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Qatar - A Destination of Foreign Direct Investment in the GCC: Current Position, Structural Challenges, and Policy Measures for Enhanced Attractiveness

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Abstract: This paper examines Qatar's attractiveness as a destination for foreign direct investment (FDI) within the Gulf Cooperation Council (GCC). The main goals are to assess Qatar's current competitive position among GCC countries, understand the structural factors that facilitate or impede FDI inflows, and suggest policy steps to make Qatar a better investment destination. The study uses a comparative, multi-country design based on Dunning's eclectic OLI framework and location-specific determinant theory. It analyses secondary data for the period 2020 to 2024, taken from the World Investment Reports, the ICT Development Index, the Global Innovation Index, the World Digital Competitiveness Ranking, and other well-known international sources. The results show that, despite Qatar's large sovereign wealth, high-quality infrastructure, strong per capita income, and good technological capacity, the country had the lowest total FDI inflows among all GCC countries during the study period. This situation, in which strong structural conditions did not yield good FDI outcomes, is the main question this paper seeks to answer. The study links this outcome to several factors: a small domestic market, an economic slowdown following the FIFA 2022 World Cup, ongoing limitations on foreign ownership, weak economic diversification compared to planned levels, and a poorly developed investment promotion system. The conclusion is that Qatar has the financial strength and institutional base to become a much more attractive FDI destination, but achieving this would require a deliberate, lasting, and wide-ranging set of policy actions.

Keywords: Foreign Direct Investment, Qatar, GCC, FDI Attractiveness, National Vision 2030, Economic Diversification, Investment Climate

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