

Qatar investment focus shifting home from abroad

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By Natsuko Waki

DAVOS, Switzerland (Reuters) - Qatar is set to shift its investment focus back to domestic projects as the economy slows sharply and firms face higher financing costs, the country's top financial regulator said on Friday.

Qatar, which is the world's biggest liquefied natural gas exporter, has been investing windfall oil revenues overseas, snapping up stakes in international companies with the economy expanding 20 percent in the past few years.



"This year we are having to manage with growth at under half of that ... In many ways there's a chance to catch your breath. A little bit less growth is healthy at this stage," Phillip Thorpe, chairman and chief executive of the Qatar Financial Center Regulatory Authority, told Reuters. "The government is now looking at a significant program of domestic investment ... rather than looking for assets in other markets. My expectations are a much greater emphasis on internal infrastructure investments," said Thorpe, who is a former managing director at the UK Financial Services Authority.

Qatar Investment Authority (QIA), the country's sovereign wealth fund, has stakes in Credit Suisse Group ([CSGN.VX](#)) and British bank Barclays ([BARC.L](#)).

The credit crisis has made access to capital harder for global firms, including those in Qatar.

"Global issues relating to liquidity remain the same. Qatar has not been funding all of its massive projects purely with

Qatar's money. They have been borrowers in the international markets. So the game is the same for Qatar banks," Thorpe said.

"There is some evidence of tight liquidity in the rial market and interest rates are still high compared with U.S. rates. So it's clear that there is enthusiasm to grow the deposit base."

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(Editing by Mike Peacock)