

Qatar



The Resource Governance Index (RGI) measures the quality of governance in the oil, gas and mining sector of 58 countries. Learn more and explore findings at www.revenuewatch.org/rgi.

Background

Qatar's oil and gas resources accounted for 28 percent of gross domestic product, 73 percent of export earnings, and 53 percent of government revenues in 2009. Hydrocarbons have given Qatar the highest per capita income in the world. With a population of less than 2 million and the world's third-largest

Qatar	2000	2005	2011
Population (million)	0.59	0.82	1.87
GDP (constant 2011 international \$ billion)	22.7	48.7	173.0
GDP per capita, PPP (constant 2005 international \$)	64,829	69,512	77,987
Oil and gas revenue (% total government revenue)	...	77%	68%
Extractive exports (% total exports)	91%	85%	73%

SOURCES: Oil and gas revenue as share of total government revenue from the Economist Intelligence Unit and the International Monetary Fund. All other data from the World Bank. Oil and gas revenues 2011 data from 2010; Extractive exports 2011 data from 2009.

proven gas reserves, Qatar looks forward to continued prosperity. Despite attempts to improve transparency, the Qatari government's management of the petroleum industry remains opaque.

Qatar's Performance on the RGI

Qatar received a "failing" score of 26, ranking 54th out of 58 countries. Qatar has a relatively strong Enabling Environment, but scored extremely poorly on all other components.

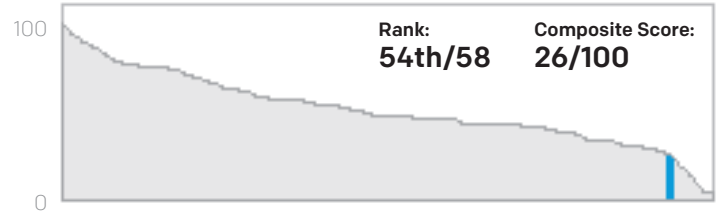
Institutional and Legal Setting

(Rank: 55th/58 Score: 15/100)

There are few published laws or regulations guiding Qatar's petroleum industry, resulting in a "failing" score of 15.

Qatar Petroleum, a state-owned company, controls the upstream and downstream petroleum sector. The company does not grant concessions but it does sign production sharing contracts with private companies following direct negotiations.

Government agencies provide very little information on the



legal framework governing natural resources. No supervisory or regulatory body oversees resource extraction or revenue management. Qatar has no freedom of information law.

Reporting Practices

(Rank: 54th/58 Score: 14/100)

The government provides no information on negotiations with oil companies or contract terms, and the precise whereabouts of Qatar's resource revenues are unknown, earning it a "failing" score of 14.

Production sharing agreements are announced only by press releases containing very limited information. Environmental impact assessments are required, but the results are not disclosed.

The government does not consistently publish data on financial flows. The central bank publishes information on an irregular basis about oil prices, the value of exports, and production stream values.

Safeguards and Quality Controls

(Rank: 54th/58 Score: 20/100)

Qatar received a "failing" score of 20, reflecting insufficient audit mechanisms and a lack of public oversight.

Qatar has no elected legislature, and there is no equivalent of parliamentary monitoring of the petroleum industry, although the emir's Council of Ministers has limited oversight responsibilities. Licensing decisions cannot be appealed, and petroleum revenues do not appear to be audited. There is no requirement that government officials report their financial interests in the sectors they administer.

Enabling Environment

(Rank: 10th/58 Score: 66/100)

Qatar received a "partial" score of 66, by far its highest on any component. Very high global rankings for corruption control, government effectiveness, and the rule of law offset very low levels of democratic accountability.

State-Owned Companies

(Rank: 30th/45 Score: 37/100)

Qatar Petroleum manages production sharing contracts on behalf of the state and receives payments from petroleum companies, while also conducting its own extractive activities. In 2009 it produced 42 percent of Qatar's oil. The company publishes an annual audited report that includes data on capital expenditures, production costs, the names of companies operating in Qatar, royalties, special taxes, and dividends. No information is published on the transfer of funds from Qatar Petroleum to the government, and government agencies do not report how such funds are used.

Natural Resource Funds

(Rank: 21st/23 Score: 2/100)

The objective of the Qatar Investment Authority is to diversify national revenues and minimize the country's vulnerability to fluctuations in global energy prices. The Investment Authority is a founding member of the International Working Group of Sovereign Wealth Funds and a signatory of the Generally Accepted Principles and Practices for Sovereign Wealth Funds. However, it consistently fails to provide adequate information about cash transfers from the government. While it does not disclose the value of its assets, media reports suggest the fund is worth \$135 billion.

Qatar's Composite, Component and Indicator Scores

Rank (out of 58)		Score (out of 100)
54	COMPOSITE SCORE	26
55	Institutional and Legal Setting	15
	Freedom of information law	0
	Comprehensive sector legislation	0
	EITI participation	0
	Independent licensing process	0
	Environmental and social impact assessments required	50
	Clarity in revenue collection	50
	Comprehensive public sector balance	33
	SOC financial reports required	0
	Fund rules defined in law	0
	Subnational transfer rules defined in law	..
54	Reporting Practices	14
	Licensing process	17
	Contracts	0
	Environmental and social impact assessments	0
	Exploration data	0
	Production volumes	0
	Production value	44
	Primary sources of revenue	33
	Secondary sources of revenue	0
	Subsidies	0
	Operating company names	0
	Comprehensive SOC reports	33
	SOC production data	24
	SOC revenue data	43
	SOC quasi fiscal activities	0
	SOC board of directors	50
	Fund rules	0

Rank (out of 58)		Score (out of 100)
	Comprehensive fund reports	0
	Subnational transfer rules	..
	Comprehensive subnational transfer reports	..
	Subnational reporting of transfers	..
54	Safeguards and Quality Controls	20
	Checks on licensing process	0
	Checks on budgetary process	0
	Quality of government reports	28
	Government disclosure of conflicts of interest	0
	Quality of SOC reports	50
	SOC reports audited	67
	SOC use of international accounting standards	100
	SOC disclosure of conflicts of interest	0
	Quality of fund reports	0
	Fund reports audited	17
	Government follows fund rules	0
	Checks on fund spending	0
	Fund disclosure of conflicts of interest	0
	Quality of subnational transfer reports	..
	Government follows subnational transfer rules	..
10	Enabling Environment	66
	Corruption (TI Corruption Perceptions Index & WGI control of corruption)	90
	Open Budget (IBP Index)	..
	Accountability & democracy (EIU Democracy Index & WGI voice and accountability)	19
	Government effectiveness (WGI)	78
	Rule of law (WGI)	76

■	Satisfactory	■	Weak
■	Partial	■	Failing