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**In brief**

**BANKING | Crime**  
**US to pursue Indian tax evaders**  
US tax authorities are probing Indian expatriates who may have hidden money offshore in HSBC Bank to evade US taxes, the Justice Department said yesterday. In an expansion of its mounting offensive against overseas tax evasion, the Internal Revenue Service is seeking data on clients of two HSBC India offices in the United States. The offices allegedly encouraged Indian nationals to open accounts back in their native land, telling them that they could hide the accounts and not pay US taxes on earnings from them, the department said in a statement. The government has now asked a federal court in San Francisco for authorisation to ask HSBC Bank USA for information about those clients.

**BUSINESS | Revenue**  
**Oil windfall for GCC states**  
Every \$1 increase in oil prices yields additional budget revenues of \$4.52bn for the GCC as a whole and Qatar could earn as much as \$224mn to provide extra spending power, according to the International Bank of Qatar (IBQ). More than half of \$4.52bn is due to Saudi Arabia, which exports more than 7mn barrels per day (mbpd) of crude oil and products, IBQ said in a report. The expected GCC budget revenues are estimated to be 0.4% of the region's gross domestic product this year and 1.2% of the budgeted spending. **Page 17**

**CRISIS | Aid**  
**Rescue package for Portugal**  
Portugal will formalise its request for a European Union rescue package that could reach €85bn (\$122bn) and a deal could be reached before a June 5 election, officials said. After a renewed battering from financial markets sparked by a political crisis, Lisbon's caretaker government decided on Wednesday to seek foreign aid, becoming the third euro zone country to do so after Greece and Ireland.

**ECONOMY | Finance**  
**Dubai plans to raise \$800mn**  
Dubai said yesterday it has launched a plan to raise \$800mn through the securitisation of receipts from road tolls, as the government struggles to recover from a debt crisis. The emirate's department of finance said the plan was "based on the monetisation of receipts from the Salik road toll collection system" and is aimed to support transport infrastructure projects. It hired Citibank and three local lenders as the mandated lead arrangers and book-runners for the transaction.



HE the Prime Minister and Foreign Minister Sheikh Hamad bin Jassim bin Jabor al-Thani pulls a lever to officially inaugurate the Golden Pass LNG Terminal, a joint venture between Qatar Petroleum, ExxonMobil and ConocoPhillips. The terminal is located 3km northwest of Sabine Pass in Texas. This is the most important investment project in the energy sector for Qatar in the United States.

# Diversification key to growth: Ibrahim

**Qatar is entering a new era of diversification, says the economic adviser in the Emiri Diwan**

**QNA**  
New York

A slowdown in oil and gas production in Qatar has forced the government and business to continue diversifying the economy to maintain the country's stable growth, Dr Ibrahim al-Ibrahim, economic adviser in the Emiri Diwan and secretary general for the development planning in Qatar said.

"We are entering into a new era of diversification and non-hydrocarbon sector," Ibrahim said at a business and investment conference in New York on Wednesday.

"This is another page of our development," he said.

The slowdown in oil and gas production will last until a technical study about the future production is completed, Ibrahim said. "It will slow down but to maintain growth we have to maintain an expansion of non-hydrocarbon projects," he said.

To encourage foreign investment in 14 non-energy sectors, the government has launched a five-year development strategy. The first aspect is to cut red tape and make regulations friendlier to foreign companies to enter the country, Ibrahim said. Foreign companies can already own 100% of their firms in Qatar. Regulations on land use for electric and water companies in particular need to be relaxed to make land acquisition cheaper, he said.

The government also had to create a forward-looking national budget "based on the strategy and not on ad-hoc needs," he told a largely American business audience at the Business and

Investment in Qatar Forum held at New York's historic Waldorf Astoria Hotel. This included improved fiscal co-ordination in Qatar's monetary policy to make sufficient funds available to maintain economic stability, Ibrahim said.

"The strategy also will attempt to nurture entrepreneurship and enterprise," he said.

"We are trying to encourage Qataris and non-Qataris to establish businesses through facilitating capital, incubation and guaranteed loans."



"We are trying to encourage Qataris and non-Qataris to establish businesses through facilitating capital, incubation and guaranteed loans"

The strategy also includes reducing the cost of foreign investment. This had been done in the oil and gas sector and needed to be extended to other areas of the economy, Ibrahim said.

One example of a growing sector in the Qatar economic landscape is the research being conducted at the Qatari Science and Technology Park.

The park's executive chairman Dr Tidu Maini told the conference that within three years of its inception, 43 international companies, involving 800 engineers and scientists, have invested in the facility's research and development.

Among the park's projects is re-

search into new solar energy technology - a significant diversification from oil and gas.

"We are focusing on solar power as a main thrust," Maini said. "There's lots of sunshine in Qatar. The science park is building a 500 kilowatt demonstrator to test 18 different alternative energy technologies. Among these are photovoltaic and thermal heating."

The park is working on what would be breakthrough research to solve the problems of high temperatures, dust and condensation associated with these new technologies, Maini said.

There is also work on building a factory in Qatar that would create as much as 400,000 tonnes of poly-silicon used in making solar panels.

The science park is partnering with Qatar Holding and VW Porsche to develop cheaper composite material for using in the future automobile bodies, Maini said. Currently composites are used in building aircraft but is still too expensive for car manufacturers, and must be dropped to \$5 a kilo before it can be adapted for cars, he said.

Other projects are the development of synthetic aviation fuel in a project with Qatar Airways, Shell Oil and Rolls Royce,

Maini said. There is also a joint project with Conoco Phillips and General Electric on water purification systems and with the US Department of Energy on developing carbon capturing technologies an important advance in clean energy.

In the health sector, the Qatar Science and Technology Park, is developing robots for image surgery and protein markers to detect cancer and diabetes.

Conceding that Qatar cannot compete with India and China in software development, he said the science park is concentrating on advances in wireless technology, including new sensors to measure vital functions in humans.

Maini appealed for partnerships with his American audience for their "experience in commercialising technology" and using their distribution networks.

"We are not just funding for the sake of funding," Maini said, but participating in these breakthrough technologies.

The conference was earlier addressed by HE the Prime Minister and Foreign Minister Sheikh Hamad bin Jassim bin Jabor al-Thani.

The prime minister later inaugurated the multi-billion dollar Golden Pass LNG Terminal.

**Investments cross \$30bn**

Dr Hussein Ali Abdullah, an executive board member of the Qatar Investment Authority, said Qatar's investments in foreign holdings had increased to over \$30bn last year in both industry and in private equity, fixed income and hedge funds. These include 20% ownership of VW, 7% of Credit Suisse and 7% of Barclay's Bank. Abdullah said. The QIA is aggressively looking for new opportunities within a six-month time frame, given the difficulties in the world economy, he said at the Business and Investment in Qatar Forum held at New York's Waldorf Astoria Hotel on Wednesday.

- **Five-year Qatar strategy** ..... **Page 16**
- **Shell has invested \$21bn** ..... **Page 16**

## Barwa lays off 90 employees as part of revamp

**Agencies**  
Doha

Qatari property developer Barwa Real Estate Company has laid off nearly 90 employees amid a restructuring move being pushed through by its new chief executive, two sources said yesterday.

"The finance teams and legal teams have been decimated. An awful lot of these are expats," a high-level source in Doha who is close to the company said, adding that the cuts were a direct result of the appointment of a new group Chief Executive Officer Mohammed Asad al-Emadi last month.

"There is a restructuring underway, and this is part of it," another source who is familiar with the company said, declining to be named.

The property developer did not issue a dividend when it reported earnings in February, despite posting an 84% increase in profit for 2010.

"There was no dividend issued when the 2010 results came out. That tells you something about the company. They're looking very carefully at their books," the first source said.

The source said al-Emadi was keen to stamp his authority over the company in his new position and wanted to streamline operations across Barwa's various subsidiaries, many of which are separate companies that oversee its portfolio of projects such as Barwa City and Barwa Village.

The cuts come at a time when many would expect the firm to be adding staff as Qatar launches a massive infrastructure build in preparation to host the 2022 World Cup.

Barwa, like other Gulf developers, was hit hard by the region-wide real estate slump. Qatar helped key property firms weather the global crisis by pushing through defensive mergers and using its sovereign fund to invest in them.

One analyst said Barwa was keen to slim down some of its overseas operations in Egypt and the United Arab Emirates due to the lackluster real estate markets there. Barwa's international operations include an 80% holding in the Barwa Egypt Real Estate Development Company.

"There is a slowdown in the real estate markets in Egypt and the UAE and they want to reduce the risk," said Thamer Jadallah, head of investments at the Almana Group in Doha. "If they are going to restructure they have to save some money."

Barwa City, a 2.7mn sq m residential development in Doha, has a project value of \$1.36bn billion, according to Zawya.com. Qatari Diar, the property arm of Qatar Investment Authority, the country's sovereign wealth fund, owns a 45% stake in Barwa.

Barwa declined to comment on the job cuts. This week Hitmi bin Ali al-Hitmi was appointed the new chairman of the group, replacing Ghanim bin Saad al-Saad.

# Gulf states work on plan for Yemen leader to go

**Agencies**  
Sanaa

A Gulf Arab plan for Yemen's president to step down would guarantee the veteran leader and his family immunity from prosecution, an opposition source said yesterday, but youth activists said that should be rejected.

The US and Gulf countries appear ready to push aside a long-time ally against Al Qaeda's Yemen-based wing to avoid a chaotic collapse of the poorest Arab state.

Ali Abdullah Saleh's sometimes violent response to two months of pro-

tests against his 32-year rule has tried the patience of the United States and Saudi Arabia, both of which have been the target of attempted attacks by Al Qaeda's Yemen-based branch.

The Gulf proposal for talks in Riyadh was presented to Saleh and a coalition of opposition parties this week. Saleh welcomed it, while the opposition has withheld its response, but set conditions that may derail any talks, according to a source.

Gulf sources said the plan envisaged handing power to an interim council of tribal and political leaders who would help appoint a national unity government ahead of elections.

An opposition source said the pro-

posal would give Saleh and his family, whose control over key posts has long angered many Yemenis, immunity from prosecution. Youth activists said in a statement that was unacceptable.

"We affirm that this is a people's revolution demanding the fall and the trial of a regime ... to build a new civilian state according to the will of the people, not international parties or political parties that do not represent us," said a statement in the name of protest groups in Sanaa.

Talks in recent weeks, which included the US ambassador in Sanaa, became bogged down over Saleh's demand for assurances that he and members of his

family would not face prosecution.

Saleh has been trying for several weeks to involve Saudi Arabia, his most important foreign backer, sending his foreign minister to Riyadh two weeks ago.

The Gulf states' proposal envisages Saleh handing over power to a vice-president, the opposition source said. Current incumbent Abd-Rabbu Mansour Hadi has said he does not want such a role, which suggests Saleh would appoint a new figure.

"They informed the opposition that their vision is based on Saleh leaving power after handing authority to his deputy and then forming a national unity government that will

prepare a new constitution... and parliament elections," the opposition source said.

"The Gulf vision is also based on Saleh's proposal that both he and General Ali Mohsen... leave Yemen, and the Gulf countries have committed to guarantees that Saleh and his family will not face prosecution after they leave," the source added.

A senior opposition source said the coalition had told Gulf ambassadors that Saleh's immediate resignation was a non-negotiable condition, and he should not get immunity from lawsuits by families of those killed and wounded in the protests.

"A third condition is that the youth

movement, Houthis (Shia rebels), the exiled opposition, and the Southern Movement (separatists) be part of any negotiations," the source said.

A source in the ruling party said it might demand that other former allies of Saleh leave the country too, not just Mohsen - a move that would complicate the mediation efforts.

Mohsen was among the generals, diplomats and tribal leaders who turned against Saleh after snipers killed 52 protesters on March 18.

Though Mohsen's army wing is protecting protesters camped out in Sanaa, he is widely mistrusted as a kinsman of Saleh who was for years a loyal pillar of his rule.



Qatar Prime Minister and Foreign Minister HE Sheikh Hamad bin Jassim bin Jabor al-Thani with some of the participants of the 'Business & Investment in Qatar Forum' at the Waldorf Astoria Hotel in New York, on Wednesday.



Some Qatari dignitaries who have attended the two-day 'Business & Investment in Qatar Forum' at the Waldorf Astoria Hotel in New York, which concluded yesterday. Seen here are Qatar Chamber of Commerce & Industry chairman Sheikh Khalifa bin Jassim bin Mohamed al-Thani (second right), Qatari Businessmen Association first deputy chairman Hussain Alfardan (third right), Qatari Businessmen Association second deputy chairman Sheikh Dr Khalid bin Thani al-Thani (right), Sheikh Mohamed bin Abdulaziz al-Thani, Sheikh Ahmed bin Ali al-Thani and Sheikh Turki bin Khalid al-Thani.

# 5-year Qatar strategy boosts Vision 2030

The Qatar National Development Strategy 2011-2016 will help the country meet the challenges of Qatar National Vision 2030, Doha Bank Group chief executive R Seetharaman has said.

Addressing a panel session on "Finance & Banking" at the Business & Investment in Qatar Forum in New York on Wednesday, he said that Qatar's economy is expected to have "robust growth" in 2011, with the outlook broadly favourable in the next five years.

"Beyond 2011 the real GDP (gross domestic product) growth can drop as current investments in hydrocarbon get completed.

"Aggregate GDP growth in 2012-2016 is expected to average 6.9%, of which hydrocarbon GDP growth will be 4.4% and non-hydrocarbon GDP 9.1%," he added.

Highlighting the industrial trends in Qatar, Seetharaman said: "The services sector is going to be the major driver. By 2016, the sector could account for 40% of the total output, up from 36% in 2009.

"The transport and communications and financial services sectors could grow vigorously.

"Potential is also seen in construction and manufacturing. The conduct of FIFA World Cup 2022 may provide opportunities

in tourism and other areas," the banker said.

"The World Cup will create opportunities to form strategic alliances externally and to connect to global value chains."

He said during 2011-2016, the total gross domestic investment might be about QR820bn, of which private non-hydrocarbon sector is expected to account for QR389bn.

"During the period, Qatar's population is expected to be steady and grow at an average of 2.1%.

"The rapid population growth of the recent past is not expected to continue," Seetharaman said. "Qatar's budget 2011-12 has a

surplus of QR22bn and focuses on education, health care and infrastructure projects."

Seetharaman also spoke about the recent banking trends in Gulf Co-operative Council (GCC).

In Qatar, lending and funding in foreign currency has increased in recent times.

Private sector has shown a revival in recent times. In the near future, improvement in net interest income and decline in provisioning is expected in the GCC banking industry.

On investment opportunities in the GCC region, Seetharaman said: "The price earnings and price book multiples of Qatar exchange are still attractive

when compared to the emerging economies. Abu Dhabi and Qatar banks provide good investment opportunities.

"Petrochemicals are also a good segment to consider for investment apart from banking due to higher capacity utilisation in the industry. The insurance industry also should be watched in Qatar, Kuwait and Saudi Arabia."

The panel session was also attended by QNB Group chief executive Ali Shareef al-Emadi, Qatar International Islamic Bank chief executive Abdulbasit A al-Shaibei and Qatar Stock Exchange chief executive Andre Went.



Seetharaman, al-Shaibei and al-Emadi with other panellists at the session on 'Finance & Banking' at the forum on Wednesday.



Qatar Science & Technology Park (QSTP) executive chairman Dr Tidu Maini (right) and US Deputy Secretary of Energy Daniel Poneman sign a Memorandum of Understanding in New York on Wednesday to promote collaboration on the development and deployment of cost-effective and sustainable energy technologies. With them are Qatar Energy Minister HE Dr Mohamed Saleh al-Sada (standing, right) and US Ambassador to Qatar Joseph LeBaron.

## Qatar is now one of the easiest places in the Middle East for business: QFC

QNA  
New York

Since "far-reaching changes" made by the government five years ago, Qatar has become one of the easiest places in the Middle East for a foreign company or entrepreneur to set up and grow his business, the Qatar Business and Investment Forum was told on Wednesday.

Qatar Financial Centre (QFC) - Regulatory Authority chairman and chief executive Phillip Thorpe told the forum participants at the Waldorf Astoria Hotel in New York that "access to markets" in the Middle East "can be very problematic" for foreign companies.

But that changed in Qatar in 2006 when the government established the QFC, Thorpe said.

"In doing that, it created a parallel legal system alongside the existing state laws, which were out of date, restrictive and inhibitive in terms of entry," he said.

"The QFC legal system is based on English common law with a separate court and separate regulator," he explained, meaning that Qatar now has business standards "you would expect to find anywhere in developed markets."

The new system has dramatically thrown open the doors for foreign companies to set up in Qatar.

"There are no more restrictions, which you used to see in the region and in Doha," Thorpe said. "There are no restrictions on ownership, repatriation of capital, or on who you can employ."

The result has been a huge in-

## Shell has invested \$21bn in past six years, says official

Shell has invested close to \$21bn in Qatar in the last six years, executive vice-president Andy Brown has said.

In Qatar, Shell is set to start up the Pearl GTL project, its joint venture with QP, which will chemically convert Qatar's abundant gas resources into high quality liquid fuels and products.

Brown was speaking at the "Business & Investment in Qatar Forum" on Wednesday.

Shell is investing between \$18bn and \$19bn in the Pearl GTL project at Ras Laffan, he said.

A fortnight ago, Shell opened its first wells offshore and is now making "excellent progress" in progressively starting up the process units.

"We already produce condensate and LPG and later this year we will produce GTL products at the Pearl GTL plant. At peak, we will manufacture 140,000 barrels per day (bpd) of high quality GTL fuels, chemical feedstock and lubricant base oils as well as 120,000 barrels per day (oil equivalent) of conventional condensate, LPG and ethane. This project will deliver value to Shell and the state of Qatar for many decades to come," Brown said.

He said Shell was "delighted" to be invited for investments in Qatar's liquefied natural gas portfolio.

"A fortnight ago we celebrated reaching 100% output from Qatargas 4, where we are a 30% shareholder in the 7.8mn tonnes per year (tpy) LNG train.

"Currently, we have Shell staff helping with the operation of Qatargas. About 1,200 Shell officers and crew provide operations and maintenance services in running the Nakilat fleet of 25 LNG tankers, one of the most impressive marine fleets anywhere in the world," Brown said.

He said that Shell wants to invest more in Qatar.

In line with this, Shell signed an exploration licence agreement to explore the deep pre-Khuff horizons.



Brown: the investment journey continues

The company also signed a memorandum of understanding with QP to develop a world scale chemicals plant at Ras Laffan featuring the largest mono-ethylene glycol (MEG) plant ever to have been built.

Under the MoU, the two companies would build a mono-ethylene glycol plant of up to 1.5mn tonnes per year (tpy) capacity using Shell's proprietary OMEGA (Only MEG Advantaged) technology.

The plant will also be able to produce other olefin derivatives, which will boost capacity to more than 2mn tonnes of finished products.

"So the investment journey continues ... but we also now look overseas, where together with PetroChina and QP international we are planning a world scale petrochemical and refinery project in Zhejiang province, China.

"Today we enjoy a rich array of joint investments with QP in Qatar and overseas. QP is a model of an effective NOC, establishing the investment climate, stimulating innovation, encouraging investors to break new ground, to push the boundaries and set new records," Brown added.

Qatar has also opened up for foreign banks to come, he said.

Today there are six commercial, four Islamic and seven international banks in the country, al-Emadi said.

Qatar Stock Exchange chief executive Andre Went concurred: "Likewise the Qatar Stock Exchange has seen phenomenal growth in the just past few years."

"Such success at home is not enough for the exchange, however," he added. "The exchange wants to develop from a domestic player to a more diversified and more international regional player. We want to make it easier for international investors to take part."

Established by a handful of companies in 1995, today the Qatar Stock Exchange has 40 companies listed with more than \$110bn in market capitalisation.

increase in the number of foreign companies setting up in Qatar.

"We have seen 130 or more new companies established in Qatar in the last five years," Thorpe said.

The big changes in Qatar's economy work both ways. Not only are more foreign companies coming to do business in Qatar, but many more Qatar-based businesses are operating abroad.

For his part, QNB chief executive Ali Sharif al-Emadi said that eight years ago the bank was only operating in two foreign countries.

QNB has since expanded to 30 countries in four continents around the globe.

"Qatar banks are not expanding just for the sake of expanding," al-Emadi said. "We go where the Qatar economy is going, with our domestic clients and foreign partnerships."