

Preparing to export

Consultation and bespoke research

Visit: <https://www.great.gov.uk/> for guidance on how to research overseas markets as well as a range of other important issues for exporters.

Researching the Qatari market

Local knowledge is extremely important in this market. Good local research is needed and you should consider market-entry requirements using both desk research and market visits.

You need to determine whether:

- there is a market for your product or service
- your pricing is competitive
- to adapt your business model

The questions listed here should help you to focus your thoughts. Your answers to them will highlight areas for further research and also suggest a way forward that is right for your company. You may then want to use this as a basis for developing a formal Qatar strategy, although this may not be necessary or appropriate for all companies:

Your aims:

- Do you wish to buy from Qatar, sell to Qatar or both?
- Do you wish to establish your own company presence in Qatar (for example setting up a local company, branch office, commercial agency or representative office) or direct sales, online selling, licensing or franchising?
- Do you need to be involved in Qatar at all?
- Do you see Qatar as part of a wider plan including e.g. other Middle Eastern markets now or in the future?

Your company:

- Can you carry out a detailed SWOT analysis of your company?
- Are your competitors already in Qatar? If so, what are they doing?

- Can you carry out a detailed SWOT analysis of your competitors?
- What are the Unique Selling Points of your product or service?
- Do you know if there is a market for your product or service in Qatar?
- Do you know if you can be competitive in Qatar?
- Do you have the time and resources to handle e.g. the demands of communication, travel, product delivery and after-sales service?

Your knowledge:

- Do you know how to secure payment for your products or service?
- Do you know how to locate and screen potential partners, agents or distributors?
- Have you carried out any Qatar-specific customer segmentation, and do you know how to best reach potential customers in-market?

It is unlikely that you will have the answers to all these questions at the outset and these 'knowledge gaps' could form the basis for further research and investigation. Some of these questions will require quantitative research in your sector, while others involve more-contextual and cultural considerations.

Talking to other people in your industry and regularly visiting Qatar will give you access to the most-current advice and such experience can often lead to new insights and form the basis for further research.

There is also some useful guidance on developing a marketing strategy, customer segmentation, competitor and SWOT analysis, etc. on the <https://www.great.gov.uk/> site – and the IOE&IT can help too.

There may be trade shows held in Qatar each year, which could be useful to test product viability in the market. The Department for International Trade (DIT) Tradeshow Access Programme at: <https://www.gov.uk/guidance/tradeshow-access-programme> provides funding in the form of grants for eligible businesses to attend overseas trade shows.

The funding helps your business gain:

- market knowledge
- experience in attending and getting the most from overseas trade shows
- advice and support from trade experts

Visit the DIT events portal at: <https://events.trade.gov.uk/> to find upcoming events and missions in Qatar.

Find out more about marketing your goods and services for Qatar at: <https://www.great.gov.uk/>.

Contact DIT in Qatar at: <https://www.gov.uk/world/organisations/department-for-international-trade-qatar#contact-us> for events and company launches at British Embassy locations.

Start-up considerations

Visit: www.great.gov.uk for guidance on how to research overseas markets as well as a range of other important issues for exporters.

Getting started

Most important is the need to demonstrate a genuine commitment to the Qatar marketplace in order to win business here. Qatar has been exploited in the past by foreign business seeking only transactional profit rather than a longer-term relationship with the market.

Local businesses now stress the value of key relationships in winning business and it is vitally important to have some form of local presence (agency, distributorship, or local incorporated presence) especially when it comes to meeting Qatari customers, clients and potential suppliers and partners.

Qataris prefer to conduct all business face-to-face and are unlikely to conduct much business via phone or email. It is therefore important to build strong personal and business relationships as the likelihood of success is significantly higher.

To access Qatari tenders you may need to have a plan to establish a local presence if you do not already have one.

Companies seeking to fulfil a contract from overseas can be at a disadvantage to competitors who already have a local partner, or other form of local presence in Qatar. It is increasingly common for contracts to be awarded to companies that have incorporated locally through one or other legal option.

It is also more commonplace that companies operating from other GCC markets (such as Dubai, Abu Dhabi or Bahrain) are finding it harder to win business ahead of Qatari incorporated businesses. Local establishment in one form or another is increasingly seen as a must.

You should consult local lawyers to avoid costly mistakes and ensure you start out in the way that is best suited to your sector of activity. See: <https://www.gov.uk/government/publications/qatar-list-of-lawyers> for a list of local lawyers.

Direct exports and sales

Direct exports means you supply your products direct to the customer. You handle all the logistics of marketing, selling, sending overseas and getting paid.

Direct sales are possible in Qatar. However, direct marketing is only permitted in certain sectors and in certain circumstances.

Local knowledge is extremely important in this market. A reliable local business partner will significantly improve your chances of success. A partner is essential to access government tenders.

You should conduct due diligence checks once you have chosen your method of entry into the market. However, if you want to establish a business relationship that goes beyond exporting, you will need to carry out further research.

You should vet any partner looking closely at their:

- local business reputation
- financial resources
- marketing ability

You must take into account the Qatar Commercial Agents Law when entering into agency or distribution agreements. The law has certain requirements in terms of exclusivity, commissioning and termination of contracts. A clear contract is essential to avoid legal disputes.

DIT's trade specialists can help you to identify local representatives for your products in Qatar. See: <https://www.gov.uk/overseas-customers-export-opportunities>.

Setting up a business entity

You must register with the Commercial Registry at the Ministry of Economy and Commerce (MEC) before engaging in any commercial activity. See: <https://www.mec.gov.qa/en>.

The main ways of starting up a business in Qatar are:

- to establish a local company, normally a limited liability company (LLC), with a Qatari national
- to establish a branch office when the contract is a Qatari Government contract
- setting up a commercial agency either via a 100% Qatari entity, or individual agent to market and sell goods when you have no physical presence in Qatar
- establishment of a representative office as a platform to promote a non-Qatar company and introduce it to Qatari companies and projects

When establishing a local company, foreign ownership is limited to 49%, with the remaining 51% for Qatar nationals.

Online selling

You can use DIT's Selling Online Overseas service to get exclusive deals for your business negotiated by the UK Government:

- find out about DIT's E-Exporting programme at: <https://www.gov.uk/guidance/e-exporting>, which can help you export your products to Qatar
- check out online marketplaces in Qatar at: <https://selling-online-overseas.export.great.gov.uk/>, where DIT has negotiated listings at better-than-commercial rates

Licensing or franchising

Franchising is very popular in Qatar. However, a local sponsor is required to establish a franchise business.

Visit the international section of the British Franchise Association at: <http://www.thebfa.org/international> for more information on franchising.

Free zones

Qatar has started to offer free zone incentives, such as the Qatar Financial Centre (QFC – <http://www.qfc.qa/en/Pages/default.aspx>) and Qatar Science and Technology Park (QSTP – <https://qstp.org.qa/>). However, free zones as seen in other Gulf States do not exist. See the Qatar Development Bank (QDB) site at: <https://www.qdb.qa/en> for further information on free zone incentives.

Qatar wants to attract only those industries and sectors which complement or add value to existing businesses. Very specific criteria apply for the incentives offered. See

the Qatar Development Bank (QDB) site at: <https://www.qdb.qa/en> for further information.

[Source – DIT/gov.uk]

Financial considerations

Getting finance to fulfil an export contract

Uruguay is ranked 83rd out of 190 countries in the World Bank's 2019 Ease of Doing Business Index (the UK ranks 9th, Argentina 119th, and Brazil 109th): <http://www.doingbusiness.org/data/exploreeconomies/qatar>.

To make it easier to fulfil an export contract and grow your business, schemes are available to UK companies selling products and services to Qatar. Contact your bank or specialist financial organisation for assistance.

UK Export Finance (UKEF) has significant risk capacity to support exports to Qatar. See: <https://www.gov.uk/guidance/country-cover-policy-and-indicators#qatar>. You can contact one of UKEF's export finance advisers at: <https://www.gov.uk/government/publications/find-an-export-finance-manager> for free and impartial advice on your finance options.

Getting paid

You may wish to talk to a specialist about finance, including how to get paid in Qatar. This could be a bank, an accountant or you can contact DIT in Doha at: <https://www.gov.uk/world/organisations/department-for-international-trade-qatar#contact-us> for help to find a financial adviser in Qatar.

Your contract will specify the terms for payment. If there is any dispute you will need to go through the Qatari legal system for resolution.

Payment risks

UK Export Finance (UKEF) helps UK companies to get paid by insuring against buyer default.

Be confident you will get paid for your export contract. Speak to one of UKEF's export finance advisers at: <https://www.gov.uk/government/publications/find-an-export-finance-manager> for free and impartial advice on your insurance options, or contact one of UKEF's approved export insurance brokers at: <https://www.gov.uk/government/publications/uk-export-finance-insurance-list-of-approved-brokers/export-insurance-approved-brokers>.

Currency risks when exporting to Qatar

If you have not fixed your exchange rate you have not fixed your price.

You should consider whether the best option for you is to agree terms in Sterling (GBP), US Dollars or Qatari Riyal in any contract. You should also consider getting expert financial advice on exchange rates (sometimes called FX).

The Qatari Riyal is pegged to the US Dollar. See the Qatar Central Bank at: <http://www.qcb.gov.qa/English/PolicyFrameWork/ExchangeRatePolicy/Pages/ExchangeRatePolicy.aspx> for more information.

Transferring money from Qatar

There are no capital controls or restrictions on repatriation of profits in Qatar.

[Source – DIT/UKEF/gov.uk]

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