

CRS Report for Congress

Qatar: Background and U.S. Relations

Updated January 24, 2008

Christopher M. Blanchard
Analyst in Middle East Affairs
Foreign Affairs, Defense, and Trade Division



Prepared for Members and
Committees of Congress

Report Documentation Page				Form Approved OMB No. 0704-0188	
Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.					
1. REPORT DATE 24 JAN 2008		2. REPORT TYPE		3. DATES COVERED 00-00-2008 to 00-00-2008	
4. TITLE AND SUBTITLE Qatar: Background and U.S. Relations				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Congressional Research Service, The Library of Congress, 101 Independence Ave, SE, Washington, DC, 20540-7500				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT Same as Report (SAR)	18. NUMBER OF PAGES 24	19a. NAME OF RESPONSIBLE PERSON
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified			

Qatar: Background and U.S. Relations

Summary

Qatar, a small peninsular country in the Persian Gulf, has emerged as an important ally of the United States since the late 1990s and currently serves as host to major U.S. military facilities for command, basing, and equipment pre-positioning. Qatar holds the third largest proven natural gas reserves in the world, and its small population enjoys the highest per capita income of any Middle Eastern country. The Emir of Qatar, Shaikh Hamad bin Khalifa Al Thani, has embarked upon a limited course of political liberalization since replacing his father in a bloodless palace coup in 1995. The Emir also has undertaken several projects to diversify Qatar's economy and improve educational opportunities for Qatari citizens. As part of Qatar's liberalization experiment, the Qatari monarchy founded Al Jazeera, the Arab world's first all-news satellite television network, in 1995. In an April 2003 referendum, Qatari voters approved a new constitution that officially granted women the right to vote and run for national office. The latest elections for Qatar's Central Municipal Council were held in April 2007. Preparations for national elections for the new Advisory Council established by the constitution are underway.

Following joint military operations during Operation Desert Storm in 1991, Qatar and the United States concluded a Defense Cooperation Agreement that has been subsequently expanded. In April 2003, the U.S. Combat Air Operations Center for the Middle East moved from Prince Sultan Airbase in Saudi Arabia to Qatar's Al Udeid airbase south of Doha, the Qatari capital. Al Udeid serves as a logistics hub for U.S. operations in Afghanistan as well as a key command and basing center for ongoing operations in Iraq. Nearby Camp As Sayliyah is the largest pre-positioning facility of U.S. military equipment in the world.

In spite of serving as the host to a large U.S. military presence and supporting U.S. regional initiatives, Qatar has remained relatively secure. A shooting attack took place at Al Udeid airbase in November 2000, and on March 19, 2005, an Egyptian national carried out a suicide car bomb attack at a theater popular with Western expatriates on the outskirts of Doha. The car bombing, the first terrorist attack in Qatar to target civilians, killed one British citizen and wounded twelve others. Recent terrorist statements indicate that U.S. facilities and energy infrastructure in Qatar remain potential targets.

U.S. officials have described Qatar's counterterrorism cooperation since 9/11 as significant; however, some observers have raised questions about possible support for Al Qaeda by some Qatari citizens, including members of Qatar's large ruling family. According to the 9/11 Commission Report, Qatar's current Interior Minister provided safe haven to 9/11 mastermind Khalid Shaikh Mohammed during the mid-1990s, and press reports indicate other terrorists may have received financial support or safe haven in Qatar after September 11, 2001.

This report was originally written by Jeremy Sharp, and has been revised and will be updated by Christopher Blanchard to reflect significant developments.

Contents

Political Profile	1
Structure of Government	2
Political Reform and Elections	3
Human Rights and Social Issues	4
Human Rights	4
Islam and Religious Freedom	4
Al Jazeera and the Qatari Media	5
Education	6
Economic Overview	7
Oil and Natural Gas Production	7
U.S.-Qatari Relations	8
Defense, Security, and Terrorism	10
U.S.-Qatar Defense Cooperation	10
Internal Security	11
Terrorism Concerns	11
Counterterrorism Support	13
Assassination of Chechen Terrorist Financier in Doha	13
Trade and Economic Relations	14
Qatari Foreign Policy	14
Persian Gulf States	15
Bahrain	15
Saudi Arabia	15
Iraq	16
Iran	17
Arab-Israeli Issues and Lebanon	17
Lebanon War and Aftermath	18
Appendix A: Qatar in Brief	20
Appendix B. Chiefs of State and Cabinet Members of Qatar	20

List of Figures

Figure 1. Qatar and Its Neighbors	1
Figure 2. Map of Qatar	21

List of Tables

Table 1. U.S. Aid to Qatar FY2005-2007 and FY2008 Request	10
---	----

Qatar: Background and U.S. Relations

Qatar, a small peninsular state bordering Saudi Arabia in the Persian Gulf, is a constitutional monarchy governed by the Al Thani family. The country gained independence from the United Kingdom on September 3, 1971. Qatar's Emir, Shaikh Hamad bin Khalifa Al Thani, replaced his father as Qatar's ruler in a 1995 palace coup and has survived at least one counter-coup attempt.¹

Political Profile

On June 27, 1995, in a bloodless palace coup, Shaikh Hamad replaced his father, Khalifa, who had ruled Qatar for 23 years. At the time, Khalifa had turned over many routine affairs of state to Shaikh Hamad, then crown prince and commander of Qatar's small armed forces. The ruling Al Thani family rallied behind Shaikh Hamad, who quickly consolidated control. In February 1996, supporters of Shaikh Hamad's father unsuccessfully attempted a counter-coup, which prompted Shaikh Hamad to initiate civil proceedings against his father to retrieve an alleged \$3-\$12 billion of state assets supposedly in his possession.² The alleged mastermind of the counter-coup attempt, Shaikh Hamad's cousin and a former minister Shaikh Hamad bin Jassim bin Hamad Al Thani, was captured outside of Qatar and prosecuted: he remains on death row. Saudi Arabian mediation facilitated an out-of-court settlement between the Shaikh Hamad and his father, and they have reconciled.

Figure 1. Qatar and Its Neighbors



¹ The term "Emir" (or Amir), often translated as prince, is the term used for monarch or ruler in the Persian Gulf region. The term "Shaikh" (or Sheikh or Shaykh) is an honorific title, which can mean a ruler, a tribal leader, or a venerable religious figure. "Shaikh" is pronounced with a long A (as in "say"), not a long E (as in "see").

² Some Qataris believe that the government of Saudi Arabia supported Shaikh Khalifa in his attempt to return to power in Qatar. See Craig S. Smith, "A Tiny Gulf Kingdom Bets its Stability on Support for U.S.," *The New York Times*, October 24, 2002.

Shaikh Hamad, at age 54, has been described as a representative of an emerging new generation of Persian Gulf leaders.³ Like King Abdullah II of Jordan, Shaikh Hamad was educated in the United Kingdom and holds degrees from Sandhurst Military Academy and Cambridge University. He has three wives and eleven children. In 1997, the Emir underwent kidney transplant surgery in the United States.

Structure of Government. The Emir is head of the executive branch of the Qatari government and appoints members of the Al Thani family and other notables to a governing Council of Ministers (cabinet), which is headed by Prime Minister and Foreign Minister Hamad bin Jassim bin Jabr Al Thani. The country's constitution (approved in April 2003 and in force as of June 2005) formalized Qatari tradition that the rule of the state is hereditary within the Al Thani family in addition to the previously contested principle that future successors to the throne will follow the line of the Emir's male offspring.⁴ Previous succession decisions have been characterized by rivalry among different branches of the Al Thani family, and it is unclear whether a future transition to Shaikh Hamad's heir would be contested by other elements of the royal family. In August 2003, the Emir replaced his third oldest son, Jassem bin Hamad Al Thani, as heir apparent. His fourth oldest son, Tamim bin Hamad Al Thani, is now the named successor to the Qatari monarchy.⁵

The constitution also states that legislative authority will reside in the hands of a 45-member Advisory Council (*Majlis Al Shura*), two-thirds of which will be directly elected and one-third appointed by the Emir from among ministers or others.⁶ Preparations for national elections for the new Advisory Council are underway, and women will have the right to vote in the elections and to run for office. The Advisory Council will have oversight authority over the Council of Ministers and will be able to propose legislation and review budgets. The constitution also empowers the Advisory Council to issue motions of no-confidence against government ministers; no-confidence motions must be approved by two-thirds of the Advisory Council. Council members will serve four-year terms.

³ The Emir's official website is available at [http://www.diwan.gov.qa/english/main_page_english_NF.htm].

⁴ The constitution was approved in a nation-wide referendum in which 96.6% of participating voters (68,987) approved the constitution and only 3.3.% opposed it (2,145).

⁵ Jassem bin Hamad replaced his older brother Mishaal bin Hamad as heir apparent in October 1996. Shaikh Jassem reportedly was either dissatisfied with his lack of substantive responsibilities, or did not have an interest in continuing to serve as crown prince. According to some reports, the Emir's second oldest son, Fahd bin Hamad Al Thani, closely associated himself with Arab volunteers to the anti-Soviet conflict in Afghanistan during the 1980s and is believed to retain close ties to conservative Islamic figures. See Michael Knights and Anna Solomon-Schwartz, "The Broader Threat from Sunni Islamists in the Gulf," *PolicyWatch* #883, Washington Institute for Near East Policy, July 19, 2004.

⁶ Prior to the establishment of a partially elected national assembly, Qatar had a fully-appointed, 35-member advisory council that could only make recommendations to the Council of Ministers. Qatar's old Provisional Constitution provided for a modified electoral procedure in choosing members of the Council and a three-year term; nevertheless, the Council remained appointive in practice, and terms of the Council members were extended in three or four-year increments since 1975.

Political Reform and Elections. Shaikh Hamad and his advisers have embarked on a limited political reform program designed to gradually make Qatar's government more participatory and accountable. Although a series of national elections have been held (see below), the government continues to maintain strict limits on freedoms of assembly and association: a series of new laws allow for individuals to organize political demonstrations and public gatherings, but organizers must obtain a permit from the government, and Qatari authorities may impose restrictions on the topics of discussion. Political parties are not allowed in Qatar, and all private professional and cultural associations must register with the state and are monitored.

Qatari authorities have allowed a series of national elections as components of the country's gradual transition toward greater democratic participation. The elections also have provided a "trial and error" setting for the creation and improvement of Qatar's national electoral infrastructure. In April 1998, 3,700 business community leaders participated in an election for a national Chamber of Commerce, selecting 17 members from a slate of 41 candidates. In March 1999, a Central Municipal Council election occurred in which 248 candidates (including 6 women) competed for 29 seats, and all adult Qatari citizens, with the exception of members of the police and armed forces, were allowed to vote and run for office. The election marked the first time a Persian Gulf country had enfranchised all of its male and female citizens in a nation-wide election.⁷ In April 2003, national elections for the Municipal Council's new term resulted in the first electoral victory for a Qatari female candidate, Shaikha Yousef Al Jiffri, an appointed officer at the Education Ministry who ran unopposed.⁸ The latest round of elections was held in April 2007, and voter turnout was higher than in previous elections. Authorities announced that 51% of 28,000 eligible Qatari voters cast ballots — over 80% of the country's population of 907,000 are ineligible to vote because they are foreign nationals.⁹

Although the Municipal Council functions primarily in an advisory role to the Ministry of Municipal and Agricultural Affairs, some observers view it as a stepping-stone to the wider political liberalization implied by the creation of the Advisory Council by the new constitution. Similarly, the national elections for the Municipal Council are seen by Qatari officials as test cases for future Advisory Council elections. A special electoral law for the Advisory Council elections remains under consideration, and efforts to prepare candidates are underway. Controversy has developed in some Qatari circles over concern that the draft elections law discriminates against naturalized Qatari citizens by establishing certain criteria for their voting eligibility.

⁷ All six female candidates were defeated in the 1999 election.

⁸ "Qatar Elects First Woman to Council Doha," *Gulf News*, April 8, 2003.

⁹ Dow Jones, "Qatari Officials Pleased With Voter Turnout In Municipal Poll," April 2, 2007.

Human Rights and Social Issues

Human Rights. The U.S. Department of State Country Report on Human Rights for 2006 states that “while there were improvements in the overall human rights practices, some serious problems remained.”¹⁰ According to the report, the rights of non-citizens are at times abused, particularly among domestic servants from the Philippines and South East Asia. As in other Gulf countries, expatriate laborers are vulnerable to exploitation by employers who capitalize on their fear of deportation. Citizenship is withheld from foreign workers, who outnumber native Qataris in the labor force by an estimated ratio of more than 5 to 1.¹¹ In December 2004, Qatar announced that it was banning the use of children as camel jockeys, a practice long decried by the international community.

In May 2004, the Emir issued a new labor law, which gives Qatari nationals the right to form associations with legal status and allows workers to go on strike. The new legislation also bans employing youth under the age of 16, sets the working day at eight hours, and grants women equal rights with men, in addition to a paid 50-day maternity leave. Some observers have criticized the new legislation for not extending legal protections to Qatar’s large foreign workforce. Critics charge that the labor law places additional restrictions on guest workers by prohibiting non-citizens from forming labor unions and restricting their ability to bargain collectively and to strike. Law Number 7 of 2007 established a labor court to hear the grievances of foreign laborers.

Islam and Religious Freedom.¹² Islam is the official religion of the state of Qatar. Conditional freedom of worship is protected under the constitution, although proselytization by non-Muslims is illegal. Qatar, like Saudi Arabia, officially adheres to the Wahhabi version of Sunni Islam; however, in contrast with Saudi Arabia, Wahhabi tenets are not publicly enforced or strictly adhered to in most public settings.¹³ Qatar hosts a number of conservative Islamic clerics, including Dr. Yusuf Al Qaradawi, a controversial figure whose views on the conditional legitimacy of suicide bombing and whose outspoken critiques of Israel, the United States, and terrorism have made him a target of criticism from a wide range of observers. During the summer 2006 Israel-Hezbollah war, Qaradawi publicly argued that Muslims should support the activities of Hezbollah and Hamas as legitimate “resistance”

¹⁰ U.S. Department of State, 2006 Country Report on Human Rights Practices in Qatar, March 6, 2007. Available at [<http://www.state.gov/g/drl/rls/hrrpt/2006/78861.htm>].

¹¹ The new Qatari constitution does not address the rights of foreign guest workers.

¹² U.S. Department of State’s 2007 International Religious Freedom Report on Qatar available at [<http://www.state.gov/g/drl/rls/irf/2007/90219.htm>]. Released on September 14, 2007.

¹³ For more on Sunni Islam and Wahhabism, see CRS Report RS21745, *Islam: Sunnis and Shiites*; and CRS Report RS21695, *The Islamic Traditions of Wahhabism and Salafiyya*, both by Christopher M. Blanchard.

activities, based on Quranic injunctions to defend Muslim territory invaded by outsiders.¹⁴

In November 2005, the Emir donated a plot of land for the construction of a \$7 million Anglican church: construction began in April 2006.¹⁵ The church and three others are expected to be complete in 2008. Qatar established diplomatic ties with the Holy See in November 2002. Qatar does not ban alcohol, which is available in licensed premises such as the bars of major hotels and clubs.

Al Jazeera and the Qatari Media. Shaikh Hamad helped establish the Al Jazeera satellite television news network in 1996 with a \$140 million grant. Since then, the Qatari government has provided most of the channel's funding, as advertising revenue only meets 35%-40% of Al Jazeera's annual operating expenses. Qatari government officials and Al Jazeera executives argue that the station's inability to attract sufficient advertising revenue is a function of the channel's controversial status across the Middle East. These officials and executives allege that other Arab governments exert pressure on companies based in or operating in their countries to refrain from advertising on Al Jazeera, because the channel may provide coverage of internal political, social, and economic developments that are unflattering to ruling regimes or less biased or censored than traditional government-run media outlets.¹⁶ Al Jazeera devotes less of its air time to coverage of Qatari affairs than of the internal affairs of other Arab states.

In 2005, British media reports concerning alleged comments made by President George W. Bush referring to the possible bombing of Al Jazeera headquarters in Doha sparked widespread concern and debate in Qatar, leading some Qataris to question their country's support for U.S. policy initiatives.¹⁷ Al Jazeera launched an international English language satellite channel in 2006. In September 2007, Al

¹⁴ "Islamic Cleric Al-Qaradawi Supports Hizballah, HAMAS," *Al-Jazirah Television* (Doha), OSC Document GMP20060730638004, July 30, 2006. Qaradawi is regarded as conservative by many Muslims, although his declared views on the legitimacy of "struggle" and "martyrdom operations" against "occupation forces" have made him controversial to some in the Islamic world as well as many in the United States and Israel. He has been criticized by violent Islamic groups for his condemnations of terrorist attacks on civilians. Qaradawi hosts a popular weekly call-in television show on Al Jazeera and frequently delivers sermons in Qatari mosques. He also operates a charitable umbrella organization known as the Union of Good that coordinates the delivery of relief and assistance to Palestinians in the West Bank and Gaza Strip. Some of the Union's member organizations have been described by Israeli sources as fundraisers for Hamas and other Palestinian terrorist groups. For more on the Union of Good, see [<http://www.101days.org/>] and [http://www.intelligence.org.il/eng/sib/2_05/funds.htm].

¹⁵ The Church of the Epiphany will not feature a steeple or rooftop cross. Michael Theodoulou, "Muslim State to Build first Christian Church for 1,400 Years," *The Times* (London) November 2, 2005.

¹⁶ Author meeting at Al Jazeera headquarters, January 2005.

¹⁷ The White House refused to comment on the reported comments other than to characterize them as "outlandish and inconceivable." *The Peninsula* (Doha) "Doha Shocked, Sit-in Today," November 24, 2005.

Jazeera board chairman Sheik Hamad bin Thamer al Thani reportedly traveled to Saudi Arabia with Qatar's Emir to participate in meetings to further a broader Qatari-Saudi rapprochement (see below).¹⁸ Saudi officials had prohibited Al Jazeera from operating in the kingdom and had withdrawn their ambassador from Doha in response to Al Jazeera coverage. Al Jazeera was allowed to cover the annual haj pilgrimage in Mecca for the first time in December 2007. Some observers have argued that Al Jazeera's coverage of Saudi affairs has been more moderate in the months following the reported meeting.

Although the Qatari government lifted formal censorship of the Qatari media by decree in 1995, the U.S. Department of State reports that journalists tend to exercise a degree of self-censorship, particularly with regard to the Emir and his immediate family.¹⁹ Internet service in Qatar is monitored for pornography and other material considered insulting to Islam. In January 2008, Qatar signed an agreement with Reporters Without Borders to create the Doha Media Freedom Center, an organization intended to spread "the culture of freedom of the press and media and in defending the press and media people who are subjected to harassment, detention and ill-treatment because of their professional activity."²⁰

Education. Qatar has invested heavily in improving the educational opportunities available to its citizens in recent years. Prominent Qatari women also have taken a leading role in a number of education reform programs. On May 5, 2003, Shaikh Hamad appointed Shaikha Bint Ahmed Al Mahmoud, daughter of the Minister of State for Foreign Affairs, as Minister of Education. This appointment signified the first appointment ever of a female cabinet minister in any Persian Gulf state. In October 2003, Shaikha Mozah Bint Nasser Al Missned, one of Shaikh Hamad's wives, helped launch Qatar's new "Education City," a state-of-the-art campus complex in Doha that offers degrees from several U.S. universities including Weill Cornell Medical College, Georgetown University's Edmund A. Walsh School of Foreign Service, Texas A&M University, Virginia Commonwealth University, and Carnegie Mellon University. Shaikha Mozah serves as the Chairperson of the Qatar Foundation, which directs Education City's activities.²¹ The RAND Corporation has evaluated and recommended reform options for Qatar's primary, secondary, and post-secondary education systems and operates a public policy analysis center in cooperation with the Qatar Foundation on the Education City campus.

¹⁸ Robert F. Worth, "Al Jazeera no longer a hammer to Saudis," *International Herald Tribune*, January 4, 2008.

¹⁹ U.S. Department of State, Bureau of Democracy, Human Rights, and Labor, Country Reports on Human Rights Practices, Qatar - 2006, March 6, 2007.

²⁰ *Qatar News Agency*, "Deal on media freedom signed," January 4, 2008.

²¹ For more on Education City and the Qatar Foundation, which oversees its activities, see the Foundation's website, available at [<http://www.qf.edu.qa/output/Page1.asp>].

Economic Overview

Oil and natural gas production is the mainstay of Qatar's robust economy, which has experienced an average annual growth rate of 9.1% over the last five years. Income from oil and gas accounts for over 60% of the country's gross domestic product. Japan, South Korea, and Singapore are the leading importers of oil from Qatar. With regard to Qatar's economy, in a major departure from his more conservative-minded father, Shaikh Hamad has borrowed heavily from foreign banks since the late-1990s in order to modernize Qatar's energy infrastructure. The efforts have produced significant returns, with annual growth projections for 2008 and 2009 nearing 9% and 12% respectively. In February 2007, Qatari Prime Minister and Foreign Minister Hamad bin Jassem bin Jabor Al Thani reiterated that Qatar is pursuing parallel economic reform, education, and investment strategies in order to create economic growth opportunities not tied to the country's natural resources.²²

Oil and Natural Gas Production. Qatar Petroleum (QP), the state-owned oil company, has increased its output from 593,000 barrels per day (b/d) in 1999 to 822,000 b/d in 2006.²³ However, with oil reserves likely to be exhausted by 2026 at current production rates, Qatar is rapidly moving to exploit its vast natural gas reserves.²⁴ As part of a long-term development strategy, Qatar has tapped international financial markets and invited foreign investment in recent years in order to finance the expansion of its gas extraction and liquefied natural gas (LNG) production facilities.²⁵ The Export-Import Bank of the United States has provided over \$1 billion dollars in loan guarantees to support the development of Qatar's gas production facilities in cooperation with a range of U.S., European, and Asian companies, banks, and export credit agencies.²⁶

²² *The Peninsula* (Doha)/Reuters, "Qatari FM Hints at Changes in Sponsorship Rules, Diversification of Economy," February 27, 2007.

²³ Qatar is the smallest oil producing member of OPEC. Revenues from petroleum exports account for 60%-70% of GDP. Sources: Economist Intelligence Unit, January 2008, and CIA World Fact Book, November 2006.

²⁴ With proven oil reserves of 15.2 billion barrels, Qatar has far less oil than the major Persian Gulf producers, such as Kuwait (96.5 billion barrels), Iraq (112 billion barrels), and Saudi Arabia (252 billion barrels). However, Qatar has the third largest natural gas reserves in the world behind Russia and Iran. Qatar's supply of natural gas doubled in 2002, when surveyors discovered new gas deposits in Qatar's north field.

²⁵ Qatar's government has a 60%-70% stake in two joint partnerships with foreign firms, including ExxonMobil (USA), TotalFinaElf (France), KoGas (South Korea), and Matsui (Japan). In February 2005, Qatar Petroleum signed a \$7 billion agreement with Shell and a \$12 billion agreement with ExxonMobil to export natural gas to the United States and Europe.

²⁶ For example, since 1996, the Export Import Bank has provided loan guarantees to support the export of U.S. equipment and services for the construction of facilities at Ras Laffan, including most recently, the construction of natural gas liquefaction plants and facilities associated with the QatarGas II and III projects. See Export Import Bank of the United States, "Ex-Im Bank \$930 Million Guarantee Supports U.S. Exports to Build LNG Plant in Qatar," November 18, 2004; and Export Import Bank of the United States, "Ex-Im Bank (continued...)"

Qatar intends to expand its yearly LNG output, which is not subject to OPEC production quotas, from 4.5 million tons per annum in 2002 to 14 - 18 million tons per annum by 2010. Although Qatar's LNG industry has low capital costs due to government investment, it has high operational costs, which has required Qatar to develop economies of scale in order to be more competitive with established LNG exporters such as Indonesia and Nigeria.²⁷ The large natural gas production and shipping facilities at the coastal city of Ras Laffan in northern Qatar serve as the main site for the country's gas development projects, with several independent gas production and conversion "trains" linked to corresponding fields and contracted export markets. Qatar's Emir and Russian President Vladimir Putin reportedly discussed plans to create an organization of natural gas producing countries, sparking fears among some observers that an OPEC-style natural gas cartel could emerge.²⁸

Qatar has signed several agreements with U.S. energy companies (ConocoPhillips and ExxonMobil) and other international companies to develop facilities to export LNG to the United States, the UK, Spain, Italy, South Korea, Taiwan, and India. Under Project Dolphin, Qatar has begun exporting natural gas via an underwater pipeline to the United Arab Emirates, although objections from Saudi Arabia have limited progress in other areas (see "Qatari Foreign Policy," below). Qatari government officials estimate that natural gas revenues will outstrip oil income as natural gas production projects come online. Qatar also is in the midst of several gas to liquids (GTL) projects and aims to become the largest GTL producer in the world. In February 2007, Qatar Petroleum and ExxonMobil announced that a planned joint-GTL production facility project would be cancelled in the wake of rising cost projections. Other GTL plans are proceeding.

U.S.-Qatari Relations

A U.S. embassy was established in Doha in 1973, but U.S. relations with Qatar did not blossom until after the 1991 Persian Gulf war. In the late 1980s, the United States and Qatar engaged in a prolonged diplomatic dispute regarding Qatar's black market procurement of U.S.-made Stinger anti-aircraft missiles.²⁹ The dispute froze planned economic and military cooperation, and Congress approved a ban on arms sales to Qatar (Section 566(d), P.L.100-461) until the months leading up to the 1991 Gulf War, when Qatar allowed coalition forces to operate from Qatari territory and

²⁶ (...continued)

Finances QatarGas 3 Liquid Natural Gas Complex, December 15, 2005.

²⁷ Meeting with Qatar Petroleum, Qatar Gas, and Ras Gas executives, Ras Laffan, Qatar, January 2005.

²⁸ *Platts Commodity News*, "Russia, Qatar to discuss alliance of gas producer nations," February 13, 2007.

²⁹ Qatar defended its procurement of the missiles in protest of the sale of similar missiles by the United States to Bahrain, which Qatar had an unresolved border dispute with until 2001. Elaine Sciolino, "Qatar Rejects U.S. Demand For Return of Illicit Stingers," *New York Times*, June 28, 1988; Patrick E. Tyler, "U.S. Drawn Into Gulf Dispute - Stray Stingers Tied To Qatar-Bahrain Tiff," *Washington Post*, October 6, 1988.

agreed to destroy the missiles in question.³⁰ In January 1991, Qatari armored forces helped coalition troops repel an Iraqi attack on the Saudi Arabian town of Kafji, on the coastal road leading south from Kuwait into Saudi Arabia's oil rich Eastern Province.³¹ In June 1992, Qatar signed a defense cooperation agreement with the United States, opening a period of close coordination in military affairs that has continued to the present.

The United States promptly recognized the assumption of power by Shaikh Hamad in June 1995 and has welcomed Qatar's defense cooperation, as well as Qatari political, economic, and educational reform efforts since that time. Qatari-U.S. defense relations have expanded over the last 15 years to include cooperative defense exercises, equipment pre-positioning, and base access agreements, although Qatari officials have been, at times, critical of U.S. military operations in the Persian Gulf.³² U.S. concerns regarding alleged material support for terrorist groups by some Qataris, including members of the royal family, have been balanced over time by Qatar's counterterrorism efforts and its broader, long-term commitment to host and support U.S. military forces being used in ongoing operations in Iraq, Afghanistan, and the global war on terrorism. Today, Qatari-U.S. relations remain cordial and close. Since September 2005, Qatar has donated \$100 million to victims of Hurricane Katrina in the U.S. Gulf states.

The U.S. has provided limited counterterrorism aid to Qatar to support the development of its domestic security forces (see **Table 1** below), and the Export-Import Bank has provided over \$2 billion in loan guarantees to support various natural gas development projects in Qatar since 1996.

³⁰ The ban was formally repealed by the Foreign Operations, Export Financing, and Related Programs Appropriations Act of 1991 (Section 568(b), P.L.101-513). The conference report on H.R. 5114, Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991 (H.Rept. 101-968) inserted Senate language (Amendment No. 144) that repealed the ban based on information provided by the Secretary of Defense "that it is in the national interest to reestablish United States-Qatari security relations because of their support for United States troops in the Middle East."

³¹ Thomas Ferraro, "Allies Retake Saudi City," *United Press International*, January 31, 1991; and Joseph Albright, "Marines Take Credit for Khafji Victory," *Atlanta Journal and Constitution*, February 3, 1991.

³² Qatari officials at times took steps to distance themselves from Operation Southern Watch and associated U.S. and coalition air strikes in the southern no-fly zone of Iraq.

Table 1. U.S. Aid to Qatar FY2005-2007 and FY2008 Request
(\$ thousands)

Account	FY2005	FY2006	FY2007	FY2008 Request
IMET ^a	-	-	-	15
NADR-ATA ^b	1,379	788	1,120 ^c	270
NADR-CTF	-	118		-

Source: U.S. Department of State, FY2007 and FY2008 Congressional Budget Justifications for Foreign Operations.

- a. Qatar has not previously participated in the IMET program.
- b. Through the end of FY2006, over \$3.3 million in Nonproliferation, Anti-terrorism, De-mining and Related Programs - Anti-terrorism Assistance (NADR - ATA) has been provided to train over 500 Qatari security officers and officials since FY1987.
- c. FY2007 regular funding for Qatar is provided under the terms of a continuing appropriations resolution (H.R. 5631/P.L. 109-289 Division B, as amended by H.J.Res. 20, P.L. 110-5 on February 15, 2007), which sets funding levels for major aid accounts. Aid allocation amounts released by the State Department in mid-2007 do not distinguish between NADR sub-accounts.

Defense, Security, and Terrorism

U.S.-Qatar Defense Cooperation. With its small territory and narrow population base, Qatar relies to a large degree on external cooperation and support for its security. With a personnel strength of 11,800, Qatar's armed forces are the second smallest in the Middle East.³³ Qatar, like other Gulf states, contributes military units to a small Gulf Cooperation Council rapid deployment force of 5,000 - 10,000 known as Peninsula Shield. France has provided approximately 80% of Qatar's arms inventory. Since the 1991 Gulf war, Qatar has pursued a limited program of force modernization. To date, however, it has not purchased significant U.S. weapons systems. The Administration has requested \$15,000 in FY2008 IMET funds for Qatar.

The Al Udeid airbase south of Doha, the Qatari capital, serves as a logistics, command, and basing hub for U.S. operations in Afghanistan and Iraqi. Nearby Camp As Sayliyah is the largest pre-positioning facility of U.S. military equipment in the world. Qatar invested over \$1 billion to construct the Al Udeid air base during the 1990s: it did not have an air force of its own at the time. Qatar's financing and construction of the state-of-the-art air force base at Al Udeid was widely interpreted to be a tacit invitation to deeper cooperation with U.S. military forces, and U.S. access to the base there was formalized in late 2000. In April 2003, the U.S. Combat Air Operations Center for the Middle East moved from Prince Sultan Airbase in Saudi Arabia to Qatar's Al Udeid. Qatar is contributing \$400 million to U.S. efforts to upgrade and construct facilities there, including a new air operations command center.³⁴ From FY2003 to FY2007, Congress appropriated and authorized \$126

³³ Bahrain, with an estimated 11,000-member force, has the smallest.

³⁴ Michael R. Gordan and Eric Schmitt, "U.S. Will Move Air Operations to Qatar Base," *New York Times*, April 28, 2003; and Eric Schmitt, "Pentagon Construction Boom Beefs Up (continued...)"

million for U.S. military construction activities in Qatar. The National Defense Authorization Act for Fiscal Year 2008 (H.R. 4986) authorizes \$81.7 million in FY2008 spending to build new Air Force and Special Operations facilities in Qatar.

Internal Security. Terrorist attacks in Saudi Arabia during 2003 and 2004 forced U.S. and Qatari officials to focus on Qatar's internal security, as analysts have expressed concern that Al Qaeda operatives displaced by an ongoing Saudi crackdown or other local terrorist cells could try to establish a presence and destabilize Qatar. In November 2004, the U.S. State Department issued a warning of a possible terrorist attack against a hotel or hotels used by Americans in Doha. The warning expired without incident. On March 19, 2005, an Egyptian national carried out a car bomb attack at a theater popular with Western expatriates on the outskirts of the capital city of Doha. The car bombing, the first terrorist incident of its kind in Qatar, killed one British citizen and wounded twelve others. The suicide bomber was an engineer employed at Qatar Petroleum, and authorities have been unable to definitively link him to Al Qaeda or other terrorist groups. The attack came on the second anniversary of the beginning of Operation Iraqi Freedom and a week after an Al Qaeda leader in Saudi Arabia called for a new wave of attacks against Western interests in the Persian Gulf. The Qatari Ministry of the Interior is responsible for internal security and is legally empowered to detain suspects without trial for up to two years.

Terrorism Concerns. According to the 9/11 Commission Report and former U.S. government officials, royal family member and current Qatari Interior Minister, Shaikh Abdullah bin Khalid Al Thani, provided safe harbor and assistance to Al Qaeda leaders during the 1990s, including the suspected mastermind of the September 11 hijacking plot, Khalid Shaikh Mohammed.³⁵ Former U.S. officials and leaked U.S. government reports state that Osama Bin Laden also visited Doha twice during the mid-1990s as a guest of Shaikh Abdullah bin Khalid, who then served as Qatar's Minister for Religious Endowments & Islamic Affairs, and, later, as Minister of State for Internal Affairs. During a January 1996 visit to Doha, Bin Laden reportedly "discussed the successful movement of explosives into Saudi Arabia, and operations targeted against U.S. and U.K. interests in Dammam, Dharan, and Khobar,

³⁴ (...continued)

Mideast Air Bases," *New York Times*, September 18, 2005.

³⁵ According to the 9/11 Commission Report, Khalid Shaikh Mohammed provided financial support to a co-conspirator in the 1993 World Trade Center bombing while living in Qatar and later moved his family to Qatar at Shaikh Abdallah bin Khalid Al Thani's suggestion. The Report also states that Mohammed "claims that Sheikh Abdallah was not a member, financier, or supporter of al Qaeda," and that Mohammed admitted "that Abdallah underwrote a 1995 trip [Mohammed] took to join the Bosnia jihad." Final Report of the National Commission on Terrorist Attacks Upon the United States (The 9/11 Commission Report), pp. 73, 147-8, 488-9. The Emir named Shaikh Abdullah bin Khalid Al Thani to the post of Minister of Interior in January 2001, a post he continues to hold. His deputy, Minister of State for Interior Affairs Abdallah bin Nasir bin Khalifa Al Thani, currently serves as the official ministry liaison to foreign governments, including the United States. James Risen and David Johnston, "Qaeda Aide Slipped Away Long Before September 11 Attack," *New York Times*, March 8, 2003; Josh Meyer and John Goetz, "Qatar's Security Chief Suspected of Having Ties to Al Qaeda," *Los Angeles Times*, March 28, 2003.

using clandestine Al Qaeda cells in Saudi Arabia.”³⁶ According to other accounts, Shaikh Abdullah bin Khalid welcomed dozens of so-called “Afghan Arab” veterans of the anti-Soviet conflict in Afghanistan to Qatar in the early 1990s and operated a farm where some of those individuals lived and worked over a period of several years.³⁷

In January 1996, FBI officials narrowly missed an opportunity to capture Khalid Shaikh Mohammed in Qatar, where he held a government job at Qatar’s Ministry of Electricity and Water and had been targeted for arrest in connection with an investigation of his nephew — 1993 World Trade Center bombing mastermind Ramzi Yousef.³⁸ The FBI dispatched a team to arrest Mohammed, but he fled Qatar before he could be detained. Some former U.S. officials have since stated their belief that a high ranking member of the Qatari government alerted Mohammed to the impending raid, allowing him to flee the country.³⁹

More recent concerns regarding potential support for terrorism by prominent Qataris have centered around claims that the late Abu Musab Al Zargawi may have transited Qatar after September 11, 2001 and benefitted from a safehouse and financial support provided by a member of the ruling Al Thani family.⁴⁰ Any discussions by Clinton Administration or Bush Administration officials with the government of Qatar regarding these allegations have not been made public. Current U.S. security officials working to ensure the safety and security of U.S. facilities,

³⁶ Memorandum from the Department of Defense to the Senate Select Committee on Intelligence partially reprinted in Steven F. Hayes, “Case Closed,” *Weekly Standard*, November 24, 2003. Pentagon spokesmen responded to the publication of the excerpts from the memorandum in the Hayes article by indicating that the memorandum was a collection of intelligence data from various sources which did not constitute a finished intelligence product. It is unclear if Bin Laden’s reported visit was related to preparations for the June 1996 attack on the Khobar Towers military barracks in Saudi Arabia that killed 19 U.S. servicemen. Press reporting from the late 1990s cites a former U.S. intelligence official as indicating that the “Qatari individual” who hosted Bin Laden was Abdullah Bin Khalid Al Thani. See James Risen and Benjamin Weiser, “U.S. Officials Say Aid for Terrorists Came Through Two Persian Gulf Nations,” *New York Times*, July 8, 1999.

³⁷ James Risen and Benjamin Weiser, “U.S. Officials Say Aid for Terrorists Came Through Two Persian Gulf Nations,” *New York Times*, July 8, 1999. James Risen and David Johnston, “Qaeda Aide Slipped Away Long Before Sept. 11 Attack,” *New York Times*, March 8, 2003; Josh Meyer and John Goetz, “Qatar’s Security Chief Suspected of Having Ties to Al Qaeda,” *Los Angeles Times*, March 28, 2003.

³⁸ According to the 9/11 Commission Report (p. 147), Khalid Shaikh Mohammed “engaged in extensive international travel during his tenure [at the Ministry of Electricity and Water]... much of it in furtherance of terrorist activity.”

³⁹ “The U.S. Attorney obtained an indictment against KSM in January 1996, but an official in the government of Qatar probably warned him about it... In January 1996, well aware that U.S. authorities were chasing him, he left Qatar for good and fled to Afghanistan.” 9/11 Commission Report, p. 73. The Report provides the following citation: “Intelligence report, interrogation of KSM, July 23, 2003.”

⁴⁰ Patrick E. Tyler “Intelligence Break Let Powell Link Iraq and Qaeda,” *New York Times*, February 3, 2003.

citizens, and assets in Qatar report that their relationships with Ministry of Interior officials, including serving Minister of State for Interior Affairs Shaykh Abdullah bin Nasir bin Khalifah Al Thani, are positive and cooperative. The Emir reappointed Shaikh Abdullah bin Khalid as Minister of Interior in April 2007.

Counterterrorism Support. The U.S. Department of State has characterized Qatar's counterterrorism support since September 11, 2001 as "significant."⁴¹ Qatar's Combating Terrorism Law, passed in March 2004, established definitions of terrorism and terrorist financing and broadened the government's power to detect and prevent terrorist threats and to investigate and prosecute terrorists and their supporters. Qatar also established the Qatar Authority for Charitable Activities (QACA) in March 2004 to monitor the activities of all Qatari domestic and international charitable organizations, including prominent organizations such as the Qatar Charitable Society and the Shaikh Eid bin Mohammed Al Thani Charitable Association. All international financial charity transfers and project verification fall within the jurisdiction of the new QACA.⁴² However, Article 24 of the law establishing the Authority allows the Emir to grant an exemption from QACA oversight to any organization at any time. Qatar's central bank operates a financial intelligence unit (FIU) which monitors activity in Qatar's banking system and serves as a liaison office to similar units in the United States and around the world.⁴³

Assassination of Chechen Terrorist Financier in Doha. On February 13, 2004, a Chechen national named Zelimkhan Yandarbiyev was assassinated in a car bombing outside a mosque in Doha.⁴⁴ In the past, the Russian government had accused Yandarbiyev of funding Chechen terrorist activity. Soon after the bombing, Qatari authorities arrested two Russians and filed criminal charges against them.⁴⁵ The United States sent a team of explosive experts to Doha in response to a Qatari request but denied aiding the investigation or arrest of the Russian suspects.⁴⁶ In July 2004, a Qatari court sentenced the two Russians to life in prison and subsequently agreed to transfer them to Russian custody and detention.⁴⁷ Russian officials have denied that the individuals have been released, although a state television news

⁴¹ Country Reports on Terrorism, Released by the U.S. Department of State - Office of the Coordinator for Counterterrorism, April 27, 2005.

⁴² Author interview with QACA Chairman Abdul Aziz bin Abdul Rahman bin Hasan Al Thani, Doha, Qatar, April 2005.

⁴³ Meeting with QCB Governor Abdallah bin Khalid Al Attiyah, Doha, Qatar, April 2005.

⁴⁴ David Ignatius, "In Qatar, Standing Up to Putin," *Washington Post*, March 16, 2004; and Andrew McGregor, "The Assassination of Zelimkhan Yandarbiyev: Implications for the War on Terrorism," *Terrorism Monitor*, volume 2, Issue 14, July 15, 2004.

⁴⁵ The individuals named are Anatoly Belashkov and Vasiliy Bogachyov. They are described in Russian press sources as "intelligence officers" and "special services agents." A third suspect was not arrested on the basis of diplomatic immunity.

⁴⁶ *Interfax News Service*, "U.S. Denies Involvement in Qatar's Arrest of Russians," March 22, 2004.

⁴⁷ *Interfax News Service*, "Russians Convicted in Qatar Serving Prison Sentences in Russia," December 14, 2005.

broadcast in July 2006 characterized the Doha explosion as successful operation by the Russian security services, which has been interpreted by some observers as an indirect admission of responsibility by Russian authorities.⁴⁸

Trade and Economic Relations

Trade between the United States and Qatar has increased since the 1990-1991 Gulf war. U.S. exports to Qatar amounted to \$1.45 billion from January through September 2007, consisting mainly of machinery and transport equipment. U.S. imports from Qatar, mainly fuel and fertilizers, totaled \$338.7 million during the same period.⁴⁹ Although the bulk of Qatar's trade continues to be with a few European countries and Japan, several U.S. firms, including ExxonMobil, Occidental Petroleum, and Pennzoil are active in the development of Qatar's oil and gas resources. ExxonMobil and an affiliate of Qatar Petroleum are cooperating in the construction of a large LNG terminal (known as Golden Pass) on the Texas coast that is expected to begin receiving Qatari natural gas some time in 2009.⁵⁰

Qatari Foreign Policy

A combination of factors — strains with Saudi Arabia and Bahrain and aspiration to a more influential role in regional affairs — has contributed to Qatar's independent foreign policy approach since 1992. Although it was an active member of the allied coalition formed during the 1990-1991 Gulf crisis and participated in post-war security arrangements, Qatar adopted a conciliatory stance toward both Iraq and Iran before the other members of the GCC did. Qatar restored diplomatic ties with Saddam Hussein's regime shortly after the 1991 Gulf war, hosted visits by the Iraqi Foreign Minister, and called for relaxing economic sanctions against Iraq.

Nevertheless, Qatar played an important logistics role in Operation Iraqi Freedom, providing headquarters for the U.S. Central Command and pre-positioning facilities for U.S. tanks and armored personnel carriers. At the same time, the Al Jazeera news network has been criticized by some U.S. officials for being sensationalist in its coverage of U.S. military operations, for inciting violence, and for airing terrorist and insurgent propaganda. On May 8, 2003, President Bush hosted the Emir of Qatar at the White House, thanking him for his steadfast support during Operation Iraqi Freedom and highlighting his role as a reformer. Qatar continues to serve as an important base of operations for U.S. forces in Iraq and Afghanistan. Qatar is a member of the United Nations, the Arab League, the Organization of

⁴⁸ WPS: *Defense & Security*, "The Destiny of Yandarbiyev's Killers is Unknown," December 19, 2005; BBC Monitoring Former Soviet Union, "Russian TV Reflects on Killing of "Terrorist Number One" Basayev," July 12, 2006.

⁴⁹ United States International Trade Administration, U.S. Department of Commerce, TradeStats Express - National Trade Data, accessed January 24, 2008.

⁵⁰ *Natural Gas Intelligence*, "Shakeout of Gulf LNG Projects Begins as ExxonMobil, BP Shelf Plans," August 28, 2006.

Islamic Conference, and the Gulf Cooperation Council (GCC).⁵¹ Qatar is also a member of the Organization of Petroleum Exporting Countries (OPEC). Qatar was a non-permanent member of the United Nations Security Council from 2005 to 2007 and used this position to support its assertive and independent policies.⁵² Current Qatari concerns focus on positioning the country with regard to the ongoing confrontation between Iran and the international community, led by the United States, over nuclear technology.

Persian Gulf States

Bahrain. Territorial disputes marred Qatar's relations with Bahrain from the early 19th century until recently. Emigrant members of the Kuwait-based Utub tribe settled in Bahrain and northern Qatar during the late 18th century. Subsequent political divergences led the leading families of Qatar and Bahrain to jointly claim sovereignty over the Hawar island chain in the waters separating the two states, along with the now-abandoned town of Zubarah on Qatar's northwestern coast. The two states engaged in a number of minor military skirmishes related to the claims over the years. On March 16, 2001, after seven years of deliberations, the International Court of Justice (ICJ) found that Qatar has sovereignty over Zubarah and that Bahrain has sovereignty over the Hawar islands.⁵³ In June 2006, Qatar and Bahrain signed an agreement to construct a 28-mile causeway, aptly named the "Friendship Bridge," which will connect the two kingdoms.⁵⁴ The project is expected to take five years to complete.

Saudi Arabia. Historically, Qatar has been deeply affected by political and economic conditions in neighboring Saudi Arabia, particularly by changes in the Al Saud family's control over the eastern province of Al Hasa and the movements of bedouin tribes loyal to the Al Saud into and out of Qatar. During Qatar's pre-independence period, the Al Saud family long regarded Qatar as either tacitly or explicitly under its jurisdiction, and various Qatari leaders maintained a degree of autonomy by balancing relationships with the Al Saud and outside powers, such as the Ottoman and British empires. Similarly, the Al Saud sought to preserve their influence on the Qatari peninsula via relationships with bedouin tribes and prominent Qataris, including leading businessmen and rival members of the ruling Al Thani family. Oil concession negotiations provided the impetus to firmly define the international boundary between Saudi Arabia and Qatar during the mid-20th century, and an agreement was reached in 1965. An armed clash along the Saudi-Qatari

⁵¹ The GCC is a sub-regional organization consisting of six states (Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates, and Oman) bordering the Persian Gulf and the Gulf of Oman.

⁵² Qatari diplomats attribute Qatar's varied positions on Security Council issues to Qatar's perceived need to represent the positions of other Arab and Muslim states on specific issues as well as to pursue independent political initiatives. Author interview with Qatari officials, Washington, DC, September 2006.

⁵³ "The Islands Dispute - Resolved," *Middle East Economic Digest*, September 28, 2001.

⁵⁴ Reem Khalifa, "Persian Gulf States Bahrain and Qatar to be Linked Via Causeway," *Associated Press*, June 11, 2006.

border in 1992 led to the temporary suspension of the 1965 border agreement between the two countries. The border was demarcated in 1999 following lengthy consultations via a joint technical committee.⁵⁵

In recent years, Saudi-Qatari relations have been cordial but marked by periodic indications of continuing tension. In 1970, Saudi Arabia supported the former Emir, Shaikh Khalifa, in his effort to depose his predecessor. Some Qatari officials accused Saudi Arabia of supporting the unsuccessful attempt in 1996 by dissident Al Thani family members to restore Shaikh Khalifa following the palace coup that brought his son Hamad, the current Emir, to power. From the mid-1990s until recently, differences between the two capitals frequently have been aired in state-affiliated media: Al Jazeera's treatment of Saudi Arabia in its programming proved to be the most significant point of public contention between the two regimes. Saudi Arabia withdrew its ambassador from Doha in September 2002 in protest of an Al Jazeera program that criticized the kingdom's founder, King Abdul Aziz Al Saud. Similarly, Saudi-owned media outlets in London have frequently criticized Qatar's foreign policy and questioned the Qatari government's positions on issues of pan-Arab importance. In October 2006, Qatar announced plans to launch a Doha-based Arabic newspaper that is expected to compete with the dominant Saudi-backed regional newspapers based in London.

Differences between the two governments at times have moved beyond rhetoric, such as in July 2006 when the Saudi Arabian embassy in the United Arab Emirates faxed a notice to financial backers of the \$3.5 billion Dolphin undersea natural gas pipeline project objecting to construction of the link between Qatar and the United Arab Emirates. The Saudi notice reportedly claimed that the pipeline would pass through Saudi territorial waters without Saudi approval. Qatari and Emirati officials downplayed the reports and stated their expectation that the project would not be delayed. Many observers interpreted the step as an indication that Saudi Arabia may have been trying to reassert its historically dominant role in relations among the smaller Gulf states and to underscore its boundary and territorial water claims, some of which have been questioned by sources in the UAE.⁵⁶ (The pipeline was inaugurated and has begun shipping gas.) Prior tension between Qatar and Saudi Arabia disrupted plans for a similar pipeline to link Qatar with Kuwait.

A September 2007 visit to Riyadh by the Qatari Emir has opened a process of apparent Saudi-Qatari rapprochement. In December 2007, King Abdullah bin Abdulaziz visited Doha for the GCC summit and Saudi Arabia announced plans to return its ambassador to Qatar.

Iraq. Relations between Qatar and the new Iraqi government have been limited but friendly. In August 2004, the Iraqi government closed Al Jazeera's bureau office

⁵⁵ *Agence France-Presse*, "Riyadh and Doha Settle Longstanding Border Dispute," June 7, 1999.

⁵⁶ *Platts Oilgram*, "Qatar, UAE Play Down Dolphin Gas Pipeline Fears," Volume 84, Number 175, September 13, 2006.

in Baghdad after accusing the station of airing material that incited violence.⁵⁷ Saddam Hussein's wife, Sajida Khayrallah Tilfa, and their daughter Hala currently live in Qatar, reportedly at the private invitation of former deputy prime minister Shaikh Mohammed bin Khalifa Al Thani.⁵⁸ In 2004, the U.S. Treasury Department designated Sajida and Hala under Executive Order 13315 and recommended that the U.N. Security Council 1518 Committee require that their assets be frozen and transferred to the Development Fund for Iraq.⁵⁹ In July 2006, Iraqi authorities listed Saddam's wife on its most wanted list for allegedly providing financial support to insurgents and demanded her extradition to Iraq.⁶⁰ Interpol has issued an international arrest warrant for Sajida Khayrallah Tilfa and another of Saddam's daughters, Raghda.

Iran. Iran and Qatar have maintained positive relations, in spite of periods when Iran's relationships with the Arab Gulf states otherwise foundered, such as during the Iran-Iraq war and tanker war of the 1980s. Iran and Qatar share the large North Field/South Pars natural gas deposit off the Qatari coast, and related cooperation and negotiations have built on historical commercial and family ties between Qatari and Iranian Arabs. Qatari officials have met frequently with members of Iran's government in Iran and in Qatar in recent years, and the Qatari government regularly advocates for increased dialogue between the GCC states and Iran. Qatar's policy of referring to the Persian Gulf as the Arabian Gulf has led to diplomatic tension with Iran at times. In July 2006, Qatar was the sole member of the United Nations Security Council to oppose Security Council resolution 1696, which called on Iran to "suspend all enrichment-related and reprocessing activities, including research and development, to be verified by the IAEA," and proposed potential sanctions should Iran refuse. Iranian President Mahmoud Ahmedinejad attended the December 2007 GCC summit in Doha at the invitation of the Qatari emir.

Arab-Israeli Issues and Lebanon

Although Qatar and Israel do not have formal diplomatic ties, Qatar has been in the forefront of Arab-Israeli talks on expanding economic ties during periods of progress in the peace process. Qatar's position regarding the Arab boycott of Israel is governed by the September 1994 decision by the GCC to terminate enforcement of the indirect boycotts, while maintaining, at least in theory, the primary boycott. Qatar has hosted meetings of multilateral Arab-Israeli working groups and then Israeli Prime Minister Shimon Peres visited in April 1996.

Qatar agreed to the establishment of an Israeli trade mission in Doha, Qatar's capital city, although relations cooled after the peace process slowed down in 1996. Following the outbreak of the second Palestinian uprising in 2000, Qatar claimed to

⁵⁷ Reuters, "Jazeera Says Iraq Closes its Baghdad Office," September 4, 2004.

⁵⁸ Ian Mather, "Money No Object for Dictator in the Mother of all Trials," *Scotland on Sunday*, December 12, 2004.

⁵⁹ U.S. Department of the Treasury, "JS-1242: Treasury Designates 16 Family Members of the Former Iraqi Regime, Submits 191 Iraqi Entities to United Nations," March 18, 2004.

⁶⁰ *Associated Press*, "Saddam's Relatives Sought," July 3, 2006.

have shut down the office; however, according to Qatari officials, it continued to operate at a very low level.⁶¹ Prior to the start of Operation Iraqi Freedom, the Israeli Foreign Ministry closed the trade mission in Doha and evacuated three Israeli envoys and their families. Israel promised to reopen the office after the war.⁶² Despite pressure from some other Arab states, Qatar hosted the fourth annual Middle East/North Africa Economic Conference (MENA) in November 1997, which brought together Arab and Israeli business and political leaders to discuss regional economic cooperation.

In May 2003, Qatari and Israeli Foreign Ministers met in Paris to discuss ways of reviving the Israeli-Palestinian peace process. The meeting took place only a week after the Emir's visit to Washington, prompting speculation that President Bush encouraged Qatari officials to take a more active role in the peace process. Shaikh Hamad has acknowledged that Qatar is keen to play a role in encouraging negotiations between Israelis and Palestinians, but that it is too early to open full diplomatic ties with Israel. Analysts regard Qatar's exchanges with Israel, though limited, as broadly in accord with U.S. efforts to foster an expanding dialogue between Israel and Arab states.

Qatar offered \$50 million in financial support to the then-Hamas-led Palestinian Authority government and has hosted Hamas officials for numerous talks and consultations since January 2006. In October, the Qatari government launched an ultimately unsuccessful round of shuttle diplomacy aimed at resolving differences between Palestinian factions and securing the release of kidnaped Israeli soldier Gilad Shalit by his Hamas captors.⁶³ Israeli Foreign Minister Tzipi Livni declined a Qatari invitation to participate in an October 2006 democracy conference in Doha because of the presence of Hamas representatives, but an Israeli delegation participated in the conference, led by lower-ranking Foreign Ministry officials.⁶⁴ Israeli Deputy Prime Minister Shimon Peres visited Qatar in February 2007 and declined the Emir's reported suggestion that Israel negotiate directly with Hamas.⁶⁵

Lebanon War and Aftermath. During the summer 2006 war between Israel and Hezbollah in Lebanon, Qatari leaders were outspoken in their criticism of Israel and other Arab states and used their non-permanent seat on the United Nations Security Council and their own diplomatic initiatives to advance alternative cease-fire, mediation, and peacekeeping proposals. In the aftermath of the war, the Emir

⁶¹ Meeting with the Qatari Minister of State, Ahmed Abdullah Al Mehmood, January 12, 2003.

⁶² "Israel Shuts Qatar Mission, To Reduce Staff in Egypt, Jordan, Mauritania," *Yedi'ot Aharanot*, March 3, 2003, translated by the Foreign Broadcasting Information Service (FBIS), Document ID: GMP20030311000208.

⁶³ *Daily Star* (Beirut), "Qatari Mediation Fails to Bridge Hamas-Fatah Gap," October 11, 2006.

⁶⁴ *Agence France Presse*, "Livni Shuns Qatar Conference, but Israel There," October 29, 2006.

⁶⁵ Danna Harman, "Tiny Qatar Vies for Big Regional Role," *Christian Science Monitor*, February 6, 2007.

praised Hezbollah's "victory"⁶⁶ and visited Lebanon, pledging to adopt southern Lebanese villages destroyed in the fighting. Qatar has sent over 200 troops to participate in the UNIFIL peacekeeping mission and remains active in supporting reconstruction and compensations programs inside Lebanon.

⁶⁶ At joint press conference with Lebanese President Emile Lahoud, Shaikh Hamad said: "The Lebanese people and their resistance have achieved the first Arab victory, something we had longed for...The Israelis used to be able to dominate Arabs with military might but this is no longer possible after what happened in southern Lebanon." Sheikh Hamad also said, "banning weapons from the Lebanese and allowing them for the Israelis is not acceptable. Anyone who believes this argument wants to put Lebanon in a cage to make it an easy prey for Israel." *Agence France Presse*, "Qatar Hails Lebanese for 'first Arab victory' over Israel," August 21, 2006.

Appendix A: Qatar in Brief

Area:	11,437 sq km (slightly smaller than Connecticut)
Population (July 2007):	907,229
Literacy:	89%
Religion:	77.5% Muslim, Christian 8.5%, other 14%
Ethnic Groups:	40% Arab, 18% Pakistani, 18% Indian, 10% Iranian, 14% other
GDP (2007):	\$75,900 per capita (based on \$68.87 billion GDP PPP)
Inflation (2007):	12%
Oil Reserves (2006):	15.21 billion barrels
Gas Reserves (2006):	24.73 trillion cubic meters
Armed Forces:	12,400 active personnel, 30 tanks, 18 fighter aircraft

Sources: The United States Central Intelligence Agency, *World Factbook*, January 2008; Armed forces data - International Institute for Strategic Studies, *Military Balance 2005-2006*, May 2006.

Appendix B. Chiefs of State and Cabinet Members of Qatar

Emir	Hamad bin Khalifa Al Thani
Heir Apparent	Tamim bin Hamad bin Khalifa Al Thani
Prime Minister	Hamad bin Jassem bin Jabr Al Thani
Deputy Prime Minister	Abdallah bin Hamad Al Attiyah
Foreign Minister	Hamad bin Jassem bin Jabr Al Thani
Energy Minister	Abdallah bin Hamad Al Attiyah
Interior Minister	Abdallah bin Khalid Al Thani ^a
Finance Minister	Youssef Hussein Al Kamal
Ambassador to the United States	Vacant

- a. Minister of State for Interior Affairs Abdallah bin Nasser bin Khalifa Al Thani conducts much of the official business of the Ministry of Interior, including serving as liaison to foreign governments and security services.

Figure 2. Map of Qatar



Source: Shaded Relief Country Map of Qatar, Central Intelligence Agency, 1995.