Qatar's economic freedom score is 67.7, making its economy the 44th freest in the 2022 Index. Qatar is ranked 3rd among 14 countries in the Middle East and North Africa region, and its overall score is above the regional and world averages.

Qatar’s economic growth has fluctuated over the past five years: positive in 2017 and 2018, slowing in 2019, negative in 2020, and returning to positive in 2021. A five-year trend of solid economic freedom, however, has faltered. With drops in scores for judicial effectiveness and trade freedom, Qatar has recorded a 5.4-point overall loss of economic freedom since 2017 and has fallen from the “Mostly Free” category to the “Moderately Free” category. Qatar has hearty fiscal health, but business freedom lags.

IMPACT OF COVID-19: As of December 1, 2021, 611 deaths had been attributed to the pandemic in Qatar, and the government’s response to the crisis ranked 43rd among the countries included in this Index in terms of its stringency. The economy contracted by 2.6 percent in 2020.

BACKGROUND: Once an impoverished British protectorate, Qatar gained independence in 1971 and has become one of the world’s richest countries because of its massive reserves of oil and natural gas. Sheikh Tamim bin Hamad Al-Thani, in power since 2013, has promoted improvements in infrastructure, health care, and education as well as the expansion of manufacturing, construction, and financial services. A four-year dispute with Saudi Arabia, Bahrain, Egypt, and the United Arab Emirates related to Qatar’s support for Islamist extremists and friendly relations with Iran was resolved in January 2021. Since winning its bid to host the 2022 World Cup, the government has expedited a variety of large infrastructure projects including roads, light rail transportation, a new port, stadiums, and other sporting facilities.
A set of laws, ministerial decrees, and resolutions form the legal basis upon which property rights are established. Registration is efficient. Foreign ownership rights are limited. The judiciary is not independent in practice. Many judges are foreign nationals. Sharia (Islamic) courts handle family law. Corruption is not a major problem, although the power of personal connections plays a major role in business culture.

There is no individual income tax or domestic corporate tax. Foreign corporations operating in Qatar are subject to a flat 10 percent corporate rate. The overall tax burden equals 14.7 percent of total domestic income. Government spending has amounted to 32.0 percent of total output (GDP) over the past three years, and budget surpluses have averaged 4.1 percent of GDP. Public debt is equivalent to 71.8 percent of GDP.

Qatar exports more liquified natural gas than any other country. The government now allows 100 percent foreign ownership of businesses in most sectors. Unemployment rates are among the lowest in the world. Qatar has enacted laws in recent years to remedy the problem of late or unpaid wages. State-owned enterprises dominate such sectors as oil and gas and minerals, and the government continues to fund Emirates and Qatar Airways.

Qatar has three preferential trade agreements in force. The trade-weighted average tariff rate is 4.3 percent, and four nontariff measures are in effect. Openness to global commerce through trade and investment underpins Qatar’s competitiveness. Foreign investment in several sectors of the economy is capped. The stable banking sector remains competitive. Growth in financial services has contributed to economic diversification.