rate, it won't be long before Qatar achieves its goal of becoming the world's number one producer of GTL. ♦

## Marathon Oil Brings Its Innovative Vision To Qatar

Headquartered in Houston and with operations on four continents, Marathon Oil prides itself on its ability to apply “innovative technologies to discover valuable energy resources and deliver the highest quality products to the marketplace.”

In Qatar, Marathon is applying this innovative vision to its Integrated Gas Unit, linking “stranded” natural gas resources to key demand areas where domestic production is declining – particularly in North America.

Like its integrated oil counterpart, Marathon’s Integrated Gas Unit seeks to transform natural gas resources into a range of downstream products, including liquefied natural gas (LNG), ultra-clean fuels, and special lubricants produced by gas-to-liquids (GTL) technologies and petrochemical feedstocks such as methanol. With Marathon’s assistance, Qatar’s natural gas may also be used to generate power for local markets.

Toward that end, Marathon has been in discussions with Qatar Petroleum (QP) to seek technical and commercial solutions in order to produce GTL, liquefied petroleum

gas and condensates.

By way of validating GTL processes that might be suitable in Qatar, Marathon built a demonstration facility in 1992 near Tulsa, OK, capable of converting natural gas into ultra-clean diesel fuel. Officials at QP were so impressed by Marathon’s pilot program that they signed a statement of intent with Marathon to study a gas-to-liquids, liquid petroleum gas and condensate project in Qatar.

“Marathon’s Business Development team is dedicated to adding sustainable value growth to support the company’s worldwide exploration and production activities,” says Marathon Oil in its 2003 annual report. “A particular focus is on the development of an integrated natural gas business and a number of such opportunities are being pursued around the world. The proposed gas-to-liquids (GTL), liquefied petroleum gas (LPG) and condensate project in Qatar is a good match for Marathon’s GTL expertise.” ♦



## Qatar and ExxonMobil: Thinking Big

ExxonMobil, the Texas-based multinational energy company, has enjoyed a long and mutually beneficial relationship with Qatar since the 1970s. Company forecasters predict a dramatic increase in U.S. energy consumption over the next decade and believe that liquefied natural gas (LNG) shipped from Qatar is ideally suited to meet America’s growing demand.

Last year, Qatar and ExxonMobil agreed to supply the U.S. market with annual deliveries, commencing in 2009, of approximately 15.6 million tons (2 billion cubic feet per day) of LNG. The LNG will be off-loaded and regasified at three newly constructed ExxonMobil terminals at Mobile, AL and Sabine and Corpus Christi, TX. The deal is valued at \$35 billion, with \$12 billion to be invested directly in Qatar.

“What is driving this deal, of course, is the resources of Qatar’s North Field, which is a massive reserve of natural gas,” says Bob Davis, Director of Media Relations for ExxonMobil. “Just to put things in perspective, the natural gas resources in Alaska are estimated at 33 trillion cubic feet. The North Field is estimated to hold 100 trillion cubic feet.”

Over the past 20 years, ExxonMobil has established a significant presence in the North American gas liquids business, managing the processing or importation of over 600 thousand barrels per day. The company is involved in every aspect of the business, from gas production

through processing, transportation, storage, fractionation, refining and chemical feedstocks, and marketing.

In Qatar, ExxonMobil has interests in three natural-gas-to-LNG processing plants (“trains”) operated through a joint venture with Qatargas. Each train produces approximately 8.2 million tons each year, mostly for LNG consumers in Japan and Spain.

Plans are underway for a new LNG processing site in Qatar, the “Qatargas II Project,” which will eventually

# ExxonMobil

be home to two new trains that will each process 7.8 million tons of LNG annually.

Another ExxonMobil LNG train in Qatar, operated jointly with RasGas, currently produces 6.5 million tons of LNG a year, mostly for export to Korea.

Two planned RasGas-ExxonMobil LNG trains – RasGas Trains 3 and 4 – are expected to produce enough LNG each year to equal to 2.9 billion barrels of oil. RasGas and ExxonMobil plan to build two additional LNG trains after 2009.

“I would characterize the ExxonMobil relationship with Qatar as very close, and we’re very proud to be part of it,” says Davis. “There are many things that we respect about Qatar. It is obviously a very democratic society. It also has a very firm understanding of the sanctity of contracts. For this reason, we can rest assured that our contract will be honored, which is obviously very important to us in view of the major investment that we are making in Qatar.” ♦



## ConocoPhillips Brings Diverse Expertise to Qatar

Last year, Qatar's Minister of Energy and Industry and Chairman of Qatar Petroleum (QP), H.E. Abdullah Bin Hamad Al-Attiyah, sought new ways to exploit the huge reserves of natural gas submerged under the water just off the country's north shore.

Two options were considered. The first option was to expand the country's liquefied natural gas (LNG) capabilities. The second was to construct a new gas-to-liquids (GTL) plant at Ras Laffan.

Fortunately for the United States, Texas-based ConocoPhillips had the expertise to fulfill both requirements.

"We welcome this prospect of a long-term partnership with ConocoPhillips," said Minister Al-Attiyah during a July 2003 signing ceremony in Washington. Also party to the ceremony were U.S. Secretary of Energy Spencer Abraham and the President and Chief Executive Officer of ConocoPhillips, Jim Mulva.



"World-scale projects such as these are crucial to the continued long-term economic development of Qatar," Minister Al-Attiyah noted. He added, "Our strategy is to diversify our market portfolio. With the U.S. market being not only the largest gas market in the world but also the most liquid market, this [deal] is an important step in that direction."

Under the terms of the agreement, a new LNG plant, "Qatargas 3," will be constructed at Ras Laffan Industrial City. Qatargas 3 will be an integrated project, jointly owned by Qatar Petroleum and ConocoPhillips. It will consist of facilities to produce gas from Qatar's North Field, yielding about 7.5 million tons of LNG per year.

Processed LNG will be shipped from Qatar in a fleet of state-of-the-art LNG carriers. ConocoPhillips will purchase the LNG and be responsible for regasification and marketing within the United States. Average daily sales volumes are expected to be approximately 1 billion cubic feet per day. Startup will begin in the 2008-2009 timeframe.

"Qatar's abundant gas resources can provide a secure



Photo credit: Nicolas Therios

H.E. Abdullah Al-Attiyah, Qatar's Minister of Energy, at a luncheon hosted by NUSACC

and much-needed long-term supply for the growing U.S. gas market before the end of the decade," said Mulva. "In keeping with ConocoPhillips' strategy, this project will be a significant near-term addition to our portfolio, enabling our company to be a major player in helping to meet the growing worldwide demand for clean energy."

Qatar Petroleum is also relying on ConocoPhillips' energy acumen to fulfill its quest for an increased output of GTL. In an agreement formalized in March 2003, QP signed a Statement of Intent (SOI) regarding the construction of a new GTL plant in Ras Laffan.

The SOI initiates detailed technical and commercial pre-FEED (front-end engineering and design) studies and establishes principles for negotiating a Heads of Agreement for an integrated reservoir-to-market GTL project.

The way for this deal was paved by ConocoPhillips' unique expertise in GTL processing.

In 1997, ConocoPhillips initiated a GTL research and development program that had shown encouraging results in the syngas, Fischer-Tropsch and hydroprocessing technology areas. In order to demonstrate the theory, ConocoPhillips created in July 2003 an experimental 400 barrel-per-day GTL plant in Ponca City, OK.

"ConocoPhillips is honored to have the opportunity to build on its excellent relationship with Qatar Petroleum to further develop this world-scale project," said Mulva, who traveled to Doha to sign the SOI with Minister Al-Attiyah. "With our technology, resources and experience in executing large-scale developments, we are well positioned to carry out global GTL projects." ♦

## \$6 Billion Sasol Chevron Venture will Focus on Gas-to-Liquids

In March of this year, Qatar Petroleum (QP) and Sasol Chevron signed a Memorandum of Understanding (MOU) worth an estimated \$6 billion to expand Gas-to-Liquids (GTL) production. This is but one of Qatar's success stories of 2004, but the deal is instructive in its origins and the speed with which the three partners plan to bring products to market.

In October 2000, ChevronTexaco formed a joint venture in Qatar with Sasol, a relatively small South African energy firm, in order to find commercial applications for a then-experimental method of processing natural gas into such GTL products as jet fuel, diesel fuel and naphtha.

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The three parties associated with the deal were keenly aware of the strengths that each brought to the partnership: Qatar, represented by Qatar Petroleum (QP), offered huge reserves of easily exploitable natural gas; Chevron-Texaco had deep pockets and 125 years of experience in the energy business; Sasol had recently developed an innovative method for producing GTLs called the Slurry Phase Distillate (SPD) process.

Sasol Chevron, the name of the partnership, quickly established a pilot SPD-based GTL plant in the north of Qatar. Before long, the plant was producing GTL at a rate of 34,000 barrels per day (bbl/day).

Buoyed by their success, QP and Sasol Chevron recently decided to transform the experimental GTL facility into a three-train complex capable of producing 65,000 bbl/day by 2009.

In addition, QP and Sasol Chevron agreed to explore development of a 130,000 bbl/day upstream/downstream integrated GTL project that is based on the SPD process and will utilize resources from the North Field. This will involve defining the feasibility of a six-train facility with an expected start up by 2010.

QP and Sasol Chevron have also signed a Letter of Intent (LOI) to examine GTL Base Oils opportunities

in Qatar.

The combined plan will represent an investment of more than \$6 billion, making it one of the most significant developments in the global GTL industry to date.

"I welcome these projects and I welcome the participation of Sasol Chevron," said H.E. Abdullah Bin Hamad Al-Attiyah, Qatar's Second Deputy Prime Minister and Minister of Energy and Industry. "We are working hard to realize the ambition of the State of Qatar to become the GTL capital of the world and these projects will make an important contribution to achieving that aim."

John Gass, Chairman of Sasol Chevron and President of Chevron-Texaco Global Gas, expressed similar

enthusiasm at the signing ceremony.

"The pursuit of these opportunities builds upon the solid foundation already established from QP and Sasol's original GTL plant and reinforces ChevronTexaco's commitment to building a GTL business as an integral part of our Global Gas strategy," Gass said. "This is an impressive slate of GTL projects and through Sasol Chevron we are eager to work with QP to develop superclean liquid fuels from natural gas and to help advance Qatar's stated ambition to become the GTL capital of the world." ♦



## Occidental Petroleum in Qatar – Good Corporate Citizenship

Like all Western energy companies operating in the State of Qatar, Occidental Petroleum is proud of its close and harmonious working relationship with its Qatari partner, Qatar Petroleum (QP).

However, Occidental takes additional pride in having its operations in Qatar officially recognized as one of the nation's best examples of corporate citizenship.

Last year, the U.S. Department of State presented its Award for Corporate Excellence – a coveted commendation for exemplary business practices – to Occidental's health, environment and safety efforts in Qatar.

The State Department citation also praises Occidental's support of the Qatar Society for Handicapped Welfare and Rehabilitation, an organization dedicated to teaching job skills to physically challenged citizens and assisting them with finding employment.

Occidental's excellent work environment in Qatar is a result of the company's close adherence to carefully developed safety guidelines and certification processes, coupled with strict enforcement and constant attention to detail.

The work environment on offshore drilling and production facilities pose challenges that are particularly rigorous. Occidental's employees are issued personal breathing air sets in addition to the fixed breathing air system on the platform. Spring return, coil-closed emergency shut-off valves are installed on all gas and

NGL lines entering or leaving the compression platform, and a diesel pumping system is available in case of fire.

As added recognition of its occupational safety policies in Qatar, Occidental's oil and gas operations have received the International Organization for Standardization ISO 14001 certification for the environmental management system it has implemented to cover its onshore and offshore operations. The internationally recognized ISO 14001 designation certifies comprehensive environmental management systems.

Occidental has had a long and mutually beneficial working relationship with Qatar for many years. The company's oil production activities in the Id Al-Shargi region date back to 1960, when oil under the Id Al-Shargi Dome was first discovered. The Id Al-Shargi fields currently yield about 107,000 barrels per day.

Today, a more significant Occidental project in Qatar is a pipeline that will link the country's rich natural gas reserves with the Dolphin Project, an integrated gas grid that connects Qatar to the United Arab Emirates and Oman, with a possible subsea connection linking Oman to Pakistan.

The entire Dolphin Project is expected to cost around \$10 billion, including costs associated with the development of more extensive gas distribution networks outside Qatar. ♦





## Qatar's Economic Reform – A Systematic Approach

By Tim Kennedy

Qatar's abundant reserves of natural gas, aggressive measures to reduce external debt and shrewd economic development strategies have resulted in significant upgrades in the country's credit rating by Standard & Poor's, Moody's and Capital Intelligence.

Oil and gas constitute over 60 percent of the country's total gross domestic product (GDP), contributing \$19.6 billion to Qatar's GDP in 2003.

While Qatar will likely continue to enjoy substantial revenues from energy exports in the near-term, the government has made great advances in creating a stable and attractive investment climate while reforming and diversifying its economy.

"Qatar's economic strength lies in its oil and gas sectors, but we don't want our natural resources to be the only thing on which our economy is based. There are a lot of other things that Qatar can offer," says Najwa Ali, an Economic and Trade Officer at the Qatar Embassy in Washington. "After Qatar joined the WTO, Qatar aggressively made advances in its economy and its financial and educational sectors in order to consolidate its place as a member of the global economy."

### Systematic Efforts to Privatize and Diversify

A quadruple jump in oil prices in the early 1970s prompted many Middle East oil exporting countries to go on a spending spree. Qatar was no exception, throwing huge sums of cash at a variety of infrastructure development projects.

When the petroleum bubble burst in the mid-80s, Qatar, like many energy-producing countries, cancelled or downsized some of its most ambitious projects.

To reduce rising debt created by sagging oil prices, the Qatari government, beginning in 1998, scaled back many services – including commodity subsidies. For foreign residents and many Qataris, these government austerity measures were manifest in mandatory co-payments for many healthcare services and increased prices for such staples as wheat, sugar and fuel.

At the macroeconomic level, Qatar's first step toward economic stability was the transfer of the Ras Abu Fontas-B power complex into private hands. Next up was the sale of a 45 percent stake in the Qatar Public Telecommunication Corporation (Q-Tel). This was followed soon after by the sale of major portions of the



H.H. Sheikh Hamad, Emir of Qatar

nation's energy logistics system to the Qatar Fuel Company (QFC) and Qatar Petroleum (QP).

With occasional pauses, the government has thus far divested or sold off substantial portions of the state-owned steel, fertilizer and petrochemical industries.

To reduce Qatar's dependence on oil revenues, the government also launched a variety of hydrocarbon diversification programs. Prominent among these is development of Qatar's natural gas sector, which has seen the creation of a variety of industries both upstream and downstream. The country has already developed two major facilities to transform natural gas into exportable liquefied natural gas (LNG). Qatar has also signed a deal to build an undersea gas pipeline to neighboring United Arab Emirates, and discussions are underway with Bahrain and Kuwait to build similar pipelines.

Additional measures to diversify Qatar's hydrocarbon industry involve the construction of plants that will convert natural gas into diesel, naphtha and other synthetic fuels. Foreign firms signed to assist Qatar with this ambitious effort include ExxonMobil, Sasol, Synfuel, Marathon, ConocoPhillips, Royal Dutch/Shell, and Ivanhoe. The Qataris also hope to derive and market an array of petrochemical byproducts from its massive reserves of natural gas. (See related story on p. 9.)

"U.S. demand for natural gas is beginning to exceed the available gas that Canada traditionally pipes into the United States. Only three countries have capabilities and resources to meet America's growing natural gas needs: Russia, Iran and Qatar. These three countries

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hold 98 percent of the global gas reserves,” says Saleh El-Khatib, an Economic and Trade Officer at the Embassy of the State of Qatar in Washington. “Unfortunately, these countries do not share a common border with the United States. In order for them to get their natural gas to the United States, it must be delivered by ship in a liquefied state. This requires liquidizing facilities, terminals, and regasification facilities.”

Half of the revenues derived from Qatar’s energy sector come from the export of LNG, natural gas liquids and gas-based petrochemicals. As the country ramps up the export of LNG, this percentage will likely increase, with experts predicting that annual exports of Qatari LNG will reach 60 million tons within the next six years.

Outside the hydrocarbon sector, Qatari efforts to diversify have focused on textiles and finished clothing, as well as such heavy industries as petrochemicals, cement and iron and steel.

“I think the Qatari economy is about to explode, and this growth will be sustained over the next five years,” says Terry Newendorp, Chairman and CEO of Taylor-DeJongh, a Washington-based financial services company. “With all the projects to be constructed, I certainly foresee a construction and supply boom in Qatar that will not only be unbelievable, but will probably be difficult to manage. A significant portion of the \$15 billion in capital costs for these projects will go to an estimated 50,000 workers, many of them imported labor. This translates into a very profitable opportunity for businesses inside and outside Qatar to provide training, supplies and services.”

### Strong Incentives for Foreign Investment

Since he assumed power in June 1995, Qatar’s Emir, H.H. Sheikh Hamad Bin Khalifa Al-Thani, has made it his goal to attract foreign and local investment to stimulate economic growth. Under his leadership, Qatar has put in place a number of investment incentives: ten- to twelve-year tax holidays for foreign investors; the ability to operate autonomously, without local agents; tax exemptions – on income, electricity, water, and power facilities – for overseas companies that invest in Qatari businesses.

“Qatar does not want to depend on oil and gas as its sole source of income. It’s important to support the other sectors in the economy. In order to do this, you have to open these markets to investment. These markets include services, financial services, insurance, and technology,” says El-Khatib. “There are also business opportunities in personal security services, textiles, and



H.E. Sheikh Mohamed Bin Ahmed Bin Jassim Al-Thani, Minister of Economy and Commerce of Qatar at the United Nations.

Photo by Luciana Whitaker courtesy of UNCTAD XI

fiber optic cable production. Plus, because Qatar is a member of the Gulf Cooperation Council, companies doing business in our country will have total access to secondary markets in the GCC.”

Joint ventures – usually in the form of limited liability partnerships – are excluded from investing in privatized public services or owning property. However, foreign investors are permitted to own up to 25 percent in the steel, petrochemical and fertilizer industries and up to 100 percent of companies operating in agriculture, health, education, and tourism. Foreign investors are also exempt from import tariffs on equipment and material.

Import tariffs themselves are set at a relatively low rate of four percent on a wide range of products, including food products. Basic food products such as wheat, flour, rice, feed grains, and powdered milk are exempted from customs duty.

The LNG industry looms over Qatar’s other diversification projects and will continue to do so for years to come. But Qatar’s energetic new Minister of Economy and Commerce, H.E. Mohamed Bin Ahmed Bin Jassim Al-Thani, is working hard to open the door to other sectors. In speeches that he gave to National U.S.-Arab Chamber of Commerce audiences in March and June of this year, he paid special attention to opportunities for U.S. small and medium-sized enterprises (SMEs).

He also recognizes the role that Qatari SMEs are looking to play. “You need to invest a great deal of money in small and medium industries to generate the same revenue as you would from investing in a single LNG train,” Minister Al-Thani told *Arabies Trends* magazine in March, “But we are pursuing a very aggressive policy of diversification” in an effort to “move away from the kind of dependence on oil and gas that characterizes certain other producers. We are focusing on two issues: diversification and achieving strong, sustainable economic growth.” ♦



## Qatar's First Lady Encourages Excellence

By Tim Kennedy

Last year, at a special ceremony in Paris, Her Highness Sheikha Mozah Bint Nasser Al-Missnad, the "First Lady" of Qatar, was named UNESCO's Special Envoy for Basic and Higher Education.

As one of the newest Special Envoys for the United Nations, the mission of H.H. Sheikha Mozah will be to promote education for children and to improve the quality of education throughout the world.

The UN appointment is a tribute to Sheikha Mozah's remarkable commitment to education and human rights in Qatar. As Chairperson of the Qatar Foundation for Education, Science and Community Development, Sheikha Mozah has spent the better part of two decades spearheading activities and projects in basic and higher education, establishing several high quality, non-profit private schools and learning institutions in Qatar for children and young people.

As President of the Supreme Council for Family Affairs, which was established in 1998 by Emiri decree, Sheikha Mozah has worked to sustain the strong role of the family in Qatar's social order, while also protecting the rights of children and encouraging women to take a more active role in society.

On behalf of the disabled, Sheikha Mozah has worked to create special associations for the hearing- and speech-impaired. She also helped to create the Al-Noor Institute for the blind. Under her sponsorship, the National Committee for Special Needs was founded in June 1998. One of the principle accomplishments of the Committee was the founding the Shafallah Center for Children with Special Needs.

"She is a most impressive woman. She has remarkable personal skills and presence," says former U.S. Ambassador Gordon Brown, who served as the founding president of the U.S.-Qatar Business Council. "Back in the 1930s, Qatar was the place in the Gulf where students in the region went to be educated. It is Sheikha Mozah's goal to recreate Qatar as the education capital of the Gulf."

### Qatar's History of Education Excellence

Since 1971, Qatar has invested billions – mostly from oil revenues – in the country's national education system. Today, the average pupil-to-teacher ratio in Qatar's primary and secondary schoolrooms is an impressive eleven to one.

At the university level, the Qatari government has been equally ambitious. In 1977, it founded the first of what would become a network of world-class undergraduate and graduate universities throughout the country.

In 1995, at the initiative of Sheikha Mozah, Qatar launched a multi-billion dollar effort to establish satellite campuses of Western universities. Currently, four

universities are operating at "Education City," a sprawling, 7-million square-meter campus outside Doha. These include Cornell University Medical School, Texas A&M University, Virginia Commonwealth University College of Fine Arts and Design, and the North Atlantic College of Technology. RAND, the Santa Monica, CA-based policy institute, has also established a "think tank" in Doha that offers programs to graduate students, while also advising the government on education policy matters.

Each American university in Qatar is a fully accredited equivalent of the "home" campus. This means the transcript of a graduate from Texas A&M University in Doha is indistinguishable from the transcript of a student who attended four years of classes in College Station, TX.

### Placing an Emphasis on Inter-Disciplinary Education

With an assist from experts at RAND, Sheikha Mozah has lately launched an initiative to completely reform the curriculum of the country's primary and higher secondary schools, placing an emphasis on English, science and mathematics, religion, and the arts.

"In the traditional Arab world, interdisciplinary learning was the norm. Now, we live in a world that has learned to undervalue the arts," says Sheikha Mozah. "This is especially true in developing countries and younger nations that, over the past 20 years, have found themselves struggling to catch up with the industrialized, post-modern nations of the North. Unfortunately, in our bid to gain technological and industrial development, education in humanities and the arts is often neglected."

Sheikha Mozah, a 1986 graduate of the University of Qatar with a degree in sociology, hopes to take this philosophy of interdisciplinary education to the university level. She led the drive to create Education City with a belief that it might serve as a "valuable and rich environment that will enable its graduates to shoulder the region's tremendous economic, social and environmental responsibilities."

"It is not enough merely to discuss theory and creativity," Sheikha Mozah explains. "It is essential that we make practical connections between the arts and sciences." ♦



## Shafallah Center – Serving Children With Special Needs

By Tim Kennedy

Founded in 2001 at the initiative of H.H. Sheikha Mozah Bint Nasser Al-Missnad, the Shafallah Center for Children with Special Needs provides clinical and educational support to youngsters with special needs. Autism, physical challenges and learning disabilities are just a few of the childhood issues cared for by the Center's 63-person staff.

Sheikha Mozah articulated the Center's principles on the day the facility was dedicated:

*"It is our deep faith that God is compassionate and merciful, and that mercy is what He bestows upon His subjects. He is generous and beautiful, and beauty is what He gives. That is how we should see the world: as beautiful, with all its resources and contents, known to us or unknown.*

*"Qatar, our beloved land, is rich in natural resources, be it human buds or wild flowers. All are blossoms, all are natural, all are beautiful bearing Qatar's name. Let us all work together, caring for our little buds. Let us plant them deep in the consciousness of our land. Let us nurture them with love and care to help them blossom into flowers filled with beautiful scents and filling their surroundings with beauty."*

Children and families are assisted at the Center by two departments: the Department of Special Education, which offers programs for autistic children, early inter-



*Special needs children receive plenty of encouragement.*

vention education, vocational and rehabilitation training; and the Department of Clinical and Family Support Services, which includes a Psychological and Behavior Analysis Services Unit, a Speech and Language Unit, a Physiotherapy Unit, an Occupational Therapy Unit, a Social Work Unit, and a unit that provides adaptive physical education and medical services.

The Center also features a children's library, a professional library and training and research services.

"Sheikha Mozah has a vision to create a world-class, state-of-the-art center of excellence that will serve all children in Qatar with disabilities," says Hassan Ali Bin Ali, Chairman of the Shafallah Center. "This Center will be a wonderful resource for the people of Qatar, and Shafallah is honored to help carry out this inspirational vision of Her Highness." ♦

### Sheikha Mozah Promotes Sustainable Development

*The Pearl, April 23, 2003. Reprinted with permission.*

"A Flower Each Spring" is a program sponsored by H.H. Sheikha Mozah Bint Nasser Al-Missnad, wife of H.H. the Emir, which encourages individual and collective initiatives that contribute to sustainable development. Sheikha Mozah has been selecting one typically Qatari plant each year for the last three years to increase its popularity among the people.

Black mangrove, or *Avicennia Marina*, known in Arabic as the *Al-Qurm*, is the chosen plant for this year [2003]. There are more than 80 species of mangroves around the world, of which the *Avicennia Marina* is the dominant species in the Gulf region.

Mangrove forests are one of the most productive and biodiverse wetlands on earth. Yet, these unique coastal tropical forests are among the most threatened habitats in the world. They may be disappearing more quickly than inland tropical rainforests, and so far,

with little public notice, according to a study.

The latest trip was exclusively for people of special needs belonging to Shafallah Centre and the visually challenged wards of Al-Noor Institute. More than 80 people, including instructors and supervisors from both institutes participated in the trip, planting 555 mangrove saplings on a stretch of seashore at Ras Makbakh.

The visitors were received at the site by Yousuf Ali al-Kazim, Secretary of the Friends of the Environment Center, and Mohamed Abdullah Siddiqui, Head of Plantation at the Ministry of Municipal Affairs and Agriculture. They explained the importance of mangroves and said that they serve as a shelter for migrating birds and varieties of fish and also provide fodder for animals. Healthy mangrove forests are essential to a healthy marine ecology as well. ♦



## Qatar Brings 2006 Asian Games to Doha

By Tim Kennedy

In the Olympic games of antiquity, a flame – said to be a gift to humankind from the Greek god Prometheus – presided over the competition as a symbol of man’s reason and enlightenment.

During each gathering of the ancient games, a “lampadedromia” – the Greek word for torch relay – pitted athletes against each other as they carried a flaming torch in a relay race to the finish line.

Today, the torch relay has become an integral part of the Asian Games, and serves as a way to convey the Games’ message of noble competition, team spirit, friendship and peaceful coexistence.

According to Sheikh Tamim Bin Hamad Al-Thani, Deputy Emir and the driving force behind the Qatar National Olympic Committee, the noble traditions of the Asian Games make the naming of Qatar as host of the 15th Asian Games in 2006 all the more significant.



Sheikh Tamim Bin Hamad Al-Thani



Photo by Aref Mohammed Ahmed

“Although we may be one of the smallest countries in Asia, we have great dreams and ambitions for our country. This is why our sense of responsibility for hosting the Asian Games is so strong,” says Sheikh Tamim, who has been selected to chair the Doha Asian Games Organizing Committee (DAGOC).



“To us it is not just a sporting event, nor is it solely about greeting our visitors and showcasing our country,” he says. “The Doha 2006 Asian Games are about our sense of belonging and our position in the world. They are about our community, our culture and our environment of which we are very proud.”

Since the DOGOC was created in October 2001, Sheikh Tamim and his team of professionals have been planning and organizing every detail of the two-week international sports event.

“The success of the Games will project Qatar’s flourishing and unlimited capabilities and present Qatar as a significant hub for sports, technology, education and tourism,” he says.

Sheikh Tamim’s mission is daunting. In addition to creating and implementing a master plan for the Games, his planning team is also organizing every logistical aspect, including sport and non-sport facilities, materials and equipment, transportation, communications, accommodations, and catering.

The first Asian Games took place in New Delhi in 1951 and welcomed 11 countries participating in just six sports. A total of 43 countries will compete in 33 events at the Doha Asian Games. The 2006 Games will also feature several new events indigenous to Asia, including taekwondo, judo, karate, kabaddi (a team sport from India), sepaktakrawa (a Southeast Asian ball game), and wushu, a Chinese martial art.

“When it comes to organizing sports events, Doha is an expert and enjoys worldwide recognition as a center of regional and international sport,” says Sheikh Tamim. Qatar’s “high-level championships across a range of sports demonstrate the city’s and its people’s passion and skill for hosting top quality events that attract top athletes from around the world.” ♦

## Qatar to Open New Embassy in Washington

By Tim Kennedy

The Qatari Embassy in Washington is moving. The new location, conveniently situated at 2555 M Street, is a recently renovated 5-story building with floor-to-ceiling windows that look out onto impressive views of the Potomac River, Rock Creek Park and Georgetown.

Project architect Barbara Mullenex says her design blends modern elements like a glass-fronted stair tower with traditional Qatari decorative touches in archways, canopies and marble flooring. Best of all, perhaps, the new Embassy features 86 parking spaces – an essential perquisite in Washington, DC.

The need to move to newer and larger quarters became urgent last year when the Embassy hired additional staff to negotiate elements of the proposed U.S.-Qatar Free Trade Agreement. The new personnel swelled Embassy staff to 150 people.

“Until recently, the Embassy’s public relations office consisted of just a couple of people,” says Suzanna Seltzer, spokesperson for the Embassy of Qatar. “Because our dealings with American businesspersons are greater now, we have to have more appropriate space.”

Seltzer says the Embassy chose to invest \$13.6 million in the new location “because it’s a great neighborhood – it’s peaceful, secure, and nearby to everything we need to access.” ♦



### Useful Information:

U.S. Embassy, Doha, Qatar  
 Ambassador: Chase Untermeyer  
 22nd February St.  
 Al Luqta District  
 Post Office Box 2399  
 Doha  
 State of Qatar  
 Tel: 974-488-4101  
 FAX: 974-488-4299  
 Web: <http://qatar.usembassy.gov>

Embassy of the State of Qatar  
 Ambassador: H.E. Bader Omar Al-Dafa  
 4200 Wisconsin Ave., N.W., Suite 200  
 Washington, D.C. 20016  
 Tel: 202-237-1600  
 FAX: 202-237-0061  
 Web: <http://www.qatarembassy.net>

U.S.-Qatar Business Council  
 President: Patrick Theros  
 1341 Connecticut Ave., NW, Suite 4A  
 Washington, DC 20036  
 Tel: 202-357-8555  
 FAX: 202-357-1919  
 Web: <http://www.qatarbusinesscouncil.org>

Qatar Chamber of Commerce and Industry  
 Chairman: Mohammed Bin Khalid M. Al-Mana  
 P.O. Box 402  
 Doha, Qatar  
 Tel: 974-455-9111  
 FAX: 974-466-1693  
 Web: <http://www.qcci.org>





**NATIONAL US-ARAB  
CHAMBER OF  
COMMERCE**

National Headquarters:  
1023 15th Street, NW  
Fourth Floor  
**Washington, DC 20005**  
Tel: (202) 289-5920  
Fax: (202) 289-5938

1330 Post Oak Boulevard  
Suite 1600, Office 1644  
**Houston, TX 77056**  
Tel: (713) 963-4620  
Fax: (713) 963-4609

8929 South Sepulveda  
Boulevard, Suite 310  
**Los Angeles, CA 90045**  
Tel: (310) 646-1499  
Fax: (310) 646-2462

420 Lexington Avenue  
Suite 2034  
**New York, NY 10170**  
Tel: (212) 986-8024  
Fax: (212) 986-0216

## NUSACC REPORT: U.S. Visa Policies Undermining America's Market Share & Reputation in the Arab World

### *On Anniversary of 9/11, Report Says Annual Losses May Exceed \$5 Billion*

A report released on September 10 by the National U.S.-Arab Chamber of Commerce notes that more restrictive U.S. visa policies, implemented after the tragedy of 9/11, appear to be costing the American economy more than \$5 billion in direct and indirect revenue losses annually.

Equally significant, the report suggests, is the fact that America is now losing thousands of Arab students every year to other nations. As a result, the next generation of leaders in the Arab world is less likely to have studied in the U.S. and to have gained an appreciation for American institutions and culture. This has long-term implications for U.S.-Arab relations.

"We appreciate the need for strong security measures, and we believe that the Departments of State and Homeland Security are taking steps to mitigate some of the most onerous visa requirements," said David Hamod, President of NUSACC. "Nevertheless, we remain concerned that current visa policies – by intimidating and/or precluding legitimate Arab businesspersons, students, tourists, medical patients, and others – may be having the unintended effect of strengthening the hand of extremists who want to drive a wedge between the United States and other nations around the world."

The NUSACC report estimates that the direct impact of these policies costs the U.S. nearly \$1.5 billion in annual revenues from the Arab world: business in general (-\$400m.), academia (-\$50m.), culture & the arts, medicine & healthcare (-\$500m.), and travel & tourism (-\$500m.). This figure climbs to more than \$5 billion when all services and indirect revenues are figured in.

Because of a lack of reliable data, the report does not address the loss of new investments or disinvestment by the Arab world, which would add billions more to U.S. revenue losses.

The report's recommendations:

- 1) Establish a broad-based coalition that enables the private sector to speak with one voice.
- 2) Establish a working group that would open a clear channel of communication between the public and private sectors and disseminate data and information more effectively.
- 3) Standardize procedures to eliminate policies that appear inconsistent, arbitrary, or discriminatory.
- 4) Dedicate sufficient resources so that public officials can do their jobs without "cutting corners."
- 5) Broaden the scope of inquiry to gain a better understanding of the cumulative impacts that these new visa policies are

having on U.S. interests.

To download a copy of this report, go to [www.nusacc.org](http://www.nusacc.org) and click the link to the report. ♦



*At the National Press Club, NUSACC President David Hamod (right) discusses U.S. visa policies with Hon. Tom Ridge, Secretary of the Department of Homeland Security (DHS). Progress is being made by DHS and the State Department to improve the visa process, but more work needs to be done.*

Photo by John Metelsky