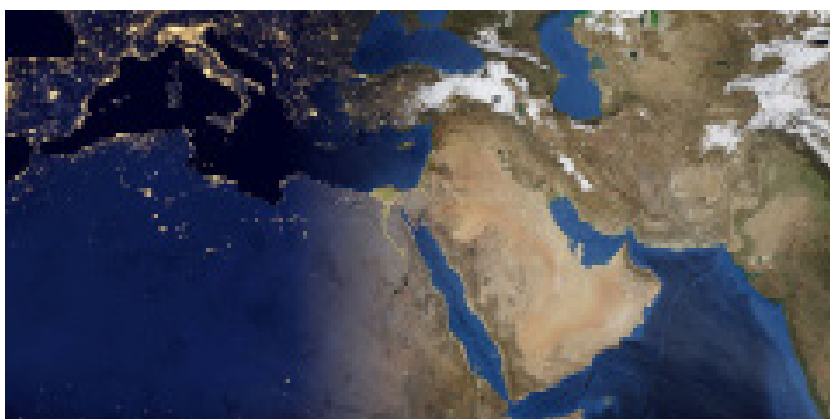


# Diplomatic Relations between Qatar and Sub-Saharan Africa

## An Evolving Affair



**Benjamin AUGÉ**

August 2016

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ISBN: 978-2-36567-636-6

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#### **How to quote this document:**

Benjamin Augé, “Diplomatic Relations between Qatar and Sub-Saharan Africa. An Evolving Affair”, *Notes de l’Ifri*, August 2016.

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# Introduction

In the space of 20 years, under the leadership of the former Emir, Hamad bin Khalifa Al Thani, in power between 1995 and 2013, Qatar became a country which matters due to its status, obtained in 2006, as the leading world producer of liquefied natural gas (LNG).<sup>1</sup> While its gas resources, the third largest in the world after Russia and Iran, have made this rapid economic take-off possible, the Emirate was not content with the status of a mere energy power. Qatar wanted to exist geopolitically, mainly but not solely, vis-à-vis the Saudi neighbour. This involves implementing a strategy to exert influence. The country has used its enormous financial resources to pursue an ambitious foreign policy. Qatar is achieving its objectives via its investment fund, Qatar Investment Authority, and its *Al Jazeera* news channel, but also through opening embassies on the five continents and developing Qatar Airways' routes. Furthermore, the country has been the site of the Gas Exporting Countries Forum's (GECF) headquarters since 2008, and has been a member of the Organisation of Petroleum Exporting Countries (OPEC) since 1961, or one year after this organisation's foundation. Additionally, Qatar has joined institutions *a priori* assumed to be fairly remote from its culture, like the International Organisation of La Francophonie. In Africa, though not exclusively<sup>2</sup>, Qatar has entered into diplomatic mediations, mainly in Sudan, specifically on the issue of conflict in Darfur, and between Eritrea and Djibouti, hence demonstrating that its ambition went far beyond simply investing petrodollars abroad.

Qatar's influence in Africa is more often imagined than real. Relations are fairly recent – apart from the Maghreb, Mauritania and Sudan – and are still largely in the making. Although the opening of African embassies in Qatar, as well as those of the Emirate in Africa has been increasing for several years, the reasons and tangible consequences for the growth in these exchanges remain very diverse. For their part, the African countries each have their own specific objectives and diplomacy. Therefore, in theory

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1. It should be noted here that Qatar's GNP increased from \$8 billion in 1995 to \$203.2 billion in 2013.

2. Qatar has mainly hosted and supervised mediations in Arab countries. This is the case between Yemen and the Houthi movement in 2007-2008, in Lebanon in 2008, or even attempts in Afghanistan when the Taliban had a mission in Qatar in 2013, which was quickly closed. See Sultan Barakat about the mediations, "Qatari Mediation: Between Ambition and Achievement", Analysis Paper, Brookings Doha Center Publications, November 2014.

there are 54 different policies on the continent, which it will of course be impossible to give an account of in their entire diversity here. This document rather aims to emphasise the different approaches by the African countries vis-à-vis Qatar. This study also tries to decipher the approach and complex, or sometimes simplistic conceptions, which the Emirate relies on to build its African policy. It will also describe what has already been built between Qatar and the continent, as well as explaining the type of co-operation that Qatar, like the African countries, is trying to implement to increase their relations and transactions, either at the political or economic level.

The writing of this paper was possible due to interviews conducted in Qatar, particularly with Qatari civil servants, state investors and African diplomats and ambassadors in situ. These discussions were supplemented by interviews in several African countries where relations with Qatar are already long-standing like Mauritania, or more recent like Nigeria, or in the making like Mozambique. We made the decision to never cite our interviewees, but to locate them geographically so that the paper makes sense and an understanding of the relationship between the actors is still possible.

# **Qatar and the African countries: two worlds unfamiliar with each other**

Despite the constant procession of African leaders (presidents as well as ministers) to Doha, relations between the African authorities and those in Qatar are still new and bound by popular misconceptions on both sides.

The decision to open a diplomatic mission in a new country is the result of a variety of factors and representations by actors present in the region. It can be a choice driven by geographical proximity, or a desire to establish relations with a growing power or an already established one, which has become increasingly important. The opening of an embassy may also be motivated by the economic factor. Developing relations between two countries necessarily involves better bilateral understanding, which is promoted by opening a direct and rapid diplomatic channel, in this case an embassy. Twenty-one African countries have an embassy in Doha, but the reasons for these diplomatic relations are very different. The Maghreb countries have been opening embassies since the 1970s or after Qatar's independence in 1971. This is the case for Morocco, Algeria, Tunisia, Libya, Egypt, Sudan and Mauritania. All these countries are monitored at the Ministry of Foreign Affairs (Mofa) by another department (Department of Arabic Affairs) than the one responsible for sub-Saharan Africa (Department of African Affairs). The reason for this separation is easily explained, the Maghreb and Qatar have ties and a deep mutual understanding, since they share Islam as the dominant religion and Arabic as a state language. These relations are also specific due to the type of work that citizens from these countries undertake in Qatar. Many Mauritians serve as judges in the Emirate<sup>3</sup> and many policemen are Sudanese or Moroccan. These Arab countries therefore have access to positions in the state sector in Qatar which is impossible for citizens from sub-Saharan African countries.

Interviews with ambassadors from the Maghreb countries make it possible to measure how the old relationships are maintained and how clear the understanding of the strengths and weaknesses of the partnership

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3. Interviews with diplomats.

with Qatar is. Their seniority, as well as the fact that they are part of a long line of ambassadors who have come and gone since the 1970s, enables them to have greater hindsight and relatively few surprises on taking up their post, because of the *briefings* which they have received in their capital before moving to Doha. These countries do not necessarily enjoy special advantages, but they have already received Qatari investment because of their long relationship.

The embassies of the sub-Saharan countries were mainly opened in Doha from the early 2000s with a very marked increase from 2010. Eritrea is an exception with a diplomatic mission in Qatar existing since the late 1990s. Additionally, its ambassador, Ali Ibrahim Ahmad, is the most senior member of the foreign diplomatic corps in Qatar and he has been in office since the opening of the chancery. Qatar's support for Eritrea in its mediation with Djibouti in 2008 was the result of special relationships with both countries. After Djibouti opened an embassy in Qatar, a Qatari chargé d'affaires opened the Qatari mission in Djibouti City in December 2005.<sup>4</sup> South Africa opened its embassy in Doha in October 2003, during a visit by its Minister of Foreign Affairs, Nkosazana Dlamini Zuma.<sup>5</sup> Diplomatic relations were established in 1994 or just after the end of the apartheid period. Gambia followed in 2004. Then an increase took place from 2010, when Senegal, Swaziland, Kenya, Liberia, Benin, Chad and Nigeria opened their respective embassies. Even more recently, in 2016 and 2015, Burkina Faso, Mali and Niger opened their embassies in Qatar.

Sometimes in turn, Qatar takes its time before establishing a diplomatic mission in the African countries which have chosen to open an embassy in Doha. Generally, Qatar hosts African embassies on its territory before setting up its own in Africa. This was the case with Somalia which has been present in Qatar for many years, but had to wait until August 2014, partly because of security issues, for a chargé d'affaires to open the Qatari mission in Mogadishu.<sup>6</sup> The reverse case is also possible. Qatar has had an embassy in Dar es Salaam in Tanzania since 2012, but the East African nation does not have one in Doha. Besides the importance for Qatar of having a mission in a country where Islam has a long history, particularly in Zanzibar, many Qatari and foreign tourists travel to Tanzania to visit Zanzibar or Kilimanjaro by direct flights with Qatar Airways from Doha. Tanzania is expected to open a mission in Qatar in the

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4. Indian Ocean Newsletter, n°1163, 7 January 2006.

5. Official website of the International Relations & Cooperation Department of the Republic of South Africa available at: [www.dfa.gov.za](http://www.dfa.gov.za).

6. "Somali President Meets Charge d'Affaires of Qatar's Embassy" [sic: Embassy], official website of Qatar's Ministry of Foreign Affairs, 23 August 2014, available at: [www.mofa.gov.qa](http://www.mofa.gov.qa).



coming years, but civil servants from the Tanzanian Ministry of Foreign Affairs justify this lack of reciprocity due to an issue with funding.<sup>7</sup>

Although the African ambassadors remain in Doha for almost all of the time of their assignment, apart from one or two short stays in their country, it is not the same for all the Qatari ambassadors posted to Africa. Some of them are in Qatar more often than in their country of posting. Although this is not necessarily the case for all Qatari diplomats in Africa, it seems that it is also not isolated cases.<sup>8</sup> This poses problems for some African countries which may wish to pursue some investment projects in conjunction with Qatar.

Relations are no longer straightforward between ambassadors from the African continent and the Qatari Ministry of Foreign Affairs. Several African diplomats told us that it was sometimes extremely difficult to meet key people in institutions or Qatari ministries in Doha, outside of visits by their presidents or ministers. A few civil servants, about a dozen at the most, are dedicated solely to the continent's issues, and they also have the characteristic, as in many Qatari public institutions, of changing position regularly. The case of Ambassador Yousef Bin Khalifa Abdullah Al-Sada is fairly indicative<sup>9</sup> for this purpose. After a very long diplomatic career, including as ambassador to Senegal and then Thailand, he had five different postings in five years at the Ministry of Foreign Affairs, ranging from Advisor to the Minister to Director of the "International Organisation and Conferences Department" and then finally chargé d'Affaires for Asia. All in all, he may only have spent three months on African issues. His successor since 2014, Riyadh bin Ali Ahmed Al-Ansari, the former ambassador to Japan, has been replaced in 2016 by Abdulrahman bin Mohammed bin Hamdan AlDosari. Although it is easy to find North American or European specialists at the Ministry, African specialists are still very much lacking, and they appear as the poor relation of Qatari diplomacy, which admittedly, still has not really specified the goals to be achieved on the African continent.

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7. Several small African countries agree to Qatar paying for everything (embassy, car, miscellaneous costs), but Tanzania, like some others, has refused this kind of process in the past as this compromises the relationship which is no longer very balanced.

8. Appointments to the status of ambassador are prized by Qatari civil servants, however it is very difficult for the Ministry of Foreign Affairs – like for all Ministries and state-owned companies – to force a permanent presence on its national employees. They often have private business or social commitments in Qatar which keep them away from their posts, especially when the destination is not very "prestigious". Another factor is the fact that Qatar has a small national work force, resulting in the most valued Qataris combining jobs, whether governmental or private.

9. Ambassador Yousef Bin Khalifa Abdullah Al-Sada's record, official website of the Qatari Ministry of Foreign Affairs, available at: [www.mofa.gov.qa](http://www.mofa.gov.qa).

# Why come to Qatar?

## Different reasons and strategies

Not all the African countries come to Qatar with the same objectives. The opening of a diplomatic mission is often driven by the desire for increased political and economic relations, but the priorities and strategies differ. Our interviews with diplomats clearly demonstrate that the recent opening of embassies by African states with relatively low levels of population and a fairly sluggish economy like Liberia, Swaziland, Benin or even the Central African Republic, is related to the need to attract capital to their countries as soon as possible. Attracting Qatari investment is now part of the globalisation of trade.

At the time of independence of these African countries, the former colonial powers (France and Great Britain) remained very active economically in their historic areas of influence, quickly joined by the United States. From the 1990s, countries like China<sup>10</sup>, India, South Korea, or even Brazil and Russia<sup>11</sup> have conducted a sustained investment policy in Africa. Qatar, with its so high gas revenues, became the richest country in the world per capita and inspires African countries in search of growth and job creation. One of the ambassadors that we met, also points out that in his parent ministry, Qatar is considered as a “*promised land*”. So, there is the idea in some countries, which have recently opened their embassy in Doha, that Qatar’s wonderful gas revenues can be “won” to a certain extent by investing in them. Up until now, this has not really been the case, as we will discuss in more detail, and because Qatar particularly imposes the negotiation of double taxation avoidance agreements and investment guarantees. The signing of these documents takes time, all the more so as the number of Qatari civil servants able to follow up this process is limited. As a gas giant, Qatar is also courted by countries such as Senegal and Kenya to obtain energy supplies, with the idea being this time that the purchase price could be lower than the market price paid by developed

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10. Has become the main partner in Africa since 2009. On this subject, see “In Africa, U.S. Watches China’s Rise”, *The Wall Street Journal*, November 2011.

11. Russia has a special status due to its involvement in a number of countries of Marxist orientation like Angola or Mozambique since independence.

countries like South Korea or Japan, which are the main customers for Qatari LNG. Yet, this strategic approach adopted by some African countries does not work with Qatar, since no “political”<sup>12</sup> price that could help poor countries is offered. Qatar sells to the highest bidder and only works as part of *joint ventures* with *majors* like Exxon and Shell and does not apply special pricing policies. The fact that some African countries are describing themselves as poor countries to obtain favours more easily has no bearing on Qatar. This wastes time for these African countries, because their Qatari counterparts do not oppose their request with a direct no, they tend to answer that they “will think about it”, but ultimately nothing is decided as there is not a “friends” price.

During our interviews with African diplomats, the economic rationale for establishing an embassy was routinely put forward. However, apart from the problem of a small number of staff dedicated to Africa at the Qatari Ministry of Foreign Affairs<sup>13</sup>, the African embassies are not sufficiently staffed to structure their offer of economic partnership with the Emirate. Most of the time, the ambassador is only helped by one or two staff members apart from secretaries and staff assigned to administrative duties. In addition, few chanceries have focused on a strong economic centre. Apart from Senegal, which has a genuine economic mission with an experienced director appointed at its head and who previously served in New Delhi (he has been reassigned in another embassy in 2016), most of the embassies are not equipped to monitor the investment proposals which would have been drawn up during a minister or president’s visit to Doha. The lack of follow-up on both sides due to the shortage of competent staff, as well as the lack of prioritisation of priority issues by Qatar, largely explains how, beyond the media hype, this relationship is slow to materialise into specific actions.

Although there are many stereotypes on the part of some African countries, under the assumption that it will be easy to attract Qatari investments because of the enormous gas revenue, Qatari conceptions of Africa are also problematic and are harming the partnership. Africa is still

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12. One exception exists to this statement. During the period of Mohamed Morsi’s government between 2012 and 2013 in Egypt, cargoes of Qatari gas were shipped at very low prices. In this specific case, the Qatari government paid the shortfall to private investors.

13. This relative lack of skills at the ministry and of the use of languages apart from Arabic and English encourages the frequent use of former major African political figures by the Emir to prepare for visits to the continent or to work on a specific issue. During Emir Hamad Khalifa Al-Thani’s time, Dah Ould Abdi, Mauritanian President Maaouya Ould Sid Hamed Taya’s former Minister of Foreign Affairs, for example played an active role in advising the Emir on the French-speaking African countries. These trusted individuals are chosen more because of personal relationships formed during the Emir’s trips than for being close to Qatar. Dah Ould Abdi has never been an ambassador to Qatar.

*terra incognita* for a number of civil servants and there is still deep concern when African embassies try to attract capital to the continent: worry about physical safety, worry about the safety of investments, and a view of poverty and widespread corruption. Africa is still a relatively homogeneous continent for some Qatari civil servants, where the differences between countries are not yet fully reflected. So, Africa still too often bears the brunt of a slightly nuanced Afro-pessimism. When comparing the higher volume of Qatari investments in Europe (an estimated \$65 billion up to 2013<sup>14</sup>) and in North America<sup>15</sup>, with the very limited ones in Africa (probably less than a billion dollars), it can be said that education and mutual understanding are still to be achieved. Ambassador postings in Africa are not the most sought after by Qatari diplomats, which also explains the long and frequent “breaks” in Qatar by the latter.

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14. “Qatar Investments in Europe reach 65 billion USD”, *Middle East Monitor*, 30 January 2014, available at: [www.middleeastmonitor.com](http://www.middleeastmonitor.com).

15. Qatar wishes to invest \$35 billion in the United States between 2015 and 2020. While this figure, which was announced in February 2015, will be revised downwards due to the fall in crude oil prices, it shows the Emirate’s willingness to play a part in the American economy, available at: [www.gulf-times.com](http://www.gulf-times.com).

# The specific cases of Nigeria, South Africa and Ethiopia

If the Maghreb and the two Arab countries which are associated with it (Sudan and Mauritania), two countries which have a special status for Qatar in Africa, are set aside again, the continent's two largest economies, Nigeria and South Africa, are treated slightly differently. The South African embassy in Doha was opened in 2003, but relations quickly increased after the visit by the Qatari Minister of Energy and Industry, Abdullah Al-Attiyah<sup>16</sup>, in 2004. During this visit, an agreement in principle was entered into with the South African major Sasol, which has worked with Qatar Petroleum since 2007 to construct a GTL (*gas to liquid*) plant for converting Qatari gas into liquid petroleum products at Ras Laffan, Qatar's large gas area.<sup>17</sup>

This Qatari interest in South African technology has increased bilateral relations considerably and has helped to dispel the usual stereotypes about a poor and dangerous Africa, at least with regard to South Africa. In addition, South Africa was the first African country to negotiate with Qatar to import liquefied gas. A negotiation led by the former ambassador which will ultimately be without follow-through.<sup>18</sup> The South Africans regularly offer their services to help Qatar understand the political dynamics in Africa better, and including in Sudan, where mediation by the African Union on Darfur was led by the former South African President, Thabo Mbeki. This special relationship between South Africa and Qatar was initiated on both sides by ambassadors with unusual profiles. The first Qatari ambassador to South Africa between 2003 and 2007, Zayed Bin Rashid Al-Nuaimi, is an experienced diplomat with previous postings in Nouakchott, Vienna, Muscat, and Washington. He was replaced by another career diplomat, Basheer Issa Al-Sherawi. The Qatari ambassador in Pretoria<sup>19</sup> since 2012, Salim Abdullah Sultan Al-Jaber is

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16. Official website of the International Relations & Cooperation Department of the Republic of South Africa available at: [www.dfa.gov.za](http://www.dfa.gov.za).

17. Presentation to the ORYX GTL shareholders, official website, available at: [www.oryxgtl.com.qa](http://www.oryxgtl.com.qa).

18. "Mozambique : Sasol renforce sa présence", Africa Energy Intelligence, n°636, 28 September 2010.

19. He is also responsible for Zimbabwe, Mozambique, and Angola.

also not in his first posting, as he was previously ambassador to Serbia. He is supported by two advisors. As for the South African ambassador to Doha, Saad Cachalia, he is a long supporting member of the African National Congress (ANC) and has had a long career in public administration, including as a *Member of the Executive Council* (equivalent to a minister) responsible for the finances of the Limpopo province, before taking up his post of ambassador to Qatar in April 2012. He is supported in Doha by four special advisors. His predecessor from 2008 to 2011, Vincent Zulu, was a traditional Zulu leader, a former *Member of the Executive Council* for the Kwazulu-Natal province responsible for education, before being appointed as ambassador to Jordan, and then to Fiji, responsible for Papua New Guinea and the Solomon Islands.

In the case of Nigeria, relations with Qatar are, to a certain extent, of much longer standing, since both countries are members of OPEC (since 1961 for Qatar and 1971 for Nigeria). However, it was not until 2013 that Nigeria opened its diplomatic mission in Qatar with the arrival of Ambassador Shuaibu Ahmed. He was supported up to his departure in August 2015 by two experienced advisors, including Enoch Pear Duchi, a career diplomat who has mainly been posted to Romania, Chad, Senegal, and Cuba.

The Nigerians call this type of chancery a “*smart mission*”, that is to say with a limited, but experienced staff (the ambassador + two advisors). While the economic reasons for this presence in Qatar are important, Nigeria is not seeking to buy gas and did not have, at the time of opening its embassy, liquidity problems due to a very high oil price. Besides the fact that there was a need to open a consular office – more than 7,000 Nigerians work in various industries in Qatar and previously had to deal with their consular issues from Abu Dhabi – there is also a political dimension which is hardly ever mentioned when diplomats from other African embassies in Qatar are interviewed. Interventionism, particularly in conflict resolution in Africa (Eritrea/Djibouti and Darfur in Sudan) by Qatar, is forcing Nigeria, which sees itself as the great continental power, to move closer to the Emirate. Nigeria is probably one of the few, or even the only country in Africa present in Doha, to emphasise this political aspect before mentioning the economic aspect.

In the latter area, Qatar has only made a single investment in Nigeria by purchasing, *via* the Qatar National Bank, 23.5% of Ecobank for more than \$603 million in 2014, unlike in South Africa, with which economic

relations are important, mainly due to Sasol or some restaurant chains like Nando's.<sup>20</sup>

With regard to Qatar's diplomatic presence in Nigeria, it was not until July 2014 that Doha's appointed ambassador's credentials were presented to the Nigerian President Goodluck Jonathan. The importance given to the partnership with Nigeria by Qatar is highlighted by the designee Abdulaziz bin Mubarak Al-Muhannadi's experience. A former ambassador to Syria, and then Djibouti, he was Director of African and Asian Affairs before being posted to Abuja.<sup>21</sup> The Nigerians accepted this appointment very positively as it shows to what extent the Qataris consider Nigeria's particular role in Africa. Up until now, the ambassador and his two advisors, Yousef bin Shaban Al-Sada and Nassir Mohammed Hamad Mohammed Aleida, have been using rooms at the Hilton hotel in the Nigerian capital, but a permanent mission should be established in 2016.

The case of Ethiopia is also specific. This country severed diplomatic relations with Qatar in 2008 due to its involvement in the border issue between Djibouti and Eritrea. Ethiopia accused Qatar at the time of defending Eritrea and of being too close to its President, Issayas Afewerki, who has been in office since 1993. This quarrel occurred when both countries still did not have an embassy in each other's country. This resulted in lengthy diplomatic efforts and a need to talk more directly. This difficult period, which only lasted a few years in the end, prompted the opening of a mission in 2013 with the arrival of Ambassador Mesganu Arga Moach (a former Consul General to the United Arab Emirates) in Doha and the appointment of Abdulaziz Sultan Jassim Al-Rumaihi to Addis Ababa. It is estimated that the number of Ethiopians working in Qatar is between 20,000 and 25,000 people. This would make them one of the largest sub-Saharan African communities in Qatar.

While Kenya is by far the leading economic power in East Africa, it did not seem to us during our interviews with its diplomats that the political aspect was paramount in opening an embassy in Doha in 2010 before one was opened in Nairobi afterwards. It is rather the economic aspect which has governed this new partnership, as well as the large number of Kenyans in Qatar: 14,000 in 2015 whereas they were only 500 in 2010.<sup>22</sup> This is explained by the fact that Kenyans have a knowledge of English and a good education compared to other English-speaking countries in East Africa.

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20. "Qatar National Bank Increases Stake in African Lender Ecobank", *Financial Times*, 15 September 2014.

21. "Qatar to Open Diplomatic Mission in Nigeria", *Gulf Times*, 3 October 2013.

22. Kenyans provide an alternative to expatriates from the Indian sub-continent countries and Filipinos, who already represent the majority of foreign workers in Qatar.

They were able to easily obtain visas to work in security, hotels, taxi companies, etc.



# Qatari investments in Africa: oil, energy, mining, tourism and agriculture

Apart from Nigeria and South Africa (or even Ethiopia which is the site of the African Union's headquarters) which can claim to play a leading continental role in Africa, the main reason prompting Qatar to open up diplomatic missions in sub-Saharan Africa is to grasp economic opportunities. Moreover, the first economic transactions did not wait for the opening of diplomatic missions, particularly with the launch of Qatar Airways in 1993. More than a dozen African countries have direct links with Doha. Like the embassies, the first African destinations connected by the state company were the Maghreb countries and then the sub-Saharan cities quickly followed.

Year of opening	Destinations
1994	Cairo / Khartoum
2002	Casablanca
2004	Luxor
2005	Alexandria / Algiers / Tunis / Johannesburg Nairobi
2006	Dar es Salaam
2007	Lagos
2011	Entebbe
2012	Mombasa / Kigali / Kilimanjaro
2013	Asmara / Addis Ababa / Maputo
2015	Zanzibar / Cape Town / Durban

Energy is one of the main drivers of foreign investments by Qatar. Qatar is a leading gas producer and therefore wanted to invest outside of Qatar *via* its company Qatar Petroleum and its subsidiary Qatar Petroleum International (QPI) founded in 2006. In Africa, it has only made three investments in this sector for the time being. The first one dates from 2008 when QPI bought 20% of the Ta7 and T-8 blocks from the French major Total in the Taoudeni basin in Mauritania.<sup>23</sup> After seven years, QPI decided to withdraw from this project where the drilling was deemed very disappointing.<sup>24</sup> Another investment by QPI, which this time was much more significant, was its stake in Total's subsidiary in the Republic of Congo. Thus, QPI acquired 15% of this subsidiary in May 2013, that is to say it is financing 15% of all of the French group's projects in this country where major investments are under way, such as increased production from the Moho Nord field which will produce 140,000 barrels per day in 2016.<sup>25</sup> Up until 2015, QPI had only invested in Total in Africa, with one of the main reasons for this strategy being that the sovereign fund, Qatar Investment Authority (QIA) holds a share of the French *major's* capital. Due to the drop in the oil and gas price from mid-2014, which affected Qatar like all hydrocarbon producers, QPI has been incorporated into Qatar Petroleum as part of the group's reorganisation in 2015. In February 2016, QP obtained 30% of the Moroccan permits for Cap Rhir Deep, Cap Cantin Deep and Cap Walidia Deep, that the US major Chevron – which is retaining the role of operator – purchased in 2013. This last investment is along the same lines as the previous ones with Total. QP takes on little of the risk and counts on learning how to manage this type of complicated project abroad in the shadow of a major. However, and unlike the acquisition of stakes in Total, there is still no discovery in the blocks in Morocco or in the Chevron blocks. Chevron managed to convince QP because one of the main architects of this agreement, Carl Atallah, is the current boss of Chevron in Qatar and the former Director of the *major* in Morocco.<sup>26</sup>

Besides the oil investments, Qatar is also trying to become an energy power in electricity production abroad with its company, Nebras Power, a *joint venture* founded in 2013 between Qatar Petroleum (20%), Qatar Holding (20%), and Qatar Electricity and Water Company (60%) with a capital of \$1 billion. One of the first projects which Nebras has committed to is in Kenya. The Qataris want to invest in a 500 MW gas power station

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23. Africa Energy Intelligence, n 625, 31 March 2010.

24. Africa Energy Intelligence, n 743, 17 March 2015.

25. "Moho Nord, une aventure industrielle et humaine en République du Congo", [www.total.com](http://www.total.com).

26. Africa Energy Intelligence, n 764, 23 February 2016.

around the port city of Mombasa in partnership with the Kenya Electricity Generating Company. It appears that the visit by the Kenyan President, Uhuru Kenyatta, to Qatar in April 2013 was the determining factor to interest the Chairman of Nebras, Fahad Hamad Al-Mohannadi, who is also the Managing Director of QEWC. However, it took until May 2015 for another Memorandum of Understanding to be signed between Nebras, Mitsui and Senegal with a view to building a floating gas import terminal (FSRU, *Floating storage and regasification unit*) and a 400 MW power station near Dakar. The constant monitoring of the project by the Economic Mission of the Senegalese embassy in Doha and the recurring visits at a high level<sup>27</sup> have not been in vain in this signature. In June 2015, Nebras also entered into a partnership with Qatar Development Fund (QDF)<sup>28</sup> in order to finance energy projects in developing countries and also to offer financing solutions. In October 2015, a delegation made up of Nebras and QDF met the Djiboutian President, Ismail Omar Guelleh, in Djibouti City to study potential energy projects for development.

For the time being, neither the Kenyan project or the Senegalese one have resulted in a development contract due to Qatari reluctance mainly related to lower gas revenues. These projects are only at the announcement stage, but could be turned into actions as they correspond to African needs and the requests of all the non-stop African delegations to Doha.

Besides the hydrocarbon and energy sectors, Qatar has launched a strategy for procuring mining projects abroad. It has two bodies for this purpose: Qatar Steel (iron production) which has been active since 1974 and Qatar Mining (exploration and mining production) which was founded in 2010. In Africa, Qatar Steel waited until 2007 to sign its first agreement in principle in Mauritania in conjunction with the Mauritanian national industrial and mining company, Société nationale industrielle et minière (SNIM). This partnership between the two bodies, as well as Saudi Basic Industries Corporation (SABIC), ensures increased iron production in the north of the country by means of the Guelb El Aouj deposit. This project never materialised as Qatar did not invest in the end.<sup>29</sup> It was not until July 2012 that the former Qatari Minister of Finance, Youssuf Hussein Kamal, went to Algeria to sign an agreement in principle on behalf of Qatar Steel and Qatar Mining to build a steel factory at Bellara with a capacity of

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27. The Senegalese President, Macky Sall, and his Energy Advisor, Ibnou Sougoufara, were in Doha on 20th, 21<sup>st</sup> and 22<sup>nd</sup> May 2013, *Africa Energy Intelligence*, n°700, 4 June 2013.

28. The Qatar Development Fund was founded in 2002 to co-ordinate Qatar's international co-operation policy towards the Arab countries and other developing countries. It has funds and can offer loans to finance projects. It is currently led by Khalifa Jassim Al-Kuwari, the former number two at Qatar Investment Authority and Qatar Holdings.

29. *Africa Energy Intelligence*, n° 186, 9 September 2008.

5 million tonnes per year. Qatari companies have invested in 49% of this project, whose final agreement was signed during the Algerian Prime Minister, Abdelmalek Sellal's trip to Doha in March 2013.<sup>30</sup> The Algerian industrial group, Sider, controls the remaining 51%. The objective at this stage was to be producing from 2017. This agreement was confirmed during the Minister of Foreign Affairs, Khalid bin Mohammad Al-Attiyah's visit to Algiers in December 2013, or after the accession of the new Emir, Tamim ben Hamad Al-Thani on 25 June 2013. However, it was not until March 2015 that work actually began.

As regards Qatar Mining, it obtained its first African permits in Mali in August 2015. Four gold exploration permits will be operated in the Linguekolo and Netekoto areas, in the Kenieba Cercle district in the Kayes region. This operation followed the visit by the Malian President, Ibrahim Boubacar Keïta to Qatar in January 2014, who had already signed the Memoranda of Understanding<sup>31</sup> at that time.

In the tourism and construction sectors, Qatar also wishes to invest its funds outside the country. In 2005, the Qatar Investment Authority decided to found Qatari Diar to develop construction projects, particularly to invest in tourism infrastructure. Besides huge projects in Qatar, Asia, and Europe, several hotel resorts are being built in Africa, particularly in the Maghreb. Qatari Diar submitted a luxury hotel project in the southern Tozeur region in Tunisia in 2010. Yet work for this complex, the Tozeur *desert resort*, only started in late August 2015<sup>32</sup> because of the uncertain political and security situation in the country. This significant investment of €72 million is far from being fully materialised and it is possible that the site will stop due to sluggishness in the country's tourism industry since 2011. The Bardo Museum attacks in March 2015 in Tunis and on a hotel near Sousse in June 2015 helped to damage this very key sector for the Tunisian economy even further. Apart from Tunisia, Qatari Diar intends to invest in several tourism projects in Egypt. This is the case for New Giza (in the Cairo suburbs), a residential district with a five-star hotel, or even for St. Regis Nile Corniche which will redesign a district in the capital also including a five-star hotel, and which will open in September 2016.<sup>33</sup> In Morocco, near Tangier, Qatari Diar is investing in the Al-Houara luxury tourism project. In Sudan, Qatari Diar is also investing in a new district in

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30. "Algérie : Doha construira un complexe sidérurgique de 2 milliards de dollars à Bellara", Agence Ecofin, 26 March 2013, [www.agenceecofin.com](http://www.agenceecofin.com).

31. A. Amaniera "Mali Qatar communiquent après la visite d'IBK à Doha", Qatarinfos.net, 26 January 2014, [www.qatarinfos.net](http://www.qatarinfos.net).

32. "Tozeur Desert Resort : démarrage des travaux fin août", Kapitalis.com, 27 July 2015, <http://kapitalis.com>.

33. Official website of the St.Regis Cairo hotel, [www.starwoodhotels.com](http://www.starwoodhotels.com).

Khartoum, called Mushaireb. The initial work started in 2009<sup>34</sup> and is expected to cost some \$400 million. Another on-going project in Mauritania, the construction of a five-star hotel on Nouakchott beach, was also discussed during the Mauritanian Prime Minister, Moulay Ould Mohamed Laghdaf's visit to Qatar in February 2011.<sup>35</sup> Up until now, apart from the purchase of the ground, no significant work has been undertaken. Apart from the Maghreb and Sudan, very few building projects are envisaged in sub-Saharan Africa. All the same, the Seychelles, which is a member of the African Union, can be mentioned, as Qatari Diar is conducting a joint project in the archipelago with Vinci through a *joint venture* QDVC, which was founded in 2007.<sup>36</sup>

One of Qatar's concerns, due to its very hot climate with very low rainfall, is securing its food needs. For this purpose, the investment fund, the Qatar Investment Authority founded Hassad Food in 2008, which aims to secure agricultural products and sheep for the Emirate. So for this reason, Hassad Food was interested in Africa very early on for its plentiful arable land and favourable climate conditions. Only, again this did not materialise everywhere. This Qatari strategy began in October 2009 with an agreement to develop sheep farms in northern Sudan for an amount of \$100 million.<sup>37</sup> It is difficult to know what has been definitely realised in the field. The former President of Burkina Faso, Blaise Compaoré, also tried in vain to attract investment by Hassad Food during his visit to Qatar in April 2010.<sup>38</sup> However, he is not the only one: many African countries saw a good opportunity in the foundation of Hassad Food to develop their agricultural industries which are all too often not very productive. George Aboagye, the boss of the Ghana Investment Promotion Centre (GIPC), an agency which aims to attract investment in Ghana and is directly hosted by the presidency, visited Qatar in May 2010 to meet the leaders of Hassad Food and also to encourage the authorities to invest in oil and gas. Up until now this initiative has been unsuccessful. The former Central African President, François Bozizé, instigated the same type of approach in November 2011 during a meeting with the Chairman of Hassad Food, Mohamed Al-Hajri, just a few months before being removed from power in Bangui. These many contacts with African presidents and senior government officials have not produced many results in terms of investment. The reasons often given are doubt about the safety of

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34. "Qatari Diar Announces Expansion of Prestigious Mushaireb Development in Khartoum, Sudan", *Gulf Times*, 26 April 2012, [www.caperi.com](http://www.caperi.com).

35. Qatar News Agency, 27 February 2011.

36. Qatar News Agency, 26 November 2011.

37. SeeNews Middle East & Africa, 27 October 2009.

38. Sidwaya, 15 April 2010.

investments; the length of the processes; and sometimes also the lack of physical safety. On the other hand, Hassad Food has invested heavily in Australia by setting up a subsidiary, Hassad Australia, there in 2009 to raise a specific breed of Syrian sheep. Qatar imported 330,000 sheep from its Australian farms in 2015.<sup>39</sup> Similarly, in Australia, land has been purchased to produce large quantities of wheat. In Pakistan, Hassad Food has invested in rice production *via* its subsidiary Senwan Pakistan. Finally, the last investment relates to the production of chickens: Hassad Food is the largest shareholder in the Omani company, A'Saffa Foods, which has farms in Oman.

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39. "Assad Makes Strides in Qatar's Food Security", *Gulf Times*, 8 December 2015, [www.gulf-times.com](http://www.gulf-times.com).

# Is Mozambique a future competitor for Qatari gas?

The relative lack of knowledge about Africa seen among the Qatari decision-makers, a continent that they consider as poor and which cannot, *a priori*, provide added value apart from raw materials and land, can sometimes lead them to underestimate issues which are nevertheless significant. The case of Mozambique is significant in this respect. This country, which we have devoted several studies to<sup>40</sup>, is now at the forefront with huge discoveries of gas in the northern area of its offshore field, bordering the Cabo Delgado province. The US company, Anadarko, and the Italian company, ENI, have uncovered nearly 150 trillion cubic feet of gas in just five years, while it took nearly 60 years for Nigeria to achieve such volumes. In comparison, Qatar has 900 trillion cubic feet of gas, which is five times more gas, and makes it the third country in the world in terms of reserves after Iran and Russia. The investment decisions aimed at developing the Mozambican reserves will be taken in 2016 and the first cargoes will come onto the market around 2020/2021. Ultimately, and by taking the most optimistic projections and basing them on the reserves already discovered, Mozambique's total production will reach 60 million tonnes per year or 12 liquefaction trains. Yet, Qatar currently produces 77 million tonnes. In Qatar, the countries or companies that buy gas only have long-term contracts and have no stakes in the deposits, but only in the terminals. In Mozambique, the situation is completely different. The major Asian consumer countries have acquired stakes in the blocks where the discoveries are located. This is the case for the Japanese in Mitsui E&P Mozambique Area 1 Limited (20%) and the Indians in Beas Rovuma Energy Mozambique Limited (10%), in BPRL Ventures Mozambique B.V. (10%) and ONGC Videsh Limited (10%), as well as the Thais in PTTEP Mozambique Area 1 Limited (8.5%). This is the same case for block 4 operated by Eni, where the South Koreans are found in KOGAS Mozambique (10%) and the Chinese in CNPC (20%). In brief, this means that it is the future gas buyers who will be financing the development of the Mozambican deposits, as they need it for their own consumption. Up until now, these countries have mainly been using liquefied gas (as opposed to

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40. B. Augé, "Le gaz au Mozambique, une évolution économique à haut risque", *Notes de l'Ifri*, Ifri, 2014.



pipeline gas) supplied by Qatar, Australia, Trinidad and Tobago, Nigeria and Algeria. The entry of Mozambique to the league of big producers for this Asian region is likely to shift the balance extensively. This will therefore have an effect on prices as the Asian region is where prices are theoretically the highest in the world.<sup>41</sup> So, Mozambique will probably help to drive prices down and the Asian state-owned companies will favour cargoes coming from this East African country as it will be gas that they co-own unlike that from Qatar, of which they are ultimately only one customer among others. Up until now, Qatar has not really taken an interest in Mozambique<sup>42</sup>, and does not see it as a potential competitor, mainly due to a lack of information. The Emirate has also not invested in Mozambican gas, even though this would have been a very profitable project. Mozambique does not have an embassy in Qatar and the latter conducts its relations with this country from Pretoria. When Filipe Nyusi was inaugurated as the new Mozambican President in January 2015, the Qatari ambassador to South Africa, Salem Abdullah Al-Jaber, made the journey to Maputo. However, relations are not very close. It is not a question here of saying that the Qatari gas industry will disappear due to the emergence of Mozambique, as indeed Qatar's advantage in price-competitiveness has no equivalent in the world.<sup>43</sup> However, the arrival of this new East African gas is likely to put pressure on prices<sup>44</sup> and it is likely that in the future Qatar will have to base its budget on lower revenues than at present. Traditional producers like Qatar will be obliged to offer lower prices due to new quantities of gas coming from Mozambique, Australia, or Iran, even though the Asian market will probably not have increased in the same proportion as the increase in production.<sup>45</sup> This excess capacity will drive prices down; the case has been the same on the global oil market since 2014 where supply is higher than consumption.

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41. Obviously, this statement has to be put in perspective due to the general fall in prices for any area.

42. No advantage than Tanzania where 55 trillion cubic feet was discovered in 2010 by BG Group and Statoil.

43. In Qatar, the North Field deposit, some 800 trillion cubic feet, is extracted with only 80 metres of water. In Mozambique, apart from the lack of infrastructure, the sea depth is nearly 1,500 metres.

44. Qatar's revenue for 2015 will be significantly lower than in previous years, as the long-term contracts are partly based on the oil prices which have collapsed since June 2014. Additionally, Qatar produces 2 million barrels per day and therefore since the beginning of the fall in prices has been suffering lower revenues on the sale of its crude oil like any producer.

45. However, it is likely that with the greenhouse gas reduction measures adopted at the COP21 conference in Paris on 12 December 2015, the increased gas consumption in Asia is accelerating at the expense of hydrocarbons such as coal, of which China consumes more than half of the volumes produced in the world.



# Conclusion

Relations between Qatar and sub-Saharan Africa are still developing. The Emirate has always considered the Maghreb countries, as well as Mauritania and Sudan, as close culturally, hence the existence of relations since its independence in 1971. With the sub-Saharan countries, the conceptions, stereotypes, and misunderstandings lead to much frustration on the part of African diplomats, as the idea of a new partnership takes a lot of time and often comes to nothing. From the Qatari side, the lack of qualified civil servants and experts on Africa explains this relative lack of vision about an area which Qatar could interact with more. The lack of risk-taking in terms of Qatari investments in Africa frequently highlights the lack of time and native staff<sup>46</sup> to review the projects. The projects are sometimes poorly supported by some “small” African countries which tend to view Qatar as a coffer, whose funds will easily reach their countries. The charity and development assistance<sup>47</sup> that Qatar provides in education, hospitals, etc. are not managed by the Ministry of Foreign Affairs and these issues are completely separate from economic matters. The economic sectors, such as gas, oil, mining, banking, and agriculture are only subject to profitability. The security of food supplies is also a very important focus for the country.

One of the points that our different contacts have often raised is the influence of non-Qatari expatriates in Qatar’s investment decisions. This is explained by the lack of sufficient numbers of trained local personnel.

The fact that the African countries do not have Qataris opposite them during trade negotiations leads to different responses than those a state civil servant may have given. The expatriates definitely do not take the political aspect into account, only the “profitability” premium aspect. However, investments by Qatari state-owned companies are obviously

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46. According to a 2014 study, the Qatari national workforce only totals 93,532 people (62,250 men and 31,282 women). Therefore, one of the great challenges is to find qualified personnel in all areas of the state among this very small pool.

47. Charity in Africa is mainly carried out via the Qatar Red Crescent which is especially active in predominantly Muslim countries, such as Sudan, Djibouti, Niger, and Mauritania. Charity is also organised via Qatar Charity with programmes in place in 15 out of 54 African countries. A significant proportion of these funds are for building mosques and Quranic centres, but programmes for combatting polio (in conjunction with the Bill and Melinda Gates Foundation) or agricultural programmes are also funded.

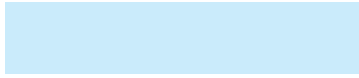
made depending on profitability requirements, but must also comply with a geopolitical and political agenda with prioritisation according to specific interests. The African embassies regularly make their ministers and presidents go to Doha, but the time that the latter have to convince the Emir or a minister is short and the meeting should be properly prepared for. Apart from the Emir's advisors and a few dozen individuals revolving around the ministers, there is still a sore lack of skilled Qatari personnel in the Qatari public sector. This is not directly related to education, which may be of good quality from a young age and finish in prestigious institutions such as HEC, Georgetown University, Texas A&M, Northwestern or even Carnegie Mellon, which have all been opening campuses in Qatar for about a dozen years. One of the biggest challenges for the new Emir, Tamim Al-Thani, who came to power in 2013, is to encourage his citizens to work in the unproductive civil service<sup>48</sup> since building a nation requires a well-educated civil service capable of monitoring projects and also of suggesting them. Up until now, Qatar has developed at such a pace economically that all the major decisions have come from above, from the Emir, with the civil service being at best informed about what was happening or then completely put aside. In this environment, Africa is the poor relation of Qatari diplomacy. This finding is harmful as there are many investment opportunities and Africans are calling for greater diversification in their partnerships. Politically, particularly in post-crisis or *peace-building* operations, Qatar would clearly have a role to play if it co-operated with the major powers, such as the United States, the United Kingdom, or France. The mediations that the country has undertaken alone, involving among others Darfur, have achieved rather mixed results, since it is not acceptable to pay the parties to achieve peace, a long-term process should be considered<sup>49</sup>. Political partnerships are also to be looked for on the side of the major African powers, like South Africa and Nigeria, in order to facilitate discussions on conflicts and to find a common solution. South Africa is quite clearly ready for this. Qatar too often tends to want to do things alone, which does not necessarily produce conclusive results.

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48. And not only in parastatal companies, such as Qatar Petroleum and Qatar Mining.

49. This thinking also obviously involves the major western powers, whose relative neglect of countries like Libya after the death of Muammar Gaddafi has only reinforced the chaos and the difficulty of an emerging nation. Libya, is precisely, with Egypt and Tunisia, a country where Qatar deployed a strategy – furthermore with little success – during the Arab Spring.





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