A

GLOBAL / COUNTRY STUDY AND REPORT

ON

QATAR

Submitted to

Gujarat Technological University

IN PARTIAL FULFILLMENT OF THE

REQUIREMENT OF THE AWARD FOR THE DEGREE OF

MASTER OF BUSINESS ASMINISTRATION

UNDER THE GUIDANCE OF

Mr. Shahal Valjiwala
HOD
GROW MORE FACULTY OF MANAGEMENT

Submitted by
STUDENTS OF GROW MORE FACULTY OF MANAGEMENT

[Batch : 2011-13, Enrollment No.: [117130592002 - 117130592055**]**

MBA SEMESTER III

GROW MORE FACULTY OF MANAGEMENT

MBA PROGRAMME

Affiliated to Gujarat Technological University

Ahmedabad

June, 2013

STUDENTS' DECLARATION

We, STUDENTS OF GROW MORE FACULTY OF MANAGEMENT, hereby declare that the report for Global/ Country Study Report entitled in Qatar is prepared by us under the guidance of Mr. Shahal Valjiwala, HOD of Grow More Faculty Of Management is a result of our own work and our indebtedness to other work publications, references, if any, have been duly acknowledged.

Place : Himatnagar

Date :

STUDENTS OF GROW MORE FACULTY OF MANAGEMENT
[Batch : 2011-13]

INSTITUTE'S CERTIFICATE

"Certified that this Global /Country Study and Report Titled in"Qatar" is the bonafide work of STUDENTS OF GROW MORE FACULTY OF MANAGEMENT, [Batch : 2011-13] under our guidance in MBA SEM III / IV towards the partial fulfillment of the requirement for the degree of **Master of Business Administration of Gujarat Technological University.**

We are pleased to state that the report was successfully completed in MBA SEM III/IV and the report submitted was to our fullest satisfaction.

Shahal M Valjiwala
HOD & Project Guide
Grow More Faculty Of Management

PREFACE

To study the theories of every subject is important for every student but without experience one can't achieve any success in today's life. As a student of the **MBA**, we have studied many theories in the classroom, but only after taking up this project work we have experienced and understood these theories and practices in its fullest sense, which plays a very important role in business field today. During this Global Country Project, students get an opportunity to glance into the real business world. Here, students get a chance to observe the day to day working of business. Thus, doing an international project **(GCR)** is the most valuable and important experience for any MBA students.

The live project is also important in management education because it improves the education level by giving it a practical direction and for this practical training, we have undergone a project work on **"QATAR"**. During the project we had undergone through live international experience of marketing and got all the information related with current market scenario which will be very beneficial for next coming years. We are very thankful to our **college** and specially **GUJARAT TECHNOLOGICAL UNIVERSITY** for providing us such a great opportunity.

ACKNOWLEDGEMENT

Theoretical knowledge has lethal potential to turn as parochial and myopic but if we flame theory with practical it creates new avenues, opportunities and vistas for knowledge.

We are very thankful to **Gujarat Technological University, Grow More Faculty Of Management** and specially **Mr. Shahal Valjiwala, HOD & Project Guide (GM-MBA)** for giving us this opportunity, to learn the practical aspects of the management course and good exposure in day to day and international life. We would like to thank our project guide for guiding us throughout our project period & motivating us at every step. We thank him to provide their profound knowledge to overcome the obstacles in our project.

At last but not the least, we are thankful to anyone and everyone who took part directly or indirectly to complete this Global Country Project.

With regards,

STUDENTS OF GROW MORE FACULTY OF MANAGEMENT
[Batch : 2011-13]

TABLE OF CONTENTS

1.

Chapter 1
Introduction Of Qatar

Chapter 1

Introduction of Qatar

Qatar is a peninsula located halfway down the west coast of the Arabian Gulf. Its territory comprises of a number of islands including Halul, Sheraouh, Al-Ashat and others. It has maritime and land borders with Saudi Arabia and maritime boundaries with Bahrain, United Arab Emirates and Iran. The total land area of Qatar is approximately about 11,500 square kilometers. The terrain is flat and rocky with some low-rising limestone outcrops in Dukhan area in the west and Jabal Fiwairit in the north. It is characterized by a variety of geographical phenomena including many coves, inlets, depressions and surface rainwater-draining basins known as riyadh (the gardens), which are found mainly in the north and central part of the peninsula. These areas have the most fertile soil and are rich in vegetation.

Islam is the official religion of the country and Arabic is the official language in Qatar, and English is widely spoken.The major towns are Doha, Al Wakrah, Al Khor, Dukhan, Al Shamal, Mesaieed, Ras Lafan and others. Doha is the capital city, the seat of government and the location of the main commercial and financial institutions

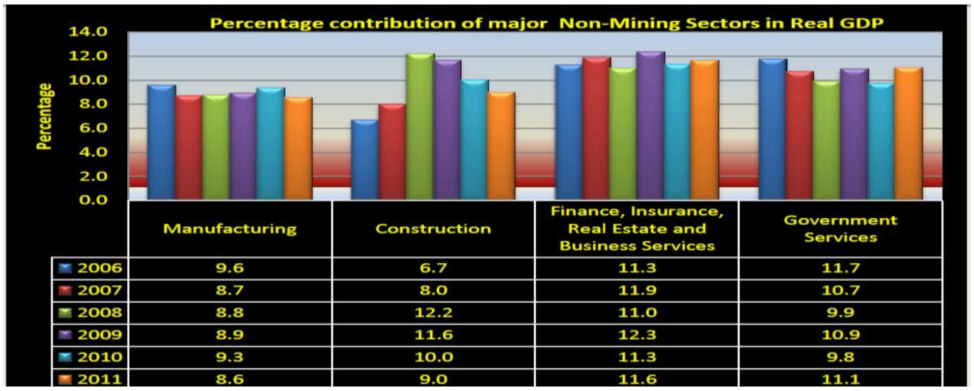
Chapter 2
The Overview of Different Industries of Qatar

Chapter - 2

Overview of different industries

Introduction of Industry

Qatar's economic prosperity is derived from the extraction and export of petroleum—discovered in 1939 and first produced in 1949—and natural gas. Before World War II, Qatar's population engaged in pearling, fishing, and some trade (with little exception the only occupations available) and was one of the poorest in the world. By the 1970s, however, native Qataris enjoyed one of the highest per capita incomes in the world, despite subsequent declines in income due to fluctuations in world oil prices.



Doha is the commercial and administrative capital, and in it lies Doha international airport, the main port, hotels and sports facilities. The city of Doha draws near the Gulf waters through the Doha Corniche which extends to approximately 7 KMs with its green gardens, and the Palm island can be seen in the middle of the gulf. The spirit of love between the residents of Doha in spite of their different nationalities and ethnicities creates a wonderful balance between its religious and cultural and heritage.

2.1. Agriculture & fishing

Agriculture and fishing – once the mainstays of Qatar's economy – account for a miniscule 0.07 percent of GDP. Since at least the 1970s, the country's government has talked about 'diversification', by which they mean the development of alternative industries and services to reduce the nation's dependence on hydrocarbon commodities.

The Agricultural Development Department is responsible for drawing up agricultural and livestock development plans and programmes, establishing experimental and model farms, marketing the products of these farms, providing farming services for farmers, issuing agricultural licenses and applying agricultural and veterinary quarantine procedures.

The Agricultural and Water Researches Department is responsible for carrying out field experiments and studies on horticulture, crops, forage, utilization of irrigation water, water conservation and implementing scientific and technological means of agricultural and water development. The marine fishery sector is prominent in Qatar, and during the last decade fish catch doubled to about 17,700 tonnes in 2008. Fish self-sufficiency in Qatar is estimated at 96% and the average annual fish consumption is about 12 Kg per capita, roughly the same as the world average. Future prospects for fisheries may be limited by more intensive upstream fishing, as well as potential impacts of climate change on marine life in the Gulf region. Hence, the QNFSP is planning for environmentally and economically sustainable options for integrated marine and aquaculture fisheries.

The government has attempted to modernize the fishing and agriculture sectors by offering interest-free loans; yet food production continues to generate only a tiny fraction of gross domestic product (GDP). The scarcity of fertile land and water imposes severe limitations on agriculture, and a large proportion of the country's food must be imported. Production of meat, cereal-grains, and milk also began to increase by the end of the 20th century.

2.2. Manufacturing Sector

Qatar has sought to diversify its economy through industrialization. Most of the manufacturing sector comprises large firms of mixed state and foreign private ownership. For example, the Qatar Petrochemical Company is largely owned by a government holding company, and a French firm has a minor stake. Flour milling and cement production have also been undertaken. Diversification by expanding manufacturing depends on an abundance of cheap energy for running plants, however, and is thus tied to Qatar’s hydrocarbon resources. Its natural gas reserves have been used to develop a strong liquefied natural gas (LNG) industry.

Qatar's manufacturing sector is based on its comparative advantage in gas-intensive industries. Despite recent privatizations and joint-ventures with foreign companies, the State continues to play a dominant role in the subsector. The Government holds a majority stake or is an important shareholder in key manufacturing companies (e.g. Qatar Steel Company, Qatar National Cement Company, and Qatar Fertilizer Company). Manufacturing is being promoted partly through investment incentives, including exemption from import duties, and tax-holidays for 5-10 years. MFN customs tariffs on manufactured goods (major division 3 of ISIC, Revision 2) average 5.1%, with rates ranging up to 100% on alcoholic beverages, and tobacco and tobacco products.

Qatar maintains price controls on some manufactured products, such as cement. MFN customs tariffs on manufactured goods average 5.1%, with rates ranging from zero to 100%; the highest rate applies to alcoholic beverages, and tobacco and tobacco products. Qatar has a relatively well developed manufacturing sector, based mainly on its comparative advantage in energy-intensive industries, including basic metals (33.7% of value added in manufacturing in 2001), refined petroleum products (21%), and chemical and chemical products (16.7%)

2.3. Oil & Energy sector

Mining sector

1. Qatar's proven reserves of natural gas, estimated at 25,783 billion cubic meters, are the second largest in the world (14.3% of the globe's total proven reserves). Qatar also aims to become the largest liquefied natural gas (LNG) producer in the world by 2010 , and is building the world's largest gas-to-liquids (GTL) plant.
2. Crude oil exploration and production activities may be carried out under PSAs, which allow foreign contractors to hold up to 100% "working interest". Such PSAs are also referred to as development and production sharing agreements (DPSAs) or exploration and production sharing agreements (EPSAs). Natural gas development activities are conducted either by QP, or under DPSA contracts that allow foreign companies to hold up to 100% working interest, or under a DFA's royalty and tax regime.

Petroleum sector

1. Qatar's petroleum is produced through QP's operated fields (i.e. the onshore Dukhan Field , and two offshore fields in Bul Hanine and Maydan Mahzam), as well as through fields operated under PSAs.
2. Asian countries are the destination for all of Qatar's crude oil exports. In 2003, 59% of Qatar's total crude oil exports went to Japan, followed by Korea with 15.1%. China; Philippines; Singapore; the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; Thailand; and India complete the list of importers of Qatar's crude oil.

Natural gas sector

1. Qatar's natural gas is produced mainly in the North Field, the largest single non-associated gas reservoir in the world. QP is implementing a five-pronged strategy for the exploitation of its vast gas reserves in the North Field: (i) production and export of LNG; (ii) meeting the strong domestic demand for electricity and water; (iii) regional gas sales; (iv) development of export-oriented downstream industries; and (v) conversion of natural gas into gas-to-liquids (GTL).

2.4. Building & Construction Sector

Qatar's four major infrastructure projects at 21.6 billion USD. Among these developments is a 2.7 billion USD causeway that will link Qatar with the island state of Bahrain, the construction of the New Doha International Airport, which will be completed in 2015 and will be able to handle 24 and eventually 50 million passengers a year (it handled 15 million passengers and 360,000 tons of freight in 2007), and a large new port project at Mesaieed, 35 kilometres from the capital.

Of great importance and impact will be the country's first foray into rail. The German firm Deutsche Bahn will design the country's first railway network, encompassing a light rail project in and around Doha, along with heavy freight and mainline passenger services.

The projects are designed to move towards a broad based economy, and moving away from dependence on energy. Qatar is trying to position itself as a major cargo handling centre for the region. Apart from Doha International Airport, Qatar has four other airfields, of which two are paved. There are four commercial ports: Doha, Ras Laffan, Halul Island and Mesaieed. In Mesaieed a new port, officially called New Doha Port, is under construction. There are two terminals for transport of offshore oil and gas production: al-Shaheen and al-Rayyan.

Currently Qatar has a total road network of 7,790 kilometres (2007 estimate), of which 1,107 kilometres are paved. The network is linked to Hofuf in Saudi Arabia and Abu Dhabi in the United Arab Emirates.

2.5. Water & Electricity sector

Fresh water constitutes less than 3% of the world's water supply. Most of the world's potable water can be found in glaciers, lakes and rivers. Water scarcity, which is the decrease in the volume of water available per capita over time, is a problem not only affecting Qatar and the Arabian Gulf, but also the entire Middle East

Water strategy

Securing water for agriculture will be a challenging task. Taking into consideration Qatar's lack of water resources, the QNFSP is planning to secure its agricultural water from desalination. Although desalination is an expensive option, groundwater extraction has to be discontinued and the aquifers need to be recharged with desalinated water. Such a strategy will allow the groundwater aquifers to act as reservoirs that will enhance Qatar's water security.

Electricity

Electricity in Qatar is generated on the basis of six power plants. Five are owned by Qatar General Electricity and Water Corporation (Kahramaa), which buys the electricity and water from all power plants and distributes it to consumers.

Law No. 10 of 2000 replaced Law No. 6 of 1992 and established Qatar General Electricity and Water Corporation (Kahramaa) as the regulatory authority in the subsector. Kahramaa assumed all obligations held by the Ministry of Electricity and Water (Article 2 of Law No. 10). At the same time, the Ministry of Energy and Industry (MEI) was made responsible for, inter alia, proposing general electricity and water planning policies, and issuing licences to build power generation and water desalination stations. In addition, the Ministry of Municipal Affairs and Agriculture (MMAA) is now in charge of drafting the technical specifications for buildings and installations as regards heat insulation, electric and water connections, as well as lighting and maintenance of public places and roads. The involvement of several public institutions in electricity and water activities could cause inefficient coordination within the subsector.

2.6. Tourism & Hotel sector

Tourism accounts for 11.4 percent of Qatar's current GDP. In 2004, the government announced a plan to invest 15 billion USD in tourism projects. In 2005 the country received three and a quarter million of tourists, a number that will grow to one and a half million by the year 2011. In the same period the number of 4- and 5-star hotel rooms will increase from 2800 to 16,500. 28 percent of the tourists come from Europe, 20 percent is of domestic origin, 16 percent come from neighboring countries in the Middle East, 15 percent from the Americas and another 15 percent from the Asia/Pacific zone.

Qatar is set to invest an estimated $17bn on tourism-related infrastructure projects overseen by Qatar Tourism Authority (QTA) in the next five years. The volume of hospitality projects is particularly increasing at an accelerated pace as Qatar plans to build more than 60,000 new hotel rooms in time for the country's hosting of the FIFA World Cup in 2022, Drake & Scull International (DSI) has said. For 2012 alone, more than 2,100 rooms are expected to enter the Qatar market by the end of the year.

HOTELS IN QATAR

- **The Sharq Village & Spa in Doha**
- **Four Seasons Hotel Doha** ★★★★★
- **Sheraton Doha Hotel and Resort** ★★★★★
- **The Ritz-Carlton, Doha** ★★★★★★

- **Marriot Doha Gulf Hotel** ★★★★★

2.7. Insurance Sector

The insurance sector is one of the saving and investment facilities available in the country's economic structure. Presently there are 8 insurance companies of which 4 are joint stock companies, while the rest are representative agencies of overseas companies. The latest indicators of the activity of insurance sector in Qatar reflect an outstanding growth represented in an increase in the number and diversity of the sector's services, development of its work techniques and expansion of its role in the country's economic and social development. Insurance Companies participated with the national banks in the establishment of private companies.

The insurance sector is one of the important components of the financial and banking system. The need for the insurance service has been increasing over the years with the increasing complications of modern daily life, especially at the economic and corporate levels where risks and losses have reached unprecedented heights.

- ❖ Insurance services have become diverse. They offer various classes of insurance coverage such as insurance against accidents and fire, marine and land insurance, health insurance and others.
- ❖ Total profits of the insurance sector doubled from QR106.2m in the first half of last year to QR211.17m in the six months this year (2003).
- ❖ In 2004, Law No. 31/2004 amended the Organization of Foreign Capital Investment Law (Law No. 13/2000) to allow foreign investment in the insurance sector pending approval by decree by the Cabinet of Ministers. Foreign insurance companies wishing to operate in Qatar are subject to the same laws that apply to foreign firms in all other sectors.

The State is enhancing its supervisory role over the insurance industry so that it can meet its obligations under the global mechanisms of free market economy and free private investment.

2.8. Banking & Finance Sector

Qatar has a buoyant and increasingly diverse banking sector catering for the needs of all kinds of customers. The industry is supervised by the Qatar Central Bank (QCB) which was established in 1993 as the successor to the Qatar Monetary Agency. QCB acts as the government's agent to control the country's monetary policy and to monitor the commercial banking system.

Qatar Central Bank (QCB)

Qatar Central Bank was established in August 1993 to replace Qatar Monetary Fund. It works to uphold the stability of the finance market. Its capital has been increased to reach QR. 1 billion. The strength of the Qatari Riyal is attributed to the strength the Qatari economy and the huge revenues of hard currency earned from the exports of oil, gas and heavy industries products, in addition to the stability of the banking system.

National Commercial Banks

During the past two years commercial banks have increased their assets, deposits and profits. Their efficiency is far beyond the ratio of 8% stipulated by Basel International Capital Adequacy Directives. By the end of October 1998, assets in the banking sector in Qatar amounted to about QR 41.519 billion, clients deposits registered QR 24.945 billion and credit facilities increased by QR 99 billion to reach about QR 29.895 billion.

With an expected GDP growth rate of 20% in 2011, Qatar will be among the fastest growing economies in the world. The economy has grown at a CAGR of 19% in the last 5 years. A doubling of natural gas production, timely intervention in the banking system, and continuing large public investment in infrastructure have kept growth rates high and resulted in the accumulation of large surpluses in the fiscal and external accounts which have inturn lead to a spurt in asset growth of the local banks.

2.9. Real estate sector

Qatar - While the overall direction of the real estate sector appears set for steady growth through the next 12 months, demand may be uneven across the various segments as the market moves towards striking a balance between supply and demand, particularly in office accommodation, Global Arab Network reports according to OBG.

Importantly, this year’s results look likely to eclipse those of 2011, when a total of $7.2bn worth of transactions were conducted. RERD figures show that for the first quarter of 2012 alone, sales of $3.5bn were logged, putting the market in line with the $13.7bn worth of trade some analysts predicted at the beginning of the year.

Another property firm believes a balance will be struck sooner rather than later, with real estate firm Asteco Property Management saying companies involved with infrastructure projects – both associated with Qatar's hosting of the 2022 FIFA World Cup and with the government's investment programme – will drive up occupancy rates. These predictions are backed up by the findings of a recent study by local real estate firm Tanween, which forecast solid growth for the residential segment, with the mid-tier segment tipped to perform the best.

The 8% rate of increase for smaller and medium-sized apartments outstripped the year–on-year (y-o-y) increase in Qatar's GDP, which climbed by around 6.9% in the first quarter of 2012, according to data released by the Qatar Statistics Authority (QSA) on July 7. Significant among the figures released by the QSA was the strong performance of the construction sector, which posed y-o-y growth of 11.4%. While some of this can be accounted for by non-property building projects, a fair proportion of the construction activity will result in new real estate developments down the track.

The property market may be affected to some degree by a more moderate rate of growth in the domestic economy, with GDP forecast to expand between 6% and 10% in 2012, before easing back to 4.5% in 2013, mainly due to a stabilising of gas production and exports. However, rising demand will still need to be met, making property investments an appealing option. (OBG)

2.10. EDUCATION SECTOR

Qatar is regarded as the foremost education investment market in the Middle East region. With more than 60,000 students, approximately 47% of whom are enrolled in primary education and 9% enrolled for undergraduate and postgraduate level education, the Qatari government's educational policy focuses on increasing the quality of education provided to students.

Historically the education system in Qatar was divided between public and private schools. However, due to the government's desire to increase educational choice and quality, independent schools run by non-profit organizations continue to set up around Doha, Qatar's capital city. Statistics released in 2008 by the Supreme council for Education revealed the country had 87 independent schools run by the private and non-profit sectors.

Education

The State education system is free at all levels for Qatari citizens. It consists of three main stages; primary, preparatory and secondary. With the establishment of Independent Schools System, English has become the medium of education. The outcomes of the old public education system had always created concerns for the education leadership in Qatar for not being efficient enough to meet the minimum standards that would qualify students to enrol at regional or international institutions.

The mission of the current education system is to make schools and classrooms exciting places to learn; encourage all students to make the most of their talents; and hold schools measurably accountable to high performance standards; and nourish faith, values, and national aspirations.

The new independent schools are government-funded, operated and managed by Qatari operators. Schools are given autonomy in appointing their own staff, deciding their teaching philosophy and pedagogy and outsourcing their own supplies, school equipment and professional development training for their staff. But they had to meet curriculum standards set by the SEC.

2.11. Aviation Industry

Both the commercial airline industry and the private jet charter business continue on the path of strong growth in the Middle Eastern country of Qatar. Qatar Airways is one of the fastest growing carriers in the Middle East, with orders currently for 80 Airbus A350s, 60 Boeing B787s and 32 Boeing B777. The airline has also ordered five of the new Airbus A380 Super Jumbos. Clearly, strong continued growth is anticipated. As the sole ground handling agent, it is therefore responsible for all passenger, aircraft, and cargo handling. QAS is made up of 4 units:

- Ground Services, which manages general operations on the airside.
- Customer Services, which handles passengers.
- Cargo Services, which handles cargo throughput.

- Engineering, which supplies, operates and maintains all vehicles and equipment operating around the airside area.

Qatar Aviation Services at Doha’s International airport provides all services from Passenger Services to Cargo Handling, IATA-Ticketing to Executive Handling, for all scheduled and ad hoc flights into Qatar. Employing more than 1,700 people in an operation that runs 24 hours a day, 365 days a year, Qatar Aviation Services (QAS) looks after every passenger, bag and piece of cargo that passes through Doha International Airport.

QAS’ Operation Control Center and computerized gate operating systems at DIA. The center allows QAS to monitor and direct aircraft around the airport as effectively as possible. This will become increasingly important in the coming years given the rapid increase in traffic that is forecast to pass through the airport. The Operation Control Center also houses the new Gate Operating System that manages the parking of aircraft in all 19 bays of airport. It uses a computer-controlled screen that interacts with the pilot, thus eliminating the need for human assistance to guide the pilot to the bay.

2.12. Automobile Industry

There are no comprehensive and reliable vehicle sales and import statistics available for Qatar, which has only a very small car industry, owing to its low population (1.9mn in 2011). However, some local dealerships do release their sales figures, making it possible to get a partial handle on local vehicle demand and the overall direction of sales and imports.

In this context, in February 2012 local dealer Alfardan Automobiles, the exclusive importer of German premium carmaker BMW's vehicles in Qatar, announced that sales of its BMW and Mini vehicles grew by 26% year-on-year (y-o-y) in 2011. The rise in sales signifies the potential of the domestic market and the rising demand for BMW cars in the country.

Sales of the top-selling BMW model – the BMW 7 Series – increased by 63% y-o-y. This was followed by the BMW 5 Series with a 30% y-o-y rise in sales. The Mini brand continues to attract car owners in the country, with 30% y-o-y annual sales growth during 2011. Certainly, there are reasons for continued optimism on the outlook for the Qatari new car sales market at present. Our macroeconomic team believes that Qatar’s economy will grow by 8.1% in 2012 and 5.8% in 2013, making the country a regional outperformer over the coming years.

Among the new exhibitors for 2012 was Italian luxury carmaker Ferrari, which launched the event with an F1 car demonstration run from test driver Marc Gene. Ferrari was joined by other leading luxury brands including Aston Martin, Bugatti, Maserati, Mercedes, Porsche and Range Rover. Porsche also launched its new Panamera four-door sports coupe at the event. It is not only the high-end players that are seeing Qatar as a lucrative sales market. According to a report by the Qatar News Agency, Renault has plans to double its sales figure in Qatar from the 800 units it sold in 2011, with its sister company Nissan Motor also having similar plans.

2.13. Pharmaceutical industry

Qatar’s pharmaceutical market is forecast to become a billion dollar industry in 2019, according to a new report by Business Monitor International.The sector was valued at QR1.43bn ($392m) in 2010 but is expected to see compound annual growth rate (CAGR) of 12.6 percent to reach $709m by 2015, BMI said."Our longer range forecast is for Qatar to become a billion dollar pharmaceutical market for the first time in 2019 and reach QR3.99bn ($1.10bn) at the end of our forecast period in 2020," the report said.

BMI analysts said the growth will be driven by expansion of the wider economy, for which growth in real terms is expected to remain above five percent a year over the next 10 years. It added that it believed Qatar was a favorable proposition for drug makers but the small overall market would continue to deter anything more than a sales and marketing presence from the large multinationals, which run the majority of their operations from the region’s larger economies such as the UAE. The GCC currently imports 90 percent of its pharmaceutical needs and local manufacturers need to step up to the challenge, Abdulaziz Bin Hamad Al-Aqeel, the Secretary General of the Doha-based Gulf Organisation for Industrial Consulting (GOIC) said last month. He warned GCC states against continuing importing such a high percentage of medicines.In a speech to pharmaceutical industry delegates, he said there were "significant opportunities" for local medicine manufacturers.He said the pharmaceutical market in GCC countries and Yemen exceeded $6bn and is expected to reach around $10bn by 2020

Chapter 3
Introduction of Qatar Automobile Sector


autoevolution
WWW.ALLABOUTAUTO.US

Chapter 3

Introduction of Qatar Automobile Industry

Qatar is evidently becoming a platform for the auto industry in the Gulf region with the hosting of Motor Show and the announcement of Baraha Motor City While the economy remains highly dependent on the hydrocarbon sector – and therefore vulnerable to any sharp decline in global demand – our core view is for only a moderate decline in energy prices in 2012, and as a result we see minimal risks to the country's outlook in the medium term.

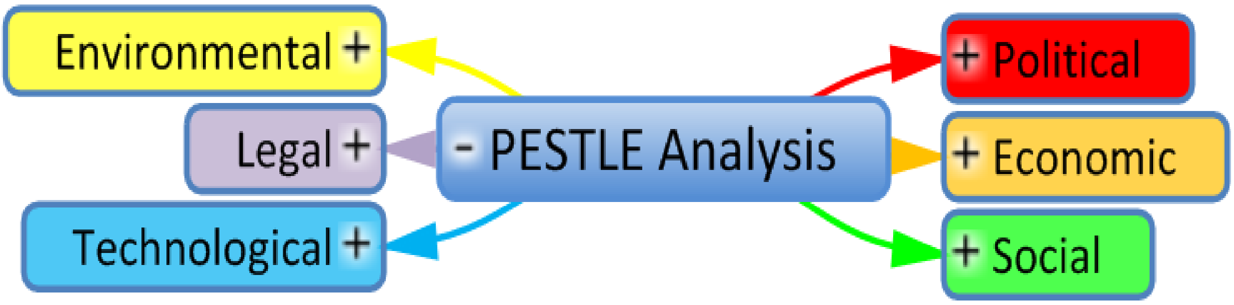
Further boosting demand for new cars was the government’s decision in September 2011 to implement an across-the-board wage hike of 60% for all government workers, on top of similar hikes in pensions and other social benefits.

These wage hikes will mean significant increases in Qatari disposable income, which will likely mean higher car sales over the coming quarters. Given political unrest elsewhere in the region, we expect the government to maintain high levels of spending in order to reduce the chance of any civil disturbances within Qatar itself.

Our expectations therefore are that there should continue to be steady growth in new car sales within Qatar in 2012 and beyond. New Partnership With ProDrive Announced In January 2012, Qatar Automotive Gateway (Qatar AG) signed a memorandum of understanding with UK company Prodrive at the 2012 Qatar International Motor Show to ‘explore a strategic partnership for the development and production of advanced carbon fibre composite automotive parts and assemblies’, according to a report in the The Peninsula newspaper.

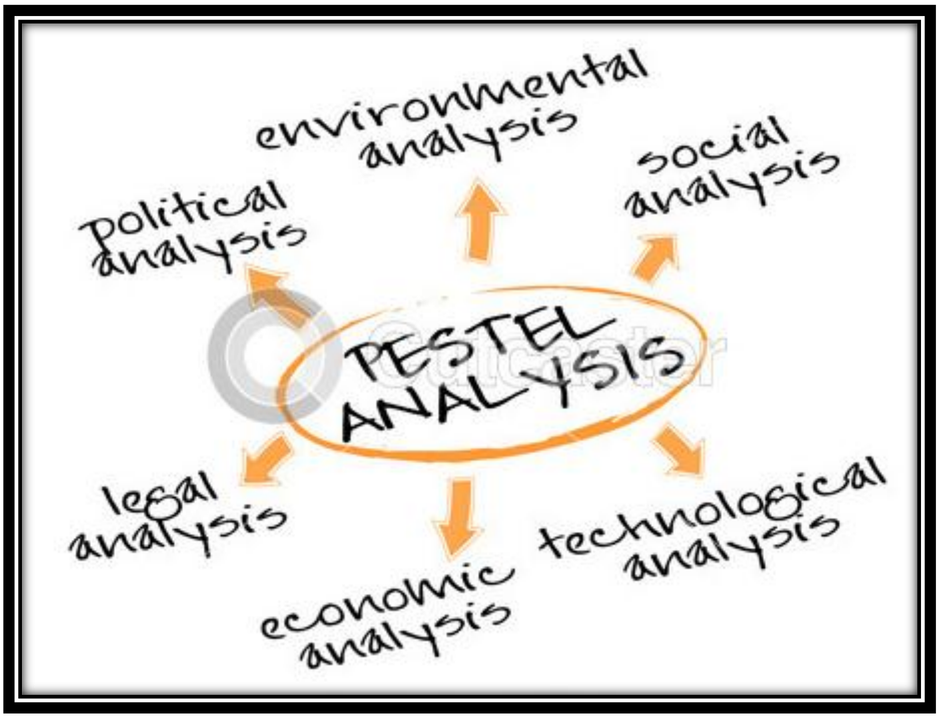
Qatar AG, which aims to be a leading automotive components hub by 2020, has signalled its premiumoriented intentions by choosing to enter into a partnership with the well respected Prodrive organisation, which has worked with a variety of high-end automakers in the past.

Chapter 4
PESTEL Analysis on Automobile Sector



Chapter 4

PESTEL Analysis of Qatar Automobile Sector



4.1. Political Impact

The official is quoted as saying by the report that the global automotive industry is currently going through a 'dramatic restructuring and shift'. The transformation is also happening from a technical perspective, al-Saad pointed out. Hybrid and electric vehicles are being adopted because they are more environmentally friendly and fuel-efficient. Even though commercial production only started in 2010, extensive government support from around the world is expected to speed up adoption so that by 2020 nearly 40 percent of all passenger vehicles will be of hybrid or electric type.

Governments are subsidising consumers and supporting manufacturers of electric vehicles and components like lithium-ion batteries and others. Qatar Ag CEO Ahmed M Sorour told the daily that over the last two years, Qatar Ag had established a team of financial, industry and technical experts to help identify, evaluate and assess multiple opportunities in key automotive industry segments.

It is quite expensive and complex to import vehicles from other countries to Qatar. Still there are many people, who prefer to import cars for their personal use. If you are planning to buy a new car or used cars from the US, it is good to consider the rules and regulations including the import duty before importing vehicles to Qatar.

People who are planning to import cars to Qatar from the US should be eager to know various duties and taxes. There is a rule in the country that cars that are sold outside the Gulf Cooperation Council states are subjected to four percent taxes. If the vehicles are imported for personal use, there will not be any custom duty for such cars.

2.2)Economic impact

According to the International Monetary Fund (IMF), Qatar had the world's highest gross domestic product (GDP), growing by 16.6 percent in 2010 and is forecast to pick up by 18.7 percent in 2011. The GDP per capita stood at US$76,160 (QR277,000) in 2010 and is forecast to grow to US$109,900 (QR400,000) by the end of 2011. With the country on the growth trajectory car sales is poised to grow with the automotive sector continuing to be significant. The country's strategic location between Asia and Europe will help cater to the changing technology for suppliers and top tier manufacturers to set up shop here.

Opportunities in the automobile sector will largely be driven by a dramatic shift and a global restructuring on the technical side where hybrid and electric vehicles are now being adopted for their fuel efficiency and environment friendliness. This will open up a huge market for vehicle components such as the designing and manufacture of lithium ion batteries and components.

Considering that around 60 percent of imports are from Japanese car makers, the country faces a supply constraint given the natural calamities in Japan. With the government trying to fix showroom prices, dealers are under pressure regarding their pricing policy, which at the moment is forcing them to remove discounts.

Regional Hub

A feather in Qatar's cap was the establishment of an industrial automotive cluster this year which will be fully operational by 2020 – the Qatar Automotive Gateway (Qatar Ag). The setting up of this cluster is in line with achieving the goals spelled out in Qatar's National Vision 2030 in turning the country into a diversified economy through industrialisation. The cluster will invest in both the traditional and new technologies value chains.

4.3. Social Impact

The relatively high living standards in the GCC countries, rising oil prices, coupled with a growing population are the driving forces behind the sector's growth in the region. Given the challenging automotive scenario, a major cause of concern are the high prices of new cars in Qatar, which not only reduces the overall car sales volumes, but also forces the locals to buy them from the other Emirates such as the UAE and Saudi Arabia and then import them in to the country. For example a report in The Peninsula newspaper cited that the Toyota Land Cruiser model costs about US$78,299 (QR285,000) in Qatar as compared to US$45,916 (QR116,000) in Kuwait.

Considering that around 60 percent of imports are from Japanese car makers, the country faces a supply constraint given the natural calamities in Japan. With the government trying to fix showroom prices, dealers are under pressure regarding their pricing policy, which at the moment is forcing them to remove discounts.

In April 2011, the Qatar Central Bank reduced its key overnight deposit rate from 1.5 percent to one percent. The low rate environment led to an uptick in consumer demand while car buyers relying on borrowing to fund purchases were able to access cheaper credit. Streamlined regulations for auto-financing also led to increased new car purchases in 2010

4.4. Technological Impact

January 27, 2012 06:01 CET Harald Hamprecht is Editor-in-Chief at *Automotive News Europe*

I was in Qatar this week to moderate a portion of the Middle East Automotive Summit, a one-day event that kicked off the 2012 Qatar auto show. A number of hot topics were discussed in the desert such as how to response to a global population that is getting larger, older and more urban. By 2050, it is estimated that there will be 9.2 billion people on the plant – up from about 7 billion today and 8 billion by 2030. The number of cars on the road is expected to grow to 3 billion by 2050 from 700 million. That's a lot of traffic congestion and emissions – depending on what those 3 billion people will be driving.

All the speakers at the summit agreed that megacities and lightweight materials will play key roles in the future.Megacities will drive decision-making on the best use of water, energy and mobility."And lightweight materials are becoming an imperative for the transportation sector

… to reduce CO2 emissions,” said Ahmed M. Sorour, CEO of the Qatar Automotive Gateway. His company wants to make Qatar an automotive industrial hub by 2020. A step toward reaching that goal came this week when Volkswagen and Porsche announced they would build a joint test center for lightweight materials at the Qatar Science & Technology Park in Doha, the country’s capital.Sorour also said that Qatar Automotive Gateway wants to find partners who will come to the country to set up research centers for aluminum components and lithium ion battery materials.

Maybe Qatar Holding, the country’s investment arm, needs to put more money into the global automotive industry. Qatar Holding already owns 18 percent of VW’s common shares and has a 10 percent stake in Porsche SE..

4.5. Environmental Impact

Fuel prices remain to be one of the lowest in Qatar, even after the recent hike, but people here can not expect the situation to continue forever, since the country is seriously rethinking the heavy subsidies given on petrol and diesel.

The review that is currently underway is driven by environmental factors and comes as part of a long-term strategy to encourage energy conservation and reduce carbon dioxide emissions.

The recently-launched National Development Strategy 2011-2016 has envisioned a series of measures to reduce the heavy dependence on private vehicles that has been contributing to the high energy consumption in the country and the rising pollution levels.

Subsidies on fuel prices would be lifted or cut in future, if Qatar follows the international trend regarding environment conservation and sustainable development. This will complement to massive projects that are currently underway to develop a robust public transport system in the country.

“To lessen automobile dependence, the government is planning a high-speed rail line connecting Doha, Bahrain and Saudi Arabia, plus an underground monorail. More broadly, current scrutiny of subsidized prices for fuel could lead to shifts that encourage conservation and therefore reduce carbon dioxide emissions,” says the NDS report.

.3.6)Legal impact

In a major move, expatriates have been barred from driving private cars out of Qatar and they could cross the country's borders only if they prove that loans taken to buy vehicles have been fully repaid. So, expatriate motorists need to produce loan clearance certificates from a bank or a financial services company to be able to cross the border through Abu Samra land customs check point.

The certificate must say that loan taken for the car being driven out of Qatar has been fully repaid.

For driving a car in Qatar, registration of the same is essential. For new cars, the car dealers will make the arrangement. Used cars should go through a road test, if more than 3 years old.

1. The road test will be conducted by the Qatar Technical Inspection Company (QTIC).

2. Once the road test report is obtained, the next stop is Madinat Khalifa traffic department, where you have to fill up an application form, which should be in Arabic. The typing service is available within the vicinity of the department at a nominal fee.

3. The application form along with the valid Insurance and Road test report should be submitted at registration counter, where you will be issued the Road Permit along with two colored squares which should be stuck on the Registration plates of the car.

Renewal of Car Permit

Cars are to be re-registered every year. ie., Car Road Permit is to be renewed failure to do so would lead to a penalty.

1. Ensure that there are no Traffic Violations; It can be done online at www.e.gov.qa. All pending penalties are to be paid before renewal of the Car Road Permit.

2. The Technical Inspection Report, Valid Insurance, ID card and Original Road Permit should be produced at the Madinat Khalifa Traffic Department.

3. It original is lost, a copy of the same will also be expected.

4. A Form duly filled in Arabic is to be submitted and along with the above documents at the counter and the New Road Permit would be issued.

CHAPTER 5

INTRODUCTION OF INDIAN AUTOMOBILE SECTOR

Chapter 5

Introduction of Indian Automobile Sector

5.1.History and Inception of automobile industry in India

Automobile industry in India has grown by leaps and bounds over the years. In India it is one of the largest in the world and one of the fastest growing globally. The first car ran on India's roads in 1897 and until the 1930's, cars were imported directly, but in very small numbers. In 1940s the Indian automotive industry was at a very nascent stage. In 1953, government of India and private sector came together to build an automotive component manufacturing industry to meet the rising needs of the automobile industry. Nonetheless the growth was not on the expected lines, rather relatively slow in the 1950s and 1960s due to the prevalence of nationalization and license raj. In due course, automobile industry started to grow, riding on the back of increased demand for tractors, scooters and commercial vehicles. Cars were still considered to be a rich luxury. Japanesemanufacturers started entering the Indian market place, eventually leading to the establishment of Maruti Udyog. This set the pace, causing number of foreign firms entering into joint ventures with many Indian companies.

In 1980, a host of Japanese manufacturers set their sights on Indian markets leading to number of joint ventures being launched. The joint ventures were in the area of motor-cycle and light vehicle manufacturing. To make most of the rising opportunities, Indian government entered into an agreement with Suzuki to manufacture small cars for the Indian markets. Since then, Indian automobile industry has been scripting history as manufacturing accelerated to meet the requirements of both the domestic and export market.

Landmark of Indian automobile industry

- 1897 First person to own a car in India–Mr. Foster of M/s Crompton Greaves Company, Mumbai
- 1901 First Indian to own a car in India- Jamsetji Tata
- 1905 First Woman to drive a car in India-Mrs.Suzanne RD Tata
- 1945 Tata Motors
- 1947 Mahindra & Mahindra Limited
- 1948 Ashok Motors
- 1981 Maruti Suzuki
- 1994 Mercedes-Benz
- 1995 Ford Motor Company
- 1996 Hyundai Motor Company
- 2005 BMW
- 2007 Audi
- 2009 Land Rover and Jaguar

Overview of Automobile industry The automobile industry in India contributes 6 % of GDP of India. The CAGR of this sector is between 12-15%. It pays 17% to the kitty of indirect taxes of the Government. The Indian Automobile Industry is manufacturing over 11 million vehicles and exporting about 1.5 million every year. It provides direct and indirect employment to over 13 million people. The dominant products of the industry are two wheelers and the level of technology keep changing in the Motor vehicle Industry.

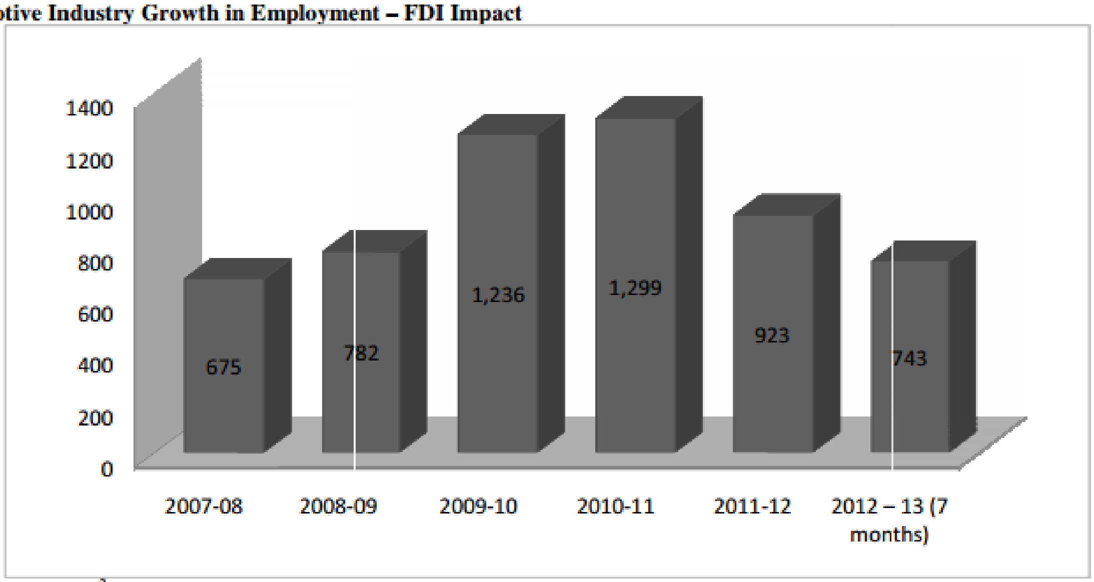
The automobile industry includes different types of automobile companies. Each and every company has its own importance and has developed a lot in the recent time period. This development leads to the heavy competition in the automobile industry and there are many top companies, which are under the automobile industry that sells cars. The companies like

Toyota, Ford, Tata Motors, Maruti, Hyundai, Chevrolet, Skoda, Mahindra vehicles, Honda, BMW, Benz suppliers are the top automobile industries in India. These companies are offering different types of cars with high quality, high price, low price and fuel-efficient cars.

But recently in the year 2008 a new car called Tata Nano was introduced by Tata Motors which is the cheapest car in the world and it is one of the greatest achievements of Tata motors which is offering the car only for one lakh Indian rupees (approx. $ 2100 CAD). The automobile industry is playing a significant role within the growth and development of the economic standards of the country. The automobile industry is the combination of the transport sector as well as the industrial sector and for this reason the automobile industry is playing a vital role in developing these industries

Consumer behavior is a process of identifying how the individuals buy the products, how they will prefer the products and the reasons why they buy the specific products. Generally, there are different types of factors that will impact the buying behavior of the consumers such as the psychological, social, economical, environmental, anthropological etc.

Automotive Industry Growth in Employment – FDI Impact



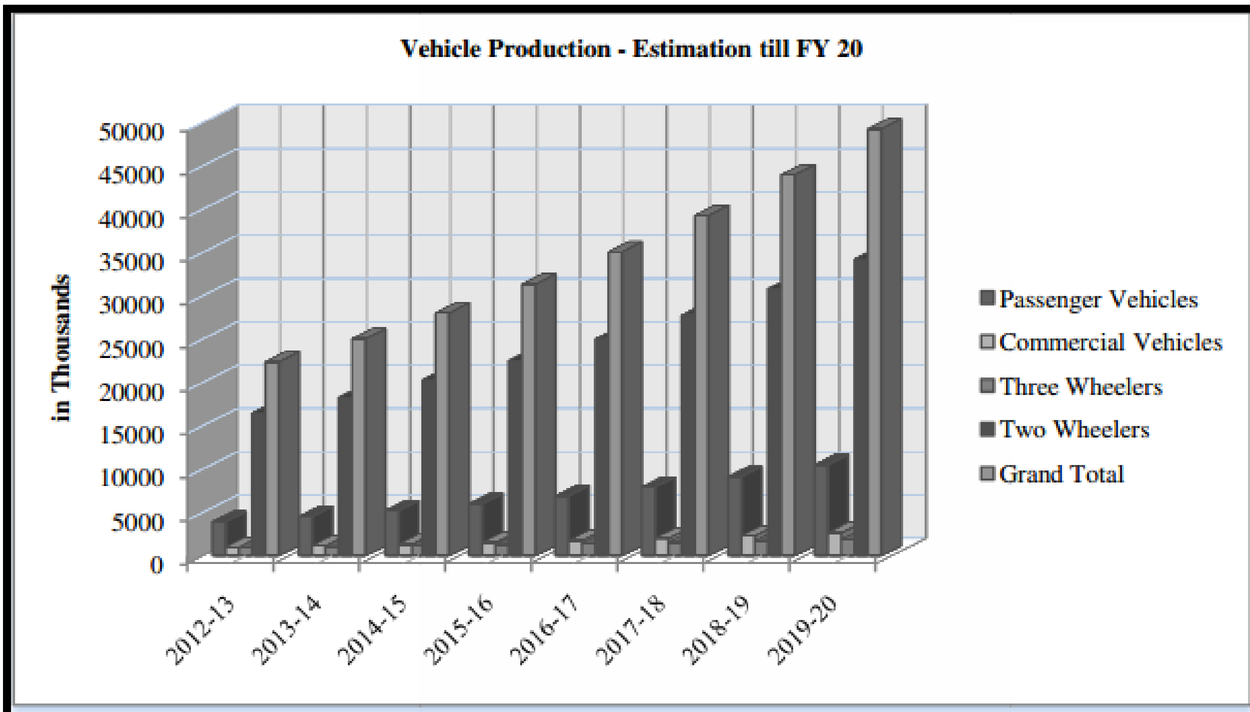
Source[3] - DIPP's FDI database – Fact Sheet on Foreign Direct Investment in SIA news letter for all the years

Figure 1

FDI Inflows in Automobile Industry in India (USD in million)–From 2007-08 to 2012-13 (till October 2012)[3]

The buyer or consumer continues to be a mystery. For this reason, the buyer's mind has been termed as a black box, which should be opened by the seller to be a successful marketer.

India is emerging as one of the largest gas markets for Qatar and offers opportunities for two-way investment partnership, according to CEO of Doha Bank, R Seetharaman.



Source[12]: Automotive Sector - 12th five year plan (2012-17) and self constructed

Figure 4

Total Vehicle productions with split in individual segments[12]

"Cooperation in Power sector between India and Qatar is under way and New Delhi has evidenced keen interest in importing additional natural gas from Qatar in the recently concluded World Petroleum Congress," the official said. Seetharaman told PTI that many Indian enterprises have active developed relationships in Qatar market through partnerships, agencies and have set up their offices - L&T, Tata Projects, Voltas, Dodsal and Punj Llyod to name a few.

India has sought to purchase three million tons of liquefied natural gas (LNG) from Qatar in addition to the 7.5 million tonnes that it already imports from Qatar. India also purchased four million tonnes of oil from Qatar in 2010. An agreement has been signed by the Government of India and the State of Qatar to avoid double taxation and prevent fiscal evasion with respect to income tax.

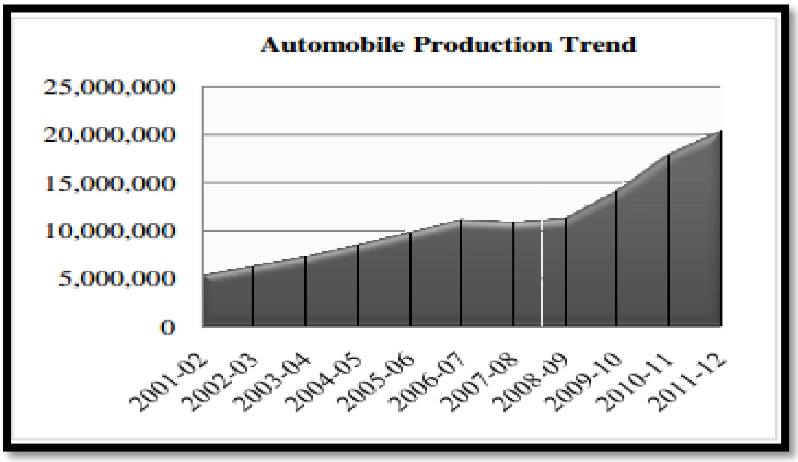
Exports of Qatar had steadily increased in the last four years reflecting increased demand by Indian economy for Qatar's hydrocarbon. Petronet LNG, which at present imports 7.5mn tones a year of LNG from Qatar under a long-term contract, has sought an additional 2-3 million tonnes and State gas utility GAIL India wanted 1 million tonnes for 20-25 years.

The Qatari side highlighted its interest in getting access to the PSU disinvestments via the Anchor investor route. The investment opportunities in the Kayamkulam expansion project of NTPC are being evaluated by the Qatar Investment Authority as also various renewable energy projects in the private sector.

Qatar becoming the host for 2022 World Cup had led to massive investment in infrastructure and Indian companies with a global profile are active in securing lucrative deals in the Engineering, Procurement and Construction management contracts (EPCs). India offers opportunities for two-way investment.Qatari investment in India is mainly in the infrastructure sector and private Indian companies are looking for investment in Qatar to further intensify cooperation in petrochemicals, fertilizers, power, and banking and finance sector, civil aviation and HRD. In the Banking Sector SBI has opened its Branch in QFC Qatar. Doha Bank is currently awaiting the license from Reserve Bank of India to start operations, he said.

Qatar accounted for about 31 percent of total construction projects announced in MENA in 2011. Qatar National railway system; Doha New International Airport, Barzan Gas project, Education City are some of the major projects ready in Qatar up for grabs for major Indian companies, the report added.India expressing interest in importing additional liquefied natural gas from Qatar will further boost the trade between the countries.."India will be one of the largest gas markets for Qatar apart from China. Cooperation in the power sector between India and Qatar is under deliberation. India has sought to purchase 2 million tonnes to 3 million tonnes of LNG from Qatar in addition to the 7.5 million tonnes it already imports from Ras Laffan," Trade between the two countries stood at USD 5.2 billion in 2010

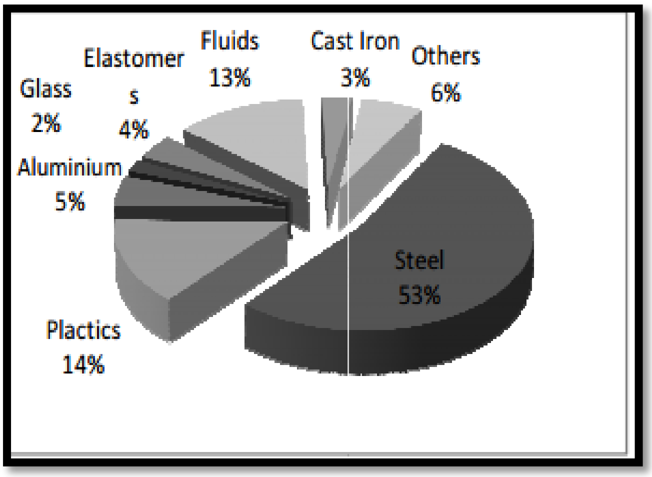
The GCC-India trade, which stood at USD 118 billion in 2010-11, is expected to exceed USD 130 billion by 2013-14. India also purchased 4 million tonnes of oil from Qatar in 2010 while Qatari investment in India is mainly in the infrastructure sector. The Qatari side had highlighted its interest in getting access to the Public Sector Undertaking (PSU) disinvestments in India via the anchor investor route.



"With Qatar becoming the host for 2022 FIFA World Cup and massive investment likely in infrastructure, Indian companies with a global profile are planning to secure lucrative deals in the engineering, procurement and construction contracts (EPCs). Private Indian companies are looking for investment in Qatar,"

Doha Bank is currently awaiting a licence from the Reserve Bank of India to start operations. Many Indian companies have active relationships in the Qatari market through partnerships, agencies and have set up their offices here. They include L&T, Tata Projects, Voltas, Dodsal and Punj Llyod. State Bank of India (SBI) has opened its branch at the Qatar Financial Centre.

"Since India is a country with one of the largest agricultural sectors, a huge market exists for fertilisers. With Qatar being a major producer of fertilisers, there is ample business opportunityfor both sides in the sector,"



CHAPTER 6

PEST ANALYSIS OF INDIAN AUTOMOBILE SECTOR

Chapter 6

Pest Analysis of Indian Automobile Industry

6.1.POLITICAL IMPACT ON AUTOMOBILE SECTOR:

- Indian government launched auto or policy for its self sustained growth.
- Allowed foreign equity investment up to 100%.
- Formulation of fuel policy.
- Promotes for vehicles propelled by AES.

The Automobile Industry occupies a leading place in Indian economy contributing ~ 7% of GDP. Foreign Direct Investment (FDI) impact on the growth of Automobile Industry is visible across the spectrum of this sector – direct employment in manufacturing, auto component suppliers and auto service segments. In the growth aspect it is distinctly discernible in the passenger vehicle segment. The cumulative Foreign Direct Investment (FDI) equity inflows from January 2000 to December 2010 in this sector is Rs. 25,972.59 crores (5.74 USD in billions) which is 4.52% of the total FDI inflows; the portion of Passenger Vehicle segment is Rs.13,516.25 crores (3.008 USD in billions) which accounts close to 52% of the total inflows in Automobile Industry Sector. This has opened a challenging avenue for training and development centers and employment gateway for aspiring and talented individuals across all levels.

The impact of the various government interventions in FDI in Automobile sector (more importantly auto policy 2002 with its vision 2010) towards employment generation - though not practical to quantify but attempt can be made to study and interpret the data available. This facilitates to estimate the employment generation and potential impact of these unique policy initiatives. A database with an inventory of policies enacted during the years 1998–2010, offers a tremendous analytic tool to learn more about which policies the Government relied on, what interventions appear to be more effective vis-à-vis employment generation and what are the implications for the design of policy packages to deal with future such initiatives (FDI) in other sectors.

The Indian Automobile industry being 'industry of industries' has profound forward and backward linkages with many segments with its multiplier effect contributing to GDP; leading to requirement of Human Resources at various levels from Research and Development to general employment, that is, education levels from PhD to ITI grades. Economists theoretically conclude that trade (including free trade) can affect wage rates and the distribution of employment across various sectors in the economy, but it has no effect on the overall level of employment. However, the empirical study presented in this research paper emphatically indicates the Foreign Direct Investment (FDI) as per Government of India's

New Industrial Policy in 1991 in aspects relating to delicensing, Passenger car segment in 1993 (more specifically), decrease in customs and excise duties, making vehicle purchase affordable and thereafter policy modifications (welcoming FDI) has lead to employment generation significantly in India. The Indian Automobile Industry plays a major role in the economic scenario of the country. The automobile sector in India, record sales of more than one million passenger cars per year. The percentage of automobile exports has risen significantly during the last few years. The government policies on Indian automobile industry have been framed in order to aid in the expansion of the automobiles sector in India.

During the early stages, the automobile industry was not accorded much importance by the Indian Government. However, the attitude changed during the 1990's. A number of reforms were initiated in 1991. Liberal policies affected during this period, proved to be beneficial to the automobile industry. The fiscal measures, tax reliefs and reforms in equity regulations and foreign exchange led to significant growth in the automobile sector. A reduction in the percentage of tariffs imposed on exports and a change in the banking policies was instrumental in the expansion and growth of the banking sector.

Prior to the mid 1990's, the Indian automobile sector comprised of indigenous companies. The automobile market in India was however, opened up to foreign investors in 1996. International names like Ford, Hyundai, Toyota, Volvo, Daimler Chrysler and GM Honda were thus, able to make their foray into the Indian automobile sector. Furthermore, the auto emission rules issued by the government in recent years ensured that the vehicles manufactured in India, catered to international standards. At present, the automobiles sector contributes 4 % to the GDP. About 9.7 million automobiles were manufactured in 2005-2006. Export figures had crossed the magic figure of one billion during 2003-2004.

A reduction in the tariff imposed on car exports has been effected by the Indian government. There has also been a removal of the minimum capital investment required from new investors. The new policy is also in favor of reduction in excise duty for small automobiles and low emission and multi utility cars. The tariff policy is also to be reviewed on a regular basis in order to affect a balance between domestic industry and international trade. There has also been a proposal for tax relaxation on investment of more than Rs. 500 Crore.

The government has recently proposed for an infrastructure that will provide one stop clearance for any kind of proposal for foreign direct investment in the automotive sector. This will include the local clearance system also for the same purpose. There are also plans for imposing a 100 % tax deduction on export profits. The government has also proposed for a concession in import duty for the establishment of new manufacturing units and industrial holdings.

The Indian government is also urging the state governments to ensure continuous power supply to the automotive manufacturing units as well as granting them with the preferred plots of land. Captive Generation for the automobile sector has also been proposed. The auto policy of the Indian government also includes the promotion of vehicles which are run on alternative energy resources. Talks are also on for extensive research, development and designing facilities that would effect modernization in the automotive sector.

The policies adopted by the Indian government for the growth and development of the automobile sector, has led to a large number of foreign investments. It has also given rise to an increased sales rate for two wheelers and other automobiles. India is also becoming the ultimate outsourcing destination for global automobile companies like Ford, Mitsubishi, Toyota, Hyundai etc.

6.2.ECONOMIC IMPACT ON AUTOMOBILE SECTOR:

- Weighted tax dictions up to 150% for in house R&D activities**.**
- Reduced interest rates for export financing.
- Economy has grown over 8.5% per annum for last 5 year.
- Manufacturing sector has grown 8-10% for last few years.

Indian automotive industry contributes significantly to the overall GDP of the nation and also provides significant business and employment opportunities. It is an engine of growth for the Indian economy. It is one of the key industries whose well being is very important in our vision of improving the living standard of our population.

Indian automotive industry, today, is in a transition stage. In the past, operating in a license regime, Indian automotive industry has been accustomed to buying most of its technology needs from outside and did not give much importance to development of indigenous technology.

With the liberalization of economy, the decades old monopolistic environment of the Indian automotive industry where only a handful of vehicle models were available with a long waiting list, gradually gave way to a highly competitive, complex and rapidly changing market which was not limited to domestic market alone. Today the number of vehicle models available are more than hundred and not a month goes without offerings of newer and more advanced model. Today the market is customer driven with performance, cost, fuel economy and reliability being the key drivers.

At the same time the Govt. of India has forced (and will continue to do so in future) more stringent emission regulations which calls for introduction of a host of advanced emission abatement and other technologies. The market has slowly become a technology driven market where MNCs are using "technology forcing" as a route to keep their market share. Thus the need for Indian automotive industry to develop/ acquire a range of new technologies in a very short time has never been so acute .This situation will continue to be so in future as well.

Ironically for the Indian automotive industry, the cost of technology development has increased manifold and increasing product cost has put a squeeze on profit margins affecting their ability to outsource expensive technologies. Moreover, the technologies are not so easily available any more from outside. Instead of giving a license or setting up joint ventures with an Indian industry, many intentionally renowned automobile manufactures have started production in India to take advantage of great commercial opportunities Indian markets offers. Even in the existing joint ventures, the control has slowing moved into hands of MNCs. In order to compete and retain their market share in the face of this onslaught by global automotive leaders , the Indian automotive industry have to urgently upgrade its technological capabilities. It must leap frog the technological gap if they desire to remain competitive in domestic as well as global market. The Indian automotive companies still have option of accessing the global knowledge. But the past experience is that, the key technologies are either not available at all for sale or if available, they are prohibitively expensive to remain competitive in the market place.

Some of the issues we face are unique to India (such that 70% of our vehicle population consists of two wheelers and 7 out of the 10 dirtiest cities are in India) and innovative technologies relevant to its need are needed. Three wheelers are unique to our market and no technologies are available from advanced countries to optimize such vehicles. We also need to improve significantly the fuel economy of our vehicles .We import 72 % of our petroleum requirement which is likely to go up to 92 % by the 2020. This will also lead to reduction in CO2 emissions. Weight reduction using advanced materials is a key area which needs strong technology development emphasis.

Indian automotive industry urgently needs technologies to produce fuel efficient, environmental friendly, lighter, safer and cost competitive engines, and vehicles. Advanced materials and manufacturing techniques, technologies for using alternative fuels, emission abatement, fuel economy improvement , safety enhancement, engine management systems, embedded vehicle control system are some of the areas where we must focus our efforts.

The scope of the projects under this mission spans a wide range of technologies which aim to meet our national needs. The projects proposed emphasize on development of advance materials, clean and fuel efficient technologies

Impact of the union budget

The Union Budget 2013-14 is likely to have a minimal impact on the domestic auto sector, considering that excise duties have remained largely unchanged, and macro-economic parameters continue to weigh down sales, according to India Ratings.

With excise duty for most categories remaining unchanged at 12%, and given the high interest rates and increasing diesel prices, passenger car and van sales growth will be in line with India Ratings' 2013 expectation of 2%-3% and 0.5%-1.5%.

Despite an increase in excise duty on utility vehicles (UV) to 30% from 27% (with duty on UV taxis, contributing to significant proportion of sales, remaining unchanged), the overall sales in this category are not likely to be materially impacted. Increase in prices in the mid-to-top-end UV segments would not be a deterrent for high net worth individuals as well as corporates. Competitively priced low-end UV models would continue to contribute to the bulk of segment sales, as their prices are comparable to mid-size cars.

The increase in customs duty on imported luxury cars to 100% from 75% would channelise the demand towards locally assembled luxury models and be positive for the domestic industry.

The proposal to allocate INR148,730m towards Jawaharlal Nehru National Urban Renewal Mission (JNNURM) (a part which is meant to acquire 10,000 buses in largely hilly areas) would help prop up sales volumes of Medium and Heavy Commercial Vehicles (MHCV) passenger carriers to some extent. MHCV manufacturers and bus body builders would benefit from government purchase of fully built buses.

6.3.SOCIAL IMPACT ON AUTOMOBILE SECTOR:

- Changed lifestyle leads to increased demand.
- The average size is 4 which makes it favorable to buy a four wheeler.
- 4th largest economy on purchasing parity index.
- Preference for fuel efficient cars with low maintenance.

The Indian automobiles industry witnessed a moderation in demand in 2012, after the double-digit growth in sales recorded in the preceding three years.

As the year 2012 comes to an end, the Indian automobiles industry witnessed a moderation in demand in 2012, after the double-digit growth in sales recorded in the preceding three years. Weak macroeconomic sentiment coupled with subdued consumer confidence pulled down sales, particularly in the latter half of the year. Domestic automobile sales grew by 6.6% in 2012 (Jan-Nov), as compared to growth of 14-31% during 2009-2011.

In view of the current macro environment, both domestically and globally, we are cautiously optimistic about the Indian automobile industry's prospects in the near term. As a result, achieving high growth rates is likely to be a major concern for the industry in 2013.

Dun & Bradstreet has prepared a compressive Sectoral Outlook report on the Automobile sector for the year 2013 which showcases that achieving high growth rates is likely to be a major concern for the industry in 2013 but the auto industry is likely to gain considerably from the various initiatives on infrastructure development, rural focus and the improved road infrastructure.

Sectoral Outlook 2013 – Automobiles

Domestic automobile sales likely to witness moderate growth

The Indian automobiles industry witnessed a moderation in demand in 2012, after the double-digit growth in sales recorded in the preceding three years. Weak macroeconomic sentiment coupled with subdued consumer confidence pulled down sales, particularly in the latter half of the year. Domestic automobile sales grew by 6.6% in 2012 (Jan-Nov), as compared to growth of 14-31% during 2009-2011. In view of the current macro environment, both domestically and globally, we are cautiously optimistic about the Indian automobile industry's prospects in the near term. As a result, achieving high growth rates is likely to be a major concern for the industry in 2013. While the long term fundamentals of the Indian economy remain robust, the sluggish global environment has impacted sentiments in the domestic market in the short term. But we expect this to be only a temporary phenomenon, and prospects for 2013 look better than this year. Growth in sales would be driven by the expected improvement in macro conditions on the domestic front, moderation in interest rates and revival in consumer confidence, mainly after the initial two quarters. Consequently, the deferred purchases witnessed in H2 2012 are expected to get converted into sales next year. The auto industry is likely to gain considerably from the various initiatives on infrastructure development, rural focus and the improved road infrastructure.

Export performance to remain moderate

In 2012 (up to Nov), all the segments, barring three-wheelers recorded higher exports. Growth in exports of two-wheelers, which account for over 65% of automobile exports, slumped to 1% in 2012 (up to Nov), from 31% in 2011. Vehicle exports have been on a downhill drive since mid-2012. The situation is not likely to witness a sudden turnaround, particularly with the uncertainty looming in the global economy. Moreover, with Sri Lanka recently announcing steep increase in import tariffs and excise duties, it is likely to have an adverse impact on India's automobile exports, as Sri Lanka is one of the important export destinations for the industry. Nevertheless, vehicle manufacturers' continued thrust on exploring newer export markets will open growth opportunities for the industry.

6.4.TECHNOLOGICAL IMPACT ON AUTOMOBILE SECTOR:

- More and more emphasis on R&D.
- Government is promoting NATRIP (national automotive testing and R&d infrastructure project) to support the growth of auto industry in India.
- Customized solutions (designer cars ets) can be provided with proliferation of technology.
- With entry of global brands both product & production process has been improved.

Bilcare Research announced the launch of Bilcare Technologies, a strategic business unit which will focus on implementing Bilcare's anti counterfeit technology across key industries. This move comes after the acquisition of Singular ID, a Singapore based technology provider, early this year which propelled Bilcare into the global scenario as leaders in anti counterfeit technology in the pharmaceutical market. Through the SIAM Annual Convention 2008 to be held on September 4th and 5th in Delhi, Bilcare Technologies aims to target the manufactures and component makers in the automobile sector.

The automobile sector across the globe is currently under attack from the counterfeit market. According to a survey conducted by The Motor & Equipment Manufacturers Association (MEMA) the global automotive industry loses US$12 billion to counterfeiting. More specifically in India, spurious car parts take up an estimated 37% of the market. Counterfeit automobile parts such as brake pads cost the global auto industry alone more than US$12 billion in lost sales.

Commenting on this turn key initiative, Mr. Raman Nanda, CEO, Bilcare Technologies said, "Counterfeits in the automobile industry are a real menace and a threat not only to the profits of automobile manufactures but also to the lives of millions of vehicle users who end up using sub standard safety and performance parts. With the increasing inflow of high end vehicles in India and the development of new expressways across the country, increasing speeds subject the vehicles to a higher degree of stress. This makes it even more important for the end consumer to use authenticated products and Bilcare's product helps to authenticate genuine products quickly and conclusively."

Bilcare's solution is a fingerprinting technology which is a comprehensive package, including hardware (scanners and authentication units), label supply, communications and database holding and implementation of the system. Each package or product would have a tamper evident label containing a unique fingerprint which can be authenticated through a scanner.

The technology relies on nanoparticulate metallic materials with unique magnetic and optical features. The fingerprint on each product is truly randomized and irreplaceable. To ensure safety of the product from the initial stages itself, the tags are not activated until they reach the manufacturer's facility and are applied on the production line. On activation the tag acquires a unique identity which can be traced. Through a low-cost scanner the consumer/retailer can the embedded fingerprint. The scanner then communicates the fingerprint to a data server, and picks up a return signal to device authenticating the product. Bilcare aims to extend this technology to the end consumer through the integration of the scanner in a mobile device. This path breaking technology is currently being used by Japanese, European and Singaporean customers and has positioned Bilcare as global leaders in anti counterfeiting solutions. World Health Organization (WHO) has recognized Bilcare's efforts by invited them to join IMPACT - International Medical Products Anti Counterfeiting Taskforce.

CHAPTER 7

INDIAN AUTOMOBILE INDUSTRY SWOT ANALYSIS

Chapter 7

Indian Automobile Industry SWOT Analysis

<u>7.1. Strengths</u>

1. Domestic Market is large

2. Government provides monetary assistance for manufacturing units

3. Reduced Labor cost

<u>7.2.Weaknesses</u>

1. Infrastructural setbacks

2. Low productivity

3. Too many taxes levied by government increase the cost of production

4. Low investments in Research and Development

7.3.Opportunities

1. Reduction in Excise duty

2. Rural demand is rising

3. Income level is at a constant increase

7.4.Threats

1. Increasing rates of interest

2. Too much competition

3. Rising cost of raw materials

7.5.Forecasts for Indian Auto Industry

1. Passenger vehicle market of India will even cross japan by selling about 5 million vehicles by 2017-18

2. India's passenger vehicle production projections:

In 2010: 2.6 Million Vehicles

By 2015: 5.1 Million Vehicles By 2020: 9.7 Million Vehicles

Apart from many countries, there are top 12 countries which are the sales destination

7.6.Future Technological Demands

Now from Today, there are some future technological demands which should be fulfil in future, those demands are listed below:

- Fuel Efficiency
- Emission Reduction
- Safety and Durability
- Cost Effectiveness

- Innovative Features

Some of the innovative features are Key Less Entry, Electrically controlled mechanisms, enhanced driving control, Composites, Long life Components, Soft feel interiors.

7.5.Various Challenges

In Indian Automotive Market, there are some challenges by virtue of which automobile industry faces lot of problems. These challenges should be overcome and the challenges are listed below:

- Growth in input costs
- Fuel price volatility
- Slowdown in demand
- Slowdown in USA
- Production cuts
- Growing competition
- Changing consumer preferences
- Chinese competition
- Environmental issues
- Low R&D orientation

CHAPTER 8

PREFERENCE OF THE QATAR POPULATION IN AUTO SECTOR

Chapter 8
Preference of the Qatar Population in Automobile Sector

Forget what you know about cars: they aren't built out of metal, plastic and rubber, but of money for the purpose of making even more money or making dreams come true in some rare cases. I say this because most new models launched these days in the premium segment or higher basically cater to new money – the guy who sells cement and wants to show the neighbors he's made it by going over the top with the brashest SUV.

And so a good way to look at the automotive industry from a different angle would be to focus on the the new money or the 'nouveau riche', those people that have acquired considerable wealth within their own generation and basically spend it like it will rot. By definition, people of lower economic rank buy luxury goods that were previously unobtainable.

At first i wanted to talk about rappers and basketball players, but then i realized the discussion would be limited to bigger wheels and spinners. In fact, there's a far better category of nouveau riche, one that displays far greater economic freedom, since they didn't actually earn the money: lottery winners. There's bound to be a good thousand of them across the world every year, and they're bound to need help buying new cars.

So auto evolution comes to the rescue with not only the names and description of the cars you need to buy, but also where you want to go with them. Obviously, these are more like guidelines than rules, since no two lottery pots are the same.

When you just won a cool couple of million, buying cars that cost pennies might seam strange, but there's a time and a place for everything. Don't worry, you'll be able to stick it to the old, smelly, stuffy money in the best and most ostentatious way possible.

Here goes:

10. If you want the world to know you're a car lover, the best thing to buy is something people have never heard of before. To this end, we'd suggest something like **the Spada Codratonca Monza. It's Corvette-powered hypercar with no no windscreen, the purest of designs** and some monumental performance figures.

The one-off Codatronca Monza has been commissioned by Aznom – who realized the interior design of the car. It's powered by a 7.0-liter V8 engine with 710 hp and 950 Nm (701 lb-ft) of torque. Thanks to a low weight of just 1,180 kg (2,600 lb), the Spada prints to 100 km/h (62 mph) in 3 seconds and reach a top speed of 335 km/h (208 mph). Despite being a one-off, they can probably build it if you have the money. I placed such an exciting car last because it's only useful if you want to flaunt it at the Pebble Beach Concours d'Elegance or something along those lines. Other than that, it's basically useless… but very pretty and it will make you friends.

9. If you're going to build a ten-car garage, there is no way to get away from the fact that supercars and sport scars are impractical. If you have a gold watch and some Gucci sunglasses on, you can’t really be seen driving around in your housekeeper’s Honda Civic. To solve this, we suggest you buy two cars, one small and one big.

At number nine on our list of cars you must buy if you want to be respected, not just as a millionaire, but as a human being, sits the **Golf R32**. Yes, we know there’s an R20 that is faster and gets better milage, but you must have that V6 in your life.

Forget about horsepower figures and bright paintjobs. This is the sort of car you need when attending charity fundraisers or community events. When attending class reunions, also jump in the R32 to make sure people won’t ask to borrow money.Also, in some countries lottery winners or their close kin are kidnapped by and held for ransom. To normal folks, the R32 looks like a regular old Golf, so you won’t be targeted. And if you are, the 250 or so horsepower of the 3.2 liter V6 makes for a decent getaway car.If you can’t stand the idea of an older car like Golf R32, get a MINI Cooper S or Audi S3, and they might drive you just as anonymously. If you reeeely like charity events, get a Prius and stop reading this post.

8. OK, here’s the other practical vehicle you need to buy, and it’s a pretty obvious choice.

Nothing gives you more respect and power than a big luxury SUV. For a millionaire, this isn’t really that expensive, so spec all the bells and whistles, because you’re going to be spending a lot of time in it. Oh, and the badge obviously counts!

The choice is not really that simple. If you live in Europe, we'd suggest the proper **Range Rover** with a big V8, in black with every camera, screen and speaker you can demand from your dealer. If you're in America, get the Cadillac Escalade or a **BMW X5**.

If you live somewhere in East Asia, a German SUV like the Porsche Cayenne or the aforementioned BMW X5 is your best choice if you want the respect of people driving Honda and old Toyota.

7. Right! Now that i got the more practical choices out of the way, time to get creative and pick a good every day grand tourer. They are more expensive but aren't that uncommon, so you'll need an aftermarket kit. We'd suggest buying the **FAB Design Mercedes SLS Gullstream** – bold, white and with plenty of character, it will work wonders with a long-legged Russian model at your side when you hit the clubs at night.

Technically, it's a front mid-mounted supercar, but trust us… it's not a track attacker. Another choice for wafting about would be the Bentley Continental GT, which is sold with more chrome than an American trucker's whole front end.

6. We've tried to get a bit of exclusivity and practicality to your car collection. Now it's time for some passion. In sixth place in my opinion should be a car design icon. It's something that you will want to stroke every day or look at early in the morning when you have a cup of coffee in one hand and the newspaper in the other.

One of my personal favorites is the **Chevy Corvette C1** from say 1957. It's flamboyant "dream car" design was the product of Harley Earl, who made GM's cars cool. The first

Corvettes were virtually handbuilt in Flint, Michigan in Chevrolet's Customer Delivery Center. The bodies were made of fiberglass, which makes them harder to recondition, but that shape is surely worth it.

Another choice would be the old Mini or the Citroen DS if you live in Europe. Both of these are recognized as design icons and will not brake the piggy-bank, so you'll have money left over for the new supercars you like. If you're more into classic cars, the Jaguar E-Type, Ferrari Daytona or Lancia Stratos will be a constant reminder that you've made it, that you can have what you couldn't before.

5. There is nothing better new money likes to do during the day than drive around, annoying all the other motorists that have to work for a living. It's a natural evolutionary step you too will have to step in order to ensure your brain comprehends your superiority to regular folk. The best place to drive around aimlessly is where the rich congregate. This can either be a major boulevard in your city, or a place like Monaco or Saint Tropez.

Yes folks, I'm suggesting you buy a really cool convertible. You can have any expensive one you like really. There's the Ferrari California, which is a bit fun to drive, but it doesn't have the exclusive look. But I'll tell you a little secret: an AWD model is what you really want, as it will keep going when a little summer drizzle is added to the mix.

4. Have you ever heard of the expression “it’s lonely at the top”? Well it probably is (I wouldn’t know), so to make sure you have plenty of friends, you’ve got to make sure you’re where the party is at!

You don’t want to be seen in a stretched out Cadillac limo like they use in Vegas – people will think that you’ve rented it and all the pretty ladies will laugh at your fake tan and whitened teeth. But if you have something like this limited series **Rolls Royce Phantom EWB** (extended wheel base) at your disposal, they will even laugh at your bad jokes because you have class…and wheel centers that don’t spin so you can ‘read’ them even while the car is moving.

This one was used as an exhibition car at the Geneva Motor Show and there are only five others like it. It’s actually available to buy at the time of writing, and it can be yours for the cool sum of €650,000. Can’t afford it? Not my problem – get into illegal activities with your lottery money until you can!Forget about the Bentley continental GTC and go straight to the Audi R8 V10 Spyder. Though you want hold on to your convertible money until next year, when the mid-engined Audi will reportedly get S tronic double-clutch gearbox.

3. Running low on money? Building the ultimate car garage shouldn't be cheap, and not all fun should be had one a fresh piece of asphalt. With the tenth likely to be the last pure generation of **Mitsubishi Eva**, we can't really built an ultimate 10 car garage without including the '**X**'.So, even though it's really high on the list, there's a good chance you'll hate it. It's very complicated, very Japanese, has more changeable settings than the old BMW M5 and is about as pleasant to look at as a mother in law (if you're not a fan that is).

But it will do well over 100 miles per hour… sideways and should be a lot of fun. What, did it just sound like I was suggesting doing something dangerous in it? Yes, I did – slap a roll cage in one of these FQ-400s and you're good to go. IT the best thing to take rallying besides a dedicated Dakar Toareg. Everything about this car is there to give you grip in less than ideal conditions.Just don't try to push it to the limit, because you can handle that, and your wife will find a new man if you've lost a leg in a racing accident.

2. We've stuck with the Japanese theme for the second to last car of the list and there is no better four-wheeled creation made in the land of the rising sun than **the Nissan GT-R.** It costs a ridiculously low amount of money for what it does.

If you're not in the mood to get frisky and get personal with the apex at your local junction, you'll love it.The 2012 model promises to be on a completely different level. It's got a staggering 550 horsepower, 70 more than when when it was introduced back in 2008. Honestly, you might as well call it a million horsepower, because this car does the standard sprint faster than just about any other car out there. Launch control engaged, left foot on brake, build up the revs and that Lamborghini owner will be humiliated by now. IF that's not happening, you might need another million horsepower from the aftermarket industry… it's doable, I'm not kidding! Also, the 2012 model features insane attention to detail, as the suspension has been set up to compensate for the driver not being in the middle, and the engine's map has been fine-tuned to create a bit more torque wherever possible. The only bad thing I can say is that the Japanese are like the oriental Germans, so the best thing you'll say about it to your friends is that is "very nice", which is where the soulful, wonderful, brilliant and soul stirring car at the top spot comes in. Yes, it's Italian!

1. Have you noticed that we have suggested very few cars that actually go like they are on fire? There's a very good reason for that. Think about it: you've just won a large sum of money and you are about to become the proud owner of 10 cars, a bigger house and a better wife (upgraded or swopped for a newer model), so your ego is bloated to the max, but you don't have the driving skill to back it up.

So if you buy the latest supercar that tops out at over 200 miles per hour, you are going to die in an accident. As a result, your money will be split between you wife and Carlos Armando, your gardener with a ripped body.But, no man with a free soul should live his life without passion and beauty, so you still MUST have the car of your dreams. Now it might just sound like we went for the simplest choice here, but there is no ignoring the Ferrari 458 Italia, even if it is 'just' a Ferrari, not a Bugatti, Pagani or Koenigsegg.The **458 Italia** is better not only than all other Ferraris on the track, including its predecessor the 430 which has 80 less horsepower, but it also offers all the on-track feel you'll ever want.

CHAPTER 9

BUSINESS LINKS BETWEEN INDIA AND QATAR

Chapter 9

Business Link between India and Qatar

In Automobile Sector

9.1.BUSINESS OPPORTUNITIES BETWEEN INDIA AND QATAR

Qatar is one of the smallest Gulf Countries in terms of population and geographical area but the second largest gas reserves in the world representing more than 5% of the world total. The prosperity of natural resources coupled with the growing and diversifying economy means enormous access to investment opportunities and incentives. The Qatari government adopts a policy aiming at diversifying income resources and developing economic infrastructure. Specifically, the government expanded the exploration projects in oil and gas sectors and offered numerous incentives to attract foreign investors to carry out similar projects. The Qatari economy is one of the most rapidly growing economies in the world offering the international community a variety of world-class and cutting-edge products and services.

9.2.INDIA, QATAR DIFFER ON PRICING OF LNG

India has sought an additional 3-4 million tonnes liquefied natural gas (LNG) a year from Qatar but talks were stuck on Friday over pricing of the fuel, according to a BS report, quoting PTI as saying. Petronet LNG Ltd, which at present imports 7.5 million tonnes a year of LNG from Qatar under a long-term contract, sought an additional 2-3 million tonnes while state gas utility GAIL India wanted one million tonnes for 20-25 years.

World's largest LNG exporter was ready to supply all of the requirement, but wanted a price of $ 16 per million British thermal unit, sources privy to the negotiations held during the visit of Qatar’s Energy Minister Mohammed bin Saleh Al-Sada in New Delhi.

Qatar sought a price of 15-16 percent of Japanese Crude Cocktail — the average price of customs-cleared crude oil imports into Japan, while New Delhi was willing to pay no more than 14.5 per cent of JCC. At present, it is less than $ 105 per barrel.

Sources said India was willing to pay a price equivalent to what it is paying Exxon Mobil Corp for buying 1.5 million tonness a year of LNG under long-term contract from Australia's Gorgon project. RasGas of Qatar now supplies 7.5 million tons a year of LNG under long-term contract at a price indexed at 12.67 percent of JCC, noted the report.

Qatar, they said, has been asked to make the final offer. LNG is natural gas liquefied at sub-zero temperature that can be transported in cryogenic ships. Sources said Petronet wants additional LNG from 2013 at its Dahej terminal in Gujarat whose capacity is being expanded to 15 million tonnes a year from current 10 million tones, as well as at the under-construction five million tonnes a year terminal at Kochi in Kerala, said the report.

GAIL wants LNG at its almost ready import facility adjacent to the Dabhol power plant in Maharashtra. To lure Qatar, New Delhi offered the Gulf nation equity in petrochemical plants that Oil and Natural Gas Corp (ONGC) is putting at Dahej in Gujarat and Bharat Petroleum Corp Ltd is planning at Kochi. Also, Mangalore Refinery and Petrochemical Ltd's proposed chemcial complex was also offered for equity participation during talks held over two days, the report held.

Besides offering additional LNG, the visiting Qatari Minister also offered to supply LPG and crude oil condensates which can be processed to produce white fuels like petrol, kerosene, ATF and naphtha, added the report.

9.3.INDIAN AUTO SECTOR NEED TO ADOPT HYBRID VEHICLES

Prime Minister Manmohan Singh today asked vehicle manufacturers to adopt electric technologies fast in order to reduce dependence on imported oil and supplement efforts for a greener transport system.

"It is important that we make efforts for reducing the transport sector's dependence on oil. One of the ways in which this can be achieved is by faster adoption of the full range of electric vehicle technologies, including hybrid vehicles," he said after unveiling the National Electric Mobility Mission Plan 2020 here.

The mission involves a total investment of over Rs 23,000 crore which would be equally shared by the government and the auto industry.The Prime Minister said India's transport sector consumes a large amount of energy. Over 80% of the country's requirement of petroleum products is met through imports.

"This dependence on imports is likely to increase further. High international prices of oil contribute significantly to India's import bill, to our trade deficit and, I dare say in a world of rising petroleum prices, to inflation, thus putting a big strain on our economy," Singh said.

As per the ambitious National Electric Mobility Mission Plan, 6-7 million electric vehicles along with resultant liquid fuel savings of 2.2-2.5 million tonnes can be achieved in 2020.

"This [mission] is an important milestone in our country's efforts for a cleaner and greener transport system for the future," Singh said.Besides, he asked the automotive industry to make all possible efforts to develop capabilities in the area of electric mobility.At present, the production of electric and hybrid vehicles is negligible in the country.

9.4.INDIA IS LOOKING AT QATAR FOR SOURCING MORE CRUDE OIL AND GAS TO MEET ITS DOMESTIC ENERGY DEMAND.

The Petroleum Minister, Mr S. Jaipal Reddy, said with the country's energy requirement growing, India was looking at larger quantities of liquefied natural gas (LNG), crude oil and liquefied petroleum gas imports from Qatar. He, however, did not mention the additional quantum that India was seeking.In 2010-11, India imported 5.6 million tonne oil from Qatar. India also buys 7.5 million tonne a year LNG from Qatar based on a long-term contract.

Mr Reddy was speaking at the foundation day of Petronet LNG, the country's largest LNG importer by volume. The Qatari Energy and Industry Minister, Mr Mohammed Bin Saleh Al Sada, was also present at the event.The Qatari Minister said his country was reviewing its commitment for supplies to India. “We would like to continue and widen our relations,” he said.

Almost 80 per cent of India's crude oil requirement is met through imports. The country has been looking at various sources for meeting its requirements following the recent geopolitical situation arising out of the US and European sanctions against Iran.

Currently, Petronet LNG gets 7.5 million tonne of LNG from Qatar. India is looking at additional volume of at least three million tonne at a price which is affordable.Reacting to the current spike in global crude oil prices, the Qatari Minister said that this was driven by factors other than demand and supply and that there was no shortage of oil anywhere world.

“Oil producers are committed to supplying,” he said.“When it comes to price, we don't interfere directly with the price since there are so many elements not necessarily fundamentals of demand and supply -- but other factors,” he added.

9.5.QATAR IN DEAL TO DEVELOP FUTURE AUTOMOTIVE HUB

Qatar Automotive Gateway (Qatar Ag), has entered into a deal with Prod rive, one of the world’s leading automotive technology and motorsport businesses, to build and develop a cutting-edge automotive industry value chain in the country.

Qatar Ag is a company responsible for developing a cutting-edge automotive technology industry cluster in Qatar.

Announcing the deal at the 2012 Qatar International Motor Show, Qatar Ag said the two companies will jointly work for the development and production of advanced carbon fibre composite automotive parts and assemblies.

'We’re very pleased to be in partnership with a prestigious global leader such as Prodrive and to be part of the International Qatar Motor Show which is kick-starting this year with the futuristic theme of new transportation solutions,' remarked Ghanim Bin Saad Al Saad, the chairman of Qatar Ag.

'This is truly a perfect platform for us at Qatar AG to announce this MoU which represents our first milestone in our aim to build and develop a cutting-edge automotive industry value chain in Qatar and turn the country into an international hub for the technologies of the future by 2020 by investing in the manufacturing of innovative automotive components which are witnessing increasing demand worldwide.'

'We firmly believe that Qatar AG will help foster the growth of a diversified socioeconomic system in Qatar and one which relies on a knowledge-based industry and create valuable job opportunities for Qatar’s youth,' said Al Saad.

'We are also confident in the path we are following to place our nation on the world’s automotive production map of the future,” he added.

According to him, Qatar Ag and Prodrive have identified a significant opportunity to combine their respective skills, experiences and resources to meet the rapidly expanding demand for lightweight, cost-effective carbon composite-based products in numerous markets around the world.

'Carbon fibre composites combine carbon fibre with a range of composite materials such as kevlar and glass fibres which are increasingly being utilised in numerous applications across a wide range of industry sectors such as aerospace, marine and automotive,' he explained.

'These materials are earmarked with low weight, flexibility and very high tolerance of temperatures and corrosion, turning them into a strong alternative and a complement to traditional materials such as aluminium and steel with a weight advantage of 40 and 60 per cent respectively against these traditional materials,' he added.

Applications are well established in the sports industries, particularly motorsport, and are rapidly extending into the aerospace, marine, automotive and wind energy generator.

Ahmed Sorour, the Qatar Ag CEO said, “We have been working diligently for three years to identify the optimum opportunities to achieve our mission of building an automotive cluster in Qatar by 2020 in line with the Qatar national vision for 2030.'

'We place very high importance on investing into knowledge-based industries which come at the forefront of the new automotive value chain, and particularly when Qatar’s resources offer a significant competitive advantage to our customers,' he added.

David Richards, chairman and CEO of Prodrive said: “I am very pleased to enter into this agreement with Qatar Ag, in a field that is playing an increasingly vital role in the future of so many industry sectors.'

'Prodrive and I have a long and successful history working with Qatar and this is a further example of how we can combine our respective skills, experiences and technology, to meet the growing needs of our customers,' he added.

Clive Scrivener, chief operating officer said: “Prodrive has developed and produced carbon composite products for 20 years, through our automotive and motorsport activities.'

'Our current carbon composite business in the UK, which represents a key element of our global portfolio of Group activities, is already a leading supplier to numerous high-profile vehicle manufacturers and demand continues to grow,' he added.-**TradeArabia News Service**

9.6.THE QATAR AG MANAGEMENT TEAM

The qatar Ag management team, along with international and local media and journalists, attended the press conference.qatar Ag was represented by Mr. Ghanim Bin Saad AI Saad, Chairman of qatar Ag, Mr. Ahmed AI Mannai, Vice Chairman of qatar Ag, Mr. Ahmed M. Sorour, CEO of qatar Ag, and qatar Ag board of advisors Dr. Anil Khurana, Dr. Norbert Wittemann and Mr. Cuneyt Oge.

Mr. Ghanim Bin Saad AI Saad began his speech by thanking the media and journalists for accepting the invitation for the launch of Qatar Automotive Gateway.
Mr. Al Saad described qatar Ag's plans to establish a fully operational automotive cluster by 2020, which will leverage Qatar's resources and utilize financial and operational synergies across Qatar's projects.

He quoted Mr. Peter Drucker, renowned management guru, calling the automotive industry the "mother of all industries" because of its far-reaching influence, noting it will continue to be a significant and influential industry in the future Mr. Al Saad also explained that the initiative to start qatar Ag was made after 2 years of research and analysis, during which time input was sought from executives from the global auto industry, industrial companies in Qatar, and global financial, industry, and technical experts. He also said the research confirmed that the auto industry offers multiple industrial investment opportunities, including the manufacture of components in Qatar.

He acknowledged that qatar Ag was inspired by the Qatar Vision of 2030 of Qatar becoming a diversified industrial economy and society, based on the four pillars of Human, Social, Economic, and Environmental Development.

Mr. Al Saad outlined the dramatic restructuring and shift that is happening in the global automotive industry. He went on to give examples including Tata Motors of India acquiring Jaguar Land Rover, a British company formerly owned by Ford; Geely, a Chinese car company, buying the Swedish company Volvo; and Qatar Holdings purchasing 17% of VW AG and 10% of Porsche AG.

The shift in automobile sales was also highlighted. For the first time, the sale of vehicles in China, with 2010 sales of more than 17M vehicles, exceeded North America's 14M in vehicle sales. Mr. Al Saad added that the entire automotive value chain has changed or is changing and the shift is eastwards, as many economists have forecasted.

Mr. Al Saad also added that the transformation in the automotive industry is taking place from a technical perspective. Hybrid and electric vehicles are being adopted because they are more environmentally friendly and fuel-efficient. Even though commercial production only started in 2010, extensive government support from around the world is expected to speed up adoption, such that by 2020, nearly 40% of all passenger vehicles will be some form of hybrid or electric vehicle. Governments are subsidizing consumers and supporting and subsidizing manufacturers of electric vehicles and components such as Lithium-Ion batteries among others.

Mr. Al Saad said that qatar Ag has closely watched this transformation in the automotive industry and sees a great opportunity for Qatar. Qatar has several key ingredients and capabilities such as its growing infrastructure, strategic location, low energy costs, strong financial investments, and attractive b u s i n e s s environment, including government support and incentives to help Qatar diversify its GDP through industrialization. All of these factors will make the State of Qatar a competitive location in the global automotive industry. He went on to say that with the continuing support of the Qatar Government, he expects that qatar Ag will succeed in its mission, and will become "a new driving force in the automotive industry" (qatar Ag slogan).

Mr. Al Saad stated that Qatar has achieved rapid progress under the leadership of His Highness Sheikh Hamad Bin Khalifa Al Thani, the Amir of Qatar. Qatar's successes, such as the 2022 FIFAWorld Cup, are commendable, especially considering the multiple challenges. Mr. Al Saad concluded by saying that even though setting up an industrial business is hard, and financial returns will come over a period of time, qatar Ag has accepted the challenge and will work hard to deliver on its goal. qatar Ag is now beginning to execute on this strategy and has initiated discussions with international technology partners that share in its vision, and will work with and invest with these partners to make qatar Ag and Qatar successful.

Mr. Ghanim's speech was followed by the speech of Mr. Ahmed M. Sorour the Chief Executive Officer of qatar Ag. Mr. Sorour spoke about the fact that the automotive industry is a key industry in the global economy, with a direct employment of 25M jobs worldwide, and total revenue of more than 5% of global GDP. He also said that in addition to its direct impact, it creates jobs and supports other industries such as iron, steel, rubber, glass, plastic, petroleum, textiles, oil & gas, paints & coatings, transportation, and others.

Mr. Sorour also reiterated the fact that the automotive industry is in the midst of one of the most significant transitions in decades. He said that on the one hand, the financial crisis has weakened some of established automotive companies especially those focused in the developed countries of Europe and North America. Many of the established automotive OEMs and suppliers are seeking new investments and markets to sustain their business and leadership.

And on the other hand, a number of technological changes are reshaping the automotive industry. Stricter government regulations on Co2 emissions and greenhouse gases (GHG) require solutions such as electric vehicles and Lithium-Ion batteries, and lightweight components made of Aluminum components, to enable more fuel efficient and environmentally friendly vehicles.

He stated that over the past 2 years, qatar Ag had established a team of financial, industry, and technical experts, who are based in the key global hubs in the U.S., Europe, and Asia, to help identify, evaluate, and assess multiple opportunities in key automotive industry segments.

Mr. Sorour mentioned that one of the opportunity areas is in the design and manufacture of Lithium Ion batteries and components. As the demand for electric and hybrid vehicles ramps up, and xEVs become a standard product offering, it is expected to create a new value chain worth approximately $250B by 2020, of which more than $65B will be for Lithium Ion batteries and components, growing from today's demand @ a dramatic 65% growth rate.

Mr. Sorour also said that another opportunity area is automotive Aluminum components - die castings, forgings, and extrusions - where the global market is expected to grow significantly from $38B in 2010 to US$73B by 2020. Most experts also expect that this increase in demand due to the increasing use of Aluminum components will cause a significant shortage of global capacity by 2016, creating an opportunity for qatar Ag to produce hi-quality automotive Aluminum components while leveraging Qatalum's significant Aluminum capacity and capabilities.

Mr. Sorour went on to say that qatar Ag has started to execute on this strategy, using three key ingredients - a clear vision and goals for qatar Ag that will enable success, selecting the right long- term partners, and focusing on execution. He concluded by saying that qatar Ag expects, as usual, to receive the support of the Qatar Government and other stakeholders, which will create a strong impetus to establish an automotive cluster in Qatar by 2020, which in turn will generate several thousand technical and management jobs in Qatar, thus supporting the knowledge-based economic vision of Qatar which will deliver high returns for future generations.

9.7.EXPORTS OF QATAR

Qatar imported more automobiles in the fourth and last quarter (October to December) of 2012 than the previous three-month period even as its foreign trade surplus fell slightly in that quarter over the third one.

A highlight was that more cars were imported in the last quarter with the imports rising QR236m ($64.65m) to QR2.66m ($728m) from QR2.42m ($663m) in the previous three months of July to September.Qatar's foreign trade surplus was marginally down to QR96.7bn ($26.49bn) in the final quarter, from QR99.2bn ($27.17bn) in the July to September period.

Preliminary estimates released by the national statistics agency show that automobiles were the largest item of imports in the two quarters (third and fourth) followed by aircraft and helicopter accessories. Imports totalled QR23.74bn ($6.5bn) in the final quarter, slightly up over the previous quarter (QR23.27bn), with the US, China and Japan ranking as the first three top destinations from where the imports were accessed. The UAE which is responsible for large volumes of re-exports maintained its fourth position among the exporters to Qatar, followed by Germany.

Liquefied natural gas (LNG) exports, the mainstay of Qatari exports, dipped marginally in the last quarter to QR43.3bn ($11.86bn) from QR47.13bn ($12.91bn) in the previous one.

Crude oil export volumes were almost half of those of the LNG, at QR22.74bn, and were slightly less than the third quarter figure of QR23.22bn, according to the Qatar Statistics Authority.

The third largest items of imports were condensates, followed by propane, naphtha and butane and low and high density polyethylene (LDPE and HDPE) that find widespread industrial use.

Exports totalled QR120.4bn ($33bn), reflecting a marginal drop of 1.6 percent over the third quarter but showing a high 9.9 percent year-on-year growth. Japan, South Korea and India were the three largest destinations of Qatari exports.

9.8.BUSINESS IN QATAR BY INDIAN COMPANIES

Many experts are skeptical that Tata, which has only been making cars for the last 10 years, can manufacture a $3,000 car that meets emission and safety standards. However, even if the car falls short, it will open the door wider for other auto makers to produce cars that are small and affordable. For example,, Pakistan's Transmission Motor company built basic four-wheelers for $2,100 and started exporting them to Sudan, Qatar and Chile.

India could become the next big hub for auto manufacturing. Although the country only produced 1.1 million cars in 2007, it was projected to triple to 3 million by 2010.

Although India’s car sales were less than 1 million, China’s 2007 total cars sales were estimated at 8 million. In 2006, China overtook Japan as the world’s second largest car market, selling 7.2 million units, an increase of 25%. China’s government forecasted that demand for cars would top 20 million by 2020. (See People’s Daily, "China's home-made car sales surge 22 pct in first quarter," April 9, 2007)

Japan’s auto sales were up 6.3% in 2006 to 11.5 million units. Demand in North America (up 34%) and Europe (up 10.8%) for smaller cars drove the increase in Japan's auto production, which propelled Toyota to beat GM in world auto sales. For the first time since 1987, over 50% of Japan's auto production was for exports.

Over 75% of the world's cars are manufactured in North America, Europe and Japan, but China overtook South Korea and France to become the fourth largest auto production area in the world. The capacity of China’s car industry was 10 million by 2008 and was expected to double to 20 million by 2010. In 2007, Chery became the first Chinese car company to top domestic monthly sales.

9.9.HYUNDAI MOTOR ACHIEVES FASTEST EXPORT OF 10 LAKH CARS

Hyundai Motor India Ltd, the country’s largest passenger car exporter and the second largest car manufacturer, today achieved yet another significant milestone with its cumulative exports crossing the 10 lakh mark. To mark the event Hyundai shipped its first ever consignment to Australia from the Chennai Port this morning. With this shipment, Hyundai is the first automobile company in India to achieve this feat in a record time of just over a decade.

HMIL began exporting cars in 1999 when it shipped a batch of 20 Santro’s to Nepal and it reached the first milestone of exporting 100,000 cars in four years and ten months in October, 2004. In October, 2005 it exported its 200,000th car followed by its 300,000th car and 400,000th car in October, 2006 and August, 2007 respectively. By exporting the 500,000th car in March, 2008, HMIL had become the ‘fastest’ Indian passenger car manufacturer to achieve this stupendous milestone in record time. In a little over a decade since Hyundai has been present in India it has become the leading exporter of passenger cars with a market share of 66% of the total exports of passenger cars from India making it a significant contributor to the Indian automobile industry.

Commenting on the occasion, H W Park, Managing Director & CEO, HMIL said, “Reaching the 10 lakh export car landmark is not only a significant milestone but also a matter of great pride for the Hyundai family as it showcases the global success story that Hyundai as a brand enjoys. I take this opportunity to thank all our customers and stakeholders for their trust and support which has helped us reach this landmark. In the future we are sure to increase our overseas presence as we add more markets.”

Currently, Hyundai Motor India is exporting four of its popular models namely - Santro, i10, i20 and Accent to 110 countries. In 2009, in spite of a global slowdown, Hyundai exports grew by 10.7% inspite of the economic slowdown. In 2010 Hyundai plans to add 10 new markets with the Australia being the latest entrant to the list. The first shipment to Australia was of 500 units of the i20 and the total market size expected to be in the region of 15,000 units per annum.

9.10.BUSINESS OPPORTUNITIES FOR INDIAN AUTOMOBILE SECTOR IN QATAR

Scrap tyres, discarded in large numbers daily, stockpile or take up space in landfills although as a raw material they provide several business opportunities for both reusing and recycling. Figures available with Qatar Statistics Authority (QSA) suggest that Qatar, on average, imports close to a million tyres a year (913,000 to be precise).

Some 488,000 vehicles were registered in the country in 2009, and the QSA said its tyre import figures were based on the assumption that two tyres were brought into the country per registered vehicle. In 2010, for instance, over a million tyres were imported -more than 70 percent of them for saloon cars -and they weighed a massive 36, 140 tons.

According to the QSA, at least 1.9 million used-up tyres are discarded as scrap every two to four years, with the virtual age of a tyre being about three years. Tyre imports have been rising to the extent that from a mere four percent between 2008 and 2009, the increase was more than four-fold (18 percent) between 2010 and 2011. With over a 100,000 new vehicles added to Qatar’s roads each year, the imports are expected to maintain an upward trend in the years to come, say experts.

Ironically though, there isn’t much focus on recycling scrap tyres in Qatar, and that raises the threat this waste poses to the environment. Scrap tyres are not easily biodegradable and are difficult to compress so they occupy a good deal of space in disposal and landfill areas. This means their threat to environment is more severe because they contain components like lead, chrome, cadmium and other pollutant heavy metals.

9.11.RECYCLING BENEFITS

The best option, therefore, is to recycle them, says Rafeeq Samour, of the QSA, in a write-up in the January 2013 edition of the QSA's journal 'Statistics'. Rubber granules, wires that can be used for recycling in the steel industry, and nylon and other fibres such as linen can be had as by-products from recycled tyres at a very low cost, Samour says.

These by-products find widespread use in the building industry – in road construction and flooring specifically, and in sports facilities and school yards, among other such avenues. If used with bitumen in road construction, for instance, the by-products from recycled tyres can turn the tarmac malleable and resistant to expansion and contraction during hot and cold weather, say experts.

Moreover, the capital needed to have a recycling facility in place is relatively small and the business isn't labour-intensive either, add experts."You need a very small amount of money (capital) and few workers" to start up a tyre recycling unit, adds Samour. "It can be a new source of income for those who are willing to make use of available potential."

Importantly, the raw material (scrap tyres – rather, stockpiles of it) is available for free. Which other business provides one access to free raw materials, besides adding value to the economy and the environment, ask experts.Last but not the least, since scrap tyre recycling is crucial to the environment, one can expect state support at least in terms of quick licensing, if not funding.

9.12.THE QATAR AUTO REPORT

The Qatar Autos Report provides industry professionals and strategists, corporate analysts, auto associations, government departments and regulatory bodies with independent forecasts and competitive intelligence on Qatar's automotive industry.

There are no comprehensive and reliable vehicle sales and import statistics currently available for Qatar,which has only a very small car industry, owing to its low population (1.9mn in 2011). However, some local dealerships do release their sales figures, making it possible to get a partial handle on local vehicle demand and the overall direction of sales and imports.

In this context, in February 2012 local dealer Alfardan Automobiles, the exclusive importer of German premium carmaker BMW's vehicles in Qatar, announced that sales of its BMW and Mini vehicles grew by 26% year-on-year (y-o-y) in 2011. The rise in sales signifies the potential of the domestic market and the rising demand for BMW cars in the country. Sales of the top-selling BMW model – the BMW 7 Series – increased by 63% y-o-y. This was followed by the

BMW 5 Series with a 30% y-o-y rise in sales.The Mini brand continues to attract car owners in the country, with 30% y-o-y annual sales growth during 2011.

Looking at trends so far in 2012, in April 2012 Alfardan announced its sales for the first quarter. These showed a 30% increase in annual sales of BMW and Mini vehicles, according to a report in Gulf News.The 7-Series continues to be Alfardan's top-seller, with strong growth also seen by the 5-Series (up by 104% y-o-y) and the X5 (up 57% y-o-y).Mini recorded 88% growth in annual sales over Q112, with the Countryman model being the most popular sold within Qatar. In January 2012, Mini launched its Roadster model onto the Qatari market.

Certainly, there are reasons for continued optimism on the outlook for the Qatari new car sales market at present, with another year of double-digit growth in overall vehicle sales looking likely. BMI's Macroeconomic team is forecasting real GDP growth of 7.9% and 6.9% in 2012 and 2013 respectively,indicating that Qatar will remain a regional outperformer this year. Despite lower projected growth in hydrocarbon production, elevated oil and gas prices will allow the government to step up its expansionary fiscal policy.

This trend will support strong levels of domestic consumption and gross fixed capital formation, while a solid macroeconomic backdrop and the government's strong financial cushions will minimize risks over the short term.

Beyond 2012, BMI forecasts Qatar's economy to expand at an annual average rate of 5.7% over the 2013-2016 period. Massive hydrocarbon wealth will allow the country to maintain high fiscal stimulus, even as oil and gas prices are projected to trend lower over the medium term. In addition, the government's heavy investment in infrastructure, particularly in advance of the 2022 World Cup, will allow the non-oil economy to grow at a rapid clip over the medium term.

Further boosting demand for new cars was the government's decision in September 2011 to implement an across-the-board wage hike of 60% for all government workers, on top of similar hikes in pensions and other social benefits. These wage hikes will mean significant increases in Qatari disposable income,which will likely result in higher car sales over the coming quarters. Given political unrest elsewhere in the region, we expect the government to maintain high levels of spending in order to reduce the chance of any civil disturbances within Qatar itself. Our expectations therefore are that there should continue to be strong and steady growth in new car sales within Qatar in 2012 and beyond.

2012 Motor Show A Success In January 2012, Qatar hosted the second Qatar International Motor Show, which had more exhibitors than the inaugural event in 2011. Among the new exhibitors for 2012 was Italian luxury carmaker Ferrari, which launched the event with an F1 car demonstration run from test driver Marc Gene. Ferrari was joined by other leading luxury brands including Aston Martin, Bugatti, Maserati, Mercedes,Porsche and Range Rover.

German company Volkswagen (VW) launched its new 2012 Passat sedan at the motor show, with subsidiary company Audi also launching four new models, the S7 and S8 sports sedans, the RS5 sports coupe and the limited-edition R8 GT Spyder super sports car, of which only 333 will be made. Porsche also launched its new Panamera four-door sports coupe at the event.

It is not only the high-end players that are seeing Qatar as a lucrative sales market. According to a report by the Qatar News Agency, Renault has plans to double its sales figure in Qatar from the 800 units it sold in 2011, with its sister company Nissan Motor also having similar plans.

Underlining the importance of the event to the local car industry, a representative of Saad Buzwair Automotive (the sole distributor of VW/Audi vehicles in Qatar) was quoted by the Qatar News Agency as saying that ‘close to 70% of inquiries we received [over the course of the motor show] were from serious buyers’. An official from National Car Company (the distributor of Hyundai Motor vehicles)said that the motor show is an important event to showcase new models, such as the new Genesis Prada,according to the same report.

2.

Chapter-1

Country Overview

Chapter – 1
Introduction of the Country

Doha is the capital city of Qatar and the seat of Government. It includes the country's main sea port and international airport. It is Qatar's cultural, commercial and financial centre, with a population of approximately 380,000.

1.1.History

Evidence of early habitation in Qatar that can be traced as far back as to the 4th century BC has appeared in many artifacts such as inscriptions, rock carvings, flint spearheads and examples of pottery which were all uncovered by the Danish (1965), the British (1973) and the French (1976) expeditions.In the 5th century BC, the Greek historian Herodotus referred to the seafaring Canaanites as the original inhabitants of Qatar.

In the Islamic history in the middle of the 7th century AD, the Qatar peninsula and the surrounding region were under the rule of the Al Munzir Arabs. Their king, al-Munzir Ibn Sawi al-Tamimi embraced Islam and Qatar entered the realm of Islamic civilisation and has participated in all its successive stages and eras.

During the 10th century AH (16th century AD), the Qataris aligned with the Turks to drive out the Portuguese. Subsequently, Qatar, like the entire Arabian Gulf region, came under the Turkish rule for four successive centuries. In 1916 Britain was able to conclude with Qatar a protection treaty that was finally ratified on the 23 of March 1918 after Sheikh Abdullah Bin Jassim had signed the original and translated versions. Britain then moved to the stage of its physical presence in Qatar after the ratification of the amended treaty in 1935.

1.2.Government

Qatar is a sovereign and independent Arab state, Islam is the official religion of the country and the Shariah (Islamic Law) is the principal source of legislation. Democracy is the basis for the system of government. The official language is Arabic and the Qatari people are part of the Arab nation.

1.3.Economy

Oil was discovered in Qatar in 1939, but development only got under way in 1949. Production reached a cyclical peak of 530,000 barrels a day (b/d) in 1973. Important discoveries have given new life to the sector, and reserves are now 15,200 million barrels, according to figures published by British Petroleum in June 2002. The second element of Qatar's energy sector is natural gas. Qatar currently has the third largest gas reserves in the world after Russia and Iran.

Education

Western children have the options of attending international schools located in Doha. The new independent schools are government-funded, operated and managed by Qatari operators. Schools are given autonomy in appointing their own staff, deciding their teaching philosophy and pedagogy and outsourcing their own supplies, school equipment and professional development training for their staff. But they had to meet curriculum standards set by the SEC.

Chapter-2

Ecological & Legal Environment of Qatar

Chapter - 2
The ecological & Legal Impact On Qatar

2.1.Ecological Impact on Qatar

2.1.1.Introduction 0f ecology:

The wildlife and environmental organization also said that an ever-growing demand for resources by a growing population is putting tremendous pressures on our planet's biodiversity and is threatening our future security, health and well-being.

According to The Living Planet Report 2012, the leading biennial survey of the Earth's health, the gas-rich Gulf state was putting the biggest demand on the earth's ecological systems, despite having a limited 'biocapacity', or ability to regenerate resources.

The top 10 countries with the biggest Ecological Footprint per person are: Qatar, Kuwait, United Arab Emirates, Denmark, United States of America, Belgium, Australia, Canada, Netherlands and Ireland.The report said that declines in biodiversity since 1970 have been most rapid in the lower income countries – demonstrating how the poorest and most vulnerable nations are subsidising the lifestyles of wealthier countries.

Researchers questioned the strain human population is putting on natural resources, terming it unsustainable."We are living as if we have an extra planet at our disposal," said Jim Leape, director general of WWF International."We are using 50% more resources that the earth can sustainably produce and unless we change course, that number will grow fast – by 2030, even two planets will not be enough."

2.1.2. Construction of airport

Construction of Qatar's Doha International Airport (NDIA) commenced in 2004 with an expected opening date in 2011. The project covers a total area of 22 km2 and is set to handle an annual passenger capacity of 50 million at full capacity. The airport's runways were built through the reclamation of dredged material from surrounding borrow pits off Qatar's near shore coastal waters.As part of its overall statutory environmental management program approval requirements, NDIA engaged GHD Global to undertake a long term environmental monitoring program to monitor and assess marine ecology quarterly over a two-year period, in the vicinity of the NDIA and the borrow pits.

This project is one of the biggest projects in Qatar. Whenever there is a project of this size, with the risk of environmental impact, the Ministry of Environment requires monitoring post construction. One very crucial parameter to monitor was temperature.

Around the airport there is sea grass and corals and these are very reliant on temperature. If temperatures go above or below a threshold, this might impact the coral or sea grass. It's good to have long term data on water temperatures in case anything happens to biota in the water.

2.1.3. Ecological monitoring program's impact on the marine life

The principal objectives of the marine ecology monitoring program are to:

1. Monitor key water quality indicators comprising of physicochemical parameters and nutrient concentration in the receiving environment;
2. Monitor patterns of sedimentation in the receiving environment;
3. Monitor changes in epibenthic habitat; and
4. Monitor changes in fisheries resources.

COWI was contracted to carry out an Environmental Impact Assessment (EIA), to make a detailed design of all the marine works and prepare tender documents including an Environmental Management Plan. DHI Water & Environment assisted with the revision of the Master Plan and design of beaches.

2.1.4. Comprehensive Baseline Study Of The Marine & Terrestrial Environments

A comprehensive baseline study of the marine and terrestrial environments included measurements and observations of:

• Bathymetry, tidal water levels, currents and waves

• Coastal morphology

• Water and sediment quality

• Pollution sources

• Seabed sampling to identify benthic flora (seagrass and macroalgae) and infauna.

• Underwater photography and videos to estimate coverage of seagrass and macroalgae.
• Juvenile shrimp and fish survey by trawling in the nursery months of April to June.
• Observations of sea and land birds (species and abundance).
• Terrestrial vegetation (species and coverage).
• Animals.
• Groundwater levels and quality
• Topography and landscape types (rocky desert, sabkhas and rawdas).
• Land use (agriculture, industrial, recreation)
• Protected areas.
• Cultural heritage and archaeology.

❖ **The marine impacts investigated were:**

- Impacts on the tidal regime and coastal morphology.
- Impacts on benthic flora and fauna and fish due to dredging and reclamation including the effect of sediment spill during dredging works.
- Impacts on mangroves.
- Impacts on sedimentation in The Pearl - Qatar and West Bay Lagoon.
- Impacts of noise during construction.
- Impacts of polluted discharges and rainfall runoff.
- Flushing of lagoons and channels to maintain good water quality.

❖ **The terrestrial impacts investigated were:**

- Noise and dust from traffic corridors
- Removal of existing waste dumps
- Disposal of construction waste
- Habitat loss due to development of site (20 km2)
- Impact on landscape and land use
- Impact on groundwater.

2.1.5. Mitigation measures

The preparation of the Master Plan allowed a close and fruitful collaboration between the environmentalists and the designers on the project team. The result was that all important environmental issues were taken into account in the design and the need for mitigation measures was minimized. Mitigation measures were proposed for control of the sediment spill during dredging, transplantation of mangroves and control of Shoreline of the final master plan for the Lusail development. Original illustrative master plan for Lusail development. Percent seagrass cover in the Lusail area. Protection of the environment is also crucial to Qatar's goal of becoming a major tourism destination in the region. The country has set itself a target of attracting 1.4m tourists a year by 2010, and wants to change its current mix of 95% business tourists and 5% leisure visitors to a more balanced 70:30 ratio.

To date, ecotourism has played only a minor role in Qatar's tourism market, but that could be about to change. The Ministry of Environment and the Public Works Authority are working with the Qatar Bird Club to establish a number of new wildlife and bird sanctuaries using processed wastewater to bring life to barren lands. So far, 13 sites have been identified as potential sanctuaries and tourist attractions.

2.1.6. The Supreme Council for the Environment & Natural Sanctuaries

The Council undertakes all environmental protection responsibilities. It augments and protects endangered wildlife and its natural habitat; formulates the general policies aiming to protect the environment and effecting sustainable development; monitors the current environment and wildlife-related protective procedures and practices; prepares the necessary drafts of legislation, regulations and decisions on the protection of the environment and operates a national environmental data base - alongside with other environment protection-related functions.

The council is formed of a deputy president and a number of experienced and environment enthusiast members and a secretary-general. The employees of the council have the capacity to act as law enforcement officers in cases of contravention against the provisions of the council's law and its executing regulations and decisions.

2.1.7. Qatar marks environment day Feb, 26

Anticipating Qatar's national -environment day on Feb, 26, Qatar's Supreme Council for the Environment and Natural Reserves and the supreme Council for Family Affairs unveiled this year's slogan of the event "Because we are concerned about the environment".

Building on previous successful events as wanted by the Consort of the Emir H.H Sheikha Mouzah bint Nasser Al-Misnad, chairperson of the SCFA, Abdullah bin Nasser Al Khalifa said, the event aims at emphasizing that protecting of our environment is a fundamental element in the overall development efforts.Secretary General of the SCENR, H.E Khaled Ghanim Al-Ali and SG of SCFA, H.E Abdullah bin Nasser Al Khalifa told a press conference today that the annual event will be held this year for the first time in collaboration with the supreme council for family affairs.

The objectives of observing the environment day include raising public awareness implanting environmental values, and encouraging nationals and residents to participate effectively in protecting the environment.

2.2. The legal Impact on Qatar

2.2.1.Introduction

Law No. (11) of 1993 was issued on 14 July 1993 to cover the income tax system and filing procedure in Qatar. In general, the law provides that any business activity carried out in Qatar will be subject to tax. An activity has been defined as any occupation, profession, service, trade or the execution of a contract or any other business for the purpose of making profit.

Income tax is levied on partnerships and companies operating in Qatar whether they operate through branches or in partnership with foreign companies.

Law No. (9) of 1989 provides that nationals of Gulf Co-operation Council States are, from 1 March 1989, to be treated as Qatari citizens for income tax purposes. Accordingly, foreign companies wholly owned by Gulf nationals are not subject to income tax in Qatar. Tax is not levied on Qatari owned business enterprises.

There are no personal taxes, social insurance or other statutory deductions from salaries and wages paid in Qatar.

2.2.2. Direct Taxes

Tax shall be levied on a taxpayer's income arising from activities in the State of Qatar. The term activities includes:

- profits realized on any project executed in Qatar;
- profits realized from the sale of any of the company's assets;
- commission due to agencies or arising from representation agreements or commercial agency whether such commission is realized in or outside the State of Qatar;
- fees paid for consultancy, arbitration or expertise and other related services;
- rent from property;
- amounts received from the sale, rent or the assignment of a concession and the use of a trade mark, design, know how or copyright;
- amounts received from debts previously written-off;
- profits realized on liquidation.

2.2.3. Tax Administration

The Gregorian calendar is used for Qatar income tax purposes, but a taxpayer may apply to prepare his financial statements for a twelve month period ending on a day other than 31st December. The first accounting period may be more or less than twelve months, but it should not be less than six months or more than 18 months.

When the taxpayer's activity is temporary or continues for less than a 6 month period, the taxpayer should submit a declaration when their activity is completed.

2.2.4. Filing Requirements

Tax declarations should be filed within 4 months of the end of the financial period. The filing period can be extended at the discretion of the Department of Taxation at the Ministry of Economy and Commerce, but the extension period may not in any case exceed 8 months. Tax shown in the declaration becomes payable on the date the declaration becomes due for filing with the Department of Taxation. If the filing date is extended, the payment of taxes can be delayed to a maximum of 8 months if the taxpayer provides reasons acceptable to the tax administration. The tax administration may also agree that taxes will be paid by installments during the extended period.Failure to submit a filing can result in the temporary withholding of payments due under contracts with Government ministries and Government owned companies.

2.2.5. Accounting Records and Inspection

The tax administration has the right to inspect a taxpayer's books and records which should be kept in Qatar. There is no legal requirement for books and records to be kept in Arabic. The accounting books and records must be maintained for at least 5 years from the date the annual tax declaration is registered with the tax administration. All entities with a capital or annual profit exceeding QR 100,000 should submit audited financial statements to support the tax declaration. The financial statements must be certified by an accountant in practice in Qatar who is registered with the Ministry of Economy and Commerce.

2.2.6. Tax Determination

Tax liabilities are computed in a manner similar to general British and American practice, on the basis of profits disclosed by audited financial statements, adjustments for tax depreciation and any items disallowed by the Income Tax Department.

2.2.7.Deductions

Expenses incurred to earn the taxable income are deductible. These include:

- salaries and labor cost, end of service benefits and all related contents including charges allocated to end of service benefits, pension funds and other similar charges;
- fees and taxes other than Income tax;

- debts written off that are approved by the tax administration and which are in accordance with standards established for this purpose.

2.2.8. Depreciation

A summary of the tax allowed depreciation rates is shown on the following page. If rates used in the financial statements are greater, the excess is disallowed. If lower rates are used in the financial statements, an additional claim is not permitted.

2.2.9. Accounting Principles

Generally accepted methods of commercial accounting must be applied and the accruals method must be followed. If a taxpayer wishes to use a different accounting method, prior approval of the tax administration must be obtained. Compliance with International Accounting Standards is recommended.

The New Tax Law provides for two rates of withholding tax:

1. Five percent on royalties and technical fees
2. Seven percent on interest payments, directors fees, brokerage fees, commissions and other payments in relation to contracts for services conducted wholly or partially in.

Tax Rates

Current tax rates range from nil on profits up to QR 100,000 to 35% on profits exceeding QR 5,000,000. Tax is charged progressively on bands of income.

Qatari Riyals	Tax Rates
0 - 100,000	Nil
100,001 - 500,000	10%
500,001 - 1,000,000	15%
1,000,001 - 1,500,000	20%
1,500,001 - 2,500,000	25%
2,500,001 - 5,000,000	30%
5,000,001 and above	35%

2.2.10.

Depreciation rates summary

A summary of the tax allowed depreciation rates is shown on the following page. If rates used in the financial statements are greater, the excess is disallowed. If lower rates are used in the financial statements, an additional claim is not permitted.

Chapter-3

Telecom Industry of Qatar

Chapter – 3
Telecom Industry of Qatar

3.1. Communication at a boom

The trend is moving away from premises-based Unified Communications towards technology hosted in the cloud, since it is more affordable, accessible and scalable.

The trend is moving away from premises based UC towards technology hosted in the Cloud, as consumers become aware of the benefits and the technology becomes more accessible, affordable and scalable. According to research by Frost & Sullivan last year, the UC market in the Middle East is expected to reach US$235 million (QR855 million) by 2014.

3.2. Qatar telecom general information

The mobile sector in the telecom industry in Qatar had the slowest growth rate ever in its entire history in 2011. Growing just by 1.1% in the year 2011, it experienced deterioration by almost over 10%. In contrast, the country's fixed line and broadband sectors performed strongly during 2011. Qatar was the last country in the MENA region to introduce competition to its telecom market. New market entrant Vodafone Qatar has rapidly gained a sizeable share of the mobile market and is now establishing a presence in the fixed market. Broadband represents the majority of Internet connections. ADSL accounts for the majority of fixed broadband services, given the previous monopoly of Qtel in the market.

Qatar’s broadband sector is experiencing rapid development, with considerable investments in high-speed fixed and mobile broadband networks by the government and the country’s two service providers Qtel and Vodafone Qatar.

Q112 results from Qatar's two principal telecommunications operators were better than had been expected, following a relatively poor performance in the fourth quarter of 2011. This has enabled BMI to raise our forecast growth rates relating to mobile subscriber additions and ARPU evolution.

However, the latest quarterly data shows fixed-line and broadband adoption rates were within expectations; accordingly. We have not revised forecasts for these sectors. The improvements in the mobile sector were not sufficient to force any changes to Qatar's scores within BMI's Risk/Reward Ratings analysis and so Qatar remains in fourth place relative to its neighbours in the Middle East and North Africa (MENA) region.

Vodafone Qatar outperformed incumbent Qtel in terms of customer additions during Q112, adding almost double the number of customers its rival achieved. However, Qtel still accounts for well over two-thirds of the mobile market and its more attractive subscriber mix - which increasingly leans towards more valuable postpaid services - means its revenue and ARPUs are growing faster than Vodafone's. The company is also deriving a healthy income from non-voice services and data ARPUs are growing well. Vodafone, too, says that data revenue is offsetting contributions from voice services, although it is reluctant to say what proportion of revenue is now accounted for by data.

Vodafone's focus on prepaid services should stand it in good stead for the next two years or so, as it takes advantage of the country's growing attractiveness to tourists and businesses, turning to the country as a regional hub. However, Qtel has a more robust long-term strategy, leveraging its ability to provide converged service bundles via its disparate fixed-line and mobile networks. Securing deals to manage the communications networks in key residential and business developments, as well as facilities such as New Doha International Airport gives Qtel the competitive edge and ubiquity necessary to keep the newcomer in check. Vodafone is slowly making forays into the fixed-line market, but still has not fully launched mass market services. Further delays will put its investment at risk.

BMI forecasts continued growth in fixed-line services, buoyed by demand for Qtel's triple-play offerings. We envisage the number of connections rising from 317,000 in 2012 to 351,000 by the end of 2016.Broadband also has a role to play in this story. We continue to forecast broadband connections of all kinds rising from 352,000 in 2012 to 550,000 by 2016.

Telecom service in Qatar plan to help people with disabilities:

Nov 23: Qatar Assistive Technology Centre (Mada), in co-operation with Qatar Telecom (Q-Tel) and Vodafone Qatar, will launch a nationwide accessibility initiative today as part of its efforts to connect people with disabilities to the world of information and communication technology.

3.3. Major players of telecom in Qatar

- **Data Telecom** is the leading Telecommunications system integrator in Qatar , New Zealand and is committed to offering integrated cost effective systems. The company specialists in ePABX installation, Structured Cabling(Voice/Data), Fiber Optic networking/Splicing, CCTV, Security, Control, Fire, Lighting, IT, and Online Broadcast .
- Incorporated in 1951, the **ENERGOPROJEKT** Group draws on more than 55 years experience in the following fields: energy, town planning and environmental protection, infrastructure, architecture, industry, information technologies, trade and real estate. For nearly six decades of its successful operation the ENERGOPROJEKT Group have developed into an organization able to undertake large and complex projects, ranging from studies and investigations, through design and supervision to construction and putting into operation.

- **Qtel** (short for **Qatar Telecom**)

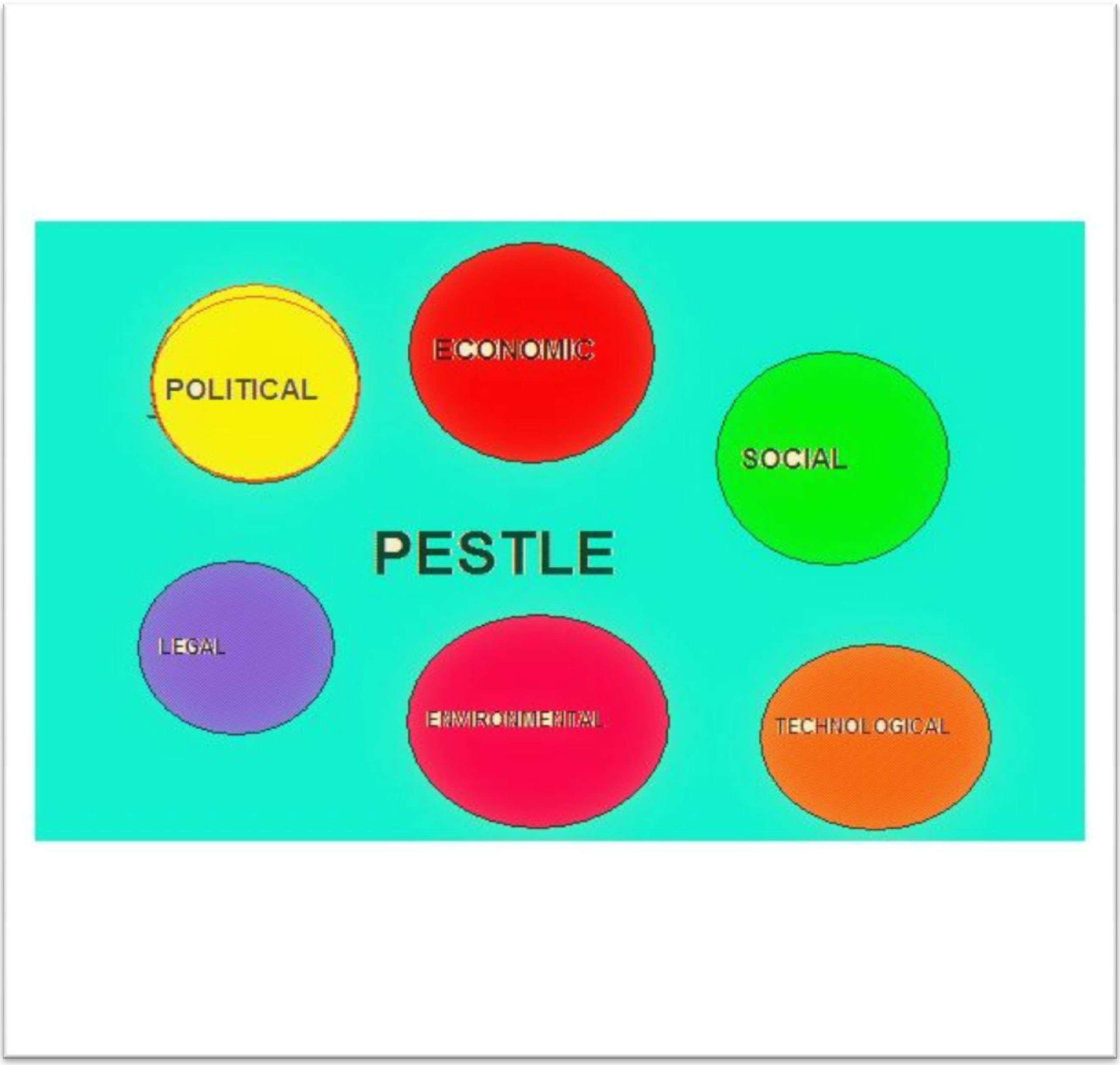
Qtel used to be the exclusive telecommunications provider in Qatar and is one of the largest public companies in Qatar with about 2000 employees. It was successfully launched on the Doha Securities Market in 1998 and listed on the London Stock Exchange in 1999, the Bahrain Stock Exchange in 2001 and the Abu Dhabi Securities Market in 2002. Qtel is a winner of the 2005 Gulf Excellence Award and the 2006 Economic Award.

- **Vodafone Group Plc**

Vodafone Group Plc is a British multinational telecommunications company headquartered in London and with its registered office in Newbury, Berkshire. It is the world's second-largest mobile telecommunications company measured by both subscribers and 2011 revenues (in each case behind China Mobile), and had 439 million subscribers as of December 2011.

Chapter – 4

PESTEL Analysis of Telecom Industry



Chapter – 4
PESTEL Analysis of Qatar Telecom Industry

4.1. Political Impact

Qatar's telecom industry has been one of the late adopters of the liberalization policy; until 2009, Qtel was the sole service provider, after which Vodafone Qatar was allowed to provide mobile cellular services. In April 2010, Vodafone was also issued the fixed license thus paving the way for a major liberalization phase. The National ICT Strategy Plan formulated by the Supreme Council of Information and Communication Technology aims to build the 'knowledge economy' in Qatar, which entails a total investment of QR6.2 billion over the 2011-2015 period.

According to Qatar's ICT Landscape Report 2011, Qatar has made significant strides with regards to ICT penetration rates as compared to 2008. According to the report, 84 percent of households had access to the internet in 2010 as compared to 63 percent in 2008. Among them the broadband connectivity has grown at a rapid pace from just over 40 percent in 2008 to 70 percent in 2010. The overall number of internet subscribers has seen a near twelve-time jump from the 2001 levels. The emphasis has been on the telecommunications infrastructure, which has expanded and evolved over the past five years.

The Qatari government has been a frontrunner in the drive for market expansion for ICT usage and adoption. This is evident from the fact that Qatar is ranked third in the world for ICT government readiness as per the World Economic Forum's Global Information Technology Report 2009-10. The ICT plan furthers the government initiatives by aiming to create social benefits from digitized public services information.

4.2. Economic Impact

Mobile Slowdown

The International Telecommunications Union's (ITU) report for 2010 discloses that mobile cellular growth is witnessing a slowdown across the globe. Mobile markets in developed countries are already at saturation levels with average subscriptions at 116 per 100 inhabitants. Moreover, if we peruse the ITU's ICT Indicators Database for the Gulf Cooperation Council (GCC) states, mobile cellular subscriptions average 171 per 100 inhabitants for 2009, which is more than double the 82 per 100 inhabitant figure for 2005.

This leads to two conclusions; one that mobile subscriptions have grown at a rapid pace from 2005 to 2009 and two that mobile subscriptions have reached a saturation point in the GCC region as well. From here on, mobile subscription growth rates treading in the double-digit region will be a rare occurrence.The average compound annual growth rate (CAGR) for mobile subscriptions per 100 inhabitants for the six GCC states for the 2005-09 periods stood at 20 percent. Saudi Arabia and Oman, which began with a low base, realized CAGR in the 30 percent range, while the United Arab Emirates (UAE) and Qatar have grown at a pace similar to the regional average.

The UAE tops the mobile penetration chart in GCC with subscriptions of 232 per 100 inhabitants and is followed by Bahrain, Qatar and Saudi Arabia with subscriptions of more than 170 per 100 inhabitants. This hints at saturation in the GCC markets as well, as far as mobile subscriptions are concerned.

4.3. Social impact

The best Internet speed Qtel can offer where I live is two Mbps (megabits per second) at a cost of QR300 a month. But BT in the United Kingdom (UK) provides up to 40 Mbps for about QR143 – half the price.

Perhaps it is an unfair comparison. Qatar is obviously still a very young country, and its infrastructure is going through what amounts to a technological revolution to keep pace with growth levels. And Qtel is stepping up with its new Fibre service, promising speeds of up to 100 Mbps.But still, pricing is a huge issue. A 100 Mbps connection will cost QR650 a month. Again to use BT as an example, the UK equivalent would cost only QR200. Why does it have to be so expensive here?

Apparently the people of Qatar share the same concerns. Eighty one percent of respondents in an opinion poll in Al Sharq newspaper felt neither Qtel nor Vodafone Qatar were providing a comprehensive nationwide network, and that their charges were very high. Seventy-two percent said there was no real competition and that promotions by the two companies were really just ploys. Still the focus falls on Qtel, because of its huge responsibility to the country. Without it, Qatar faces being cut off from the rest of the world. That might sound like an overstatement, but an article published in September 2011 in the long-standing American magazine The Atlantic pointed out that Qtel being the exclusive provider of Internet access in Qatar could spell big problems.

It stated Egypt has nearly 200 (Internet Service Providers) ISPs, Syria around 10, and Libya four. With only one here, The Atlantic said: “If Qtel goes down, Qatar disappears off the face of the Web”.To be fair, there is not much difference in the mobile market. Qtel charges QR0.55 per minute for pre-paid voice calls, and Vodafone Qatar QR0.49. But compare both to Etisalat in the United Arab Emirates, which charges only QR0.30. And it gets worse when you look at Internet access – in my opinion, a business tool just as important, if not more important, than the mobile phone.

4.4. Technological impact

In the telecommunications industry, technology changes rapidly and standards evolve over time. Nawras' success depends, in part, on its ability to identify and deploy the most promising new technologies quickly, as well as on its ability to retire obsolete technologies.

In connection with the rollout of Nawras' fixed line services, Nawras intends to implement a backbone and WiMAX wireless access networks to deliver voice and data telecommunications and Internet access across Oman. However, WiMAX technology may not be accepted by customers or may be surpassed by other technologies including LTE. The introduction of voice over IP services may also change the way in which customers use traditional fixed line services and may negatively impact demand for Nawras' fixed line services offerings.

Competitors that can operate networks more cost effectively may have competitive advantages over Nawras, which could cause its business to suffer. The TRA may grant additional licences for any or all of the wireless technologies. The issuance of additional licences for existing wireless technologies or the implementation of new wireless technology in Oman could greatly increase competition and threaten Nawras' business, results of operation, financial condition and prospects.

Additionally, technologies Nawras utilises today may become obsolete or be subject to competition from new technologies for which Nawras may be unable to obtain appropriate licences. In particular,while WiMAX technology, which Nawras intends to deploy for offering broadband telecommunications and Internet, and 3.5G and 3.75G, which are currently available to Nawras' customers, are significantly superior to existing second generation standards, such as GSM, particularly in providing advanced data and content services, it remains uncertain whether such technologies will be generally accepted or whether more advanced technologies will be deployed. Nawras has recruited highly experienced technical staff to ensure that it is up-to-date with the latest technological trends in the telecommunications business.

4.5. Legal Impact

It is possible for the TRA to implement new and/or change existing regulations in a manner that is detrimental to Nawras' current business and future growth. Such changes may include amendments to tariffs or roaming regulations or requiring Nawras to offer its current services at much lower rates.

The TRA also has the authority to implement changes in how Nawras bills for its services, such as requiring it to bill customers in smaller units, that may impact how Nawras markets certain products and services. The TRA may also grant additional licenses and spectrum to other existing or new operators, which could limit Nawras' ability to increase its customer base and offer new products and services. While the TRA aims to support a fair and efficient marketplace, certain regulatory changes could adversely affect Nawras' business, results of operations, financial condition and prospects.

Nawras' Licenses require that it meet certain conditions, including capital commitments and coverage requirements. If a licensee does not fulfill the terms of a license, the TRA may impose penalties, including substantial fines on the licensee or suspension or termination of that license. If Nawras fails to comply with the requirements of applicable Omani law, or Nawras fails to meet the terms of its Licenses and other authorizations necessary for its operation, the Licenses may be suspended or revoked. Nawras has engaged personnel to ensure compliance with its Licenses is monitored regularly and has ongoing discussions with the TRA about the status of compliance with its regulatory requirements.

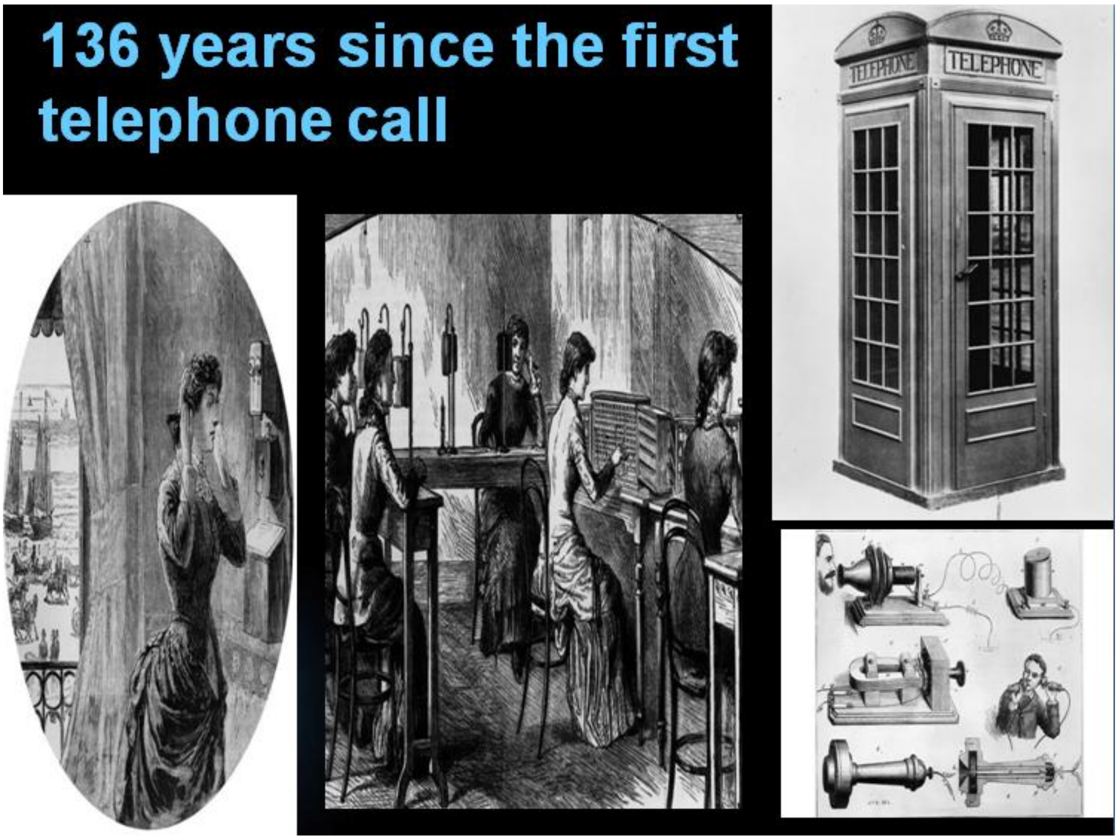
CHAPTER – 5

INDIAN TELECOM INDUSTRY

Chapter - 5
Indian Telecom Industry

5.1. History

History of Indian Telecommunications started in 1851 when the first operational land lines were laid by the government near Calcutta (seat of British power). In 1883 telephone services were merged with the postal system. Indian Radio Telegraph Company (IRT) was formed in 1923. After independence in 1947, all the foreign telecommunication companies were nationalized to form the Posts, Telephone and Telegraph (PTT), a monopoly run by the government's Ministry of Communications.



Telecom sector was considered as a strategic service and the government considered it best to bring under state's control. The first wind of reforms in telecommunications sector began to flow in 1980s when the private sector was allowed in telecommunications equipment manufacturing. In 1985, Department of Telecommunications (DOT) was established. It was an exclusive provider of domestic and long- distance service that would be its own regulator (separate from the postal system). In 1986, two wholly government-owned companies were created: “Videsh Sanchar Nigam Limited” (VSNL) for international telecommunications & “Mahanagar Telephone Nigam Limited” (MTNL) for service in metropolitan areas. In 1990s, telecommunications sector benefited from the general opening up of the economy. National Telecom Policy (NTP) 1994 was the first attempt to give a comprehensive roadmap for the Indian telecommunications sector. In 1997, Telecom Regulatory Authority of India (TRAI) was created. TRAI was formed to act as a regulator to facilitate the growth of the telecom sector. New National Telecom Policy was adopted in 1999 and cellular services were also launched in the same year. Indian telecom industry has the highest growth rate in the world. A record 5.9 Million new mobile phone subscribers were drawn by the Telecom sector in India in the month of August 2006, according to the COAI (Cellular Operators Association of India). India, which is seeing over 8 million wireless subscribers being added every month (8.62 million in May 2008), is the fastest growing telephone market in the world.

The Indian telecom market has been displaying sustained high growth rates. Riding on expectations of overall high economic growth and consequent rising income levels, it offers an unprecedented opportunity for foreign investment. A combination of factors is driving growth in the telecom market, promising rich returns on investments.

India is the fourth largest telecom market in Asia after China, Japan and South Korea. ¬ Asia pacific region: expecting highest growth in next 5years. ¬ The Indian telecom network is the eighth largest in the world and the second largest among emerging economies.

5.2. Introduction

Indian telecom industry is growing at a great pace & India is expected to become a manufacturing hub for telecom equipment.

Due to rising demand for a wide range of telecom equipment, particularly in the area of mobile telecommunications, has provided excellent opportunities to domestic and foreign investors in the manufacturing sector.

With its 806 million telephone connections as on 28th Feb 2011, it is the second largest network in the world after China. It is the second largest wireless network in the world. Over 15 million connections are being added every month. The target of 600 million telephones by the end of 11th five year plan has been achieved in February 2010 itself.

5.3. Opportunities

There is an immense opportunity for DTH in the Indian market which is almost 10 times compared to the developed countries like the US and Europe. For every channel there is a scope for broadcasting it in at least ten different languages. So every channel multiplied by ten that is the kind of scope for DTH in the country. India’s media players have all the ingredients to develop a successful DTH industry. So currently there is a lot of pent-up demand in the Indian market for DTH. Over 150% growth in telecom services is projected in 5 years. India will require large investments in network infrastructure & India expected to be fasted growing telecom market in the world. Since the project expected to reach 30-40% per year 250 subscribers by 2010- 2011.Total estimate of investment opportunity of USS 22 billion expected over the next five years.
Investment opportunity of $22 billion across many areas:

- Telecom Devices and Software for Internet
- Broadband and Direct To Home Services
- Gateway exchange
- Set top box
- Modem
- Mobile handsets and consumer premise equipments
- Gaming devices
- EPABX
- Telecom Software
- Telecom Services for voice and data via a range of technologies.

With the rapid growth of the telecom network, there are further opportunities to expand the telecom infrastructure and research and development.

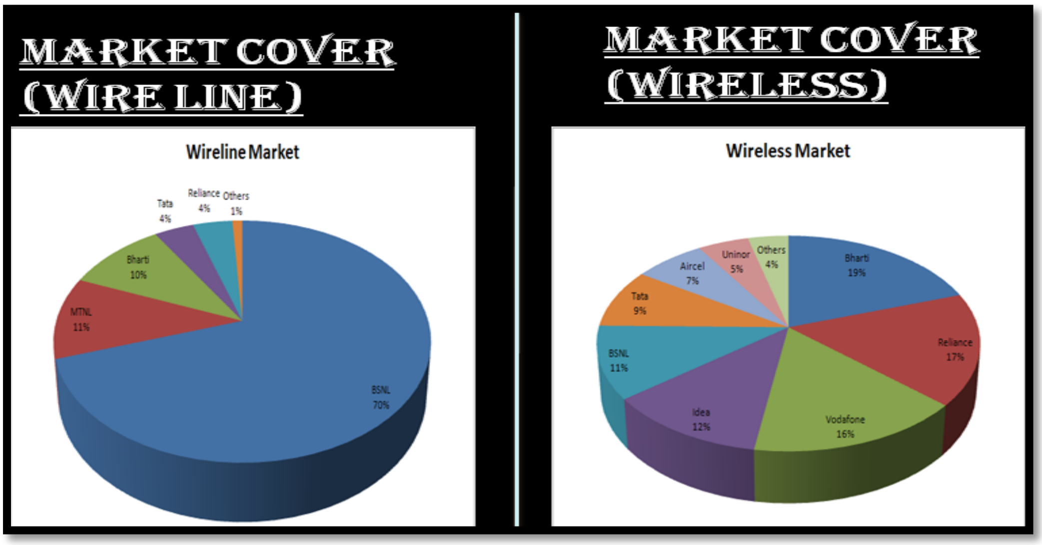
5.4. Major players and market share

There are three types of players in telecom services:

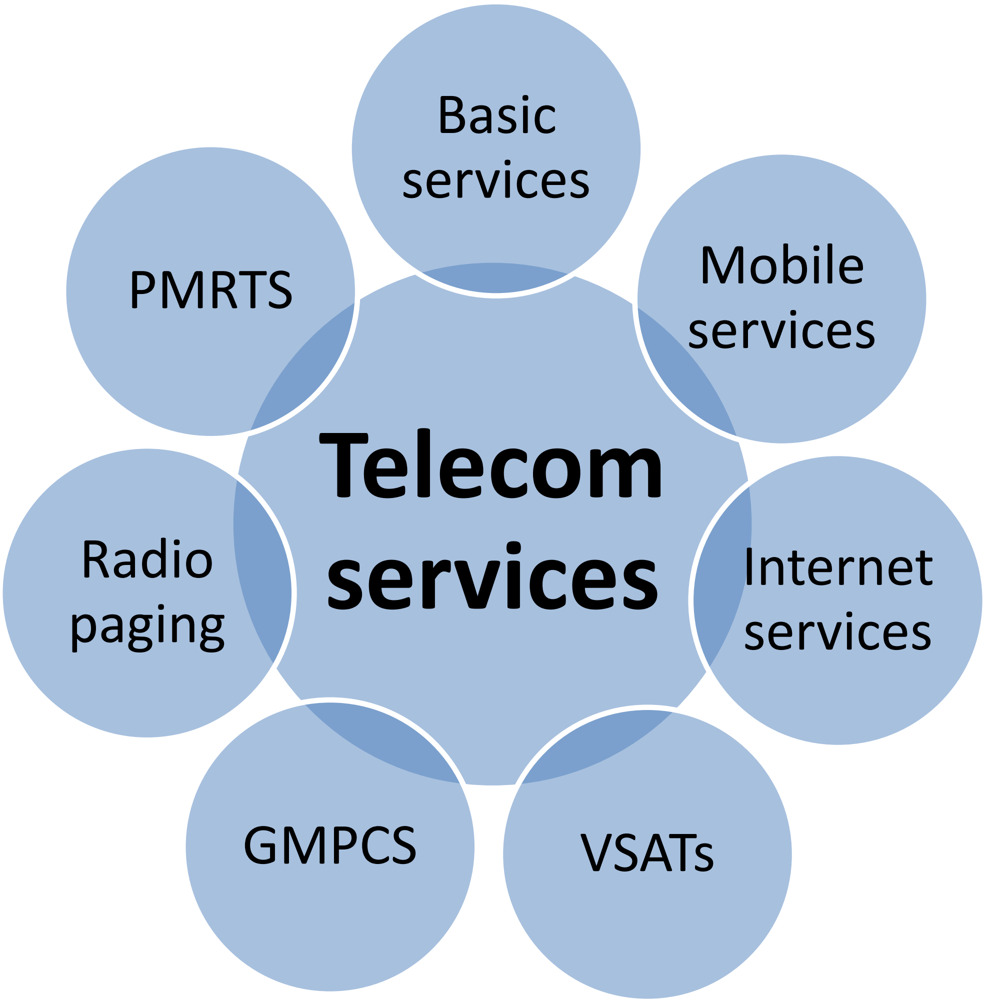
- State owned companies (BSNL and MTNL)
- Private Indian owned companies (Reliance Infocomm, Tata Teleservices, Shyam)
- -Foreign invested companies (Vodafone, Aircel, Bharti Tele-Ventures, Escotel, Siestema Idea Cellular, BPL Mobile, Spice Communications).

MAJOR PLAYERS

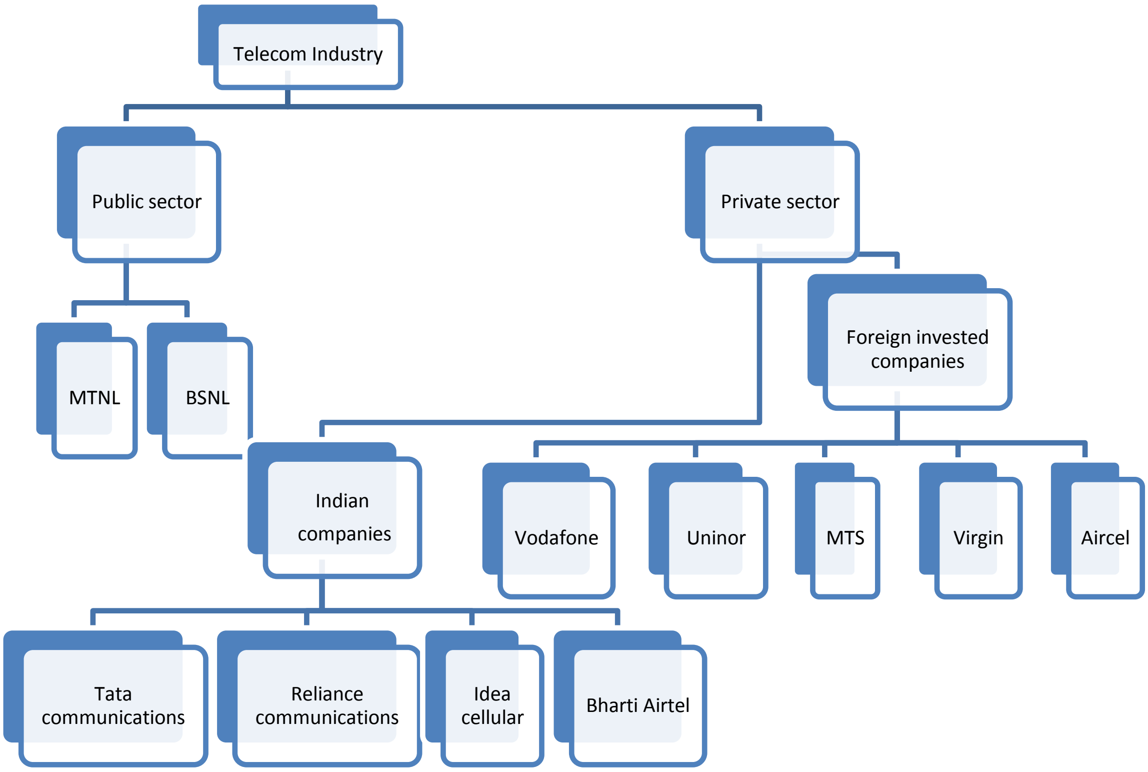
MARKET SHARE



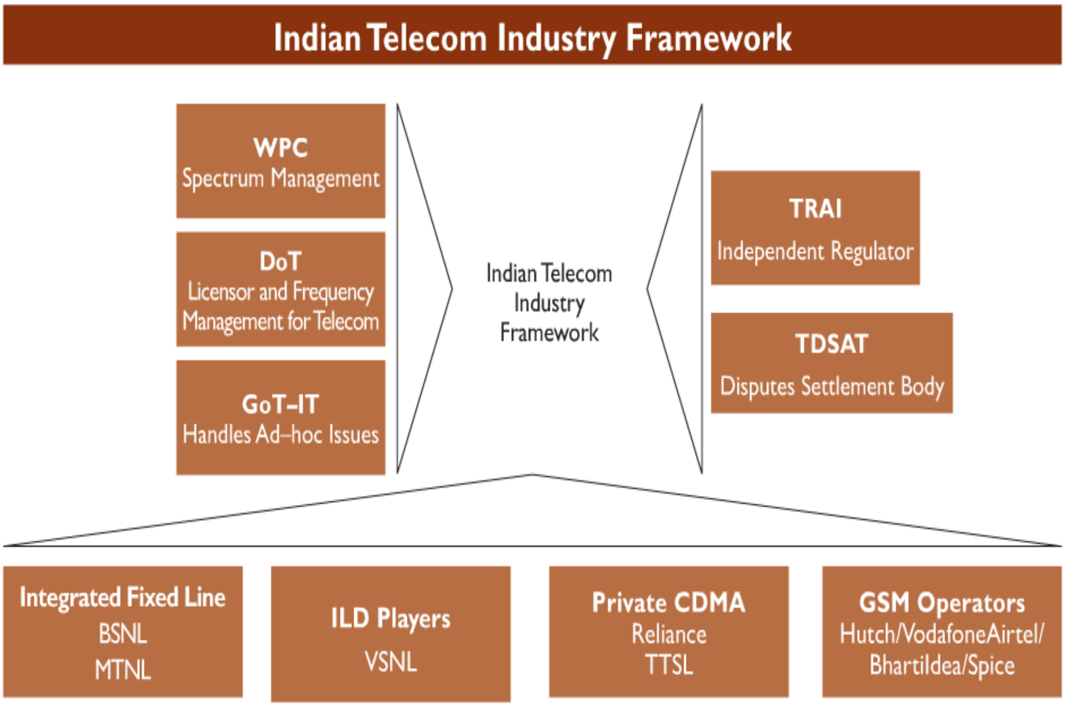
5.5. Services provided



5.6. Structure of telecom industry



5.7. Indian telecom industry framework



Source: Regulate Online, Fitch Report and TRAI

5.8. Regulatory policy

The Department of Telecommunications (DOT) under the Ministry of Communications and Information Technology is the concerned authority for all matters relating to telecom. The department is responsible for formulating the developmental policies; granting licenses for various telecom services; promoting standardization, research and development as well as private investment in the sector.

An independent regulatory body called as the Telecom Regulatory Authority of India (TRAI) was established in 1997, under the Telecom Regulatory Authority of India Act, 1997.The Telecom Regulatory Authority of India Act, 1997 was amended by the Telecom Regulatory Authority of India (Amendment) Act, 2000. By the Amendment Act, an Appellate Tribunal known as the Telecom Disputes Settlement and Appellate Tribunal (TDSAT) has been set up to protect the interests of service providers and consumers of the telecom sector.

74% to 100% FDI permitted for various telecom services.

FIPB approval required for foreign investment exceeding 49% in all telecom services.

100% FDI permitted in telecom equipment manufacturing on automatic approval basis.
Indian has a telecom policy viz. Telecom Policy of 1994 aims to encourage private and foreign investment. Which has opened the doors of the sector for private players and the process was given a further boost by the telecom policy announced in 1999 viz. New Telecom Policy 1999.

Other enactments which govern the telecom sector are as follows:

Indian Telegraph Act, 1885

Indian Telegraph (Amendment) Rules, 2000

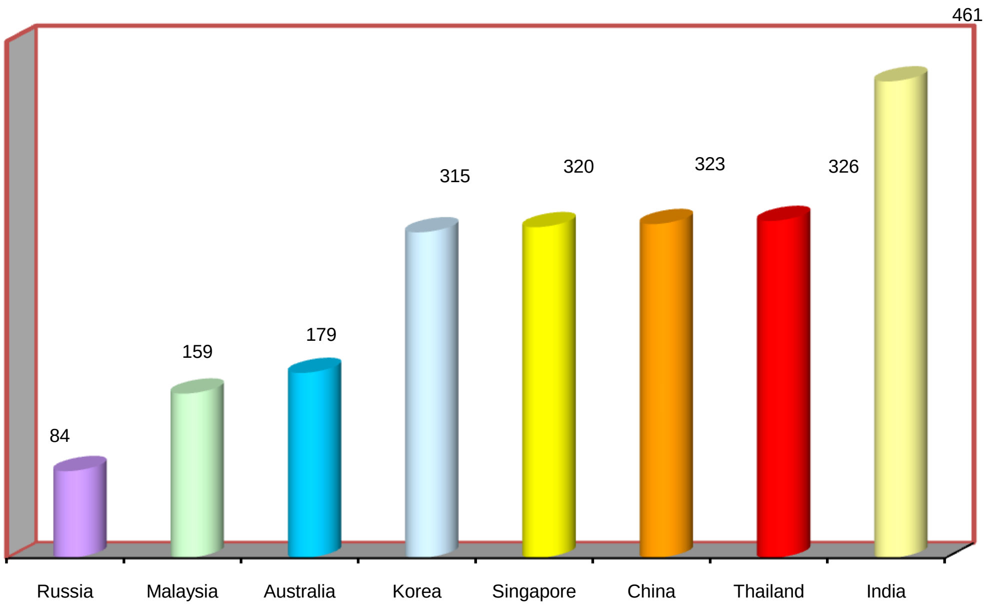
Indian Wireless Act, 1933

Cable Television Networks (Regulations) Act,1995.

Information Technology Act, 2000

Broadband Policy 2004.

5.9. Highest minutes of usage



Incentives to invest

Tax incentives under the current Budget:

Customs duty on convergence products to be reduced from 10% to 5%.
Exemption from excise duty for specified inputs and raw materials for manufacture of specified electronics/ IT hardware to lower the network cost for telecom service providers.

Specified parts of set top boxes and specified raw materials for use in the IT/electronic hardware industry to be exempted from customs duty. Internet telecommunication service brought under the service tax net. And countervailing duty on wireless data modem cards with exempted by way of excise duty exemption.

5.10. Projections in current budget

Budget has proposed a Bharat Nirman project wherein 52 villagesare targeted to provide telephones. And center has proposed to 170 crore ruppes for OFC based Network for Defence Services and 158 for C-DoT (including Telecom testing and security certification Centre).

5.11. Latest scenario 2012

The telecom tower industry has been granted infrastructure status by the Government of India, say news reports.

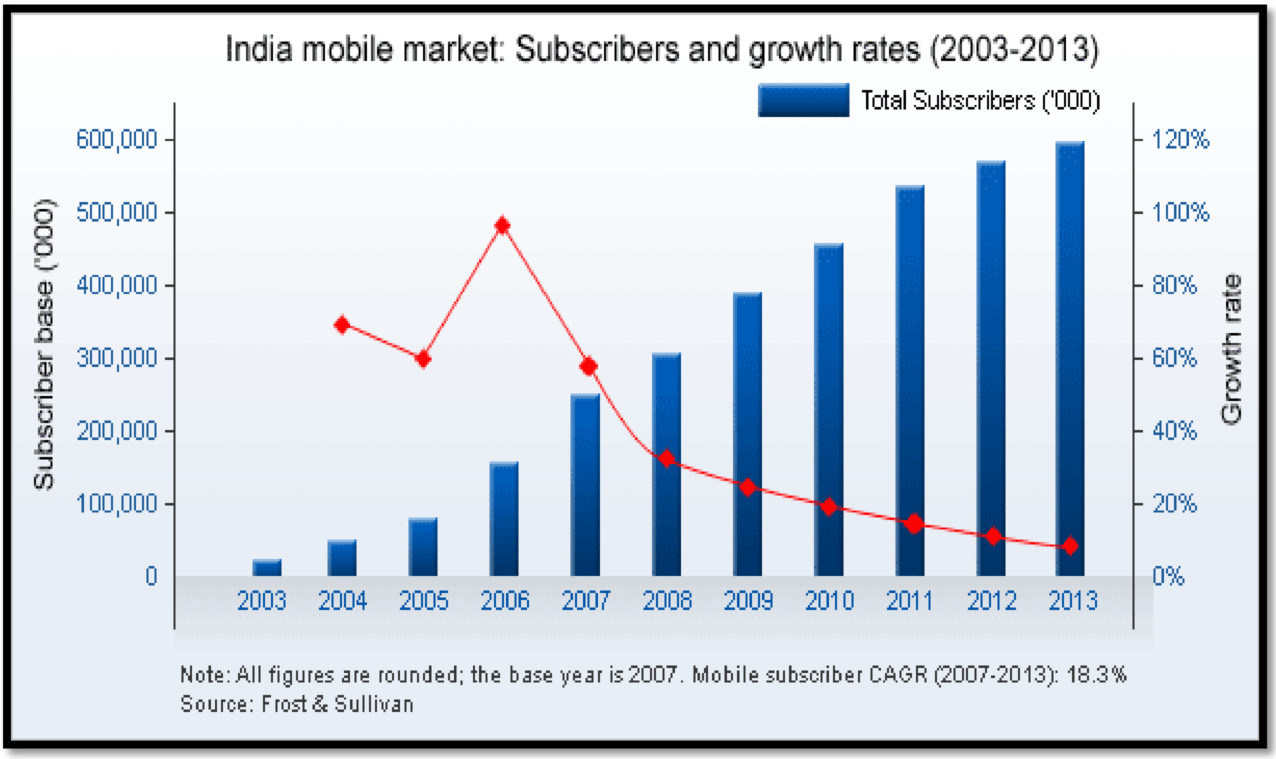
- According to TRAI, he telecom subscriber base in the country increased from 951.34 million in March, 2012 to 965.52 million in June, 2012. Subscriber additions from rural areas constituted a large portion of this growth. Between March and June 2012, the rural areas contributed to about 91.30 per cent of the total additions to the country's subscriber base.
- As per TRAI data the gross revenue and adjusted gross revenue of the telecom sector increased from Rs 35.49 billion in previous quarter to Rs 52.51 billion for the quarter ended June, 2012.

- Aircel has entered a strategic partnership with NEC for software as a service (SaaS). Aircel and NEC will be providing cloud services solutions to customers under the brand name Business Unplugged.
- Bharti Airtel has made an investment of $150 million in its African operations, say news reports.

- **6th National Telecom Awards 2012:**

  Best Broadband & Fixed Line Operator Bharat Sanchar Nigam Ltd.

  Best Quality Mobile Network Services Provider Bharti Airtel Ltd.



CHAPTER – 6

PEST ANALYSIS OF INDIAN TELECOM INDUSTRY

Chapter - 6
PEST Analysis of Indian Telecom Industry

6.1. Introduction

India has achieved its target of reaching 250 million telephone subscribers by 2007, two months before target. It is the fastest growing telecommunication market in the world, and with 281.62 million telephone connections (at the end of January 2008) is the third largest telecom market. The Indian telecommunications has been zooming up the growth curve at a feverish pace, emerging as one of the key sectors responsible for India's resurgent economic growth.

PEST is an acronym for political, economic, social, technological analysis. PEST analysis of any industry sector investigates the important factors that are affecting the industry and influencing the companies operating in that sector.

6.2. Political impact

Two large corporate entities were spun off from the Department of Telecommunications, e.g. Mahanagar Telephone Nigam Limited (MTNL) for Delhi and Mumbai and Videsh Sanchar Nigam Limited (VSNL) for all international services.Private franchises were freely given for public call offices (PCOs) that offered local, domestic and international calling services. Private manufacturing of customer premise equipment was allowed in 1984 and the Center for Development of Telematics (C-DOT) was established for the development of indigenous technologies. Telecom reforms in India began in the 1980s with the launch of a “Mission Better Communication” program. 1994 National Telecom Policy was announced and enhanced growth of private sector. 1992 radio paging, cellular mobile and other value added services were opened to private sector.1991 telecom equipment manufacturing was de- licensed and value-added services were declared open to private sector.The second phase of reform commenced with the general liberalization of the economy in the early 1990s and announcement of a New Economic Policy (NEP)-1991.

Increase in FDI limits from 49% to 74% (2005) and proposal for mobile number portability (2006) which paved way for the remarkable growth in the sector. There were major developments on the policy front post year 2000. Establishment of Bharat Sanchar Nigam Ltd (BSNL) (2000), privatisation of VSNL (2002). The most important landmark in telecom reforms came with the New Telecom Policy 1999 (NTP-99).

6.3. Economic impact

Output per annum - 1,36,833 crores per annum GDP contribution – 2%. India’s telecom service revenue was ~USD 30 billion in 2008, and Ernst and Young analysts believe it is projected to almost double to ~USD 55 billion by 2012. The Indian Telecom industry has been playing an important role in the world economy and global revenues in 2008 were USD 4 trillion, expected to grow at a steep 11% p.a. CAGR over the next 2 years & Increasing 20% for every month.

Falling call charges. Falling mobile phone prices. Greater affordability. Greater network coverage. Increase in disposable incomes. It has been estimated that manufacturing exports would increase from US$ 40 billion in 2002 to US$ 300 billion in 2015, simultaneously increasing its share in world manufacturing trade from 0.8 % to 3.5 %.The Indian Telecom Industry manufacturing contributes about two-thirds of the total exports of the country.

6.4. Social impact

The telecom sector in India has witnessed unparalleled growth especially over the last decade as compared to global standards. In the case of wireless telephony, India has grown from having a zero subscriber base a decade ago to becoming the second largest market in the world after China in 2009 with around 359 million subscribers and another 10 million adding every month. The last couple of years have witnessed investments of a whooping 8.5 billion dollars in this sector with 550 million dollars being in the form Foreign Direct Investment, more commonly known as FDI. Even though the telecom sector has witnessed a rapid rise only in the last few years, efforts were on by the government ever since 1994 when the first National Telecom Policy was announced and in the August of 1995 when Kolkata became the first Indian city to have cellular networking. The Telecom Regulatory Authority of India(TRAI) was setup in 1997 and the second National Telecom Policy came into effect in mid 1999. In January 2001, the Telecom Disputes Settlement and Appellate Tribunal (TDSAT) started functioning and a policy was announced for additional licenses especially in the area of basic and mobile services. In November 2003, the Unified Access (Basic & Cellular) Service License (USAL) was introduced as a first step towards a Unified License Regime Technology and allows provisioning any kind of service.

And very recently the introduction of the additional 2G spectrum has helped in the entry of several new players who are now partnering with various international operators thereby commencing the globalization of the Indian Telecom Industry. The impending auction of the 3G spectrum is sure to provide another huge leap to the telecom industry in India. In such a situation concerted efforts must be made by both the government and industry to have organised and systematic growth so that the entire potential of the sector can be harnessed.

This telecom boom in India can be attributed to policies of liberalization, globalization, certain reforms by the government and most importantly competition. The liberal policies of the government thus provide easy market access for telecom equipment and also a regulatory framework that is fair and just and offers telecom services to the Indian consumer at astonishingly affordable prices .India also provides a safe ,secured and transparent market for the telecom companies and moreover the investment policies and other lucrative incentives have made foreign collaborations possible and India one of the fastest growing markets. But the one factor that has perhaps made the maximum impact is competition. More and more companies are entering the telecom sector and with increased competition, new schemes are being introduced making it more and more economical for the consumers. Let us understand the effect of competition by considering the case of mobile telephone connections. Tata Dokomo recently introduced a 1Paise/second scheme on call rates and to maintain their consumer base competitors like Vodafone, Airtel, Idea had to follow suit. The lucrative SMS schemes are also a great hit especially with the youth. Roaming charges are also on an all time low. Just a couple of years back calling a friend in USA would surely burn a huge hole in your pocket but thanks to increasing competition and reducing call rates, you can talk to a friend in New York or Washington D.C for as less as 5 rupees per minute. Just Imagine!! Mobile phone manufacturers like Nokia, Samsung, Motorola are also slashing rates and now phones that were once available for a whooping INR 30,000, the base models are now available for as less INR 1,200. Truly Unbelievable!! Thus, in spite of the whole global meltdown, the Indian telecom industry has just kept on growing. Moreover, with more and more services being offered like internet, MMS, 3G and loads of stuff, it is an even bigger incentive for the people.

Well all this is the face of modern India. It has immensely helped in the development of both industry and economy. The economy has flourished with more foreign players entering the market, more foreign Direct Investment to mention a few aspects. The people also have undoubtedly benefitted from all this and mobile phones which were considered as only for the rich a couple of years ago are now spread all over. With rates being slashed, almost anyone and everyone can afford a mobile especially in urban areas.

6.5. Technological impact

It's not just the advantages 3G can offer mobile subscribers . With 3G, a cellphone can be so much more than just a phone — it evolves from being a basic portable telephone to one that converges work, personal and entertainment communication needs into a small, handheld device.

High-speed Internet access, streaming video and music, movie downloads and multiplayer gaming – all at speeds five or six times faster than conventional EDGE technology – are tempting prospects for most mobilephone users but are especially attractive to young, techhungry urban Indians. More to the point, though, 3G is a potential game-changer because it can steer telecom operators into transforming the way they run their businesses —and that is critical for winning in Telecom 2.0.

Be there, or be square

Granted, 3G's entry into India could have been better timed – and not just because of the current turmoil in the telecom sector. The technology has been around for over eight years already and while it's not obsolete (yet), it is certainly mature. Still, the next big thing —Long Term Evolution (LTE) technologies — isn't likely to hit our shores for a while yet, so it may make sense to focus on the advantages of the delayed entry.

3G technology has evolved over the past eight years, offering operators greater scope for high-margin value-added services; handset prices have come down, in turn lowering subscribers' entry costs; and India can learn from the 3G experiences of 120 countries. We'll come to the dos and don'ts a little later , but one learning bears mentioning right away. In the early years of 3G, many operators tried building their businesses around the technology advantage and superior voice quality of service and failed when lay users couldn't make out the promised difference in call quality . The trick, then, lies in differentiating on the basis of wireless broadband and valueadded data services.

At A.T. Kearney, we believe 3G (and WiMAX) could drive as much as Rs 100 billion in value on an annual basis by 2015. Experience in other emerging markets has shown that 3G will have a gradual impact on the Indian telecom sector, with a likely penetration of about 10% in the first 24-30 months. In most countries, 3G has failed to arrest ARPU or EBITDA declines in the long-term ; however, it has provided a 'steadying influence' and may have prevented steeper declines. There is no reason to believe India will be different .

It is also likely that 3G growth in India will resemble the South African model (deep penetration in a narrow segment with basic messaging entertainment services), rather than the Malaysian model (broad-based 3G adoption with pervasive adoption of wireless broadband), resulting in only about 15% of total revenue from data (that is, non-voice) services.

Global system for Mobile communication (GSM around 80-85 % market share) Code Division Multiple Access (CDMA, AROUND 10-15 % market share are two prevalent mobile communication technologies. both technologies have to solve the same problem: to dive the finite Radio Frequency spectrum among multiple users. India primarily follows the GSM mobile system, in the 900MHz and 1800MHz band. The 900MHz band has greater transmission characteristics, thereby enabling lower capex cost for expansion of coverage area, as the number of towers and the base stations required would be lesser than in the 1800MHz band.

TDMA (Time Division Multiple Accesses—underlying technology used in GSM's G) does it by chopping up the channel into sequential time slices. Each user of the channel takes turns to transmit and receive signals. In reality, only one person is actually using the channel at a specific moment. This is analogous to time-sharing on a large computer server. CDMA (Code Division Multiple Access—underlying technology used in GSM's 3G and IS-95's 2G) on the other hand, uses a special type of digital modulation called spread spectrum which spreads the voice data over a very wide channel in pseudorandom fashion. The receiver undoes the randomization to collect the bits together and produce the sound. For comparison, imagine a cocktail party, where couples are talking to each other in a single room. The room represents the available bandwidth.

In GSM, a speaker takes turns talking to a listener. The speaker talks for a short time and then stops to let another pair talk. There is never more than one speaker talking in the room, no one has to worry about two conversations mixing. In CDMA, any speaker can talk at any time; however each uses a different language. Each listener can only understand the language of his or her partner. As more and more couples talk, the background noise (representing the noise floor) gets louder, but because of the difference in languages, conversations do not mix.

CHAPTER – 7

SWOT ANALYSIS OF INDIAN TELECOM INDUSTRY

Chapter -7

SWOT Analysis of Indian Telecom Industry

7.1. Strength

- High Customer Potential:

  - Tele-density grew from 48% in 2005 to 64% in 2010.
  - The broadband subscribers grew from 0.18 million in 2005 to6.2 million as on 30 April 2009 and about 7.98 million, at the end of the December 2009.

- High Growth Rate:

  - Wireless subscriber growing at the rate 60% per annum since 2004.

- Allow FDI limit ranging from 74% to 100%:

  - The total FDI equity inflow in telecom sector have been US$2223 million during 2010.

- High Return on Investment:

  - Easier to create economies of scales thereby increasing the return on investment.

- Liberalization of Government:

  - The share of the private sector in the telecom sector is 88.6%.

- Lower capital expenditure:
    - ➢ The Indian Telecom Industry is a high density area, which means more population per tower. This means less capital expenditure.

7.2. Weakness

- Poor Telecom Infrastructure:
    - ➢ Resulting in large call drops.
- Late Adopters of New Technology:
    - ➢ India is among the last countries to adopt 3G technology. Recent reports suggests that already 132 countries in the world has already adopted 3G.
- Most competitive market:
    - ➢ 10 to 12 companies offer mobile services in most parts of India.
- A market strongly regulated by Government:
    - ➢ Difficult to enter because of huge financial resources.
    - ➢ Auction of 3G license has reached Rs 15814.15 crores
- High cost of data hosting in India

- Low profitability of telecom PSU's
- Low broadband penetration in the country
- Comparatively slower growth of telecom services in rural /remote areas.
- Non availability of adequate spectrum

7.3. Opportunity

- 3G Telecom services and 4G services.
- More Quality Service:
    - Mobile Number Portability will force the Service provider to improve their quality to avoid losing subscribers
- Value added Services (VAS):

- The mobile value added services include, text or SMS, menu based services, downloading of music or ringtones, mobile TV, videos, streaming, sophisticated m-commerce applications etc.
- Mobile banking, Mobile Ticketing etc

- Boost to Telecom Manufacturing Companies:

  - Production of telecom equipments in value terms has increased from Rs. 412700 million (2007-08) to Rs.488000 million during 2008-09 and expected to increase to Rs. 575840 million during 2009-10.

- Horizontal integration:

  - Entry into other consumer segments . For example Reliance BIG TV, TataSky, Airtel Digital TV.
  - Providing fibres connectivity to 2,50,000 village panchayats by 2012.

- Telecom Equipment Exports:

  - The Indian telecom industry is expected to reach a size of Rs 344,921 crore by 2012 at a growth rate of over 26 per cent, and generate employment opportunities for about 10 million people during the same period.The sector would create direct employment for 2.8 million people and for 7 million indirectly, according to a Frost and Sullivan report.
  - For developing a new comprehensive Telecom Policy.
  - For accelerating the growth of Tele-density in the country.
  - For creation of telecom infrastructure in rural and remote areas by utilization of the USO funds.
  - For huge broadband potential in the country.
  - For R&D, product development and indigenous telecom manufacturing.

7.4. Threats

- Telecommunication Policies
  - e.g. Trai's 2G direction affecting new players most notably Tata Teleservices, Norway's Telenor and Essar-owned Loop Telecom
  - Renewal of 2G license on the basis of market rates of 3G auctions
  - TRAI intentions of rolling out 4G or the fourth-generation technology, known as the ultra-broadband in 2-3 years raising fears rendering 3G services somewhat obsolete.

- Declining ARPU (average Revenue per user)
  - E.g. price wars like per-second billing which is deflating revenues and making sure the 'survival of the fittest'.

- Partiality on the part of the Govt.
  - E.g .Allowing 3G service in a PSU (MTNL,BSNL) before auctioning to Private Sector .

- Content Piracy.
- Non availability of adequate spectrum for telecom services.
- Dependence on foreign telecom equipments supplier.
- Cyber threats on ICT networks, leading to security concerns.
- Obsolesce of existing network elements due to fast changing telecom technologies.

CHAPTER – 8

BUSINES LINKS BETWEEN QATAR AND INDIAN TELECOM INDUSTRY

Chapter -8
Business links between Qatar and Indian Telecom

8.1. Marketing communication

The telecommunications sector has shown strong financial performances in Qatar and is well positioned to benefit from the economic growth and population boom. With a market population growing just over 50% in 4 years Qatar has shown that it is a potentially promising market.

In the telecom sector mobile services have been the main driver of growth in sector revenues hence piling along huge disposable budgets for marketing and promotion. This has been clearly visible only since the new service provider Vodafone was awarded the license to come in and compete with the exclusive telecommunications provider since 1987 i.e. Qtel. Competition with Vodafone has triggered the attention of Qtel to push harder in the marketing, promotion and media reach campaigns in order to take hold of as much possible the attention, and hence induce sales to the maximum achievable before the new service provider giant is ready to deploy its network.

An effective marketing communication process nowadays in Qatar is to be able to create the right message and deliver it to the right prospect at the right time, using the right media. Although this may sound simple, in a “yet to be competitive environment” with increasingly similar products and services, proliferation of media options, and complexity in segmenting audiences, it is very difficult to get all the elements of the communications process right especially in a market that lacks local exposure and has an outstanding international spotlight. So in order to differentiate between Qtel & Vodafone in such a small and yet promising environment, marketers must constantly refine and fine-tune their marketing communications strategies.

Marketing communication in Qatar has undergone drastic changes over the last few years. In the past, marketers communicated using a limited number of marketing communication tools like advertising, sales promotions or sales personnel; the number of media options.

8.2. Tata Communications Inks Deal With Ooredoo, Qatar

Tata Communications has announced that Ooredoo, Qatar, formerly known as Qtel, has launched the first IPX+ enabled network in the Middle East using Tata Communications' IPX+ platform.

The implementation enables Ooredoo to capitalise on the latest technology innovations in mobile broadband service delivery and management.Ooredoo, Qatar has initially launched voice over IPX+ as the first application, gaining access to Tata Communications' broad community of IPX+ connected mobile destinations, and plans to consolidate its entire network to an IP-based backbone.

Using Tata Communications' IPX+ platform, Ooredoo is able to rapidly support a full suite of services such as signalling, data roaming (GRX and IPX) and LTE Roaming.Allan Chan, President of Global Carrier Services, Tata Communications, says, "We are seeing a huge demand for our IPX+ connectivity platform from mobile network operators looking to capitalise on the mobile data explosion, with more than 140 forward-looking operators in 40 countries adopting our service.

Our work with Ooredoo demonstrates our commitment to bringing service providers state-of-the-art connectivity solutions around the world."

Global mobile data traffic is set to increase 13-fold between 2012 and 2017, reaching 11.2 exabytes per month by 2017[1]. In line with this, mobile network operators are under pressure to address the delivery of data services beyond their networks. Tata Communications' IPX+ connectivity platform offers Ooredoo global reach, improved quality of service (QoS) and enables transition to all IP-based services, including 4G, more cost-effectively.

Ooredoo's on-going collaboration with Tata Communications is delivering significant benefits for the people of Qatar. The IPX+ platform ensures that Ooredoo can manage the ever-growing demand for wholesale voice, roaming and data services in Qatar, by introducing a cost-effective platform that adds greater capability and resilience to network infrastructure

Yousuf Abdulla Al-Kubaisi, Chief Wholesale and International Officer, Ooredoo, says, “We’ve had first-hand experience of Tata Communications’ commitment to take connectivity in the Middle East to the next level, having launched the TGN-Gulf subsea cable landing station together in 2012. The launch resulted in the completion of the first fibre optic subsea cable ring around the world. We’re confident that Tata Communications is best-placed to help us migrate to IPX which will enable us to roll out more innovative and tailored services to our customers across the Middle East, North Africa and Southeast Asia.”

Since 2010, Ooredoo has been the fastest-growing wholesale operator in the region by revenue. In 2012, the company built landing stations to connect to two important underwater fibre optic cable systems, transforming Qatar into a global hub for international wholesale services, and it continues to expand the range of network facilities available to help Qatar become the best connected country in the region.

Tata Communications’ IPX+ connectivity platform offers integrated access to multiple data transport options over a converged IP network, supporting multiple services across networks. It brings scalability, flexibility, QoS, and security as required by services or applications. It supports a combination of services, including VoIPX, LTE roaming over IPX, messaging, and more. Its benefits include driving network efficiency, reducing costs for managing specialised, bilateral, isolated interconnects, enhancing customer experience and enabling a faster time to market for new services. IPX Connect is a key component of the LTE Roaming service, and supports data roaming from GRX to IPX.

Underpinning Tata Communications’ IPX+ connectivity platform is the company’s global MPLS network supported by its wholly-owned fibre optic subsea cable ring around the world which brings the reach and reliability needed to interconnect mobile service communities globally. The company is a Tier I top 5 IP carrier with reach to 74 IPX On-Net PoPs across 40 countries.

8.3. The biggest Qatari investment

The Qatari investment vehicle will acquire new shares in Bharti for $1.26bn (£810m).The deal comes as the Indian telecom firm looks to strengthen its finances.

Bharti posted its 13th successive drop in quarterly profit on Thursday, with a near 50% fall in profits compared with a year earlier.It made a net profit of 5.1bn rupees ($94.7m; £60m) during the quarter, down from 10bn rupees during the same period last year.

Indian telecom firms more generally have been struggling with rising costs and narrowing profit margins in recent years.The QFE is the investment arm of the Qatar Foundation - a non-profit organisation wholly-owned by the Qatari royal family.

Rashid Al-Naimi, chief executive of the QFE, said that the investment in Bharti was a long-term one.He said the deal would give the investment vehicle an "exposure to a high-growth sector in key emerging markets".Sunil Bharti Mittal, chairman of Bharti said: "This strategic partnership with QFE demonstrates the confidence they have in us and our strategy for growth."

Shares of Bharti rose as much as 4.7% on news of the deal.

In the first sign of revival of foreign investors' faith in India's troubled telecom sector, Bharti Airtel on Friday said Doha-based Qatar Foundation Endowment (QFE) will invest $1.3 billion (around Rs 6,800 crore) in the company. Airtel will issue about 20 crore shares representing a 5% stake to QFE at Rs 340 apiece, a 7% premium on Friday's closing price of Rs 317.7 on the BSE.

The announcement came a day after Airtel reported the 13th straight fall in quarterly profit mainly on account of losses from Africa operations and servicing a debt burden of Rs 63,839.5 crore. The investment of about Rs 6,800 crore by QFE will strengthen the capital structure of the company as the foundation is a long-term global investor. Goldman Sachs acted as the sole financial adviser to QFE on this investment.

Bharti group chairman Sunil Mittal said: "I am delighted to welcome another high quality long-term institutional investor to our shareholder base. This strategic partnership with QFE demonstrates the confidence they have in the company and our strategy for growth... We look forward to a long and fruitful partnership with QFE."

QFE acting CEO Rashid Al-Naimi said: "We are excited to be making a significant investment in one of the leading telecommunications companies in the world. As a long-term global investor, our shareholding gives us exposure to a high growth sector in key emerging markets. QFE looks forward to supporting Bharti in realizing the full potential of this world class business."

Analysts welcomed the foreign investment in India's troubled telecom sector that has been shrouded in controversy ever since the 2G scam broke out. Prashant Singhal, telecom industry leader of Ernst & Young Global, said this was a very good sign for the industry where the pipeline of foreign investment had all but dried up. "This shows there is some level of confidence in foreign investors. If regulatory issues are resolved, the industry has a huge opportunity and can see lot of traction for foreign investment," Singhal said.

Telecom analyst Mahesh Uppal said foreign investment in telecom had fallen drastically.

8.4. Qtel and TATA Communications strengthen ongoing partnership

Senior Qtel and TATA Communications executives have held top-level meetings on both existing and prospective projects in Doha recently.

Qtel Qatar CEO **Sheikh Saud Bin Nasser Al-Thani** and TATA Communications' CEO **Vinod Kumar** led the discussions, which were also attended by **Waleed Al Sayed**, Chief Operating Officer, Qtel Qatar; **Yousuf Al Kubaisi**, Chief Wholesale and International Officer, Qtel Qatar; and **Ahmed Al-Derbesti**, Group Chief Operating Officer, Qtel Group.

TATA Communications owns and operates the world's only wholly-owned subsea ring around the world, most recently launching the Tata Global Network (TGN) Gulf cable system, which has delivered significant benefits for residents and businesses in the region. Qtel's involvement in the major project has gone from strength to strength since the landing of the high-capacity submarine fibre optic cable at the Al-Kheesa Landing Station in Doha, in March.

Sheikh Saud Bin Nasser Al-Thani, CEO, Qtel Qatar, said: “Qtel continues to support Qatar’s long-term strategy to transform itself into a world-class hub for ICT, and our partnerships with leading companies like Tata Communications are a key part of that strategy.”

The TGN-Gulf cable ensures that Qtel can manage the ever-growing demand for wholesale voice and data services in Qatar, bringing an important global, high-speed route for data and voice communication, as well as adding greater capability and resilience to network infrastructure.

Covering nearly 20 percent of the world’s Internet routes, reaching over 240 countries and territories, the cable network offers speeds of up to 10G.

Qtel‘s ongoing collaboration with Tata Communications is delivering significant benefits for the people of Qatar. In particular, the connection with a global cable network will increase redundancy and reduce the impact of disruptive events such as cable breaks and communication cuts.

Better broadband penetration and global connectivity for wholesale and retail businesses – notably direct routes in emerging markets in the Gulf region, China and India –will also provide strong incentives for international companies looking to position regional offices in Qatar.

“Qtel’s vision and culture of innovation makes it an ideal partner for Tata Communications as we continue on our journey to better connect emerging global markets,” said Vinod Kumar, CEO, TATA Communications.

CONCLUSION

Indian telecom is world’s fastest growing telecom expected grow three fold by 2012.Tremendous strides in this industry have been facilitated by the supportive and liberal policies of the Government. Especially the Telecom Policy of 1994 which opened the doors of the sector for private players. Rising demand for a wide range of telecom equipment has provided excellent opportunities for investors in the manufacturing sector. Provision of telecom services to the rural areas in India has been recognized as another thrust area by govt.which also helps for the enormous opportunities in this sector.

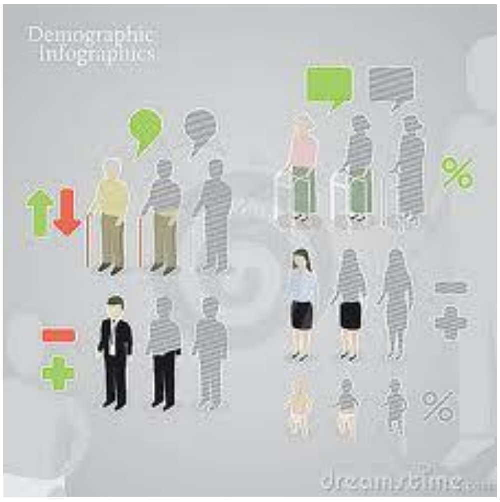
In this cut throat competition the winner will be that company that understands consumer needs focusing on usability and giving control to the users. The losers are ones that focus on technical differentiation that majority of consumers do not understand. Future strategy which can make one to be a leader are competitive tariff plans ,VAS and focus on rural markets.

Therefore telecom sector in India is one of the fastest growing sectors in the country and has been zooming up the growth curve at a feverish pace in the past few years. And even the Indian Wireless Market is booming which has plenty of room for growth.

3.

CHEPTER 1

DEMOGRAPHIC PROFILE OF QATAR



Demographics of Qatar

Qatar has over 1.5 million people, the majority of whom (about 90%) live in Doha, the capital. Foreign workers with temporary residence status make up about four-fifths of the population. Most of them are South Asians, Egyptians, Palestinians, Jordanians, Iranians and Somalis. About 5,000 U.S. citizens resided there as of 2001.The Qataris are mainly Sunni Muslims. Islam is the official religion, and Islamic jurisprudence is the basis of Qatar's legal system. Arabic is the official language and English is the lingua franca of business. Urdu is also widely spoken, especially by the South Asian foreign workers.[1] Education is compulsory and free for all residents 6–16 years old. Qatar has an increasingly high literacy rate.

QATAR DEMOGRAPHIC PROFILE:

Population = 1,951,591

Age structure

0-14 years: **21.8% (male 95,240/female 89,446)**
15-64 years: **76.7% (male 460,673/female 189,914)**
65 years and over: **1.5% (male 7,311/female 5,432) (2011 est.)**

Median age

Total: **30.8 years**
male: **32.9 years**
Female: **25.5 years**

Population growth rate

4.93%

Birth rate

10.23 births/1,000 population

Death rate

1.55 deaths/1,000 population

Net migration rate

40.62 migrant(s)/1,000 population

Urbanization

Urban population: 96% of total population
Rate of urbanization: 1.6% annual rate of change

Major cities – population

DOHA (capital) 427,000

Sex ratio

At birth: **1.02 male(s)/female**
under 15 years: **1.03 male(s)/female**
15-64 years: **4.15 male(s)/female**
65 years and over: **1.5 male(s)/female**
Total population: **3.29 male(s)/female**

Infant mortality rate

Total: **6.81 deaths/1,000 live births**
Male: **7.08 deaths/1,000 live births**
Female: **6.53 deaths/1,000 live births**

Life expectancy at birth

Total population: 78.09 years
Male: 76.11 years
Female: 80.12 years

Total fertility rate

1.93 children born/woman

HIV/AIDS - adult prevalence rate

Less than 0.1%

HIV/AIDS - people living with HIV/AIDS

Fewer than 200

HIV/AIDS - deaths

Fewer than 100

Nationality:

Noun: Qatari(s)

Adjective: Qatari

Ethnic groups

Arab 40%, Indian 18%, Pakistani 18%, Iranian 10%, other 14%

Religions

Muslim 77.5%, Christian 8.5%, other 14% (2004 census)

Languages

Arabic (official), English commonly used as a second language

Literacy

Definition: age 15 and over can read and write

Total population: 89%

Male: 89.1%

Female: 88.6%

School life expectancy (primary to tertiary education)

Total: 12 years

Male: 11 years

Female: 14 years

Education expenditures

3.3% of GDP

Maternal mortality rate

8 deaths/100,000 live births

Health expenditures

2.5% of GDP

Physicians density

2.757 physicians/1,000 population

Hospital bed density

1.4 beds/1,000 population.

CHAPTER 2

CULTURE OF QATAR

Culture of Qatar

Qatar culture is a matter of immense pride and glory for the people of Qatar. The Qatari people are culturally very active and love to exhibit their rich cultural heritage. Since the country is Arabic in origin, there are many Arabic elements in the culture of Qatar. From the very beginning of the establishment of the country, Qatar has developed a deep traditional and cultural value. There are certain customs and traditions in Qatar, which are typical to the country and without, which the cultural heritage of Qatar seems incomplete.

Qatar culture has combined several cultural heritages in itself. There are many people who have migrated from various parts of the world and brought in their own customs and traditions to Qatar. These have been well-amalgamated with the original Arabic culture of the Qatari people. Predominantly, the country follows Islam. Almost 90% of the people belong to Islam, but they are tolerant towards other religions too. As a result, there are people who follow both Hinduism and Christianity in Qatar.

Qatar People are mainly Muslims with Islam being the official religion. Among these most of the Qatar People are Sunni Muslims. Other religions observed by the Qatar People include Roman Catholicism which is practiced by 6% of the Qatar population, and 3% Qatar People are Hindus. The average life expectancy of the Qatar People is 74.1 years. The population density is around 79 persons per square kilometer with 92% of the Qatar population living in the urban areas, while only 8% of the people in Qatar live in rural country sides.

The city holding the largest numbers of the Qatar people is Doha with 339,847 people. Ar Rayyan with the strength of 272,860 people is the second most populated city. The city is followed by Al Wakrah with 31,441 inhabitants. The infant mortality rate in Qatar is 18 deaths per 1000 live births, while almost 83.5 percent people of Qatar are literate. Although the major section of the Qatar People speaks Arabic, English is used as a second language. The population growth rate among the Qatar People is 2.61% according to the studies carried out in 2005. The death rate is 4.61 deaths per 1000 population with the fertility rate being 2.87 children born per woman. Every year a significant number of people emigrate from the foreign countries thus creating the net migration rate to 15.17 migrants per 1000 population.

QATARI WOMENS WEAR AND RIGHTS:

Qatar Women mostly cover their heads in accordance with the Muslin law and order. The thing with which the Qatar Women cover their heads is known as "hijab". This way it is also understood that the Qatar Women are making a statement about their identities that they are Muslims and have a good moral character. Women in Qatar have voting rights, driving rights and can choose the course of their own lives. However it is also true that the society of Qatar is largely a male dominated one.

FESTIVELS OF QATAR :

EID FESTIVAL: The most important among Qatar Festivals is Eid. It is the biggest festival that is celebrated is Qatar. The festival is celebrated with lot of glory and grandeur in Qatar. All the houses, streets, shops, hotels and public places are beautifully illuminated. There are other decorations too that are made during these festivities.

RAMADAN FESTIVALS: The month of Ramadan is another important period for the Islam followers. There is fun and frolic in the air. There are various sources of entertainment that are in store for guests as well as tourists during that time.

MUSIC FESTIVALS: Apart from the religious festivals, there are various music festivals that re held in Qatar at various times of the year. Various categories of performers exhibit their talent in these cultural shows. The most popular Music in Qatar in the recent times is Khaliji music, which is mostly played in the traditional style of the Bedouin music.

POWERBOAT FESTIVALS: The race is usually held in the month of November by the Qatar Marine Sports Federation.

QATAR HEALTH : Qatar Health consisted of traditional medicine. Natural medicines were given by the herbalists and the process of circumcisions was performed by the barbers. In the year 1945 a one doctor hospital opened in Doha. In Qatar the first state hospital to be opened was Rumailah Hospital in the year 1959. The hospital had 170 beds. The development of health services started improving from the year 1972. Hamad General Hospital was built in the year 1982. This hospital has emergency facilities, nuclear medicine, plastic surgery, tomography etc. Doctors in Qatar are administered by the Qatar Health Ministry. If the doctors are related to the military line then they are administered by the Ministry of Interior. The doctor and the patient ratio in Qatar is also satisfying and the care which is shown demands due appreciation.

QATAR CURRENCY: Qatar also has its own currency. Qatari Riyal is the Qatar currency. Qatar money that is Qatari Riyal is equivalent to 100 dirhams. There are denominations in notes as QAR 50, 10, 500, 100, 5 and 1. There are denominations in coins of Qatar money also. These are 10, 5, 50, 25, and 1 dirham. However, except 50 and 25 coins in the denomination of the Qatar money, others are not in wide circulation. The money of Qatar or Qatari Riyal is closely associated with the US Dollar. People in Qatar can avail ATM cards, debit and credit cards. Products of financial companies like Diners Club, American Express, Visa and MasterCard.

DIVISION OF LABOR BY GENDER: Schooling is gender-segregated. After completing schooling, men and women can obtain employment in government agencies or private enterprise. Qatari women tend to take government jobs, particularly in the ministries of education, health, and social affairs. High-level positions are held predominantly by men.

THE RELATIVE STATUS OF WMEN AND MEN: Gender roles are relatively distinct. Men engage in the public sphere more frequently than do women. Women have access to schooling and employment and have the right to drive and travel outside the country. However, social mores influenced by Islam and historical precedent leave many women uncomfortable among strangers in public. Instead, their activities are conducted in private spaces. To provide women with more access to public services, some department stores, malls, parks, and museums designate "family days" during which men are allowed entry only if they accompany their families.

MARRIAGE: Marriage is still usually arranged by the mother or another female relative of the young man, who visits the family of the prospective bride to arrange the match, although increasingly the young people themselves participate. Once an alliance has been agreed, the couple are able to meet in the presence of chaperones; a different situation to the old Bedouin weddings in which the young bride was wrapped up in a carpet to be carried off to the home of her bridegroom, a man she had never set eyes on before.

The government has attempted to discourage large dowries by introducing sponsored 'Mass Weddings' to benefit those with limited financial resources.

NATIONAL DAY OF QATAR: December 18, Celebrate Qatar National Day in commemoration of the historic day in 1878 when Sheikh Jassem, the founder of the State of Qatar.

FOOD IN DAILY LIFE: Foods central to Qatar's cuisine include the many native varieties of dates and seafood. Other foods grown locally or in Iran are considered local delicacies, including sour apples and fresh almonds. The traditional dish *machbous* is a richly spiced rice combined with meat and/or seafood and traditionally served from a large communal platter. The main meal is eaten at midday, with lighter meals in the morning and late evening. However, with more Qataris entering the workforce, it is becoming more common to have family meals in the evenings. The midday meal on Friday, after prayers, is the main gathering of the week for many families. During the month of Ramadan, when Muslims fast from dawn to dusk, elaborate and festive meals are served at night.

Coffee is a central feature of the cuisine. Arabian coffee made of a lightly roasted bean that is sweetened and spiced with cardamon is served in small thimble-shaped cups to guests in homes and offices. Most households keep a vacuum jug of coffee and sometimes tea ready for visitors. Another beverage, *qahwa helw* (sweet coffee), a vivid orange infusion of saffron, cardamon, and sugar, is served on special occasions and by the elite.

EDUCATION OF QATAR: Public schooling has been available since the 1950s. In 1973, a teacher's college was opened and in 1977 the colleges of Humanities and Social Sciences, Science, and Sharia and Islamic were added to form the University of Qatar. Subsequently the College of Engineering, College of Administrative Sciences and Economics, and the College of Technology were added to the original four. Qataris can attend kindergarten through university for free. Students who qualify for higher education abroad can obtain scholarships to offset the costs of tuition, travel, and living abroad

MEN AND WOMEN WEAR: Most Qataris choose modest national dress when they are in public. Men wear a tailor made thobe or dishdash, cut along the lines of a white cotton shirt that reaches to the ground, worn over long white cotton trousers.

Traditionally women wear a long dress (jelabia), covered when they went out by a black cloak called abbayah. Qatari women also cover their hair, either with a gossamer-thin scarf called shaila, or with an opaque headscarf. Often the shaila design will match that of the abbayah. Older and more traditional women still use a short nose or chin-length mask called a battula, whereas younger women, if veiled, generally choose the Bedouin-style veil called burqua, which leaves just their eyes exposed.

CHAPTER 3

INFORMATION ABOUT AUTOMOBILE INDUSTRY


Major dealers of automobile in Qatar:

1.Abdullah Abdulghani & Bros. Co. WLL

Doha-based distributors of Toyota motor cars, Sumitomo tyres, Kawasaki shovel loaders, and Western Star trucks. Auto Dealers   Heavy Vehicles.

2 Almana Group :

Business group with interests in oil and gas, general contracting, steel and steel structures, automobile distribution (Ford, Mercury, Lincoln, Peugeot), car rentals (Hertz), travel services & airline ticketing, Coca Cola distribution, etc. Engineering   Steel   Auto Dealers   Car Rentals   Travel Companies   Air-Conditioning.

3. Jaidah Group :

Prominent business group dealing in Chevrolet and Isuzu cars and trucks, earthmoving equipment, cranes, welding machines, etc (made by Komatsu, Cummins, Ingersoll-Rand), oilfield equipment, furniture etc.

4. Mannai Corporation QSC:

Business group whose core activities include engineering and construction, services to the oil and gas sectors, automotive, marine operations, trading and representation; group companies: Mideast Constructors, Manweir, Manwell Technical Services etc.

5. Saleh Al Hamad Al Mana Company :

Sole distributors of Nissan and Renault cars in Qatar.

6. Alfardan Automobiles :

Dealers in BMW cars with two showrooms in Doha; site has details about various BMW automobiles.

7. Alfardan Group of Companies :

Business group based in Qatar with interests in automobiles, jewellery, real estate and financial services; activates: dealers in BMW and Land Rover cars, jewellery trading, share trading etc.

8. Chevrolet Qatar :

Has details about Chevrolet cars (Spark, Aveo, Optra, Epica, Lumina, Caprice, Corvette) and car dealer in Qatar (Jaidah Motors and Trading).

9. Mercedes-Benz :

Web site of Nasser Bin Khaled Automobiles (NBK), Mercedes-Benz general distributors for Daimler cars in Qatar; deals in passenger cars & commercial vehicles; also sells used cars.

10. Teyseer Motors Company WLL :

Company that deals in Suzuki (cars and two-wheelers) and Scania (trucks, buses, engines), Mobil lubricants, KUMHO tyres, automotive batteries, car care products, spark plugs etc.

PESTAL ANALYSIS OF QATAR AUTOMOBILE INDUSTRY:

QATAR AUTO SECTOR:

Qatar is relatively a small market retailing around 28,000 units in the GCC. In 2010 it was a good year for the Qatari economy and specifically for the auto sector. Figures published by Qatari dealerships highlighted robust growth in car sales in that year. Auto dealer Alfardan Automobiles reported a nine percent growth for BMW and MINI sales for the first half of 2011 as compared to the same period last year. The BMW 5 Series had the highest sales growth of 43 percent over last year. Chevrolet reported a 35 percent increase in car sales for 2010, while that of Cadillac saw sales grow by 31 percent in 2010 compared to last year.There are no comprehensive and reliable vehicle sales and import statistics available for Qatar, which has only a very small car industry, owing to its low population (1.9mn in 2011).

POLITICAL IMPACT:

The official is quoted as saying by the report that the global automotive industry is currently going through a 'dramatic restructuring and shift'. The transformation is also happening from a technical perspective, al-Saad pointed out. Hybrid and electric vehicles are being adopted because they are more environmentally friendly and fuel-efficient. Even though commercial production only started in 2010, extensive government support from around the world is expected to speed up adoption so that by 2020 nearly 40 percent of all passenger vehicles will be of hybrid or electric type.Governments are subsidising consumers and supporting manufacturers of electric vehicles and components like lithium-ion batteries and others.

Qatar Ag CEO Ahmed M Sorour told the daily that over the last two years, Qatar Ag had established a team of financial, industry and technical experts to help identify, evaluate and assess multiple opportunities in key automotive industry segments. People who are planning to import cars to Qatar from the US should be eager to know various duties and taxes. There is a rule in the country that cars that are sold outside the Gulf Cooperation Council states are subjected to four percent taxes. If the vehicles are imported for personal use, there will not be any custom duty for such cars.

ECONOMIC IMPACT:

According to the International Monetary Fund (IMF), Qatar had the world highest gross domestic product (GDP), growing by 16.6 percent in 2010 and is forecast to pick up by 18.7 percent in 2011. The GDP per capita stood at US$76,160 (QR277, 000) in 2010 and is forecast to grow to US$109,900 (QR400, 000) by the end of 2011. With the country on the growth trajectory car sales is poised to grow with the automotive sector continuing to be significant. The country strategic location between Asia and Europe will help cater to the changing technology for suppliers and top tier manufacturers to set up shop here.

Industry experts have emphasized that the global industry for aluminum components –die castings, forgings, and extrusions is expected to grow significantly creating an opportunity to produce high quality automotive aluminum components that will leverage Qatalum aluminium capacity. Given the countrys low cost energy sector, it can achieve a cost advantage and over many developed countries. Backed by its competitive tax initiatives, incentives for FDI and its vision for 2030, including an emphasis on technology and knowledge-basedindustries.

SOCIAL IMPACT:

The relatively high living standards in the GCC countries, rising oil prices, coupled with a growing population are the driving forces behind the sector's growth in the region. Given the challenging automotive scenario, a major cause of concern are the high prices of new cars in Qatar, which not only reduces the overall car sales volumes, but also forces the locals to buy them from the other Emirates such as the UAE and Saudi Arabia and then import them in to the country. For example a report in The Peninsula newspaper cited that the Toyota Land Cruiser model costs about US$78,299 (QR285,000) in Qatar as compared to US$45,916 (QR116,000) in Kuwait. In April 2011, the Qatar Central Bank reduced its key overnight deposit rate from 1.5 percent to one percent.

The low rate environment led to an uptick in consumer demand while car buyers relying on borrowing to fund purchases were able to access cheaper credit. Streamlined regulations for auto-financing also led to increased new car purchases in 2010.

Technological impact:

January 27, 2012 06:01 CET Harald Hamprecht is Editor-in-Chief at *Automotive News Europe*
I was in Qatar this week to moderate a portion of the Middle East Automotive Summit, a one-day event that kicked off the 2012 Qatar auto show. A number of hot topics were discussed in the desert such as how to response to a global population that is getting larger, older and more urban. By 2050, it is estimated that there will be 9.2 billion people on the plant – up from about 7 billion today and 8 billion by 2030. The number of cars on the road is expected to grow to 3 billion by 2050 from 700 million. That's a lot of traffic congestion and emissions – depending on what those 3 billion people will be driving.

The First International Edition of the Qatar Motor Show scheduled from January 26 to 29, 2011 will be an important showcase for eight Italian car designers who will exhibit their creations in a 'collective' of Italian-made creations promoted in collaboration with the Gruppo Carrozzieri Autovetture (Car Coachbuilders) of ANFIA - Italian Association of the AutomotiveIndustry. Organised by Qatar Tourism Authority (QTA) in collaboration with media Events and GL events,

The Qatar Motor Show will present concept cars, super cars, prototypes and special bodies on display for the first time in a country which is one of the most important markets in the world for luxury and sports cars and incredible one-offs.

Stars of the show will be the cars conceived, designed and built by a group of Italian companies which represent excellence in the sector such as Autostudi, Bertone, Castagna, Fioravanti, Pininfarina, Prototipo, Salt, Spada and Touring Superleggera. There will be many newproposalsincludingsomepreviews. Autostudi from Turin, designer of particularly innovative concept cars, will be presenting the world preview of restyling of the C-Sport at the Qatar Motor Show 2011.

Qatar is an innovative sports car of the highest level with clean sinuous lines, projecting itself as a luxury toy-car. Specialised in car interiors as a result of superior and elegant leather work, Salt has developed its commitment in research and experimentation and today designs and builds prototypes of every kind, and is in the front line in the sector of fitting out interiors for luxury cars and aircrafts.

In Qatar, Salt will be showcasing the RK Coupè, a project that combines the preparation of a RUF engine on a Cayman base. RK Coupè is an example of the customization that SALT can create for its customers, both with the bodywork and the interiors where SALT expresses the best in the precision and refinement of every detail.

Environmental impact

Fuel prices remain to be one of the lowest in Qatar, even after the recent hike, but people here cannot expect the situation to continue forever, since the country is seriously rethinking the heavy subsidies given on petrol and diesel. The review that is currently underway is driven by environmental factors and comes as part of a long-term strategy to encourage energy conservation and reduce carbon dioxide emissions.

The recently-launched National Development Strategy 2011-2016 has envisioned a series of measures to reduce the heavy dependence on private vehicles that has been contributing to the high energy consumption in the country and the rising pollution levels. Subsidies on fuel prices would be lifted or cut in future, if Qatar follows the international trend regarding environment conservation and sustainable development. The number of registered private vehicles in Qatar had gone up by 12 per cent a year over the five years from 2003 to 2008. The number of private vehicles per household currently stands at 3.6, which means that every Qatari house has more than three vehicles on an average, as cited by the NDS report.

Legal impact:

In a major move, expatriates have been barred from driving private cars out of Qatar and they could cross the country’s borders only if they prove that loans taken to buy vehicles have been fully repaid. So, expatriate motorists need to produce loan clearance certificates from a bank or a financial services company to be able to cross the border through Abu Samar land customs checkpoint.

The Department of Traffic at the Ministry of Interior has issued a circular to the land customs authorities at Abu Samar asking them not to allow any expatriate to leave the country in a private car unless he or she produces a loan clearance certificate.

The certificate must say that loan taken for the car being driven out of Qatar has been fully repaid. For driving a car in Qatar, registration of the same is essential. For new cars, the car dealers will make the arrangement. Used cars should go through a road test, if more than 3 years old.

4. The road test will be conducted by the Qatar Technical Inspection Company (QTIC)*.

5. Once the road test report is obtained, the next stop is Madinat Khalifa traffic department, where you have to fill up an application form, which should be in Arabic. The typing service is available within the vicinity of the department at a nominal fee.

6. The application form along with the valid Insurance and Road test report should be submitted at registration counter, where you will be issued the Road Permit along with two colored squares which should be stuck on the Registration plates of the car.

CHAPTER4

INFORMATION ABOUT AUTOMOBILE INDUSTRY IN INDIA

GENERAL INFORMATION:

Automobile industry has gone through radical changes in recent period. The Indian automotive industry has emerged as a ‘sunrise sector’ in the Indian economy. India is emerging as one of the world’s fastest growing passenger car markets and second largest two wheeler manufacturer. It is also home for the largest motor cycle manufacturer and fifth largest commercial vehicle manufacturer.The Indian automotive industry has emerged as a ‘sunrise sector’ in the Indian economy. India is emerging as one of the world’s fastest growing passenger car markets and second largest two wheeler manufacturer. It is also home for the largest motor cycle manufacturer and fifth largest commercial vehicle manufacturer.

India is the largest base to export compact cars to Europe. Moreover, hybrid and electronic vehicles are new developments on the automobile canvas and India is one of the key markets for them. Global and Indian manufacturers are focusing their efforts to develop innovative products, technologies and supply chains.

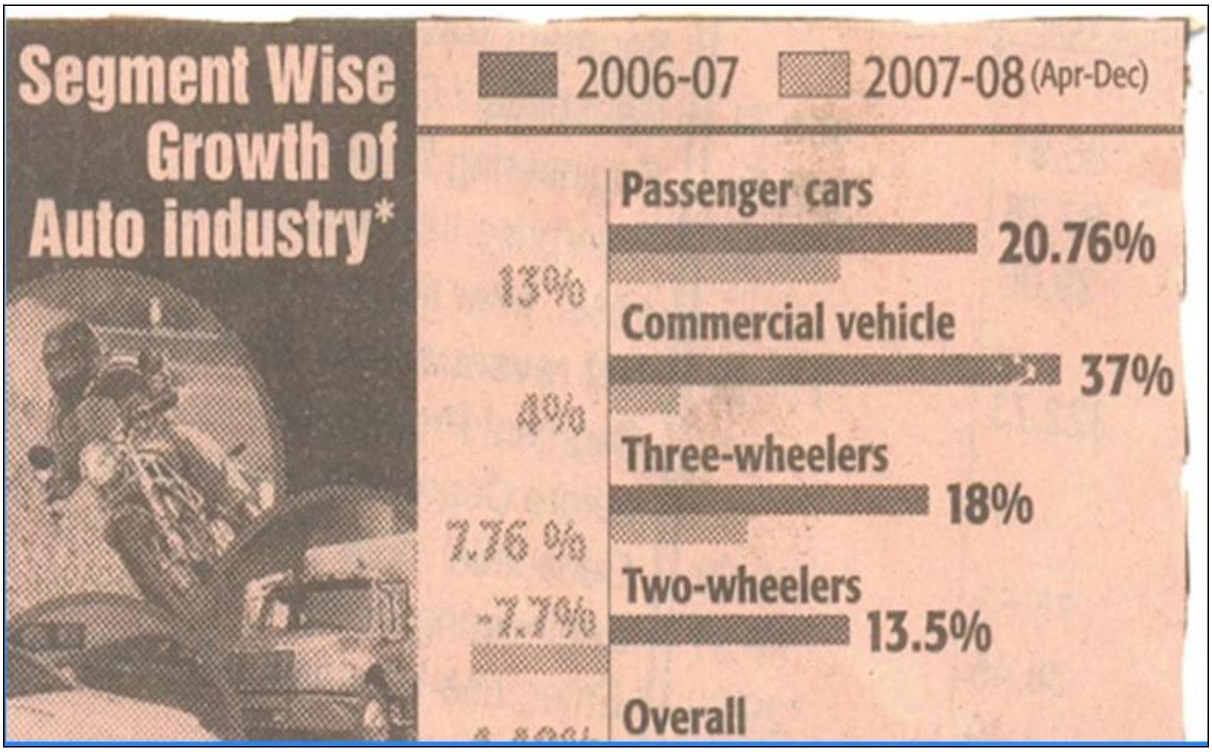
Automobile Industry, industry that produces automobiles and other gasoline-powered vehicles, such as buses, trucks, and motorcycles. The automobile industry is one of the most important industries in the world, affecting not only the economy but also the cultures of the world. It provides jobs for millions of people, generates billions of dollars in worldwide revenues, and provides the basis for a multitude of related service and support industries. Automobiles revolutionized transportation in the 20th century, changing forever the way people live, travel, and do business.

The automobile has enabled people to travel and transport goods farther and faster, and has opened wider market areas for business and commerce. The auto industry has also reduced the overall cost of transportation by using methods such as mass production (making several products at once, rather than one at a time), mass marketing (selling products nationally rather than locally), and globalization of production (assembling products with parts made worldwide). Between 1886 and 1898, about 300 automobiles were built, but there was no real established industry. A century later, with automakers and auto buyers expanding globally, auto making became the world's largest manufacturing activity, with nearly 58 million new vehicles built each year worldwide. As a result of easier and faster transportation, the United States and world economies have become dependent on the mobility that automobiles, trucks, and buses provide. This mobility allowed remote populations to interact with one another, which increased commerce. The transportation of goods to consumers and consumers to goods has become an industry in itself. The automobile has also brought related problems, such as air pollution, congested traffic, and highway fatalities. Nevertheless, the automobile industry continues to be an important source of employment and transportation for millions of people worldwide.

Sub sectors of Automobile Industry:

The automobiles sector is divided into four segments – two-wheelers (mopeds, scooters, motorcycles, electric two-wheelers), passenger vehicles (passenger cars, utility vehicles, multi-purpose vehicles), commercial vehicles (light and medium-heavy vehicles), and three wheelers (passenger carriers and good carriers).

Chart-1 Contribution of different types of vehicles in the automobile Industry in the year 2010-11



The industry is one of the key drivers of economic growth of the nation. Since the de-licensing of the sector in 1991 and the subsequent opening up of 100 percent FDI through automatic route, Indian automobile sector has come a long way. Today, almost every global auto major has set up facilities in the country.

The world standings for the Indian automobile sector, as per the Confederation of Indian Industry, are as follows:

- Largest three-wheeler market
- Second largest two-wheeler market
- Tenth largest passenger car market
- Fourth largest tractor market
- Fifth largest commercial vehicle market
- Fifth largest bus and truck segment

The auto sector reported a robust growth rate of 26 percent in the last two years (2010-2012). The BSE AUTO Index outperformed the benchmark Nifty by 79%, 12% and 19% in FY10, FY11 and FY12, respectively.

However, the sector has shown a sluggish growth of 12 percent in 2012. The trend is likely to stay with a 10 percent growth outlined for 2013 citing high ownership costs (fuel costs, cost of registration, excise duty, road tax) and slow rural income growth. Solid but cautious growth is expected over the next few years. However, from a long-term perspective, rising incomes, improved affordability and untapped markets present promising opportunities for automobile manufactures in India. According to Macquaire equities research, sale of passenger vehicles is expected to double in the next four years and growth anticipated is higher than the 16 percent achieved in the past 10 years. Two-wheeler vehicle segment is expected to show slow growth of 10 percent CAGR over the period of 2012-2016, suggests the report.

The Government recognizes the impact of the sector on the nation's economy, and consequently, the Automotive Mission Plan 2016 launched by it seeks to grow the industry to a size of US $145bn by 2016 and make it contribute 10 percent to the nation's GDP.

Key Statistics

The amount of cumulative foreign direct investment (FDI) inflow into the automobile industry during April 2000 to July 2012 was worth US$ 6,992 million, amounting to 4 per cent of the total FDI inflows (in terms of US$), as per data provided by Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce.

The Indian small and light commercial vehicle segment is expected to grow at 18.5 per cent compound annual growth rate (CAGR) for the next five years, according to a report titled 'Strategic Assessment of Small and Light Commercial Vehicles Market in India' by Frost & Sullivan.

According to the recent data released by the Society of Indian Automobile Manufacturers (SIAM):

- The cumulative production for April-June 2012 registered a growth of 7.65 per cent over April-June 2011, manufacturing 1,700,675 vehicles in June 2012
- Passenger vehicles segment grew at 9.71 per cent during April-June 2012, while overall commercial vehicle segment registered an expansion of 6.06 per cent year-on-year (y-o-y)
- Two-wheelers sales registered a growth of 10.51 per cent during April-June 2012 wherein mopeds, motorcycles and scooters grew by 6.60 per cent, 6.79 per cent and 29.14 per cent, respectively

Government Initiatives

The Government of India plans to push the supply of vehicles powered by electricity over the next eight years. It is expected that there will be a demand of 5-7 million electricity-operated vehicles by 2020. The Government of India allows 100 per cent foreign direct investment (FDI) in the automotive industry through automatic route.

The Automotive Mission Plan (AMP) 2006-2016 aims at doubling the contribution of automotive sector in gross domestic product (GDP) by taking the turnover to US$ 145 billion in 2016 with special emphasis on export of small cars, multi-utility vehicles (MUVs), two &

three wheelers and auto components.

Gujarat has been one of the most proactive states in terms of investor-friendly policies and environment. Maruti Suzuki India Ltd (MSIL) has recently signed a state support agreement (SSA) with the state government for the purchase of land to set up its third manufacturing facility. The company plans to infuse about Rs 4,000 crore (US$ 747.66 million) in the initial phase of the project and equivalent amount would be invested by the company's ancillary suppliers to set up a vendor park near the facility. The new unit is expected to commence operations by 2015-16.

Automobile Dealers Network in India:

In terms of Car dealer networks and authorized service stations, Maruti leads the pack with Dealer networks and workshops across the country. The other leading automobile manufactures are also trying to cope up and are opening their service stations and dealer workshops in all the metros and major cities of the country. Dealers offer varying kind of discount of finances who in tern pass it on to the customers in the form of reduced interest rates.

MAIN AUTOMOTIVE COMPANIES IN INDIA:

NATIONAL NEEDS:

Indian automotive industry contributes significantly to the overall GDP of the nation and also provides significant business and employment opportunities. It is an engine of growth for the Indian economy. It is one of the key industries whose well being is very important in our vision of improving the living standard of our population.

Indian automotive industry, today, is in a transition stage. In the past, operating in a license regime, Indian automotive industry has been accustomed to buying most of its technology needs from outside and did not give much importance to development of indigenous technology.

With the liberalization of economy, the decades old monopolistic environment of the Indian automotive industry where only a handful of vehicle models were available with a long waiting list, gradually gave way to a highly competitive, complex and rapidly changing market which was not limited to domestic market alone. Today the number of vehicle models available are more than hundred and not a month goes without offerings of newer and more advanced model. Today the market is customer driven with performance, cost, fuel economy and reliability being the key drivers.

At the same time the Govt. of India has forced (and will continue to do so in future) more stringent emission regulations which calls for introduction of a host of advanced emission abatement and other technologies. The market has slowly become a technology driven market where MNCs are using "technology forcing" as a route to keep their market share. Thus the need for Indian automotive industry to develop/ acquire a range of new technologies in a very short time has never been so acute .This situation will continue to be so in future as well.

Ironically for the Indian automotive industry, the cost of technology development has increased manifold and increasing product cost has put a squeeze on profit margins affecting their ability to outsource expensive technologies. Moreover, the technologies are not so easily available any more from outside. Instead of giving a license or setting up joint ventures with an Indian industry, many intentionally renowned automobile manufactures have started production in India to take advantage of great commercial opportunities Indian markets offers. Even in the existing joint ventures, the control has slowing moved into hands of MNCs. In order to compete and retain their market share in the face of this onslaught by global automotive leaders , the Indian automotive industry have to urgently upgrade its technological capabilities. It must leap frog the technological gap if they desire to remain competitive in domestic as well as global market. The Indian automotive companies still have option of accessing the global knowledge. But the past experience is that, the key technologies are either not available at all for sale or if available, they are prohibitively expensive to remain competitive in the market place.

Some of the issues we face are unique to India (such that 70% of our vehicle population consists of two wheelers and 7 out of the 10 dirtiest cities are in India) and innovative technologies relevant to its need are needed. Three wheelers are unique to our market and no technologies are available from advanced countries to optimize such vehicles. We also need to improve significantly the fuel economy of our vehicles .

We import 72 % of our petroleum requirement which is likely to go up to 92 % by the 2020. This will also lead to reduction in CO2 emissions. Weight reduction using advanced materials is a key area which needs strong technology development emphasis.

Indian automotive industry urgently needs technologies to produce fuel efficient, environmental friendly, lighter, safer and cost competitive engines, and vehicles. Advanced materials and manufacturing techniques, technologies for using alternative fuels, emission abatement, fuel economy improvement , safety enhancement, engine management systems, embedded vehicle control system are some of the areas where we must focus our efforts.

The scope of the projects under this mission spans a wide range of technologies which aim to meet our national needs. The projects proposed emphasize on development of advance materials, clean and fuel efficient technologies.

Automotive Technologies is one of 5 identified mission areas under TDM-II. Indian automotive industry urgently needs technologies to produce fuel efficient, environmental friendly, lighter, safer, and cost competitive engines and vehicles. Therefore, some of the areas where there is a need for nationally focused efforts in technology development are: advanced materials, advanced manufacturing techniques, newer and innovative technologies for utilization of alternative fuels, emission abatement, fuel economy improvement, safety enhancement, engine management systems, embedded vehicle control system.

In this phase of TDM, there are 33 projects (2 from IITD, 2 from IITM, 11from IITKG, 4 from IISc ,8 from IITR,6 from IITK) in automotive technology areas that aim at providing technological solutions in a wide spectrum of subjects ranging from development of advanced materials, hydrogen fueled bus, fuel efficient two wheeler engine, electric vehicle to intelligent vehicles.

Leading Automotive OEMs and Component industries like Ashok Leyland, Tata Auto Components Ltd., Harita Industries, TVS Motors, Motorola, Tata Steel, Tata Motors have committed participation in these projects.

On completion, the mission will certainly add to the competitiveness of the Indian automotive industry and help them produce fuel efficient, lighter, safer and environmental friendly vehicles which are globally competitive. It will also go a long way in establishing a close working relationship between the industry and academia.

Mission Objectives, Deliverables, and Impact

Objectives:

The principal objectives of TDM- Phase II Automotive Technologies Mission are to

- Provide advance materials for automotive applications

- Develop fuel efficient engines and vehicles
- Develop environmentally friendly technologies

- Provide a Hydrogen fuelled I.C Engine
- Enhance use of alternative fuels like biodiesel
- Improve manufacturing technologies
- Develop Technologies to enhance safety of vehicle
- Improve engine noise
- Improved materials and manufacturing processes
- Develop Energy efficient automotive electrical/electronic systems
- Intelligent vehicle development
- Embedded control systems
- Corrosion resistant material and technologies
- Automotive safety technologies

Deliverables:

The trust areas for the Automotive Technology Mission are:
A) Energy Efficiency & Alternative Fuel Technologies
B) Automotive Safety
C) Automotive electronics & Control
D) Advanced Automotive Materials

The specific deliverables from these projects include work in these broad areas are given below:

A) Energy Efficiency & Alternative Fuel Technologies

- An efficient two wheeler engine
- An fully functional electronic management system (EMS) for common rail diesel engines
- A fully functional hydrogen fueled passenger bus engine
- A fully functional Electric vehicle
- Biodiesel production plant and machinery

- Fuel cells vehicle

B) Automotive Safety

- An automotive engine meeting Euro III engine noise regulations
- A vehicle Driving Simulator
- Development of a drop tower test facility

C) Automotive Electronics & Control

- Embedded systems for automotive test , monitoring and diagnosis
- Embedded multi-sensor network for vehicle health monitoring
- Intelligent vehicle with software control for remote and hostile environment
- Development of specific ICs and CAD tools

D) Advanced Automotive Materials

- Aluminum foam for automotive application
- Technology for laser assisted welding
- Steel , Mg and AL alloys with better corrosion resistance
- Multilayered ceramic inserts for dry machining
- Newer brake pad materials
- Sensor of corrosion measurement and a cathodic protection system
- Newer Al-Li alloys
- Corrosion resistant Pb- free solder alloy

Impact:

The impact of the deliverables will be significant in many ways:

- The deliverables target the urgently needed technologies for the Indian automotive industry,
- The projects specially target the environmental needs of India.
- The deliverables emphasize development of low cost
- Many of the technologies proposed are cutting edge, state-of-the â€“art in nature and

will help Indian automotive industry to leap frog into advanced areas and be highly competitive in domestic and international market.

Automobile exports of India:

While India has managed to be the 7th largest producer of vehicles in the world but it remains a small player in the global market, observed FICCI Study on Indian Automobile Exports. The share of India in global automobile exports is a meager 1% in 2009 and India ranks 22nd in automobile exports falling behind countries like Thailand, China, Mexico, Argentina, Brazil and Turkey, noted FICCI Study. Despite this, Indian automobile industry is confident of achieving its export target of $12 billion 2013-14 itself, which will be good two years ahead of the target year of 2016 laid-out in Automotive Mission Plan 2006-16. Currently, India exports $ 4.5 billion of automobiles which include tractors, passenger vehicles, commercial vehicles and two-wheelers.

Share of India in global exports was 1% in 2009, whereas that of Japan, the largest exporter of automobile, the share was around 19%. Some of the other major countries ahead of India in automobile exports are UK, USA, Germany, Italy, Netherland, South Korea and Canada. FICCI said that there is a need to revisit the targets set in Automotive Mission Plan and perhaps there is also a need to scale-up the targets in the background of robust growth of this industry in last few years. Government should aim at achieving a share of at least 3% within the Automotive Mission Plan (AMP) by 2016, FICCI pointed-out. As per the AMP, Indian automobile industry aims to achieve an output level of $145 billion by 2016, which would imply a domestic market of $82-119 billion and export market of $ 12 billion. Indian automobile exports have been growing at a CAGR of more than 25% in last 5 years and with this rate of growth it will achieve a size of $17.7 billion by 2016. In terms of segments, FICCI study observed passenger vehicles.

In terms of segments, passenger vehicle constitutes the major portion of total automobile exports of India. Around 76% of India’s automobile exports are that of passenger vehicle. The second important category of our automobile exports is two wheelers. The CAGR of passenger vehicle and two wheeler exports of India was 31% and 24% for the last five years. The share of commercial vehicle and tractors has been falling for the last five years inIndia’s automobile exports.

In terms of export destinations, UK is the largest export destination for India's automobile exports. Our automobile exports to UK have grown by over 8 times in the last years from $52 million in 2006-07 to $481 million in 2009-10. And, passenger vehicle alone accounted for 98% of our total automobile exports to UK. The other top destinations of India's automobile exports are Italy, Germany, Netherland and South Africa.

Top Five Export destinations for Indian Automobile exports

Countries	Exports in 2009-10 ($ mn)
U K	481.02
Italy	433.77
Germany	233.22
Netherland	217.51
South Africa	209.95

Source: Ministry of Commerce & Industry

The major characteristics of Indian automobile sector are:

1. Indian automobile is the second largest two-wheeler market in the world
2. Indian automobile is the fourth largest commercial vehicle market in the world
3. Indian automobile is the 11th largest passenger car market in the world
4. The Indian automobile will be the world's third largest automobile market by 2030

Trend of Growth of the automobile industry in India:

- Growth of exports of 32.8 % in commercial vehicles as against passenger cars
- Output of commercial vehicles has grown 2.8 times compared to the 2.2 times increase in Passenger cars
- Two-wheeler output continues to dominate the figures of the sector
- In 2003-04, for every passenger car turned out, there were 7 two-wheelers produced
- In the two wheeler segment, there is a greater preference for motorcycles followed by scooters
- Mopeds have registered low or negative growth
- Export growth rates have been high both for motorcycles and scooters

Growth Potential:

The automotive industry remains one of the highest revenue-earning industries in India and contributed over 5% to India's GDP in 2009, providing direct and indirect employment to more than 13 million people. The market outlook for the industry remains promising, especially in the small car segment. The Indian automobile market is currently dominated by the two-wheeler segment but with an expanding middle class population, growing earning power and industrial development, the demand for passenger cars and commercial vehicles will increase exponentially.

Also, the low vehicle presence (with passenger car stock of only around 11 per 1,000 population in 2008) indicates a very low base with significant growth potential. As per 'Just-Auto' analyst reports, sales of passenger cars in 2008-2016 are expected to grow at a CAGR of around 10%.

In addition to increased domestic demand, there is also likely to be increased investment by global auto manufacturers to India due to its strong technological capability and availability of trained manpower at competitive prices. Currently, the foreign auto companies with assembly plants in India include, General Motors, Ford, Hyundai, Honda, Suzuki, Nissan Motors, Toyota, Volkswagen, Audi, Škoda, BMW, Fiat and Mercedes Benz.

With the introduction of the Tata Nano, the cheapest car in the world at USD 2200, and FDI from Suzuki Motor Corp, Hyundai Motor Co, and Nissan Motor Co to make India their manufacturing hub for small cars, India has made huge inroads in the compact car segment. In fact, in 2009, India overtook China in the global auto exports of compact cars for the first time.

Future prospect of indian automobile sector :

1. Automobile industry expert predicts that by 2050 every 6th car in the world will be from India.

2. By end of 2010 India will take over Germany in sales volume and Japan by 2012.

3. The Indian automobile component industry is estimated to triple from USD 63 billion to USD 190 billion within a span of six years by 2012.

4. Industry analysts predict this industry to touch USD 13000 million marks by 2010, a cumulative growth of 9.5% annually.

5. It is said that for every `1 spent, the auto sector returns `2 .2 4 to the Indian economy.

CURRENT ISSUES AND TREANDS IN AUTOMOBILE INDUSTRY

Bajaj Auto sees about 4.5 mltn vehicle output this:

Bajaj Auto, India's leading two wheeler manufacturer, recently unveiled its much anticipated Pulsar 200 NS in Mumbai. This new model by Bajaj Auto will be launched in April 2012, after which the cost of the product will also be revealed. According to recent reports, the new Pulsar 200 NS will most probably be priced below Rs. 1 lack.

Managing Director of Bajaj Auto, Rajiv Bajaj stated, "The Bajaj Pulsar 200NS is best middle-class sports bike. It will be commercially launched beginning next fiscal through 600 dealers across the country. The price is expected to be below Rs. 1 lack."

Bajaj Auto has earlier launched an off-roader bike, Duke 200 in collaboration with Austrian partner, KTM. The Chief Technology Officer, Abraham Joseph worked with Edgar Heinrich (former BMW Motored designer) and incorporated technologically advanced engine in Pulsar 200 NS, resulting in high performance, fuel efficiency and emission. Abraham Joseph said that the new product would be designed at Bajaj Auto's Chaka facility in Pune. This plant can manufacture around 1 lack units on a monthly basis.

Rajiv Bajaj, Bajaj Auto MD, recognized as the 'Best

Mr. Rajiv Bajaj, Managing Director, Bajaj Auto Ltd., received prestigious leadership awards from across the media that honor his un-matched business acumen. He received these awards for spear-heading strategic shift of the company from scooters to motorcycles.

Under Mr. Rajiv Bajaj's leadership, Bajaj Auto is today the world's 3rd largest motorcycle maker by volume and also the most profitable one. It is India's largest exporter of bikes with 35% of its production being sold in markets across the world.

In a related interview Mr. Bajaj said, "The best way to create brands is to create categories. Making a successful product is often a case of being original in a new segment. The successful offerings are the ones with the first mover advantage in newly created categories."

The honors awarded to Mr. Rajiv Bajaj are as:

- Forbes Leadership Awards – Best CEO Private Player
- NDTV Profit Business Leadership Award – Young Business Leader

- CNBC TV18 – Outstanding Business Leader of the Year
- Business Standard – CEO of the year.

Joint Venture In India:

In the past two years, more than a dozen multi-national firms have announced plans to enter the Indian market. Most of them have formed joint ventures with Indian firms, while there are exceptions such as Hyundai which plan to form fully-owned units.

India's poor road Infrastructure:

Amongst the many issues facing the Indian automotive industry, the biggest by far is the poor road infrastructure. India's road network, comprising of a modest national highway system (that is only 2% or less of the total roadway length) is woefully inadequate and dilapidated, and can barely keep pace with the auto industry's rapid growth. Most roads are single-lane roads built in the 1950's and 60's, and are crowded with two-wheelers, bullock carts, and even pedestrian humans and cows.

Tariffs on Imports of Automobile Products:

The significant (about 50%) tariffs imposed on import products and components combined with the vagaries of currency exchange rates make localization an important imperative for foreign companies entering the Indian market. Firms are already making a major effort to localize rapidly; The Daewoo-DCM venture is expected to raise its local content to 90% by the decade's end.

Government'spolicies towards investment in Automobile Industry

GM's Astra will start with 40% labor content, and go up to 75% within three years. One challenge to localization is a shortage of component suppliers with size and sophistication. Another major uncertainty facing the Indian market is the government's policies toward foreign investments and joint ventures. As Amsden and Kang note, government plays a key role in shaping the growth of the auto industry in emerging economies (as compared with developed countries).

Mumbai: Mahindra two-wheelers:

MUMBAI: Mahindra Two Wheelers today reported 26 per cent growth in sales for November at 10,082 units against 8034 units in the corresponding month last year. The cumulative sales in the April-November period stood at 79,910 units, the company said in a release here.

Increase in customer preference:

"There is increasing customer preference for our new range of scooters - the Mahindra Duro DZ and the Mahindra Rodeo RZ. Our scooters now come with Mahindra's advanced Z-Series engine that delivers both 125 cc power and great on-road mileage," company's Executive Vice-President (Strategy and Market Development) Viren Popli said.

Hero motoCorp Ltd records sale:

Hero MotoCorp Ltd (HMCL), the world's largest two-wheeler manufacturer, today reported record retail sales in the festive season this year. HMCL has already retailed over 11 lakh (1.1 million) two-wheelers in the festive months of October and November.

PEST ANALYSIS OF AUTOMOBILE INDUSTRY

POLITICAL:

- Indian government launched auto or policy for its self sustained growth.
- Allowed foreign equity investment up to 100%.
- Formulation of fuel policy.
- Promotes for vehicles propelled by AES.

The Automobile Industry occupies a leading place in Indian economy contributing ~ 7% of GDP. Foreign Direct Investment (FDI) impact on the growth of Automobile Industry is visible across the spectrum of this sector – direct employment in manufacturing, auto component suppliers and auto service segments. In the growth aspect it is distinctly discernible in the passenger vehicle segment. The cumulative Foreign Direct Investment (FDI) equity inflows from January 2000 to December 2010 in this sector is Rs. 25,972.59 crores (5.74 USD in billions) which is 4.52% of the total FDI inflows; the portion of Passenger Vehicle segment is Rs.13, 516.25 crores (3.008 USD in billions) which accounts close to 52% of the total inflows in Automobile Industry Sector. This has opened a challenging avenue for training and development centers and employment gateway for aspiring and talented individuals across all levels.

The impact of the various government interventions in FDI in Automobile sector (more importantly auto policy 2002 with its vision 2010) towards employment generation - though not practical to quantify but attempt can be made to study and interpret the data available. This facilitates to estimate the employment generation and potential impact of these unique policy initiatives. A database with an inventory of policies enacted during the years 1998–2010, offers a tremendous analytic tool to learn more about which policies the Government relied on, what interventions appear to be more effective vis-à-vis employment generation and what are the implications for the design of policy packages to deal with future such initiatives (FDI) in other sectors.

The Indian Automobile industry being ‘industry of industries’ has profound forward and backward linkages with many segments with its multiplier effect contributing to GDP; leading to requirement of Human Resources at various levels from Research and Development to general employment, that is, education levels from PhD to ITI grades. Economists theoretically conclude that trade (including free trade) can affect wage rates and the distribution of employment across various sectors in the economy, but it has no effect on the overall level of employment. However, the empirical study presented in this research paper emphatically indicates the Foreign Direct Investment (FDI) as per Government of India’s

New Industrial Policy in 1991 in aspects relating to delicensing, Passenger car segment in 1993 (more specifically), decrease in customs and excise duties, making vehicle purchase affordable and thereafter policy modifications (welcoming FDI) has lead to employment generation significantly in India. The Indian Automobile Industry plays a major role in the economic scenario of the country. The automobile sector in India, record sales of more than one million passenger cars per year. The percentage of automobile exports has risen significantly during the last few years. The government policies on Indian automobile industry have been framed in order to aid in the expansion of the automobiles sector in India.

During the early stages, the automobile industry was not accorded much importance by the Indian Government. However, the attitude changed during the 1990's. A number of reforms were initiated in 1991. Liberal policies affected during this period, proved to be beneficial to the automobile industry. The fiscal measures, tax reliefs and reforms in equity regulations and foreign exchange led to significant growth in the automobile sector. A reduction in the percentage of tariffs imposed on exports and a change in the banking policies was instrumental in the expansion and growth of the banking sector.

Prior to the mid 1990's, the Indian automobile sector comprised of indigenous companies. The automobile market in India was however, opened up to foreign investors in 1996. International names like Ford, Hyundai, Toyota, Volvo, Daimler Chrysler and GM Honda were thus, able to make their foray into the Indian automobile sector. Furthermore, the auto emission rules issued by the government in recent years ensured that the vehicles manufactured in India, catered to international standards. At present, the automobiles sector contributes 4 % to the GDP. About 9.7 million automobiles were manufactured in 2005-2006. Export figures had crossed the magic figure of one billion during 2003-2004.

A reduction in the tariff imposed on car exports has been effected by the Indian government. There has also been a removal of the minimum capital investment required from new investors. The new policy is also in favor of reduction in excise duty for small automobiles and low emission and multi utility cars. The tariff policy is also to be reviewed on a regular basis in order to affect a balance between domestic industry and international trade. There has also been a proposal for tax relaxation on investment of more than Rs. 500 Crore.

The government has recently proposed for an infrastructure that will provide one stop clearance for any kind of proposal for foreign direct investment in the automotive sector. This will include the local clearance system also for the same purpose. There are also plans for imposing a 100 % tax deduction on export profits. The government has also proposed for a concession in import duty for the establishment of new manufacturing units and industrial holdings.

The Indian government is also urging the state governments to ensure continuous power supply to the automotive manufacturing units as well as granting them with the preferred plots of land. Captive Generation for the automobile sector has also been proposed. The auto policy of the Indian government also includes the promotion of vehicles which are run on alternative energy resources. Talks are also on for extensive research, development and designing facilities that would effect modernization in the automotive sector.

The policies adopted by the Indian government for the growth and development of the automobile sector, has led to a large number of foreign investments. It has also given rise to an increased sales rate for two wheelers and other automobiles. India is also becoming the ultimate outsourcing destination for global automobile companies like Ford, Mitsubishi, Toyota, Hyundai etc.

ECONOMIC:

- Weighted tax dictions up to 150% for in house R&D activities**.**
- Reduced interest rates for export financing.
- Economy has grown over 8.5% per annum for last 5 year.
- Manufacturing sector has grown 8-10% for last few years.

Indian automotive industry contributes significantly to the overall GDP of the nation and also provides significant business and employment opportunities. It is an engine of growth for the Indian economy. It is one of the key industries whose well being is very important in our vision of improving the living standard of our population.

Indian automotive industry, today, is in a transition stage. In the past, operating in a license regime, Indian automotive industry has been accustomed to buying most of its technology needs from outside and did not give much importance to development of indigenous technology.

With the liberalization of economy, the decades old monopolistic environment of the Indian automotive industry where only a handful of vehicle models were available with a long waiting list, gradually gave way to a highly competitive, complex and rapidly changing market which was not limited to domestic market alone. Today the number of vehicle models available are more than hundred and not a month goes without offerings of newer and more advanced model. Today the market is customer driven with performance, cost, fuel economy and reliability being the key drivers.

At the same time the Govt. of India has forced (and will continue to do so in future) more stringent emission regulations which calls for introduction of a host of advanced emission abatement and other technologies. The market has slowly become a technology driven market where MNCs are using "technology forcing" as a route to keep their market share. Thus the need for Indian automotive industry to develop/ acquire a range of new technologies in a very short time has never been so acute .This situation will continue to be so in future as well.

Ironically for the Indian automotive industry, the cost of technology development has increased manifold and increasing product cost has put a squeeze on profit margins affecting their ability to outsource expensive technologies. Moreover, the technologies are not so easily available any more from outside. Instead of giving a license or setting up joint ventures with an Indian industry, many intentionally renowned automobile manufacturers have started production in India to take advantage of great commercial opportunities Indian markets offers. Even in the existing joint ventures, the control has slowing moved into hands of MNCs. In order to compete and retain their market share in the face of this onslaught by global automotive leaders, the Indian automotive industry has to urgently upgrade its technological capabilities.

It must leap frog the technological gap if they desire to remain competitive in domestic as well as global market. The Indian automotive companies still have option of accessing the global knowledge. But the past experience is that, the key technologies are either not available at all for sale or if available, they are prohibitively expensive to remain competitive in the market place.

Some of the issues we face are unique to India (such that 70% of our vehicle population consists of two wheelers and 7 out of the 10 dirtiest cities are in India) and innovative technologies relevant to its need are needed. Three wheelers are unique to our market and no technologies are available from advanced countries to optimize such vehicles. We also need to improve significantly the fuel economy of our vehicles .We import 72 % of our petroleum requirement which is likely to go up to 92 % by the 2020. This will also lead to reduction in CO2 emissions. Weight reduction using advanced materials is a key area which needs strong technology development emphasis.

Indian automotive industry urgently needs technologies to produce fuel efficient, environmental friendly, lighter, safer and cost competitive engines, and vehicles. Advanced materials and manufacturing techniques, technologies for using alternative fuels, emission abatement, fuel economy improvement, safety enhancement, engine management systems, embedded vehicle control system are some of the areas where we must focus our efforts.

The scope of the projects under this mission spans a wide range of technologies which aim to meet our national needs. The projects proposed emphasize on development of advance materials, clean and fuel efficient technologies

Impact of the union budget

The Union Budget 2013-14 is likely to have a minimal impact on the domestic auto sector, considering that excise duties have remained largely unchanged, and macro-economic parameters continue to weigh down sales, according to India Ratings.

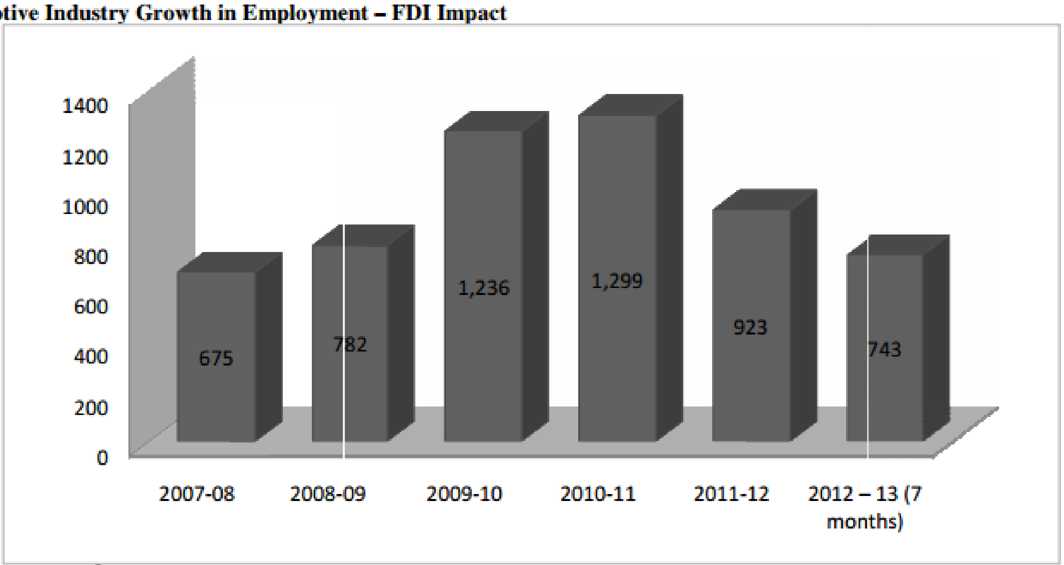
With excise duty for most categories remaining unchanged at 12%, and given the high interest rates and increasing diesel prices, passenger car and van sales growth will be in line with India Ratings' 2013 expectation of 2%-3% and 0.5%-1.5%.

Despite an increase in excise duty on utility vehicles (UV) to 30% from 27% (with duty on UV taxis, contributing to significant proportion of sales, remaining unchanged), the overall sales in this category are not likely to be materially impacted. Increase in prices in the mid-to-top-end UV segments would not be a deterrent for high net worth individuals as well as corporates. Competitively priced low-end UV models would continue to contribute to the bulk of segment sales, as their prices are comparable to mid-size cars.

The increase in customs duty on imported luxury cars to 100% from 75% would channelise the demand towards locally assembled luxury models and be positive for the domestic industry.

The proposal to allocate INR148,730m towards Jawaharlal Nehru National Urban Renewal Mission (JNNURM) (a part which is meant to acquire 10,000 buses in largely hilly areas) would help prop up sales volumes of Medium and Heavy Commercial Vehicles (MHCV) passenger carriers to some extent. MHCV manufacturers and bus body builders would benefit from government purchase of fully built buses.

Automotive Industry Growth in Employment – FDI Impact



Source[3] - DIPP's FDI database – Fact Sheet on Foreign Direct Investment in SIA news letter for all the years

Figure 1

FDI Inflows in Automobile Industry in India (USD in million)–From 2007-08 to 2012-13 (till October 2012)[3]

SOCIAL:

- ❖ Changed lifestyle leads to increased demand.
- ❖ The average size is 4 which make it favorable to buy a four wheeler.
- ❖ 4th largest economy on purchasing parity index.
- ❖ Preference for fuel efficient cars with low maintenance.

- Indian families are becoming increasingly nu-clear.
- Increasing Propensity to spend.
- Increasing distances between work-place and residence
- Increase in percentage of working women has Increased number of earning members in a family.

ECHNOLOGICAL:

- More and more emphasis on R&D.
- Government is promoting NATRIP (national automotive testing and R&d infrastructure project) to support the growth of auto industry in India.
- Customized solutions (designer cars ets) can be provided with proliferation of technology.
- Alternate Fuel: increasing use Use of Congaed LPG instead of conventional fuel has made the entry of new kinds of vehicle in the market.
- Advent of Internet: The customer can now use the Internet to place the order and expect the manufacturer to fully his customized de-mand in the minimum time.
- Electric Car: With technological advance-ments electrical car may emerge as a preferred option.

SWOT ANAYSIS OF AUTOMPBILE INDUSTRY

STRENGTH:

- Automobile industry is established and evergreen industry.
- India is the strongest player in small car segment.
- Indian companies are best cost innovators.

- Assembly line manufacturing and JIT inventory management the automotive industry has been able to achieve significant gains and in productivity.
- Exceptional human resource base

WEAKNESS:

- India lack proper infrastructural facilities.
- Poor after sales services.

- The automotive industry lag & behind other sectors such as IT & financial services in mgt training reward and retention.

OPPORTUNITIES:

- Small cars is a future.
- Green cars.
- Auto financing.
- Royalty through patents.

THREATS:

- Global crisis.
- Companies not focusing on R&D are under great risk.
- High competition from foreign players.
- Lack of technology for Indian companies.

CHAPTER 5

BUSINESS LINK BETWEEN QATAR AND INDIA IN AUTOMOBILE INDUSTRY

BUSINESS OPPURTUNITIES BETWEEN INDIA AND QATAR:

Qatar is one of the smallest Gulf Countries in terms of population and geographical area but the second largest gas reserves in the world representing more than 5% of the world total. The prosperity of natural resources coupled with the growing and diversifying economy means enormous access to investment opportunities and incentives. The Qatari government adopts a policy aiming at diversifying income resources and developing economic infrastructure. Specifically, the government expanded the exploration projects in oil and gas sectors and offered numerous incentives to attract foreign investors to carry out similar projects. The Qatari economy is one of the most rapidly growing economies in the world offering the international community a variety of world-class and cutting-edge products and services.

Indian auto sector need to adopt hybrid vehicles:

Prime Minister Manmohan Singh today asked vehicle manufacturers to adopt electric technologies fast in order to reduce dependence on imported oil and supplement efforts for a greener transport system.

"It is important that we make efforts for reducing the transport sector's dependence on oil. One of the ways in which this can be achieved is by faster adoption of the full range of electric vehicle technologies, including hybrid vehicles," he said after unveiling the National Electric Mobility Mission Plan 2020 here.

The mission involves a total investment of over Rs 23,000 crore which would be equally shared by the government and the auto industry.The Prime Minister said India's transport sector consumes a large amount of energy. Over 80% of the country's requirement of petroleum products is met through imports.

"This dependence on imports is likely to increase further. High international prices of oil contribute significantly to India's import bill, to our trade deficit and, I dare say in a world of rising petroleum prices, to inflation, thus putting a big strain on our economy," Singh said.As per the ambitious National Electric Mobility Mission Plan, 6-7 million electric vehicles along with resultant liquid fuel savings of 2.2-2.5 million tonnes can be achieved in 2020.

"This [mission] is an important milestone in our country's efforts for a cleaner and greener transport system for the future," Singh said.Besides, he asked the automotive industry to make all possible efforts to develop capabilities in the area of electric mobility.At present, the production of electric and hybrid vehicles is negligible in the country.

India, Qatar Differ On Pricing Of LNG:

India has sought an additional 3-4 million tonnes liquefied natural gas (LNG) a year from Qatar but talks were stuck on Friday over pricing of the fuel, according to a BS report, quoting PTI as saying. Petronet LNG Ltd, which at present imports 7.5 million tonnes a year of LNG from Qatar under a long-term contract, sought an additional 2-3 million tonnes while state gas utility GAIL India wanted one million tonnes for 20-25 years.

World's largest LNG exporter was ready to supply all of the requirement, but wanted a price of $ 16 per million British thermal unit, sources privy to the negotiations held during the visit of Qatar’s Energy Minister Mohammed bin Saleh Al-Sada in New Delhi. Qatar sought a price of 15-16 percent of Japanese Crude Cocktail — the average price of customs-cleared crude oil imports into Japan, while New Delhi was willing to pay no more than 14.5 per cent of JCC. At present, it is less than $ 105 per barrel.

Sources said India was willing to pay a price equivalent to what it is paying Exxon Mobil Corp for buying 1.5 million tonness a year of LNG under long-term contract from Australia's Gorgon project. RasGas of Qatar now supplies 7.5 million tons a year of LNG under long-term contract at a price indexed at 12.67 percent of JCC, noted the report.

Qatar, they said, has been asked to make the final offer. LNG is natural gas liquefied at sub-zero temperature that can be transported in cryogenic ships. Sources said Petronet wants additional LNG from 2013 at its Dahej terminal in Guajrat whose capacity is being expanded to 15 million tonnes a year from current 10 million tonnes, as well as at the under-construction five million tonnes a year terminal at Kochi in Kerala, said the report.

GAIL wants LNG at its almost ready import facility adjacent to the Dabhol power plant in Maharashtra. To lure Qatar, New Delhi offered the Gulf nation equity in petrochemical plants that Oil and Natural Gas Corp (ONGC) is putting at Dahej in Gujarat and Bharat Petroleum Corp Ltd is planning at Kochi. Also, Mangalore Refinery and Petrochemical Ltd's proposed chemcial complex was also offered for equity participation during talks held over two days, thereportheld.

Besides offering additional LNG, the visiting Qatari Minister also offered to supply LPG and crude oil condensates which can be processed to produce white fuels like petrol, kerosene, ATF and naphtha, added the report.

India is looking at Qatar for sourcing more crude oil and gas to meet its domestic energy demand:

The Petroleum Minister, Mr S. Jaipal Reddy, said with the country's energy requirement growing, India was looking at larger quantities of liquefied natural gas (LNG), crude oil and liquefied petroleum gas imports from Qatar. He, however, did not mention the additional quantum that India was seeking. In 2010-11, India imported 5.6 million tonne oil from Qatar. India also buys 7.5 million tonne a year LNG from Qatar based on a long-term contract.Mr Reddy was speaking at the foundation day of Petronet LNG, the country's largest LNG importer by volume. The Qatari Energy and Industry Minister, Mr Mohammed Bin Saleh Al Sada, was also present at the event.

The Qatari Minister said his country was reviewing its commitment for supplies to India. “We would like to continue and widen our relations,” he said.Almost 80 per cent of India's crude oil requirement is met through imports. The country has been looking at various sources for meeting its requirements following the recent geopolitical situation arising out of the US and European sanctions against Iran.

Currently, Petronet LNG gets 7.5 million tonne of LNG from Qatar. India is looking at additional volume of at least three million tonne at a price which is affordable.Reacting to the current spike in global crude oil prices, the Qatari Minister said that this was driven by factors other than demand and supply and that there was no shortage of oil anywhere world.“Oil producers are committed to supplying,” he said.“When it comes to price, we don't interfere directly with the price since there are so many elements not necessarily fundamentals of demand and supply -- but other factors,

Qatar in deal to develop future automotive hub:

Qatar Automotive Gateway (Qatar Ag), has entered into a deal with Prod rive, one of the world’s leading automotive technology and motorsport businesses, to build and develop a cutting-edge automotive industry value chain in the country. Qatar Ag is a company responsible for developing a cutting-edge automotive technology industry cluster in Qatar.

Announcing the deal at the 2012 Qatar International Motor Show, Qatar Ag said the two companies will jointly work for the development and production of advanced carbon fibre composite automotive parts and assemblies.'We’re very pleased to be in partnership with a prestigious global leader such as Prodrive and to be part of the International Qatar Motor Show which is kick-starting this year with the futuristic theme of new transportation solutions,' remarked Ghanim Bin Saad Al Saad, the chairman of Qatar Ag.

'This is truly a perfect platform for us at Qatar AG to announce this MoU which represents our first milestone in our aim to build and develop a cutting-edge automotive industry value chain in Qatar and turn the country into an international hub for the technologies of the future by 2020 by investing in the manufacturing of innovative automotive components which are witnessing increasing demand worldwide.'

'We firmly believe that Qatar AG will help foster the growth of a diversified socioeconomic system in Qatar and one which relies on a knowledge-based industry and create valuable job opportunities for Qatar’s youth,' said Al Saad.

'We are also confident in the path we are following to place our nation on the world’s automotive production map of the future,” he added. According to him, Qatar Ag and Prodrive have identified a significant opportunity to combine their respective skills, experiences and resources to meet the rapidly expanding demand for lightweight, cost-effective carbon composite-based products in numerous markets around the world.

'Carbon fibre composites combine carbon fibre with a range of composite materials such as kevlar and glass fibres which are increasingly being utilised in numerous applications across a wide range of industry sectors such as aerospace, marine and automotive,' he explained.'These materials are earmarked with low weight, flexibility and very high tolerance of temperatures and corrosion, turning them into a strong alternative and a complement to traditional materials such as aluminium and steel with a weight advantage of 40 and 60 per cent respectively against these traditional materials,' he added.

Applications are well established in the sports industries, particularly motorsport, and are rapidly extending into the aerospace, marine, automotive and wind energy generator.Ahmed Sorour, the Qatar Ag CEO said, “We have been working diligently for three years to identify the optimum opportunities to achieve our mission of building an automotive cluster in Qatar by 2020 in line with the Qatar national vision for 2030.'

'We place very high importance on investing into knowledge-based industries which come at the forefront of the new automotive value chain, and particularly when Qatar’s resources offer a significant competitive advantage to our customers,' he added .David Richards, chairman and CEO of Prodrive said: “I am very pleased to enter into this agreement with Qatar Ag, in a field that is playing an increasingly vital role in the future of so many industry sectors.'

'Prodrive and I have a long and successful history working with Qatar and this is a further example of how we can combine our respective skills, experiences and technology, to meet the growing needs of our customers,' he added. Clive Scrivener, chief operating officer said: “Prodrive has developed and produced carbon composite products for 20 years, through our automotive and motorsport activities.’ Our current carbon composite business in the UK, which represents a key element of our global portfolio of Group activities, is already a leading supplier to numerous high-profile vehicle manufacturers and demand continues to grow,' he added

Innovation:

Qatar has set its sights on being a significant force in the global auto industry – and has established Qatar Automotive Gateway (Ag) to make it happen by leveraging industrial and financial strengths. This is part of the Qatar 2030 game-plan, which sees the kingdom diversifying its economy and creating knowledge-based industries and creating skilled jobs in the country. What makes the automotive sector so attractive is its position as a key industry in the global economy, with a direct employment of 25 million jobs and total revenues of more than 5% of global GDP. Qatar Ag plans to leverage Qatar's strengths – the country is located in the Arabian Gulf, and has one third of the world's total reserves of natural gas.

The Qatari economy has grown 27% a year from 2005-2009). The 2010 GDP is estimated at US$125-bn, of which more than half comes from the non-oil and gas sector. Most estimates put growth at 10% a year at least for the next five years, with further growth of at least 7% per annum foreseen beyond that. Qatar Ag believes the country has much to offer in areas such as aluminum components, lithium-ion battery materials, lightweight advanced materials, and specialized automotive assembly.

As the demand for electric and hybrid vehicles ramps up, and xEVs become a standard product offering, it is expected to create a new value chain worth approximately US$250-bn by 2020, of which more than US$65-bn will be for lithium ion batteries and components. "Most experts also expect that this increase in demand due to the increasing use of aluminum components will cause a significant shortage of global capacity by 2016, creating an opportunity for Qatar Ag to produce hi-quality automotive aluminum components while leveraging Qatalum's (Qatar's premier aluminum manufacturer) significant aluminum capacity and capabilities," says Ahmed M Sorour, chief executive officer of Qatar Ag. Automotive investments are expected to boost related industries such as iron, steel, rubber, glass, plastic, petroleum, textiles, oil and gas, paints and coatings, and transportation.

One of Qatar Ag's first milestones is signing a memorandum of understanding with Prodrive, one of the world's leading automotive technology and motorsport businesses. The MoU, which was signed at the 2012 Qatar International Motor Show, is to form a strategic partnership for the development and production of advanced carbon fiber composite automotive parts and assemblies. "We firmly believe that Qatar AG will help foster the growth of a diversified socioeconomic system in Qatar and one which relies on a knowledgebase industry and create valuable job opportunities for Qatar's youth. We are also confident in the path we are following to place our nation on the world's automotive production map of the future," said Ghanim Bin Saad Al Saad, Chairman of Qatar Ag at a press conference. Al Saad says that the transformation in the automotive industry is also taking place from a technical perspective. Hybrid and electric vehicles are being adopted because they are more environmentally friendly and fuel-efficient. Even though commercial production only started in 2010, extensive government support from around the world is expected to speed up adoption, such that by 2020, nearly 40% of all passenger vehicles will be some form of hybrid or electric vehicle. “We place very high importance on investing into knowledge-based industries which come at the forefront of the new automotive value chain, and particularly when Qatar’s resources offer a significant competitive advantage to our customers.

Lightweight-material technology, illustrated perfectly by carbon composites, is an excellent strategic fit. Prodrive is an exceptional company, demonstrating an enviable track record in designing and producing carbon fiber composites for several prestigious brands such as Bentley, Jaguar and McLaren as well as many other long-standing and successful business activities across the world. We look forward to developing our relationship with Prodrive and exploring long-term opportunities for business in this exciting area of lightweight materials technology,”addedSorour. ” he added.

The qatar Ag management team:

The qatar Ag management team, along with international and local media and journalists, attended the press conference.qatar Ag was represented by Mr. Ghanim Bin Saad AI Saad, Chairman of qatar Ag, Mr. Ahmed AI Mannai, Vice Chairman of qatar Ag, Mr. Ahmed M. Sorour, CEO of qatar Ag, and qatar Ag board of advisors Dr. Anil Khurana, Dr. Norbert Wittemann and Mr. Cuneyt Oge.

Mr. Ghanim Bin Saad AI Saad began his speech by thanking the media and journalists for accepting the invitation for the launch of Qatar Automotive Gateway. Mr. Al Saad described qatar Ag's plans to establish a fully operational automotive cluster by 2020, which will leverage Qatar's resources and utilize financial and operational synergies across Qatar's projects.

He quoted Mr. Peter Drucker, renowned management guru, calling the automotive industry the "mother of all industries" because of its far-reaching influence, noting it will continue to be a significant and influential industry in the future Mr. Al Saad also explained that the initiative to start Qatar Ag was made after 2 years of research and analysis, during which time input was sought from executives from the global auto industry, industrial companies in Qatar, and global financial, industry, and technical experts. He also said the research confirmed that the auto industry offers multiple industrial investment opportunities, including the manufacture of components in Qatar.

He acknowledged that qatar Ag was inspired by the Qatar Vision of 2030 of Qatar becoming a diversified industrial economy and society, based on the four pillars of Human, Social, Economic, and Environmental Development.

Mr. Al Saad outlined the dramatic restructuring and shift that is happening in the global automotive industry. He went on to give examples including Tata Motors of India acquiring Jaguar Land Rover, a British company formerly owned by Ford; Geely, a Chinese car company, buying the Swedish company Volvo; and Qatar Holdings purchasing 17% of VW AG and 10% of Porsche AG.

The shift in automobile sales was also highlighted. For the first time, the sale of vehicles in China, with 2010 sales of more than 17M vehicles, exceeded North America's 14M in vehicle sales. Mr. Al Saad added that the entire automotive value chain has changed or is changing and the shift is eastwards, as many economists have forecasted.

Mr. Al Saad also added that the transformation in the automotive industry is taking place from a technical perspective. Hybrid and electric vehicles are being adopted because they are more environmentally friendly and fuel-efficient. Even though commercial production only started in 2010, extensive government support from around the world is expected to speed up adoption, such that by 2020, nearly 40% of all passenger vehicles will be some form of hybrid or electric vehicle. Governments are subsidizing consumers and supporting and subsidizing manufacturers of electric vehicles and components such as Lithium-Ion batteries amongothers.

Mr. Al Saad said that qatar Ag has closely watched this transformation in the automotive industry and sees a great opportunity for Qatar. Qatar has several key ingredients and capabilities such as its growing infrastructure, strategic location, low energy costs, strong financial investments, and attractive b u s i n e s s environment, including government support and incentives to help Qatar diversify its GDP through industrialization. All of these factors will make the State of Qatar a competitive location in the global automotive industry. He went on to say that with the continuing support of the Qatar Government, he expects that qatar Ag will succeed in its mission, and will become "a new driving force in the automotive industry" (qatar Ag slogan).

Mr. Al Saad stated that Qatar has achieved rapid progress under the leadership of His Highness Sheikh Hamad Bin Khalifa Al Thani, the Amir of Qatar. Qatar's successes, such as the 2022 FIFAWorld Cup, are commendable, especially considering the multiple challenges. Mr. Al Saad concluded by saying that even though setting up an industrial business is hard, and financial returns will come over a period of time, qatar Ag has accepted the challenge and will work hard to deliver on its goal. qatar Ag is now beginning to execute on this strategy and has initiated discussions with international technology partners that share in its vision, and will work with and invest with these partners to make qatar Ag and Qatar successful.

Mr. Ghanim's speech was followed by the speech of Mr. Ahmed M. Sorour the Chief Executive Officer of qatar Ag. Mr. Sorour spoke about the fact that the automotive industry is a key industry in the global economy, with a direct employment of 25M jobs worldwide, and total revenue of more than 5% of global GDP. He also said that in addition to its direct impact, it creates jobs and supports other industries such as iron, steel, rubber, glass, plastic, petroleum, textiles, oil & gas, paints & coatings, transportation, and others.

Mr. Sorour also reiterated the fact that the automotive industry is in the midst of one of the most significant transitions in decades. He said that on the one hand, the financial crisis has weakened some of established automotive companies especially those focused in the developed countries of Europe and North America. Many of the established automotive

OEMs and suppliers are seeking new investments and markets to sustain their business and leadership.

And on the other hand, a number of technological changes are reshaping the automotive industry. Stricter government regulations on Co2 emissions and greenhouse gases (GHG) require solutions such as electric vehicles and Lithium-Ion batteries, and lightweight components made of Aluminum components, to enable more fuel efficient and environmentally friendly vehicles.

He stated that over the past 2 years, qatar Ag had established a team of financial, industry, and technical experts, who are based in the key global hubs in the U.S., Europe, and Asia, to help identify, evaluate, and assess multiple opportunities in key automotive industry segments. Mr. Sorour mentioned that one of the opportunity areas is in the design and manufacture of Lithium Ion batteries and components. As the demand for electric and hybrid vehicles ramps up, and xEVs become a standard product offering, it is expected to create a new value chain worth approximately $250B by 2020, of which more than $65B will be for Lithium Ion batteries and components, growing from today's demand @ a dramatic 65% growth rate.

Mr. Sorour also said that another opportunity area is automotive Aluminum components - die castings, forgings, and extrusions - where the global market is expected to grow significantly from $38B in 2010 to US$73B by 2020.

Most experts also expect that this increase in demand due to the increasing use of Aluminum components will cause a significant shortage of global capacity by 2016, creating an opportunity for qatar Ag to produce hi-quality automotive Aluminum components while leveraging Qatalum's significant Aluminum capacity and capabilities.

Mr. Sorour went on to say that qatar Ag has started to execute on this strategy, using three key ingredients - a clear vision and goals for qatar Ag that will enable success, selecting the right long- term partners, and focusing on execution. He concluded by saying that qatar Ag expects, as usual, to receive the support of the Qatar Government and other stakeholders, which will create a strong impetus to establish an automotive cluster in Qatar by 2020, which in turn will generate several thousand technical and management jobs in Qatar, thus supporting the knowledge-based economic vision of Qatar which will deliver high returns for futuregenerations.

Exports of Qatar:

Qatar imported more automobiles in the fourth and last quarter (October to December) of 2012 than the previous three-month period even as its foreign trade surplus fell slightly in that quarter over the third one.

A highlight was that more cars were imported in the last quarter with the imports rising QR236m ($64.65m) to QR2.66m ($728m) from QR2.42m ($663m) in the previous three months of July to September.Qatar's foreign trade surplus was marginally down to QR96.7bn ($26.49bn) in the final quarter, from QR99.2bn ($27.17bn) in the July to September period.

Preliminary estimates released by the national statistics agency show that automobiles were the largest item of imports in the two quarters (third and fourth) followed by aircraft and helicopter accessories. Imports totalled QR23.74bn ($6.5bn) in the final quarter, slightly up over the previous quarter (QR23.27bn), with the US, China and Japan ranking as the first three top destinations from where the imports were accessed. The UAE which is responsible for large volumes of re-exports maintained its fourth position among the exporters to Qatar, followed by Germany.

Liquefied natural gas (LNG) exports, the mainstay of Qatari exports, dipped marginally in the last quarter to QR43.3bn ($11.86bn) from QR47.13bn ($12.91bn) in the previous one.

Crude oil export volumes were almost half of those of the LNG, at QR22.74bn, and were slightly less than the third quarter figure of QR23.22bn, according to the Qatar Statistics Authority.The third largest items of imports were condensates, followed by propane, naphtha and butane and low and high density polyethylene (LDPE and HDPE) that find widespread industrial use.

Exports totalled QR120.4bn ($33bn), reflecting a marginal drop of 1.6 percent over the third quarter but showing a high 9.9 percent year-on-year growth. Japan, South Korea and India were the three largest destinations of Qatari exports.

Business in Qatar:

Many experts are skeptical that Tata, which has only been making cars for the last 10 years, can manufacture a $3,000 car that meets emission and safety standards. However, even if the car falls short, it will open the door wider for other auto makers to produce cars that are small and affordable. For example,, Pakistan's Transmission Motor company built basic four-wheelers for $2,100 and started exporting them to Sudan, Qatar and Chile.

India could become the next big hub for auto manufacturing. Although the country only produced 1.1 million cars in 2007, it was projected to triple to 3 million by 2010.

Although India's car sales were less than 1 million, China's 2007 total cars sales were estimated at 8 million. In 2006, China overtook Japan as the world's second largest car market, selling 7.2 million units, an increase of 25%. China's government forecasted that demand for cars would top 20 million by 2020. (See People's Daily, "China's home-made car sales surge 22 pct in first quarter," April 9, 2007)

Japan's auto sales were up 6.3% in 2006 to 11.5 million units. Demand in North America (up

34%) and Europe (up 10.8%) for smaller cars drove the increase in Japan's auto production, which propelled Toyota to beat GM in world auto sales. For the first time since 1987, over 50% of Japan's auto production was for exports.

Over 75% of the world's cars are manufactured in North America, Europe and Japan, but China overtook South Korea and France to become the fourth largest auto production area in the world. The capacity of China’s car industry was 10 million by 2008 and was expected to double to 20 million by 2010. In 2007, Chery became the first Chinese car company to top domestic monthly sales.

HYUNDAI MOTOR ACHIEVES FASTEST EXPORT OF 10 LAKH CARS:

Hyundai Motor India Ltd, the country’s largest passenger car exporter and the second largest car manufacturer, today achieved yet another significant milestone with its cumulative exports crossing the 10 lakh mark. To mark the event Hyundai shipped its first ever consignment to Australia from the Chennai Port this morning. With this shipment, Hyundai is the first automobile company in India to achieve this feat in a record time of just over a decade.

HMIL began exporting cars in 1999 when it shipped a batch of 20 Santro’s to Nepal and it reached the first milestone of exporting 100,000 cars in four years and ten months in October, 2004. In October, 2005 it exported its 200,000th car followed by its 300,000th car and 400,000th car in October, 2006 and August, 2007 respectively. By exporting the 500,000th car in March, 2008, HMIL had become the ‘fastest’ Indian passenger car manufacturer to achieve this stupendous milestone in record time. In a little over a decade since Hyundai has been present in India it has become the leading exporter of passenger cars with a market share of 66% of the total exports of passenger cars from India making it a significant contributor to the Indian automobile industry.

Commenting on the occasion, H W Park, Managing Director & CEO, HMIL said, “Reaching the 10 lakh export car landmark is not only a significant milestone but also a matter of great pride for the Hyundai family as it showcases the global success story that Hyundai as a brand enjoys. I take this opportunity to thank all our customers and stakeholders for their trust and support which has helped us reach this landmark. In the future we are sure to increase our overseas presence as we add more markets.”

Currently, Hyundai Motor India is exporting four of its popular models namely - Santro, i10, i20 and Accent to 110 countries. In 2009, in spite of a global slowdown, Hyundai exports grew by 10.7% inspite of the economic slowdown. In 2010 Hyundai plans to add 10 new markets with the Australia being the latest entrant to the list. The first shipment to Australia was of 500 units of the i20 and the total market size expected to be in the region of 15,000 units per annum.

Business opportunities in Qatar:

Scrap tyres, discarded in large numbers daily, stockpile or take up space in landfills although as a raw material they provide several business opportunities for both reusing and recycling. Figures available with Qatar Statistics Authority (QSA) suggest that Qatar, on average, imports close to a million tyres a year (913,000 to be precise).

Some 488,000 vehicles were registered in the country in 2009, and the QSA said its tyre import figures were based on the assumption that two tyres were brought into the country per registered vehicle. In 2010, for instance, over a million tyres were imported -more than 70 percent of them for saloon cars -and they weighed a massive 36, 140 tons.

According to the QSA, at least 1.9 million used-up tyres are discarded as scrap every two to four years, with the virtual age of a tyre being about three years. Tyre imports have been rising to the extent that from a mere four percent between 2008 and 2009, the increase was more than four-fold (18 percent) between 2010 and 2011. With over a 100,000 new vehicles added to Qatar's roads each year, the imports are expected to maintain an upward trend in the years to come, say experts.

Ironically though, there isn't much focus on recycling scrap tyres in Qatar, and that raises the threat this waste poses to the environment. Scrap tyres are not easily biodegradable and are difficult to compress so they occupy a good deal of space in disposal and landfill areas. This means their threat to environment is more severe because they contain components like lead, chrome, cadmium and other pollutant heavy metals.

Recycling benefits:

The best option, therefore, is to recycle them, says Rafeeq Samour, of the QSA, in a write-up in the January 2013 edition of the QSA's journal 'Statistics'. Rubber granules, wires that can be used for recycling in the steel industry, and nylon and other fibres such as linen can be had as by-products from recycled tyres at a very low cost, Samour says.

These by-products find widespread use in the building industry – in road construction and flooring specifically, and in sports facilities and school yards, among other such avenues. If used with bitumen in road construction, for instance, the by-products from recycled tyres can turn the tarmac malleable and resistant to expansion and contraction during hot and cold weather, say experts.

Moreover, the capital needed to have a recycling facility in place is relatively small and the business isn't labour-intensive either, add experts."You need a very small amount of money (capital) and few workers" to start up a tyre recycling unit, adds Samour. "It can be a new source of income for those who are willing to make use of available potential."

Importantly, the raw material (scrap tyres – rather, stockpiles of it) is available for free. Which other business provides one access to free raw materials, besides adding value to the economy and the environment, ask experts.Last but not the least, since scrap tyre recycling is crucial to the environment, one can expect state support at least in terms of quick licensing, if not funding.

The Qatar Auto Report:

The Qatar Autos Report provides industry professionals and strategists, corporate analysts, auto associations, government departments and regulatory bodies with independent forecasts and competitive intelligence on Qatar's automotive industry.

There are no comprehensive and reliable vehicle sales and import statistics currently available for Qatar,which has only a very small car industry, owing to its low population (1.9mn in 2011). However, some local dealerships do release their sales figures, making it possible to get a partial handle on local vehicle demand and the overall direction of sales and imports.

In this context, in February 2012 local dealer Alfardan Automobiles, the exclusive importer of German premium carmaker BMW's vehicles in Qatar, announced that sales of its BMW and Mini vehicles grew by 26% year-on-year (y-o-y) in 2011. The rise in sales signifies the potential of the domestic market and the rising demand for BMW cars in the country. Sales of the top-selling BMW model – the BMW 7 Series – increased by 63% y-o-y. This was followed by the

BMW 5 Series with a 30% y-o-y rise in sales.The Mini brand continues to attract car owners in the country, with 30% y-o-y annual sales growth during 2011.Looking at trends so far in 2012, in April 2012 Alfardan announced its sales for the first quarter. These showed a 30% increase in annual sales of BMW and Mini vehicles, according to a report in Gulf News.

The 7-Series continues to be Alfardan’s top-seller, with strong growth also seen by the 5-Series (up by 104% y-o-y) and the X5 (up 57% y-o-y).Mini recorded 88% growth in annual sales over Q112, with the Countryman model being the most popular sold within Qatar. In January 2012, Mini launched its Roadster model onto the Qatari market.

Certainly, there are reasons for continued optimism on the outlook for the Qatari new car sales market at present, with another year of double-digit growth in overall vehicle sales looking likely. BMI’s Macroeconomic team is forecasting real GDP growth of 7.9% and 6.9% in 2012 and 2013 respectively,indicating that Qatar will remain a regional outperformer this year. Despite lower projected growth in hydrocarbon production, elevated oil and gas prices will allow the government to step up its expansionary fiscal policy. This trend will support strong levels of domestic consumption and gross fixed capital formation,

while a solid macroeconomic backdrop and the government's strong financial cushions will minimise risksover the short term. Beyond 2012, BMI forecasts Qatar's economy to expand at an annual average rate of 5.7% over the 2013-2016 period.

Massive hydrocarbon wealth will allow the country to maintain high fiscal stimulus, even as oil and gas prices are projected to trend lower over the medium term. In addition, the government's heavy investment in infrastructure, particularly in advance of the 2022 World

Cup, will allow the non-oil economy to grow at a rapid clip over the medium term.

Further boosting demand for new cars was the government's decision in September 2011 to implement an across-the-board wage hike of 60% for all government workers, on top of similar hikes in pensions and other social benefits. These wage hikes will mean significant increases in Qatari disposable income,which will likely result in higher car sales over the coming quarters. Given political unrest elsewhere in the region, we expect the government to maintain high levels of spending in order to reduce the chance of any civil disturbances within Qatar itself. Our expectations therefore are that there should continue to be strong and steady growth in new car sales within Qatar in 2012 and beyond.

2012 Motor Show A Success In January 2012, Qatar hosted the second Qatar International Motor Show, which had more exhibitors than the inaugural event in 2011. Among the new exhibitors for 2012 was Italian luxury carmaker Ferrari, which launched the event with an F1 car demonstration run from test driver Marc Gene. Ferrari was joined by other leading luxury brandsincluding Aston Martin, Bugatti, Maserati, Mercedes,Porsche and Range Rover.

German company Volkswagen (VW) launched its new 2012 Passat sedan at the motor show, with subsidiary company Audi also launching four new models, the S7 and S8 sports sedans, the RS5 sports coupe and the limited-edition R8 GT Spyder super sports car, of which only 333 will be made. Porsche also launched its new Panamera four-door sports coupe at the event. It is not only the high-end players that are seeing Qatar as a lucrative sales market. According to a report by the Qatar News Agency, Renault has plans to double its sales figure in Qatar from the 800 units it sold in 2011, with its sister company Nissan Motor also having similar plans.

Underlining the importance of the event to the local car industry, a representative of Saad Buzwair Automotive (the sole distributor of VW/Audi vehicles in Qatar) was quoted by the Qatar News Agency as saying that 'close to 70% of inquiries we received [over the course of the motor show] were from serious buyers'. An official from National Car Company (the distributor of Hyundai Motor vehicles)said that the motor show is an important event to showcase new models, such as the new Genesis Prada, according to the same report.

4.

QATAR TECHNOLOGY

CHAPTER:-1 QATAR COUNTRY

1.1…Introduction of Qatar country.

Qatar is an independent and sovereign State situated in the midway of the Western coast of the Arabian Gulf having a land and maritime boundary with Saudi Arabia, and also maritime boundaries with Bahrain, United Arab Emirates and Iran. The State of Qatar with its arid desert climate extends over a Peninsula of about 200 Kilometers long and 100 Kilometers wide covering a total area of 11850 square Kilometers including a number of Islands and Islets.

Historically, the Peninsula of Qatar witnessed various cultures and civilizations in various phases in the history of mankind even during the Stone Age or Neolithic period. A recent discovery on the edge of an Island in the West of Qatar indicates the human presence during this period of pre-historic period. Discovery of a 6th millennium BC site at Shagra, in the South-east of Qatar revealed the key role the sea (Gulf) played in the lives of Shagra’s inhabitants.

Excavation at Al-Khore in the North-east of Qatar, Bir Zekrit and Ras Abaruk and the discovery of pottery and Flint, Flint-scraper tool, Rim of painted ceramic and vessels there indicates Qatar’s connection with the Al-Ubaid civilization which flourished in the land between the Tigris and the Euphrates during the period of 5th –4th millennium BC. There had also been barter trade system between the settlements at Qatar and the Ubaid Mesopotamia and the exchange of commodities were mainly pottery and dried fish.

The Greco-Roman trade between Europe and India was carried on via the Arabian Gulf during the 140 BC. Archaeological evidence found in Qatar suggests the Greek and Roman influences in the Peninsula particularly at Ras Abaruk, where some stone structures, including a dwelling, a cairn, a hearth and a low mound containing a large quantity of fish bones were located.

1.2… Qatar National Vision 2030

Believing in the importance of the ICT sector, the State of Qatar has, since the dawn of the third millennium, made the knowledge economy one of the foundations of its approach to social and economic development. The Qatar National Vision 2030 embraces a comprehensive view of development, including among its themes the development of ICT infrastructure. Qatar is striving to expand investment in the ICT sector to make it one of the main sources of national income in future.

The Supreme Council of Information and Communication Technology (ictQatar) has been established. The Qatar Science and Technology Park (QSTP) is devoted to research and development in areas such as education and health, in addition to e-government and the promulgation of relevant legislation, including the telecommunication law and the law one-transactions and e-commerce. The Suhail satellite will soon be launched and this will give an enormous boost to the advancement of ICT in the country. N-one knows where developments in the ICT sector will lead us. In that uncertainty, they affirm the need to maintain and consolidate effective partnerships with all Arab States following the Arab spring revolutions, which have imposed radical changes on the Arab scene. Technology played a major and influential role in those revolutions.

They must formulate ambitious strategies for ourselves to take the Arab countries to the levels of connectivity reached by the developed countries. They must put an end to divergence in global technological and information trends. And they must give free rein to strengthening our ICT capacities. As the people whose scholars first discovered the concept of zero, they are surely able to do that. They in the State of Qatar will spare no effort to cooperate with the Arab States and the private sector, whether through institutions, institutes and specialist scientific centres or at individual level, to provide the support needed by the less developed Arab States.

CHAPTER:-2. TECHNOLOGICAL ENVIRONMENT.

2.1… First "Made in Qatar" technology makes its international debut.

A shift in the direction of the global flow of innovation has been realized as the State of Qatar exports new, homegrown technologies internationally. One such technology, a wireless information transfer platform known as RASAD is now deployed by the City of Rome through studies aimed at addressing prevalent health concerns in the capital..

The application of RASAD was demonstrated during a presentation at the Campidoglio in Rome which was attended by Her Highness Sheikha Moza bint Nasser, Chairperson of Qatar Foundation for Education, Science and Community Development (QF). RASAD is a direct realization of Her Highness' vision to develo0 p innovative technologies in Qatar that would not only benefit the country, but also be shared with the region and the world.

Rome City Council adopted RASAD to assist in studying health patterns in Rome with an eye towards developing better monitoring and prevention methods. The RASAD platform is currently in operation in Al Ahli Hospital and ASPETAR in Qatar where subjects are being monitored for cardiovascular and lifestyle studies respectively.

2.2…Information Technology in Qatar

Qatar's telecommunications system is one of the most advanced in the world. Most of the infrastructure has been put in place in the last 20 years. has made tremendous advancements in its telecommunications and IT infrastructure in the last 10 years and is continuing to be a leader in the Gulf. Thorough its implementation of national GIS system, QATAR has become a model for the rest of the world.

Qatar is continuing to modernize its infrastructure in order to help in its development. Qatar is able to invest in the latest technologies without having to spend enormous amount of capital unlike the United States and other larger countries. Size is the key. Qatar is able to finance these projects thanks to its large petro-revenues.

2.3…Vodafone Qatar

Vodafone Qatar is a joint venture between Qatar Foundation, Vodafone International Communications Group and local investors. Vodafone Qatar's focus is on revolutionizing user experience, providing a wide product selection that offers value for money, and international and local calling promotions.

World of Difference

Vodafone Qatar also promotes a number of social responsibility initiatives including: the *World of Difference* program, which helps Qatar residents implement ideas for charitable projects in Qatar; the donation of an SMS tool that enables Qatar Red Crescent to communicate with all its registered volunteers globally; and a long line of green initiatives, ranging from recycling to self-sufficient energy sustainability.

2.4…FITCH Qatar

FITCH is one of the world's largest marketing groups, specializing in retail-focused design, branding and strategy. For almost 40 years it has been at the leading edge of design, communications and innovation

Since joining forces with Qatar Foundation in 2004, FITCH Qatar has grown to become the largest branding and design network in the Middle East, employing team of experts specializing in:

- Strategic planning and insight
- Brand communication
- Branded environments
- Brand and retail activation
- Digital and interactive communication
- Architecture and implementation

2.5…Qatar Solar Technologies (QSTec)

What is Qatar Solar Technologies?

The polysilicon produced in Qatar by Qatar Solar Technologies will enable solar energy companies and organizations around the globe to produce products that reduce greenhouse gases, protect the environment and provide the clean renewable energy that makes such a positive impact on so many people across the world. . Initially the plant will produce 8,000 metric tons of polysilicon per year and it is designed to expand as demand grows.

In October 2012, Qatar announced that it will generate 1.8 Gig watts of solar potheyr by 2014 as part of the vision to generate 20% of the country's total energy requirements through solar potheyr."As one of the key organisations dedicated to building a brand new industry of solar energy in Qatar, they at Qatar Solar Technologies are extremely proud to support this promise wholeheartedly and meet its requirements,"

2.6... Digital Platforms Help Women in Qatar Excel in Business and Beyond.

social networking in business and market development.

For women to truly reap the benefits of social networking for business purposes, they need to be willing to be more engaged online. This does not mean they need to sacrifice our privacy. They should take care to balance our personal and professional lives, hotheyver failing to market and position our businesses through social media is mistake.

In a world where there are more than 2 billion people connected to the Internet, women in business need to find ways to tap into such a tremendous pool of potential partners and clients. Social media is one of those tools.

The benefits of social networking be gender specific and to extent

Women have every opportunity to grow innovative businesses online or to leverage their businesses through social media. By no means does social media need to be gender specific, but women have ample opportunity to be leaders in the digitally connected, hyper social world. Here at ictQATAR, they are working with the private sector to find ways to engage more women in ICT-related positions, including opportunities through our Digital Innovation Center that is currently accepting applications for companies that are seeking incubation

2.7…Thrive with Online Learning

Just think about it – a significant portion of the working population today earns its living doing a job that didn’t exist 30 years ago. Most careers today have no defined path, and they all must be the inventors of our own professional future to rise to the top. They must carve our own paths, and learning new skills and keeping up with professional networks are the two sure ways how to stay on top of the game.Open education can help you explore relentlessly and, often, for free. The tiny movement that started at MIT has spread globally to hundreds of institutions that have shared their normally very expensive materials at the Open Courseware Consortium.

2.8…GITEX Technology Week 2012 boosts its international scope.

Over the past 32 years, GITEX Technology Week has consistently ramped up its scale and influence and is set to have an even greater international impact this year, further boosting the brand as one of the world's largest and most influential Information and Communication Technology (ICT) events. Under the theme "Where Technology Means Business", GITEX Technology Week 2012 runs from October 14-18, 2012 at Dubai World Trade Centre.

GITEX connects more than 138,000 industry professionals and over 3,500 suppliers from 144 countries across five continents, making it one of the world's top three ICT exhibitions. And its reputation is set to grow further still as the Middle East and Africa (MEA) region continues to use cutting-edge technology as the catalyst for increasingly rapid, era-defining developments. This year, over 80% of leading ICT brands will be present at GITEX, with C-level executives in attendance representing ICT budgets of over USD50 billion.

Enhanced networking platform

This year, all GITEX attendees will benefit from an enhanced version of Conations, an event-specific virtual community inspired by the interface of social media applications. Users can browse profiles of visitors and exhibitors online, set appointments, manage personal diaries and create matches with the best potential clients, all before arriving at the show. On-site, ConneXions kiosks and staff will assist visitors to find the right products, services and exhibitors for their business needs.

2.9…Qatar Science and Technology Park

The Qatar Science and Technology Park (QSTP) was established by Law No.36 for the year 2004, and is a home for technology-based companies from around the world. It also acts as an incubator for start-up enterprises. QSTP's aim is to spur the development of Qatar's knowledge economy, by providing the ideal location for companies to develop their technology and deliver it to the marketplace. To achieve this ambitious vision, QSTP is lead by a respected international Board of Governors.

QSTP is a Free Zone, making it easy and attractive to establish a technology- based company in Qatar.

The ETC houses QSTP's "business incubator", and allows new ventures to get started easily and grow quickly. The ETC is also the communal hub of the science park, hosting cafes, display areas and service firms.

Qatar's New Numbering Plan.

Ict QATAR announced on that phone numbers in Qatar will be expanded from seven to eight digits.This change will address the increasing demand for both fixed and mobile phone numbers in Qatar. The new numbering plan will create an additional 36 million mobile and nine million fixed telephone numbers, surpassing the highest forecasted demand for the next 15–20 years.

For both fixed and mobile users, the first digit of the number will be repeated, so that numbers that currently begin with 3 will now start with 33, those starting with 7 will now be 77. The only affected numbers will be those starting with 3,4,5,6 and 7.

All emergency telephone numbers within Qatar, including 999 and 112, will not be affected by the change. Numbers used for SMS, toll free and paging services, as well as short codes, and the numbers owned by the Ministry of Interior will also remain the same. These begin with 1, 2, 8 and 9.

2.10…High-Capacity Satellite Program.

IctQATAR (representing the State of Qatar) and Eutelsat Communications (Euro next Paris: ETL) announced the signing of a partnership agreement to invest in and operate a new high-capacity satellite at Eutelsat's 25.5°.

To be launched at the end of 2012, the new satellite will provide both a significantly expanded mission and superior coverage and power across the Middle East, North Africa and

Central Asia to follow-on from Eutelsat's EUROBIRD™ 2 satellite, which is currently operated at 25.5° East. In addition to securing Ku-band continuity for Eutelsat and additional Ku-band resources for ictQATAR, it will initiate a Ka-band capability opening business opportunities for both parties.

2.11…Taking Farming Vertical .

Two things Qatar clearly lacks are good land for agriculture and fresh water. Two things it does not lack are a growing population and wilted produce at grocery stores. To address these issues, perhaps Qatar should think vertically, as in VertiCrop.

VertiCrop is a relatively new technology developed by Vancouver-based Alterrus. The technology takes farming vertical and purports to provide a yield of up to 20 times that of field crops while using only 8% of the water required of land farming. It also takes up far less horizontal space.

PHARMACEUTICAL INDUSTRY

CHAPTER:-3. PHARMACEUTICAL INDUSTRY

3.1…Introduction of Pharmaceutical Industry

Business Monitor International's Qatar Pharmaceuticals and Healthcare Report provides industry professionals and strategists, corporate analysts, pharmaceutical associations, government departments and regulatory bodies with independent forecasts and compet .

Headline Expenditure Projections

1…. Pharmaceuticals: QAR1.16bn (US$319mn) in 2010 to QAR1.42bn (US$390mn) in 2011; +22.4% in local currency and US dollar terms. Forecast up from Q411 due to revised historic healthcare expenditure data and pharmaceutical price hikes.

2…Healthcare: QAR9.70bn (US$2.66bn) in 2010 to QAR10.84bn (US$2.98bn) in 2011; +11.8% in local currency and US dollar terms. Forecast down from Q311 due to revised historic healthcare expenditure data.

3…Medical devices: QAR615mn (US$169mn) in 2010 to QAR696mn (US$191mn) in 2011; +13.2% in local currency and US dollar terms. Forecast down from Q311 due to revised historic healthcare expenditure data.

History of Pharmaceutical Industry

Until about 1800, there were few drug companies. Pharmacists themselves made almost all the drugs they sold. Then two revolutions, one in drugs and the other in industrial development, gave birth to the modern drug industry. The discovery of more and more drugs that required special training and equipment to produce made it increasingly difficult for a pharmacist to prepare drugs. At the same time, the Industrial Revolution in Europe led to the development of manufacturing methods that could be used to mass-produce drugs.

The beginning of the United States drug industry can be traced back to the Revolutionary War in America (1775-1783). The chief pharmacist of the American army, Andrew Craggier, set up a laboratory in Carlisle, Pennsylvania, to supply drugs to the military. After the war, Craggier opened his own laboratory and began a wholesale drug business. Soon other pharmacists set up drug companies. These companies grew as they adopted the mass-production techniques developed in Europe.

The American Civil War (1861-1865)--like the American Revolution--created a great demand for drugs and so furthered the growth of the U.S. pharmaceutical industry. But European companies continued to dominate the world drug market until World War I (1914-1918). Before the war, the United States imported most of its drugs from Germany. But such imports stopped when the United States joined the war against Germany in 1917. The

American pharmaceutical industry then expanded rapidly to meet the country's drug needs. The United States soon began to export drugs and became one of the world's leading producers. Today, the United States leads all countries in drug production.

Drugs today benefit us tremendously. They also present us with some of our worst problems and greatest challenges. Drugs help prevent or control many diseases. They also relieve pain and tension and help the body function properly. But misuse of alcohol, narcotics, and other drugs has led to addiction for millions of people. In addition, widespread illegal use of drugs has become a major problem. The challenges that drugs offer lie in the discovery of better medicines for treating cancer, cardiovascular diseases, AIDS, and other crippling and deadly

disorders. In the 1980's and 1990's, pharmaceutical researchers increased efforts to find such drugs. Someday, scientists may develop drugs that lengthen life by slowing the aging process.

3.2…Pharmaceutical Agencies in Doha Qatar

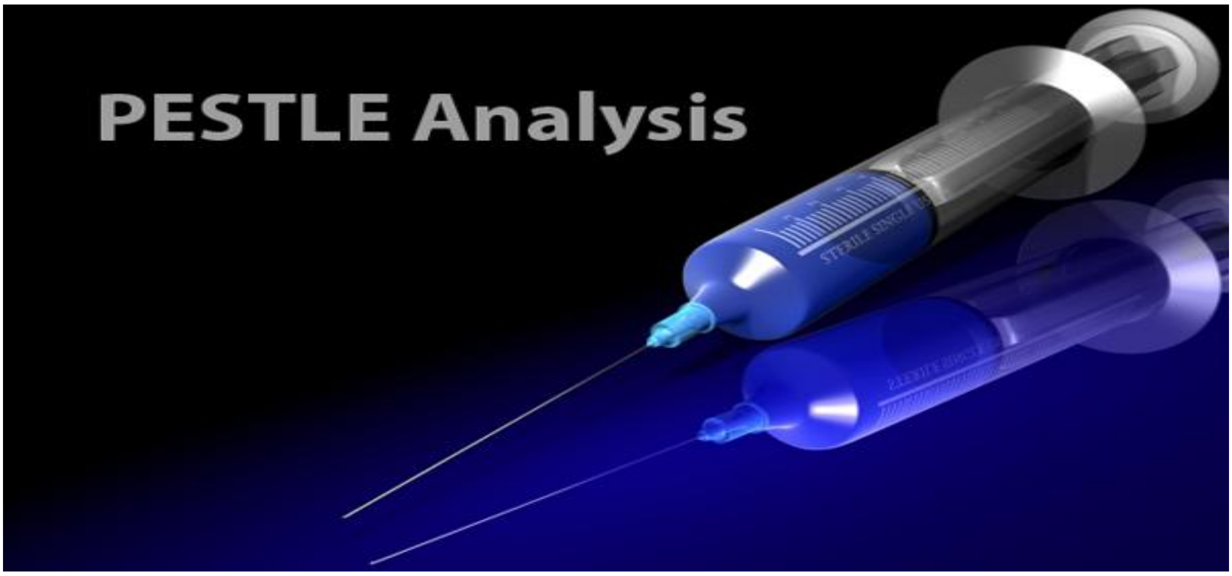
1 Ahmed Khalid Al Baker & Sons
2 Al Ahmedia Trading & Contracting Company
3 Al Danah Medical Company LLC
4 Al Fajer Medical Company
5 Al Reem Pharmacy
6 United International Trading Co LLC
7 Pharmacy Centre
8 Gulf Technical & Trading Company LLC
9 Dome Int'l Trading & Services
10 Al Reem Pharmacy

3.3…Future out looks……

Qatar's pharmaceutical market set for 12% growth to 2015. Qatar’s pharmaceutical market is forecast to become a billion dollar industry in 2019.

The sector was valued at QR1.43bn ($392m) in 2010 but is expected to see compound annual growth rate (CAGR) of 12.6 percent to reach $709m by 2015, BMI said."Our longer range forecast is for Qatar to become a billion dollar pharmaceutical market for the first time in 2019 and reach QR3.99bn ($1.10bn) at the end of our forecast period in 2020," the report said

BMI analysts said the growth will be driven by expansion of the wider economy, for which growth in real terms is expected to remain above five percent a year over the next 10 year."Qatar's size means that it will remain reliant on pharmaceutical imports and as such, the government has been moving to improve the functioning of this market,"



CHAPTER:4.A PESTLE Analysis for the Pharmaceutical Industry

4.1…Political Impact:

There is now growing political focus and pressure on healthcare authorities across the world.

This means that governments will be looking for savings across the board.

- What pressures will be put on pricing?
- What services will be cut?
- Will the same selection of drugs be available to everyone?

In addition to this, could there be more harmonization of healthcare systems across Europe or the USA? What impact will reforms have on insurance models?

Political issue in the country with its impact…..

- Growing political focus and pressure on healthcare, global govt. looking for healthcare saving for cut backs more pressure on pricing, reference pricing, exposing prices across border.

4.2..Economic impact…

The global economic crisis still exists yet government reports still show that the spend on healthcare per capital continues to grow. Will the current healthcare models exist tomorrow? The growth in homecare (as seen in the Nutrition sector) demonstrates how nursing services have moved to the private sector and have become a key business offering.

- **Economic issues of the country…….**
  - Global economic crisis.
  - Reduction in individual disposable income.
  - Increasing number of buying groups putting pressure on pricing.
  - Reduction in pharma growth.
- **Impact on the business of economic issues……**
  - Reluctance of consumers to spend on healthcare.
  - Again, an increased pressure on pricing, however market is likely to grow due to aging population.
  - Need to introduce value adding processes.
  - Increased pressure from shareholders.

4.3…Social / Culture impact…

The increasing aging population offers a range of opportunities and threats to the pharmaceutical industry. The trick will be to capitalize on the opportunities.

Patients and home cares are becoming more informed. Their expectations have changed and they have become more demanding. Public activism has also increased through the harnessing of new social networking technologies. How can pharmaceutical companies get closer to consumers without over stepping the regulatory boundaries?

Social/ cultural issues of the country…….

- Patient awareness, changing expectations.

- Patient/ public activism is also increasing (e.g. amassing new social networking technologies.)
- Increasing age of population & growth in obesity.

❖ **Impact on the business of Social/ cultural issues…**

- More pressure on customs service, increased need for education and more price transparency.
- Better intelligence gathering requires.
- Market likely to grow with increasing health concerns.

4.4…Technological impact…..

Technological advancements will create new business prospects both in terms of new therapy systems and service provisions. The online opportunities will see the growth in:

- New info and Communications technologies.
- Social Media for Healthcare.
- Customized Treatments.
- Direct to Patient Advertising.
- Direct to patient communications.

❖ **Technological issues of the country…….**

- New information and communication technologies (social media).
- Customized treatments.
- Direct to patient advertising.

❖ **Impact on the business of Technological issues..**

- New digital opportunities: creating new " e-models".
- Direct to patient communications.
- More responsive service facilities required.

4.5…Legislation impact…

The pharmaceutical industry has many regulatory and legislative restrictions. There is also a growing culture of litigation in many countries. The evolution of the internet is also stretching the legislative boundaries with patient's demanding more rights in their healthcare programmers.

❖ **<u>Legislation issues of the country…….</u>**

- Changes to advertising laws.
- Increased litigation.
- Global inconstancies.

❖ **<u>Impact on the business of Legislation issues..</u>**

- Need to focus on education.
- Quality becomes key.
- Unable to rationalize.

4.6…Environmental impact…

There is a growing environmental agenda and the key stake holders are now becoming more aware of the need for businesses to be more proactive in this field. Pharma companies need to see how their business and marketing plans link in with the environmental issues. There is also an opportunity to incorporate it within their Corporate Social Responsibility programmers. Marketing and new product development should identify eco opportunities to promote as well.

The information above illustrates just a fraction of the likely macro factors involved in the pharmaceutical industry.

❖ **<u>Environmental issues of the country…….</u>**

- Growing environmental agenda and community awareness.

❖ **<u>Impact on the business of Environmental issues..</u>**

- Identify eco opportunities to market.

4.7 Qatar's pharmaceutical market set for 12% growth to 2015

Qatar’s pharmaceutical market is forecast to become a billion dollar industry in 2019, according to a new report by Business Monitor International. The sector was valued at QR1.43bn ($392m) in 2010 but is expected to see compound annual growth rate (CAGR) of 12.6 percent to reach $709m by 2015, BMI said."Our longer range forecast is for Qatar to become a billion dollar pharmaceutical market for the first time in 2019 and reach QR3.99bn ($1.10bn) at the end of our forecast period in 2020.

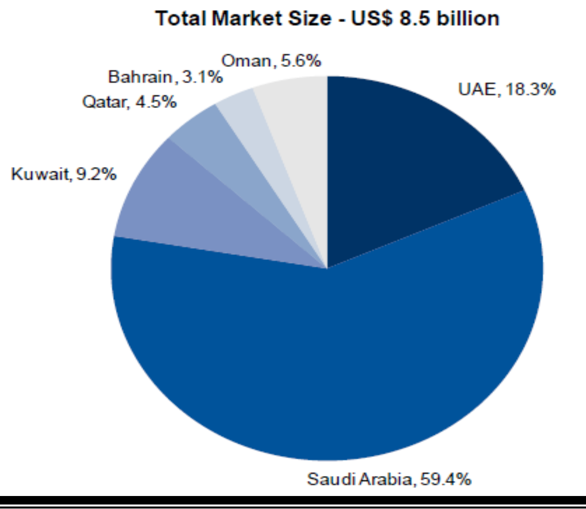
Qatar pharmaceutical sector to be boosted by Health insurance scheme

- ✓ The proposed mandatory health insurance scheme is expected to augur well for Qatar's pharma sector and the country may witness cheaper generics imports owing to a potential free trade pact between the GCC (Gulf Co-operation Council) and India, according to Alpen Capital.
- ✓ The Qatari pharmaceutical industry — valued at $379mn in 2012, representing less than 5% of the overall GCC pharma market — "will benefit from the forthcoming implementation of the national health insurance programmed, which envisions covering all the residents and visitors in the country under the scheme," it said in a report titled 'GCC Pharmaceutical Industry'.
- ✓ Expansion of pharmaceutical sales in Qatar is projected to outpace the overall regional growth rate, thus translating into a higher market share of these countries at the regional level going forward, it said.

4.8 GCC Pharmaceutical Industry Overview

Pharmaceutical market in the GCC has witnessed considerable progress over the years on the back of favorable demographic and economic factors, alongside strong government support for healthcare. Total market size was estimated at US$ 8.5 billion in 2012, compared to US$ 7.7 billion in the previous year1. It accounts for less than 1% of the global pharmaceutical sector, which was valued at US$ 955.5 billion in 20112. Given a sizeable population base and relatively active domestic pharmaceutical manufacturing segment, Saudi Arabia was the largest market contributing 59.4% to the Gulf's overall pharmaceutical industry size in 2012.

Composition of Pharmaceutical Market in the GCC



- ✓ Pharmaceutical sales as a percentage of Gross Domestic Product (GDP) in the GCC is lower than that in many countries in the Middle East and North Africa (MENA), and elsewhere.
- ✓ Average pharmaceutical sales as a percentage of GDP in the GCC was 0.6% in 2012, compared to 3.3% in Lebanon, 2.2% in the US, and 0.8% in India. This points towards untapped growth opportunities for companies as healthcare development and awareness in the region are gradually gaining traction.
- ✓ The GCC governments are the chief sources of healthcare funding in the region, with a consolidated contribution of approximately 70% High budget surplus due to a booming hydrocarbons sector and strong economic growth have provided the governments sufficient room to allocate consi durable funds towards providing a high standard of healthcare for the citizens
- ✓ The regional g governments allocate between 6% 12% of their annual budgets on healthcare spending.

4.9 The Qatari Pharmaceutical Market

- ✓ The industry was valued at US$ 379 million in 2012, representing less than 5% of the overall pharmaceutical market in the GCC. Pharmaceutical sales per capita were US$ 206 in the year, same as that in Kuwait. Almost the entire drug consumption in the country is composed of imported products and local manufacturing activities have been very limited so far. High market prices coupled with a strong ability to spend have made the country's consumers among the highest healthcare spenders in the MENA.
- ✓ Qatar imported US$ 280.2 million worth of pharmaceutical products in 2010, translating into an annual average growth of 16.3% from 2008. The import data for 2011 is not available. Although pharmaceutical exports have multiplied 10 times between 2008 and 2011, the export figure is negligible in comparison to the imports.

Growing Income Levels:

- ✓ Over the last decade, economic prosperity and general income levels of the GCC countries have grown in line with increase in oil demand and prices and the progress made with in certain key non oil sectors such as retail and tourism. In Qatar, the richest country in the world, GDP per capita in 2012 is estimated to have increased to 3.5 times.

Qatar's pharmaceutical market to remain import-dependent

- ✓ According to Alpen Capital, Qatar imported $280.2m worth of pharmaceutical products in 2010, translating into an annual average of 16.3 percent from 2008. Although pharmaceutical exports have multiplied 10 times between 2008 and 2011, the export figure is negligible in comparison to the imports.
- ✓ The report expects Qatari pharmaceutical industry will benefit from the forthcoming implementation of the national health insurance programme, which envisions covering all the residents and visitors in the country under the scheme.
- ✓ Further, potential singing of a free trade agreement between the GCC and India, thus paving the way for cheaper imports of generics, can alter structure of the pharmaceutical industry in the country.

Key Driving Factors

- ✓ Population growth: Between 2012 and 2017, the International Monetary Fund expects Qatar to witness the largest expansion in population base in the Gulf. During the period, the population is forecast to expand at a CAGR of 4.0%. Due to increasing life expectancy and lower birth rate, age profile of the country's population is gradually shifting in favor of older age groups.
- ✓ Per capita income: Qatar has highest GDP per capita in the GCC, which is expected to increase further in the medium term. The affluent consumer base has made the market highly attractive for branded drug suppliers.
- ✓ Incidence of obesity and diabetes: Around one- third of the Qatari population over 20 years of age was found to be obese in 2008. Obesity may lead to other chronic diseases like heart problems and blood pressure. Prevalence of diabetes in the country is also higher than the global and regional averages. Chronic ailments tend to remain with patients throughout their lifetime, and thus entail constant consumption of medication.
- ✓ Insurance coverage: Insurance coverage in Qatar is expected to increase significantly with implementation of the mandatory health insurance scheme at a national level.

This is likely to boost demand for healthcare services in the country, and positively impact the pharmaceutical sector.

Sales of OTC :

- ✓ The growing incidence of lifestyle-related chronic diseases has boosted demand for high-value prescription medication in Qatar. The country's population is also becoming increasingly aware about personal healthcare. This has boosted sales of OTC products such as analgesics, cold and flu medication, digestives, pseudo-pharmaceuticals, and topical creams.
- ✓ However, regulations on advertising and retail sales through licensed pharmacies only have partially stunted the growth of OTC segment. Under Qatari laws, some typically OTC drugs are categorized as prescription medicines, while some drugs generally available under prescription only are dispensed OTC.

Key Growth Drivers

- ✓ Population in the Gulf is anticipated to expand from 37.5 million in 2007 to nearly 50 million in 2017. High levels of urbanization and a strong expatriate presence also support pharmaceutical sales growth in the region.
- ✓ Population aged 60 years and above is projected to increase from 1.9 million in 2012 to 17.8 million in 2050. The elderly population forms a big slice of the overall pharmaceutical spending in the GCC, and the expected growth in its size augurs well for the sector.
- ✓ Sedentary lifestyles and increasing life expectancy have led to spread of chronic ailments. Such diseases tend to persist throughout the life of patients, thus entailing higher medical expenditure than sporadic forms of illnesses.
- ✓ Growing income levels and resultantly a higher spending power of people have improved the quality of life and their overall ability to spend on medicines. General health awareness among the residents has also increased.

Key Challenges

- ✓ Pharmaceutical manufacturers in the GCC face several hurdles such as capital intensive nature of operations, small domestic market size, difficulty in raising adequate funds, and shortage of knowledge and skilled manpower.

- ✓ Regional drug prices are significantly higher than the world average, which may prove detrimental for the overall progress and long-term growth of the industry in real terms. Further, prices vary significantly within the region.
- ✓ The Gulf countries are highly dependent on imports of manufacturing equipment, pharmaceutical ingredients, and medicines for end use. This makes the industry vulnerable to supply-related problems and fluctuations in foreign exchange rates.
- ✓ A significant portion of residents still prefer to seek treatment for serious ailments abroad, proving a huge drain on government finances and negatively impacting the domestic sector.
- ✓ Governments' stringent control and policies such as regulated profit margins pose a challenge to distributors.

Trends

- ✓ Although branded pharmaceuticals will continue to dominate the market in the foreseeable future due to high brand preference of the consumers, generics are expected to narrow the volume gap.
- ✓ Government measures to boost local drug manufacturing and penetration of health insurance are forecast to increase the level of privatization in the GCC pharmaceutical sector.
- ✓ Government efforts to achieve unification of pharmaceutical prices, which have gained momentum over the recent months, are likely to prove effective in regulating inconsistencies in the future.
- ✓ The global financial crisis and regional debt problems induced European drug manufacturers to focus on the relatively emerging Gulf market. As a result, between 2008 and 2011, pharmaceutical imports from the European Union (EU) into the GCC expanded at a CAGR of 18.3%.
- ✓ A number of Gulf countries are seeking investments from Indian pharmaceutical companies to benefit from their experience in the generics segment. Signing of the impending free trade agreement between the GCC and India will further open up the market for Indian companies.

- ✓ The biotechnology parks and free zones established in the GCC play a major role in bringing the much-needed foreign investments and technology required to build local capabilities for manufacturing of patented pharmaceutical products.

Indian pharmaceutical industry

5.1 Introduction

India is now among the top five pharmaceutical emerging markets. The Indian pharma industry has been growing at a compounded annual growth rate (CAGR) of more than 15 per cent over the last five years and has significant growth opportunities.

The Indian pharmaceutical sector is expected to grow five-fold to reach Rs 5 lakh crores (US$ 91.45 billion) by 2020, as per Dr A J V Prasad, Joint Secretary, Department of Pharmaceuticals (DoP). The industry, particularly, has been the front runner in a wide range of specialties involving complex drugs' manufacture, development, and technology. With the advantage of being a highly organized sector, the numbers of pharmaceutical companies are increasing their operations in India.

The pharmaceutical industry in India is an extremely fragmented market with severe price competition and government price control. The industry meets around 70 per cent of the country's demand for bulk drugs, drug intermediates, pharmaceutical formulations, chemicals, tablets, capsules, orals, and injectables.

Sector Structure/ Market Size

- ✓ The domestic pharmaceutical market is expected to register a strong double-digit growth of 13-14 per cent in 2013 on back of increasing sales of generic medicines, continued growth in chronic therapies and a greater penetration in rural markets.

- ✓ The cumulative drugs and pharmaceuticals sector has attracted foreign direct investments (FDI) worth US$ 10,308.75 million during April 2000 to February 2013, according to the latest data published by Department of Industrial Policy and Promotion (DIPP).

Growth

- ✓ Drug sales to retailers in India registered a growth of 7.7 per cent in February 2013, according to a data compiled by market research firm AIOCD AWACS. This was probably due to a high base given the strong performance last year and higher substitution of branded drugs with their unbranded equivalents.
- ✓ Among the listed companies, ZydusCadila topped the list, recording 25.3 per cent growth in February. Other companies that managed to grow faster than the industry include Sun Pharma (14.8 per cent), JB Chemicals (13.7 per cent), IPCA Labs (13 per cent), Lupin (11.6 per cent), Glen mark (10.3 per cent) and Cipla (9 per cent).

Exports

- ✓ The Ministry of Commerce has targeted Indian pharma sector exports at US$ 25 billion by 2014 at an annual growth rate of 25 per cent.

- ✓ Last year, the industry registered exports of US$ 13 billion at a growth rate of 30 per cent, as per Dr P V Appaji, Director-General, Pharmaceutical Exports Council of India (Pharmexcil). The Government has also planned a ‘Pharma India’ brand promotion action plan spanning over a three-year period to give an impetus to generic exports.
- ✓ “Of the export markets, Indian pharma will focus on the US market which presents significant opportunities for the next two years for generics, due to patent cliffs and recent changes in healthcare policies,” said the India Ratings report on outlook for Indian pharmaceuticals for 2013

Highlights

- ✓ The Indian pharmaceutical industry was estimated to be worth US$ 21.5 billion in 2009-10 and is expected to touch US$ 40 billion by 2015.

- ✓ Globally, India ranks third in terms of volume of production and fourteenth largest by value.
- ✓ The domestic market is likely to grow from US$ 13 billion in 2009-2010 to US$ 20 billion by 2015.
- ✓ The domestic pharma sector is witnessing strong growth due to higher penetration in tier-II and tier-III cities and greater focus on the largely- untapped rural market.
- ✓ Improvement in healthcare delivery and increased healthcare insurance have further accelerated market growth.
- ✓ In recent years, the industry has been witnessing a strong wave of modernization and technological up gradation.

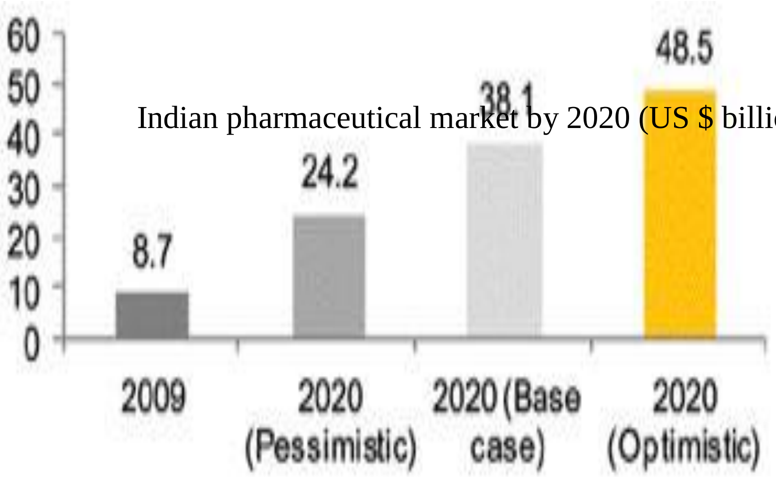
5.2 The Indian pharmaceutical industry is a success story.

- ✓ 500 000 people are employed in this sector, in some 12 000 firms. 2 900 of them are large scale units.
- ✓ In the pre- and post-production sector, a further 2.5 million jobs are thought to be involved. Compared to the general price index, drug prices have risen much less in the last 15 years and remain far below average.
- ✓ Self-sufficiency with regard to pharmaceutics exceeds 90 percent – in spite of the policy of a more open economy pursued by India since 1991.

- ✓ The secret of this success is the Indian Patents Act 1970. India had entered independence with the patent system of the British colonial masters, enacted in 1911. At the turn of the century, the share of multinationals had declined to a share of 40 percent of India's market, including a substantial share of local processing by multinationals. 45 of the larger scale production units belong to multinational companies.
- ✓ India is among the most significant emerging markets for the global pharma industry, given that it will feature among the world's top 10 sales markets by 2020. Currently, it is regarded as one of the fastest-growing pharma industries globally, primarily driven by a large population, evolving patient demographics, increasing health care expenditure, growing urbanisation, rising life expectancy, and active private-sector participation. (Source: Sanofi and Kantar health presentation at EphMrA)
- ✓ Domestic companies are transforming their business model to play a larger role in global pharma market

- ✓ The Indian pharma industry has been able to claim a share in the global market by leveraging its strengths and enhancing its regulatory and technical maturity. Formulations manufactured in India constitute 20 per cent of the global generics market by value, and the overall share of Indian manufactured formulations is as high as 46 per cent in the generics segment in the emerging markets.

Indian pharmaceutical market by 2020 (US $ billion)



- ✓ After years of anemic growth in the Indian pharma market until the 1990s — mainly due to a feeble intellectual property environment — pharma MNCs have recorded steroid-led growth in the domestic market.

5.3 EVALUATION OF THE INDIAN PHARMACEUTICAL COMPANY

India is one of the fastest growing Pharmaceutical markets in the world, and its market size has nearly doubled since 2005. The Indian pharmaceutical market is expected to reach US$ 20 billion by 2015, growing at a compound annual growth rate (CAGR) of 11.7 per cent during 2005–2015 and establish its presence among the world’s leading 10 markets. Presently, it is the third largest market in terms of volume and fourteenth largest in terms of value.

5.4 Plethora of Opportunities

Revenues of large cap Indian generic drug manufacturers look set to grow due to the following reasons:-

- ✓ Domestic volume growth is benefitting due to expanding doctor coverage. Increase in doctor coverage results in increased distribution network which taps in the remote rural market increasing the target audience.
- ✓ Non urban markets are expected to continue growing with a double digit growth rate driving domestic growth. On the other hand, the urban market growth is forecasted to remain sustainable in single digit.
- ✓ Regulated markets will be a major revenue driver in the export driven Indian pharmaceutical sector as large drug patents expire over the next five years. Significant opportunities open up in developed markets as branded drugs with sales of US $80 billion are about to lose patent protection over 2010 to 2015.
- ✓ Sales in emerging markets are growing strongly thus offering growth opportunities, especially in countries like China, Russia, Brazil and Mexico.
- ✓ Biosimilars, the generic equivalents of biologic drugs made from organic materials rather than chemicals, are expected to be long term growth drivers based on industry forecast. It is said to offer opportunities of USD 10bn by 2015 up from less than USD 1bn in 2010.
- ✓ The domestic Indian market is expected to grow rapidly over the next decade. The expansion is fuelled by the strong growth in the domestic market and the rising demand for exports..The doctor coverage ratios for some companies have doubled to around 60-70 percent from the initial contribution of around 30 percent of the sales force.

Risks

However it’s not plain and smooth sailing for the Indian pharmaceutical companies, especially those operating in the generic domain as ‘Big companies’ are becoming less innovative. This essentially means that the growth pipeline for generic drug makers is becoming narrow and their competition is increasing. Also, Europe and the US companies are increasingly turning their attention to ‘tough to copy’ products and even entering the generic market to supplement their growth.

Also, patent expiry will lead to intense competition amongst generic players and challenging pricing environment as companies all around the world will be pouncing on to grab this opportunity and make hay while the sun shines.

Sector Positives

The domestic growth story

The domestic Indian market is expected to grow rapidly over the next decade. The expansion is fuelled by the strong growth in the domestic market and the rising demand for exports. Sales force expansion has yielded positive results and industry growth has increased. The majority growth is coming from the non-urban markets, as metros are growing at single digit. Experts believe there is a first mover advantage in these markets which explains some companies increasing their doctor coverage ratios. The doctor coverage ratios for some companies have doubled to around 60-70 percent from the initial contribution of around 30 percent of the sales force.

High Absolute growth

India is expected to be amongst the top five countries in the world with respect to the absolute growth in terms of revenue. The Indian pharmaceutical markets show a huge growth of over 200 percent from being a USD 6bn market in 2005 to a USD 20bn market by 2015e.

Figure 1

India ranks fifth in terms of absolute growth over the period 2005-2015e.

Rank	Country	Market in USD bn 2005	Market in USD bn 2015e	Absolute growth	% Growth
1	US	248	444	196	79%
2	China	13	38	25	192%
3	Japan	68	82	14	21%
4	France	32	46	14	44%
5	India	6	20	14	233%
6	UK	19	32	13	68%
7	Canada	13	25	12	92%
8	Spain	14	25	11	79%
9	Brazil	9	20	11	122%
10	Mexico	10	19	9	90%
11	Turkey	7	15	8	114%
12	Germany	31	38	7	23%
13	South Korea	8	15	7	88%
14	Italy	20	25	5	25%

Source: IMS World Review, Mckinsey Pharma Model.

Growth acceleration through exports

Following the expiry of numerous patents in the United States of America, a major market for Indian pharmaceutical companies is open for grabs. A plethora of opportunities await the generic players. Even though the challenging price environment will be hard to deal with, due to intense competition from generic markets, the Indian pharmaceutical companies are expected to do well due to experience in the generic field and comparatively low-cost of manufacturing in India.

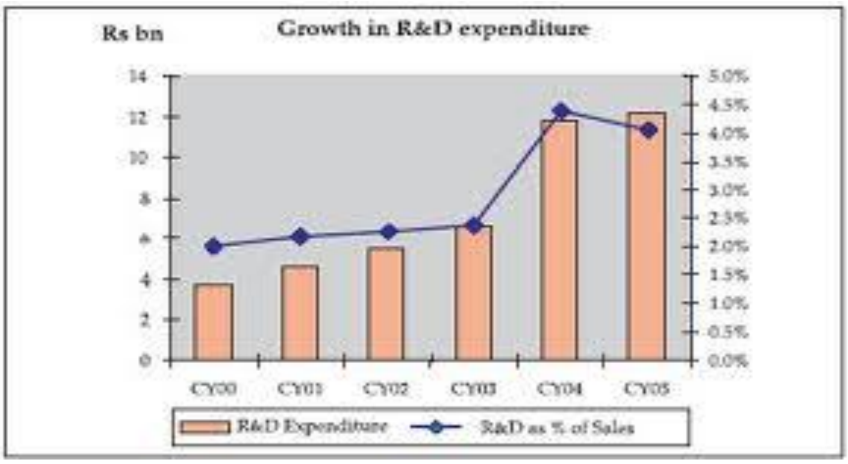
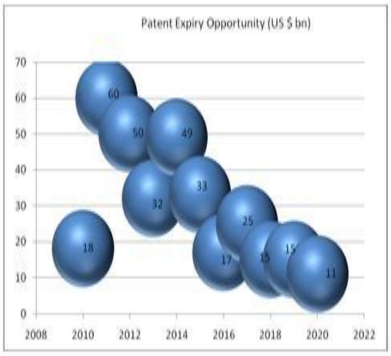


Figure 2

A plethora of opportunities await generic players as numerous branded products lose patents during the next decade.



*Source: IMS World Review.*India has a competitive advantage due to a variety of reasons. The following matrix describes in brief India pharmaceutical companies' strong foundation to leverage the opportunities available.

5.5 KEY CHALLENGES IN PHARMACEUTICAL

<u>COST EFFICIENCY</u>

A range of cost containment policies are used across different national markets,including pricing regulations, strict reimbursement formularies and a growth in both generic substitution and parallel importing.

These measures have resulted in increased pressure on pharmaceutical companies to reduce their prices and consequently either drive unit sales or cut costs to maintain profit margins. In terms of research and development, key challenges include stagnant product lines and increasing R&D costs.

SAFETY

With recent high profile product withdrawals, there are also concerns that regulatory agencies will tighten up safety and efficacy testing requirements. A particular focus will be on the application of pharmacogenomic techniques to improve safety profile, but the advent of such techniques in the long run will improve industry productivity as more pharmacogenomic data is collated.

R & D

Research & Development is the key to the future of pharmaceutical industry. The pharmaceutical advances for considerable improvement in life expectancy and health all over the world are the result of a steadily increasing investment in research. There is considerable scope for collaborative R & D in India. India can offer several strengths to the international R & D community.

The pharmaceutical industry will experience a significant reduction in the revenues associated with their blockbuster products as generic competition captures market share. As a result, given that R&D productivity is low and the cost of developing new drugs at an all time high, the pharmaceutical industry faces considerable hurdles with respect to mai1ntaining revenue and earnings growth in the future.

PATENT

There is a risk that the patent expiry of branded generic drugs will lead to growth at the expense of lower sales of existing generic products. For example, Lipitor’s generic entry in November 2011 could impact growth in generic Simvastatin, an important product for many Indian generics. Also the influx of so many generic players to capitalise the market will lead to a challenging pricing environment.

EXIM SCENARIO:

Nearly 95 % of India's bulk drug needs are met through indigenous production. However, inspite of having a well-developed pharmaceutical industry, it continues to import not only intermediates and chemicals required by the bulk drug industry, but also some of the bulk drugs and specialty formulations. One positive factor, however, is that over the last decade or so, the overall exports by the pharmaceutical industry have been more than its imports. In fact, the bulk of the growth of the pharma sector has come through exports.

IMPORTS:

India's pharmaceuticals imports (including bulk drugs, formulations, intermediatiates, chemicals, solvents etc) were to the tune of Rs31.3bn. Imports have registered a CAGR of nearly 23% in the past 5 years. Imports of formulations have increased significantly in the past 5 years registering CAGR of 32.9% in the past 5 years. In FY99 import of formulations grew by 25.5% yoy. Import of bulk drugs have slowed down in the past 2-3 years mainly due to two reasons – firstly there is over capacity in the domestic market and secondly the quality of bulk drugs manufactured by the local manufacturers have improved significantly and they act as import substitute for MNC's requirements.

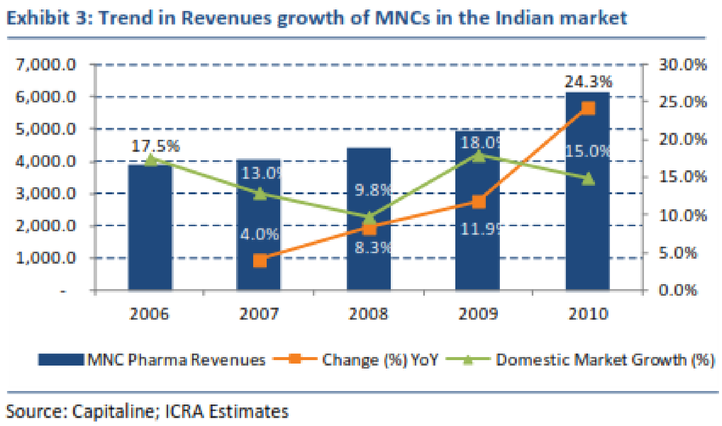
EXPORTS:

Over 60% of India's bulk drug production is exported. The balance is sold locally to other formulators. India's Pharmaceutical exports are to the tune of Rs87bn, of which formulations contribute nearly 55% and the rest 45% comes from bulk drugs. In financial year 2000, exports grew by 21%. India's Pharmaceuticals imports were to the tune of Rs20.3bn in FY2001. Imports have registered a CAGR of only 2% in the past 5 years. Import of bulk drugs have slowed down in the recent years. The exports of Pharmaceuticals during the year 1998-97 were Rs 49780 million. From a meager Rs 46 crores worth of Pharmaceuticals, Drugs and Fine Chemicals exports in 1980-81, Pharmaceutical exports has risen to approximately Rs 6152 Crores (Prov.1998-99), a rise of 11.91% against the last year exports. Amongst the total exports of India, the percentage share of Drugs, Pharmaceuticals and Fine Chemicals during April-October (2000-2001) was 4.1%, an increase of 7%.

DOMESTIC TRADE:

More than 85% of the formulations produced in the country is sold in the domestic market. India is largely self-sufficient in case of formulations. Some life saving, new generation under-patent formulations continue to be imported, especially by MNCs, which then market them in India. Overall, the size of the domestic formulations market is around Rs160bn and it is growing at 10% p.a.

SR NO	DOMESTIC INDIAN MARKET(IN RS CRORE)	GROWTH RATE(IN %)
2003-04	32575	7.28
2004-05	34128	4.77
2005-06	39989	17.17
2006-07	45367	13.45
2007-08	50946	12.30
2008-09	55454	8.85



List of the major players in the pharmaceutical industr

5.6 Information of major pharmaceutical companies

Ranbaxy:

Ranbaxy was established in the year 1961 and it is a research based pharma organization, which was converted as a public limited company in the year 1973. The company has earned this position among the pharmaceutical companies in India due to their large portfolio and cost-effective medicines that are relied by medical professionals all over the globe.

Dr. Reddy's Laboratories:

Dr. Reddy's Laboratories has its headquarters in India and manufacturing units in different parts of the world. The subsidiaries of this company are located in countries like Brazil, Russia, the United Kingdom, Germany and the United States.

Cipla:

Cipla came into existence in the year 1935 and the company began its journey with an authorized capital of Rs. 6 lakhs. However, now the revenue of the company is Rs. 37.637 billion and they are engaged in manufacture of over-the-counter drugs, prescription drugs and bulk drugs

Sun Pharma Industries:

Sun Pharmaceuticals popularly called as Sun Pharma came into existence in the year 1983 and during its initial stages the company was engaged in the production of five medicinal products meant for psychiatric illness. Now, the company is popular all over the world as the manufacturer of specialty active pharmaceutical formulations and ingredients

Lupin Labs:

Lupin Labs has its headquarters at Mumbai and they are acting as an innovation led transnational pharmaceutical company producing a wide range of medicines with branded formulations, affordable cost and quality. They have manufacturing units at different parts of India like Indore, Jammu, Goa, Aurangabad, Mandideep, Tarapur, Ankleshwar and in Japan as well.

Aurobindo Pharma:

Aurobindo Pharma came into existence in the year 1986 and they began their operations in the year 1988 in Pondicherry. At present, the headquarters of the company is located in the city of Hyderabad. They are one of the leading API manufacturing company in India and they are dealing with a vide category of medicine manufacturing like gastro-enterologicals, medicines for central nervous system, medicines for cardio vascular diseases, anti-infective, anti-allergic and Antibiotics.

GlaxoSmithKline Pharma:

Glaxosmithkline shortly called as GSK are leading players not only in pharmaceutical industry in India, but also in biotechnology industry as well. The company came into existence in the year 1924 with the objective of improving the quality of life of the people by manufacturing life saving drugs. They are manufacturing prescription medicines for different diseases like diabetics, gastrointestinal disorders, respiratory disorders, etc…

Cadila Healthcare:

Cadila Healthcare Limited was established in the year 1995 under the aegis of Zydus Group and they have operations not only in India, but also in other parts of the world like Brazil, France, USA and they are exporting their branded products to more than 43 countries all over the globe.

Aventis Pharma:

Aventis Pharma is a company formed out of the merger of two pharmaceutical companies namely Aventis and Sanofi. The parent company of Aventis Pharma being Sanofi Aventis has its presence in more than 95 countries all over the globe and they are having state-of-the-art manufacturing facilities. The company is dealing with the manufacture the following category of medicines:

IPCA Laboratories:

This company came into existence in the year 1949 and it was actually formed by a group of medical professional and businessmen. The present management took over the company in the year 1975 and their main activities include production and marketing of drugs and other pharmaceutical products. The categories of products dealt by them are drug intermediates, active pharmaceutical ingredients and formulations

ADRESSABLE MARKET SIZE			
COMPANY	2010	2011	2012
Dr Reddy's	10.3	33.3	29.0
Matrix	7.8	22.9	25.7
Cadila Healthcare	9.5	27.3	18.6
Cipla	8.5	19.2	18.1
Lupin	4.2	18.0	19.4
Ranbaxy	6.1	18.4	19.4
Aurobindo	8.3	10.7	18.4
Jubilant	6.7	12.4	15.7
Torrent	2.6	17.1	7.9
Sun	6.1	12.6	5.5
Figures in $ billion		*Source: HDFC Securities*	

CHAPTER 6

SWOT ANALYSIS IN INDIA

Strengths

- ✓ Cost effective technology
- ✓ Strong and well-developed manufacturing base
- ✓ Clinical research and trials
- ✓ Knowledge based, low- cost manpower in science & technology
- ✓ Proficiency in path-breaking research
- ✓ High-quality formulations and drugs
- ✓ High standards of purity
- ✓ Non-infringing processes of Active Pharmaceutical Ingredients (APIs)
- ✓ Future growth driver
- ✓ World-class process development labs
- ✓ Excellent clinical trial centers
- ✓ Chemical and process development competencies

Weaknesses

- ✓ Low Indian share in world pharmaceutical market (about 2%)
- ✓ Lack of strategic planning
- ✓ Fragmented capacities
- ✓ Low R&D investments
- ✓ Absence of association between institutes and industry
- ✓ Low healthcare expenditure
- ✓ Production of duplicate drugs

Opportunities

- ✓ Incredible export potential
- ✓ Increasing health consciousness
- ✓ New innovative therapeutic products
- ✓ Globalization

- ✓ Drug delivery system management
- ✓ Increased incomes
- ✓ Production of generic drugs
- ✓ Contract manufacturing
- ✓ Clinical trials & research
- ✓ Drug molecules

Threats

- ✓ Small number of discoveries
- ✓ Competition from MNCs
- ✓ Transformation of process patent to product patent (TRIPS)
- ✓ Outdated Sales and marketing methods
- ✓ Non-tariff barriers imposed by developed countries.

5.

1. History of Qatar:(sem 3)

Qatar is an independent and sovereign State situated in the midway of the Western coast of the Arabian Gulf having a land and maritime boundary with Saudi Arabia, and also maritime boundaries with Bahrain, United Arab Emirates and Iran. The State of Qatar with its arid desert climate extends over a Peninsula of about 200 Kilometers long and 100 Kilometers wide covering a total area of 11850 square Kilometers including a number of Islands and Islets.

Historically, the Peninsula of Qatar witnessed various cultures and civilizations in various phases in the history of mankind even during the Stone Age or Neolithic period. A recent discovery on the edge of an Island in the West of Qatar indicates the human presence during this period of pre-historic period. Discovery of a 6th millennium BC site at Shagra, in the South-east of Qatar revealed the key role the sea (Gulf) played in the lives of Shagra's inhabitants. Excavation at Al-Khore in the North-east of Qatar, Bir Zekrit and Ras Abaruk and the discovery of pottery and Flint, Flint-scraper tool, Rim of painted ceramic and vessels there indicates Qatar's connection with the Al-Ubaid civilization which flourished in the land between the Tigris and the Euphrates during the period of 5th –4th millennium BC. There had also been barter trade system between the settlements at Qatar and the Ubaid Mesopotamia and the exchange of commodities were mainly pottery and dried fish.

The Greco-Roman trade between Europe and India was carried on via the Arabian Gulf during the 140 BC. Archaeological evidence found in Qatar suggests the Greek and Roman influences in the Peninsula particularly at Ras Abaruk, where some stone structures, including a dwelling, a cairn, a hearth and a low mound containing a large quantity of fish bones were located. Excavation of the dwelling revealed two chambers; linked by a cross-wall, with a third room open to the sea. No doubt Ras Abaruk was a temporary fishing station where periodic landing were made to dry fish during this period. In fact, pearls and dried fish were the major items for exportation from Qatar during the Greco-Roman period.

2. WTO (WORLD TRADE ORGANIZATION)

2.1 What is the WTO?

The World Trade Organization (WTO) is the only global international organization dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations and ratified in their parliaments. The goal is to help producers of goods and services, exporters, and importers conduct their business.

2.2 Who we are:

There are a number of ways of looking at the World Trade Organization. It is an organization for trade opening. It is a forum for governments to negotiate trade agreements. It is a place for them to settle trade disputes. It operates a system of trade rules. Essentially, the WTO is a place where member governments try to sort out the trade problems they face with each other. The WTO was born out of negotiations, and everything the WTO does is the result of negotiations. The bulk of the WTO's current work comes from the 1986–94 negotiations called the Uruguay Round and earlier negotiations under the General Agreement on Tariffs and Trade (GATT). The WTO is currently the host to new negotiations, under the 'Doha Development Agenda' launched in 2001.

Where countries have faced trade barriers and wanted them lowered, the negotiations have helped to open markets for trade. But the WTO is not just about opening markets, and in some circumstances its rules support maintaining trade barriers — for example, to protect consumers or prevent the spread of disease.

2.3 What we do:

The WTO is run by its member governments. All major decisions are made by the membership as a whole, either by ministers (who usually meet at least once every two years) or by their ambassadors or delegates (who meet regularly in Geneva). While the WTO is driven by its member states, it could not function without its Secretariat to coordinate the activities. The Secretariat employs over 600 staff, and its experts — lawyers, economists, statisticians and communications experts — assist WTO members on a daily basis to ensure, among other things, that negotiations progress smoothly, and that the rules of international trade are correctly applied and enforced.

2.4 WTO Impact on Qatar:

He World Trade Organization is a self serving and undemocratic organization that operates outside of our control. The U.S. Constitution states that all treaties made under the authority of the United States become supreme law of the land (Article VI). When our government stymied under pressure from foreign-represented lobbyists and signed the WTO treaty our government effectively weakened our sovereignty.

Our laws, regulations and administrative procedures are now open to challenge.

Since entering the WTO in 2001, trade with China has resulted in the loss of 2.8 million jobs through 2010, according to the most recent study by the Economic Policy Institute. Those fortunate enough to retain their jobs witnessed their annual earnings decrease by roughly $1,400. American workers are put in direct competition with one another as more and more employers look to offshore production to nations with lower wage rates.Jobs losses have affected every sector of the economy in both white and blue-collar occupations. Over that time we have lost

- 909,400 jobs in computer and electronic products
- 178,700 jobs in apparel and accessories
- 204,300 jobs in administrative support services
- 173,100 jobs in professional, scientific and technical services

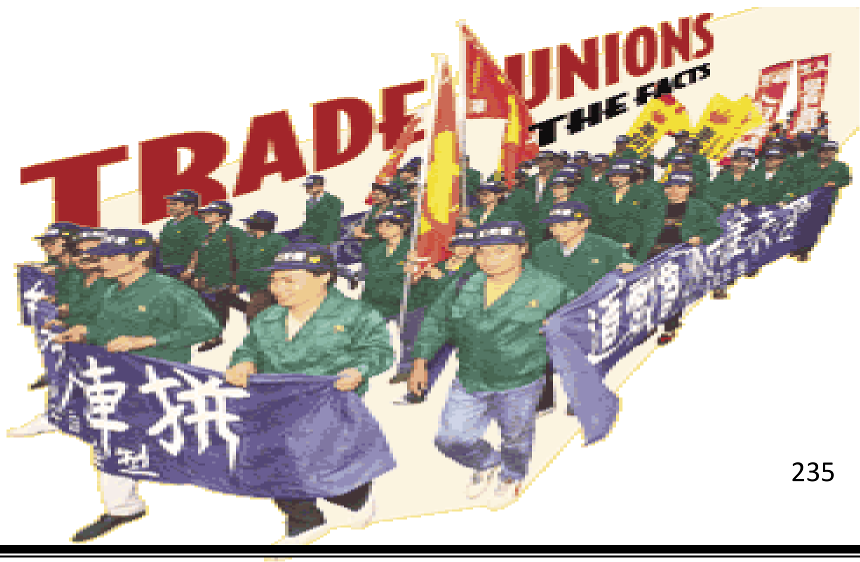
The WTO Hides Out in Qatar

This week, the World Trade Organization announced the cite for its next big meeting. You remember the WTO, don't you
It’s the trade group that occasioned the massive street protests in Seattle back in November '99, making Seattle synonymous not with Starbucks or grunge bands or Microsoft but with activism.
Well, it seems like the honchos at the WTO don't want any repeat, so they've chosen Doha, the capital of Qatar, as the host this November.

Get out your atlas.
Qatar is the little thumb of a country that sticks up from the eastern flank of Saudi Arabia.
To say that it's inaccessible would be an understatement.
I checked with my travel agent, and it would cost me $2,123 roundtrip from Chicago.
I don't imagine they'll be planes full of protesters descending on this meeting.
Getting there's just half the battle, though.
Protesting may be another thing entirely.
The State Department's report on Qatar, dated February 25, 2000, notes: "Qatar . . . is a monarchy with no constitution or political parties.
"Arbitrary detention in security cases, and restrictions on the freedoms of speech, press, assembly, association, religion, and on workers' rights continued to be problems."
The report adds, "The government does not permit domestic human rights groups to exist."
Now the emir of Qatar says protests will be allowed at the WTO meeting, but somehow that's not reassuring.
While such a repressive government may be ideal for avoiding another Seattle scene, it's almost a metaphoric concession that the WTO is oblivious to human rights, labor rights, and the most basic input from citizens.
But this wasn't the thing about Qatar that troubled the WTO planners. No, that's what made it attractive.
The primary concern, according to the Wall Street Journal, was not having enough hotel rooms for the delegates in Doha. But Qatar solved that one by offering to put them on cruise ships in the Persian Gulf harbor.
Cruise ships off Qatar--ah, the glories of globalization.

3. TRADE UNION:

Trade unions are organizations that represent people at work. Their purpose is to protect and improve people's pay and conditions of employment. They also campaign for laws and



policies which will benefit working people. Trade unions exist because an individual worker has very little power to influence decisions that are made about his or her job. By joining together with other workers, there is more chance of having a voice and influence.

3.1 Why Do People Join Trade Unions?

The main reason people join trade unions is so that they can have better pay and working conditions and union protection if there is a problem at work. The table below shows the result of a survey which looked at the reasons why people join trade unions and why they remain union members.

REASON	New members %	Members %
Support if I have a problem at work	81.5	65.9
Improved pay and conditions	42.0	39.6
Most people at work are members	15.4	32.5
I believe in trade unions	18.2	37.5
Industrial benefits/services	7.4	9.1
Financial services	3.5	2.5
Other	6.8	5.3

3.2 Types of Union

There are a number of ways that unions can be classified; the most common way is to place them in one of the three following categories

- Craft Unions are the oldest type of union. Workers with common skills often joined together to form unions. Examples are the Musicians Union or the National Union of Journalists.
- Industrial Unions are formed

by unions of a particular industry, such as coalminers, railway workers or gas workers Examples are National Union of Mineworkers or the Banking, Insurance and Finance Union (BIFU)

- General Unions are made up of workers with a wide range of skills. Examples are the Allied Trade Union or the Transport and General Workers Union (TGWU).

3.5 Qatar agrees to trade unions amid region's call for greater freedom:

Last updated: December 4, 2012

Amid continued controversy over Qatar's successful bid for the 2022 World Cup, migrant labor rights rather than the propriety of the Qatar bid campaign or women's and fan rights could prove the monkey wrench that produces social change in the conservative Gulf state.

At a time when Qatar and other Gulf states are rallying the wagons against the threat posed by the Middle East and North Africa's clamor for more transparent and accountable rule and greater freedom, the International Trade Union Confederation (ITUC) says it has wrangled a promise from Acting Qatari Labor Minister Nasser bin Abdulla Alhumidi to allow the creation of free and independent trade unions.

The ITUC, which has 175 members in 153 countries, has called for a boycott of the 2022 World Cup if Qatar fails to adopt international labor standers for its huge army of some 1.2 million foreign workers who it says toil in circumstances of virtual serfdom.

The group, which has already launched a low-key, online boycott campaign, exploited its rare presence in Qatar for a climate change conference to press its demands, which so far had largely fallen on deaf ears. Foreign workers are building billions of dollars of infrastructure in preparation for the World Cup.

"After a full and frank discussion, Qatar's labour minister assured me that if workers want to establish a union he will make sure that those who decide to join a union will not be punished. We will test him on that," ITUC General Secretary Sharan Burrow said in a statement.

3.6 Trade unions reject Qatar labor proposals

International trade unions have rejected proposals by the Qatari government to scrap the country's sponsorship system and establish labor unions.

Earlier this week, regional media reported that authorities in the gas-rich Gulf state were prepared to abolish the kafala system, whereby the visa and legal status of migrant workers is the full responsibility of employers. Critics say the system leads to exploitation of workers, as they must obtain permission from employers every time they leave the country.

It was also suggested that the government would look to set up trade unions, although foreign workers would not be permitted to become board members. Although no official announcement has yet been made, The International Trade Union Confederation (ITUC) has called for Qatari lawmakers to instead allow foreign workers to set up their own labour unions outside of government control.

“Workers must have the legal right to organize themselves in free, independent trade unions without punishment or interference from authorities,” said Sharan Burrow, general secretary of the ITUC, in a statement.

4. Pharmaceutical Industry:

Business Monitor International's Qatar Pharmaceuticals and Healthcare Report provides industry professionals and strategists, corporate analysts, pharmaceutical associations, government departments and regulatory bodies with independent forecasts and competitive intelligence on Qatar's pharmaceutical sandhealthcare industry.
BMI View: Qatar's attempt to introduce free market competition to its private drug distribution network has failed. Although the market would have eventually begun to correct prices according to the laws of competition, this did not happen fast enough and the rampant profiteering by distributors and retailers has forced the Supreme Council of Health (SCH) to backtrack and reintroduce price caps. This will dissuade new companies from entering the market and encourage pharmacists to continue prescribing expensive branded drugs.

- **Headline Expenditure Projections**

  1…. Pharmaceuticals: QAR1.16bn (US$319mn) in 2010 to QAR1.42bn (US$390mn) in 2011; +22.4% in local currency and US dollar terms. Forecast up from Q411 due to revised historic healthcare expenditure data and pharmaceutical price hikes.

  2…Healthcare: QAR9.70bn (US$2.66bn) in 2010 to QAR10.84bn (US$2.98bn) in 2011; +11.8% in local currency and US dollar terms. Forecast down from Q311 due to revised historic healthcare expenditure data.

  3…Medical devices: QAR615mn (US$169mn) in 2010 to QAR696mn (US$191mn) in 2011; +13.2% in local currency and US dollar terms. Forecast down from Q311 due to revised historic healthcare expenditure data.

- **Key Trends & Developments :**

1. In an effort to contain inflated pharmaceutical prices and profiteering by Qatar's small oligopoly of distributors, the SCH has reversed its decision to liberalise drug prices. The SCH has imposed a cap on the prices of 5,000 medicines, prohibiting distributors and retailers from making more than a 10% profit margin on drug prices.

2. It looks likely that India will soon conclude talks with all the member states of the GCC to agree an FTA. These talks began officially in 2006 after the signing of the Framework Agreement on Economic Cooperation in 2004, which paved the way for the current negotiations.

BMI Economic View:

A massive surge in the value of Qatar's hydrocarbon exports is set to leave the country's fiscal position in good shape heading into 2012. In spite of a significant ramping up of current expenditure - which we anticipate will lead to a 20.5% y-o-y increase in government spending through FY2011/12 (April-March) - we expect a 36.3% y-o-y rise in revenues to keep the budget firmly in the black going forward. We are forecasting a budget surplus of 7.4% of GDP in FY2011/12 (compared with 2.9% of GDP in FY2010/11) and do not expect the budget to fall into deficit until 2019. Though we caution that Doha's heavy dependence on hydrocarbon income leaves government coffers highly vulnerable to a sustained decline in global energy prices, we highlight that the country's US$60bn sovereign wealth fund reduces the implications of this risk, were a funding shortfall to emerge in the years ahead.

4.1 PHARMACUTICAL COMPANY IN QATAR

ACTAVIS

Actavis is one of the world's leading players in the development, manufacture, and sale of first-class generic pharmaceuticals. Founded in 1956, the Company has led an assertive programme of expansion, making more than 20 acquisitions in the past seven years while maintaining strong organic growth. The Group has approximately 11,000 employees operating in about 40 countries around the globe. Actavis' headquarters are in Iceland More details about the company and its products can be requested by calling the Administrative office at +974 4320887/909/919

SPIMACO

Saudi Pharmaceutical Industries & Medical Appliances Corporation (SPIMACO) is a Saudi Joint–Stock company with a fully paid-up capital of SR 600 million. It was established in 1986 with the main objective of setting up an advanced pharmaceutical industry in the Kingdom of Saudi Arabia, for the local production of medicines and medical appliances and to market these products inside the Kingdom and for Export. SPIMACO has developed a strong position in Saudi Arabia and is well positioned to sustain its growth and have a sound platform to serve export markets. SPIMACO main manufacturing facility – Al–Qassim Pharmaceutical Plant was planned, constructed and equipped up to the highest quality levels. SPIMACO earned a lot of national quality awards and attained major international certifications. SPIMACO serves successfully several markets locally and internationally and have built superior relations with regulatory bodies and the medical professions at large. The heavy investments in regulatory, marketing, sales and international alliances gave SPIMACO the market capabilities to prosper and overtake a lot of competitors. An important and distinctive advantage of SPIMACO strategy is its relations with multinational companies. A very flexible, objective and versatile approach let to a multitude of relationships that served the interests of all parties. SPIMACO is a successful joint stock company and it has one of the most actively traded shares in the Saudi stock market. Its financial performance over 11 years of operation is a model picture envied by numerous public companies.

PHARCO

Pharco pharmaceutical is an Egyptian shareholding company headquartered in Alexandria, Egypt. The company manufactures and markets more than 250 brand and generic products which almost cover all pharmacological drug groups and all conventional pharmaceutical dosage forms. The manufacturing process of the soft gelatin capsules is a unique model, as it is the only licensed facility in the Middle East & Africa by R. P. Scherer- USA With customer focus in mind, Pharco is able to answer and anticipate its customer needs. By cultivating strong relationships with healthcare practices and professionals, Pharco has always sought to become a true partner in facing a world of constantly changing healthcare challenges. The continuous confidence and support provided by both patients and healthcare professionals have put Pharco on top of the list of pharmaceutical companies in Egypt, a fact testified by the annual unit sales which ranked Pharco as the second seller of pharmaceuticals in Egypt. In Qatar, Pharco provides its customers and patients with products with value for money, this strategy has helped Pharco to become the market leader in many therapeutic groups. Some leading brands include. Fawar Fruit, Uricol Eff, Ulstop caps & Farcolin sy. For further information on PHARCO products, please contact Mr Yohan Fariz Ziard, Medical Representative, Pharco Pharmaceuticals on his mobile : +974 5373718 or by e-mail pharco@qatarpharmacyest.com or by calling Administrative office at +974 4320887/909/919.

FERRING

Ferring Pharmaceuticals is a research-driven biopharmaceutical company devoted to identifying, developing and marketing innovative products in the fields of urology, gynaecology & obstetrics, gastroenterology and endocrinology. The company's research activities and products are connected by a common thread focused on the provision of tailored treatments that work on the body's own terms to enable doctors combat numerous diseases and medical conditions. The company has gained international recognition over the last 20 years for the creation of inventive medications that improve the quality of life of children and adults all around the world. In recent years Ferring has expanded beyond its traditional European base.

It now has offices in over 40 countries employing over 2,700 people, and its treatments are available in more than 70 countries. This expansion has allowed Ferring to maintain a double digit annual growth rate over the last two decades. FerringR17;s R&D projects complement Ferring's product portfolio and will add a new generation of products to some of the company's most successful specialty brands. Ferring is committed to a future where it will continue to provide new and innovative medicines by utilising existing and acquired skills and the development of pioneering technologies and, where necessary, through partnerships with academic institutes and other companies. For further information on any of FERRING products,please contact Mr.Shadi Saleh Medical Representative, Ferring Pharmaceuticals C/O: Qatar Pharmacy Est. P.O.Box: 390, Doha - Qatar. Office: +974-4320887 Fax: +974-4320933 Mobile: +974-5425657

PHARMACEUTICAL SOLUTION INDUSTRIES LTD. (PSI)

In the Industrial Estate of Jeddah, Saudi Arabia's commercial capital lies one of the Kingdom's biggest manufacturing enterprises pharmaceutical solution Industries (P.S.I.). In cooperation with Fresenius, the leading German company, P.S.I. is based on the most advanced technology to produce life-saving intravenous fluids, dialysis solutions and oral feeding solutions. The factory of P.S.I. was built in 1980, and the commercial production was started in September 1983. More details about the company and its products can be requested from the Medical Representative, DR SAMER AL OTAIBI by contacting him at psi@qatarpharmacyest.com or on his mobile phone : +974 5423074 or by calling the Administrative office at +974 4320887/919/909.

SEDICO

Started way back in the year 1990,SEDICO has managed to stick along, very well. The company has stretched, elongated and diversified into newer therapeutic areas while consolidating the existing ones. And all the diversification has emerged the production of newer products to roll out from the factory. The products deal with some of the most vital parts of a human system. We will come to that later, meanwhile let's get a feel of the more vital factors and make out as to what made this company a pretty well known pharmaceutical giant. History For all the gains and pains it can today proudly boast of being a ISO 9001 & ISO 14001 certified company. The battles and trials have been worth every piaster spent, they have turned into an ocean of excellence and satisfaction, with many a happy client. The production facility just seems to have got better and as to date the company can feel a tinge of pride to being one of the largest and most experienced contract manufacturer for a number of multinational companies naming Organon pharmaceuticals (akzo-nobel group), which on the other hand owns 24% of the company's shares. SEDICO pharma, to put it very correctly is a pharmaceutical manufacturer, which possesses excellent facilities and state-of-the-art manufacturing equipment. The company has strategic alliances with several multinational companies; these strategic alliances have resulted in the spawning of state-of-the-art-facility for Bio-technology products, which includes Insulin, Epoietin, Angikinase, Sedonase etc For more information on SEDICO range of products,please contact the Medical Representative, Dr Ali Laboudy on his mobile or the Administrative office Tel: +974 4320887/919/909, Fax: +974 4320933.

VITABIOTICS

VITABIOTICS Vitabiotics has manufactured innovative health care products for over 35 years; a British company committed to human and research. "Vitabiotics strives to respond sensitively to consumer needs, researching and developing scientifically proven, nutrient based healthcare solutions of a quality and efficacy for world healthcare markets". Progress through the years • Vitabiotics is founded in London by Dr K.T.Lalvani and Dr H.Meyer, of Bonn University, launching the licensed mouth ulcer treatment Oralcer, with a British patent. • Developed Omega-H3®, the comprehensive multivitamin , now the No 1 selling around the world. • National launch of Premence® and Menopace® following success in independent UK clinical trials. • UK market data confirms Pregnacare®, Menopace®, Perfectil® and Osteocare® are all brand leaders in their fields. • Vitabiotics' market activity extends to over 80 countries worldwide. • Vitabiotics enters the US market and strengthens web presence with launch of e-commerce site. What makes Vitabiotics' products successful? • Vitabiotics' products are developed by a team of highly qualified pharmacists, and medical consultants in conjunction with UK universities * The University of Oxford The role of micro-nutrient supplementation during the menopause (Menopace®). * Glasgow Caledonian University Department of Vision Science The effect of antioxidant supplementation on eye tear film stability and Conjunctively health (Visionace®). * The University of North London, the Institute of

Brain Chemistry and Human Nutrition ‘The Preconception Intervention Programme’ (Pregnacare®). * University of Reading The MIDI (Micronutrients and Diabetes) study (Diabetone®). • Ingredient in formulations carefully balanced to maximize their combined effect.

• Formulations updated and improved on basis of the latest research. • Products shown to be highly effective during independent clinical trials. • Free from artificial colors, gluten, fat, salt and yeast. World class pharmaceutical control Every Vitabiotics product is high pharmaceutical standards of quality control. Manufacture is fully licensed according to Good Manufacturing Practice (GMP) under conditions approved bay relevant authorities such as the MCA, FDA and according to exacting standard such as ISO 29 002 . Our mission Innovation is the key to Vitabiotics’ success. This means keeping at leading edge of international research on the one hand, will remaining sensitive to specific consumer needs on the other. Vitabiotics has a profound commitment to translating the latest scientific advancements into effective products, which are fully integrated with modern consumer lifestyles. “Vitabiotics guarantees the highest technological skills and a dedication to excellence”. For futher information,please contact: Mr Christofer Medical representative, Vitabiotics Qatar Pharmacy establishment e-mail:vitabiotics@qatarpharmacyest.com or Mobile: +974 5455034 or at +974 4320887/909/919(Administratve office).

YANASE WAITCH

LEIRAS

BEHZAD PHARMACY

BEHZAD PHARMACY is one of the first Pharmaceutical Distribution in the State of Bahrain, established in 1947 by Dr. Qassim Mohamed Behzad after his graduation from the Medical College, New Delhi-India, in 1942 (as one of the first Bahraini Doctor in the Gulf Area).Between 1947 and 1985, BEHZAD PHARMACY/ Manama, which began developing with the life in Bahrain became one of the branches of Behzad Medical Establishment (in 1985) along with BEHZAD EXHIBITION / Sitar (the only Medical Showroom in the Island for the Medical Equipments, Disposables and Hospital Furniture's), RIFFA PHARMACY/ East Riffa and the latest branch, FAMILY PHARMACY/ Isa Town. BEHZAD MEDICAL ESTABLISHMENT has been registered with Ministry of Commerce during 1985, for export and import to Governmental and other private Hospitals requirements. To elaborate the History of Behzad Name.

In 1942 (August), Dr. Behzad started his private Clinic in Al-Ahsa, Kingdom of Saudi-Arabia until the end of 1943.In 1944, we are proud to say that Behzad Hospital and Pharmacy are the first Hospitals established in Dubai until the opening of El Mactum and Kuwait Hospitals. We're forced to close the hospital and kept the Pharmacy which is also closed in 1985-86 because of tough rules and regulations. In 1947, the first Nursing Home and Pharmacy established in Doha-Qatar until the Government Hospital started, again, we're forced to close the Nursing Home and started developing the Pharmacy and Hospital Supply.And today, we are one of few Pharmacies which specializes in the distribution of all kinds of Medical Products, Laboratory Equipments and Pharmaceuticals, to the Governmental and Private Institutions in Bahrain and Qatar. HERITAGE

Dr. Qasim Mohamed Behzad, the founder of Behzad Pharmacy (BEHZAD MEDICAL EST.), is the son of Dr. Mohamed Mahmood Behzad, the first Doctor by experienced who is being the Family Physician to the Royal Family in Qatar and U.A.E. The legacy to the full has been inherited by his Son, Dr. Qassim Mohamed Behzad.

An Octogenarian now, Dr. Qassim Mohamed Behzad tends a partibly retired life while BEHZAD MEDICAL EST. is managed by his Son, MR. ABDUL AZIZ Q. BEHZAD with the help of his Brother Pharmacist, MR. ESSAM Q. BEHZAD.

Ebn Sina Medical Establishment:

Ebn Sina Medical was established in the year 1971 as Ebn Sina Pharmacy, a retail pharmacy at Al Rayan Street. It was and still part of and by owned Al Faisal Holding Company. Between 1971 and 1980 Ebn Sina was acquiring exclusive distribution ship agreements and reputable suppliers and managers in all lines related to health, (medical equipment, pharmacies, dental hospital sundries, mother and child health, skin care and cosmetology), all at a small office located above the pharmacy. By 1980 the pharmacy had managed to make a considerable number of partners, exclusive agreements and was able to acquire a lot of agencies. Here, a great demand for an establishment finding aroused, in order to scoop the business within principals, to direct and frame the business. So the birth of Ebn Sina establishment was a must, and it was done later on that year.

Since then Ebn Sina concentrated it's effort and managed to grow rapidly to acquire 3 more pharmacies to complete with the growing market in Qatar, it was considered by then the 2nd on going establishment in the marke.With the new millennium Ebn Sina managed to hit the market by following a full customer satisfaction policy and providing good quality products and services, the policy was implemented through the ISO 9002: 1994 Quality Management System, Which covered all the company's operations and organization, and provided framework for its quality objectives. This Quality Management System was upgraded to ISO 9001 Version 2000 later on in the year 2003 as per the international requirements.

With the new millennium, Ebn Sina added to its outlets list, two more pharmacies in the year 2000, and in year 2004 another one new pharmacy was acquired. Ebn Sina now holds a total of 7 pharmacies and two Foot Care Centre. The Foot Care Centre was a great breakthrough in the Consumer Health area, it was the first center in Qatar that offered full services directed to foot care. It in now growing to be one of the leading care centers in gulf area.

Our scope of retail expanded to include a new Italian franchise specialized in Skin Care and Cosmetics; it is our new outlet, Bottega Verde. Today Ebn Sina Medical Establishment shares 55% of the total Pharma Market in Qatar(which is about 55 million US$ for both private and government sectors) the calculation was done by using market information , Hamad Medical Corporation (the only governmental hospital in Qatar) and samples from pharmacies , because unfortunately we have no IMS or similar official data in the market.

The future holds a lot of names “A chance for the brave “is Ebn Sina’s…….Our future plans are big and wide, but we are sure we can achieve them, since we have all the tools and the competences to do so. We focus on our people, our internal customers, and work to satisfy them and to invest in them as much as our external customers, because we believe that our strength and power comes from the inside to the outside

Scitech Arabia Co. Wll:

SciTech Arabia was established in 1980 as a Distribution Company by **Mr. Ali Bin Nasser Al-Misnad** a well-known Qatari Businessman and the chairman of the company, under able leadership of **Mr.Surinder Samudre** and **Mr.Hassan Kunh**i with the objective to cater to the fledgling Health and industrial sector in the State of Qatar.

The invaluable experience and expertise of its staff and management has helped the company provide a personalized service to all its customers. With its worldwide connections and resources, **SciTech Arabia** offers a standard of service comparable to any multinational company. The company has weathered all storms since the company's inception and clearly steered the business to its present success. As a Company we have years of unblemished track record and have garnered valuable experience in the Qatar market. Our professional strength lies in achieving our set goals and striving towards Customer satisfaction.

In year 2000 **SciTech Arabia** has diversified into pharmaceutical business. Hala Pharmacy, Sheehana Pharmacy, Home Pharmacy Corniche Pharmacy and Freedom pharmacy are some of the established pharmacies in Doha owned and managed by **SciTech Arabia**

And today, we are one of the renowned companies which specializes in the distribution of all kinds of Medical Products, Laboratory Equipments and consumables, Industrial Equipment and Pharmaceuticals, to the Governmental and Private Institutions in Qatar. SciTech Arabia has undertaken aggressive expansion plans that will spread its already strong presence regionally. Its objective is to expand upon its remarkable Qatar growth and to be the successful link to regional markets of the Middle East, Africa, and Near East Asia for many of its principal companies. From its Doha base it will manage the regional marketing and distribution for its many represented manufacturers.

5. A PESTLE Analysis for the Pharmaceutical Industry

It never ceases to amaze me why so many businesses fail to take the time to look at the macro and the micro environments when completing their business

plans and strategies. These external forces will play a big part in shaping the final outcome of the ultimate corporate achievement. Yet, most managers focus only on internal factors and it is fair to say that sales growth and profits remain high on their agenda.

The macro environment tends to have a long term impact and requires extensive research. Couple this with the fact that many managers are over worked and under resourced and we begin to see why the process is often not completed. There is no published evidence to confirm this hypothesis, just anecdotal hearsay. The remainder of this article will illustrate an example of a Macro or PESTLE analysis for the pharmaceutical industry. It is set at a very general level but it can be used as a template or adapted to be more specific if required:

Political:

There is now growing political focus and pressure on healthcare authorities across the world. This means that governments will be looking for savings across the board. Some of the questions the industry should ask are:

- What pressures will be put on pricing?

- What services will be cut?
- Will the same selection of drugs be available to everyone?

In addition to this, could there be more harmonization of healthcare systems across Europe or the USA? What impact will reforms have on insurance models?

Political issue in the country with its impact…..

- Growing political focus and pressure on healthcare, global govt. looking for healthcare saving for cut backs more pressure on pricing, reference pricing, exposing prices across border.

Economic

The global economic crisis still exists yet government reports still show that the spend on healthcare per capital continues to grow. Will the current healthcare models exist tomorrow? The growth in homecare (as seen in the Nutrition sector) demonstrates how nursing services have moved to the private sector and have become a key business offering.

The reduction in consumer disposable income will have an impact on those countries using health insurance models particularly where part payment is required.

These economic pressures are seeing an increased growth in strategic buying groups who are forcing down prices.

Increased pressure from shareholders has caused a consolidation of the industry: more mergers and acquisitions will take place over the coming years.

❖ Economic issues of the country…….
- Global economic crisis.
- Reduction in individual disposable income.
- Increasing number of buying groups putting pressure on pricing.
- Reduction in pharmacy growth.

❖ Impact on the business of economic issues……

- Reluctance of consumers to spend on healthcare.
- Again, an increased pressure on pricing, however market is likely to grow due to aging population.
- Need to introduce value adding processes.
- Increased pressure from shareholders.

Social / Culture:

The increasing aging population offers a range of opportunities and threats to the pharmaceutical industry. The trick will be to capitalize on the opportunities.

There is also the problem of the increasing obesity amongst the population and its associated health risks.

Patients and home careers are becoming more informed. Their expectations have changed and they have become more demanding. Public activism has also increased through the harnessing of new social networking technologies. How can pharmaceutical companies get closer to consumers without over stepping the regulatory boundaries?

Social/ cultural isses of the country…….

- Patient awareness, changing expectations.
- Patient/ public activism is also increasing (e.g. amassing new social networking technologies.)
- Increasing age of population & growth in obesity.

❖ Impact on the business of Social/ cultural isses…

  - More pressure on customs service, increased need for education and more price transparency.
  - Better intelligence gathering requires.
  - Market likely to grow with increasing health concerns.

Technological:

Technological advancements will create new business prospects both in terms of new therapy systems and service provisions. The online opportunities will see the growth in:

- New info and Communications technologies.
- Social Media for Healthcare.
- Customized Treatments.
- Direct to Patient Advertising.
- Direct to patient communications.

❖ Technological isses of the country…….
  - New information and communication technologies (social media).
  - Customized treatments.
  - Direct to patient advertising.

❖ Impact on the business of Technological issues.
  - New digital opportunities: creating new "e-models".
  - Direct to patient communications.
  - More responsive service facilities required.

Environmental

There is a growing environmental agenda and the key stake holders are now becoming more aware of the need for businesses to be more proactive in this field. Pharma companies need to see how their business and marketing plans link in with the environmental issues. There is also an opportunity to incorporate it within their Corporate Social Responsibility programmers. Marketing and new product development should identify eco opportunities to promote as well.

The information above illustrates just a fraction of the likely macro factors involved in the pharmaceutical industry.

❖ Environmental isses of the country…….

- Growing environmental agenda and community awareness.

❖ Impact on the business of Environmental issues..

- Identify eco opportunities to market.

Legislation

The pharmaceutical industry has many regulatory and legislative restrictions. There is also a growing culture of litigation in many countries. The evolution of the internet is also stretching the legislative boundaries with patient's demanding more rights in their healthcare programmes.

❖ Legislation isses of the country…….

- Changes to advertising laws.
- Increased litigation.
- Global inconstancies.

❖ Impact on the business of Legislation isses..

- Need to focus on education.
- Quality becomes key
- Unable to rationalize.

6. History of Pharmaceutical Industry in Qatar:

Business Monitor International's Qatar Pharmaceuticals and Healthcare Report provides industry professionals and strategists, corporate analysts, pharmaceutical associations, government departments and regulatory bodies with independent forecasts and competitive intelligence on Qatar's pharmaceuticals and healthcare industry.

BMI View: Qatar's attempt to introduce free market competition to its private drug distribution network has failed. Although the market would have eventually begun to correct prices according to the laws of competition, this did not happen fast enough and the rampant profiteering by distributors and retailers has forced the Supreme Council of Health (SCH) to backtrack and reintroduce price caps. This will dissuade new companies from entering the market and encourage pharmacists to continue prescribing expensive branded drugs.

- **Headline Expenditure Projections:-**
  1. Pharmaceuticals: QAR1.16bn (US$319mn) in 2010 to QAR1.42bn (US$390mn) in 2011; +22.4% in local currency and US dollar terms. Forecast up from Q411 due to revised historic healthcare expenditure data and pharmaceutical price hikes.
  2. Healthcare: QAR9.70bn (US$2.66bn) in 2010 to QAR10.84bn (US$2.98bn) in 2011; +11.8% in local currency and US dollar terms. Forecast down from Q311 due to revised historic healthcare expenditure data
  3. Medical devices: QAR615mn (US$169mn) in 2010 to QAR696mn (US$191mn) in 2011; +13.2% in local currency and US dollar terms. Forecast down from Q311 due to revised historic healthcare expenditure data.

- **Key Trends & Developments :**

3. In an effort to contain inflated pharmaceutical prices and profiteering by Qatar's small oligopoly of distributors, the SCH has reversed its decision to liberalize drug prices. The SCH has imposed a cap on the prices of 5,000 medicines, prohibiting distributors and retailers from making more than a 10% profit margin on drug prices
4. It looks likely that India will soon conclude talks with all the member states of the GCC to agree an FTA. These talks began officially in 2006 after the signing of the Framework Agreement on Economic Cooperation in 2004, which paved the way for the current negotiations.

61.)Pharma-Q's Company Profile

Overview

Pharma-Q is one of South Africa's leading contract manufacturing businesses with over 14 years experience in pharmaceutical contract manufacturing and we service a large base of the country's most reputable and established pharmaceutical companies. We pride ourselves on providing our clientele with quality medicines backed by our people's expertise and unwavering commitment to ensure that the medicines we manufacture are indeed safe and reliable. Pharma-Q believes that energy, honesty, commitment to delivery and passion are the qualities needed to set the company apart from its competitors. We are the only Dental Cartridges Manufacturer in South Africa and one of only a select few licensed Steriles Manufacturers.

Pharma-Q has approval from MCC. We are the only South African Manufacturer registered in Dubai and we are in process with approvals to export to the GCC (Bahrain, Kuwan, Oman, Qatar, Saudi Arabia and the United Arab Emirates). Through our access to world-class pharmaceutical technology, equipment and skills, Pharma-Q has strong R&D; API and Formulation capabilities locally, and augmented by international back-up.

Pharma-Q has set ambitious goals for the future to become a competitive global player and to set the De Facto industry standard for manufacturing of a focused range of pharmaceutical products.

This includes our own extensive product range for the Local and Global market.

Pharma-Q was established in 1998 and was acquired by the following businesses in November 2005:

- Micro Labs Ltd Group
- The Siroya Group
- Holistic Remedies (Pty) Ltd

Pharma-Q applies its technology in the following business areas which constitutes the company's product base:

- Sterile - eye, ear drops, eye ointments as well Injectables glass ampoules, vials and dental cartridges
- Liquids, Creams and ointments
- Tablets, capsules and powders
- Contract testing
- Regulatory services

Pharma-Q Mission:

- To be leaders in manufacturing of pharmaceutical products through innovation, quality orientation, service excellence and cost effectiveness in the South African Market.
- To ensure the profitability and growth of our company for the long-term benefit of our shareholders, our customers and our employees.
- To ensure a work culture that propagates freedom of thought and growth for each individual.

6.2 Products:-

- **Steriles:-** -
  we are proud to include the manufacturing and packaging of the following sterile products:

- Ampoules
- Dental Cartridges
- Eye Drops
- Eye Ointments
- Vials

All filling processes are performed aseptically. The new vials filling facility is state of the art. Production in vials ranges from SVP to LVP's and Pharma-Q produces the most diverse range of sterile dosage forms in South Africa.

Liquids Creams and Ointments LCO prides itself in the production of quality approved Liquids, Creams and Ointments. Our focus is on:

- Oral Syrups and Suspensions
- Oral Gargles and Sprays
- Topical and Vaginal Creams
- Topical Ointments
- Topical and Vaginal Gels
- Haemodialysis products
- Veterinary Suspensions

We are able to provide products in a wide variety of glass and plastic bottles, metal and plastic tubes as well as jars of various sizes.

- **Solids:-**

  Our solids department is capable of producing solid dosage forms which include:

- Tablets - plain, film and sugar coated
- Capsules of different sizes
- Granules and powders

These are packed in blisters or various glass and plastics containers.

Social Responsibility

As a pharmaceutical business, Pharma-Q believes that the well being of its employees is vital and ensures that the prevention and care for illnesses is a priority.

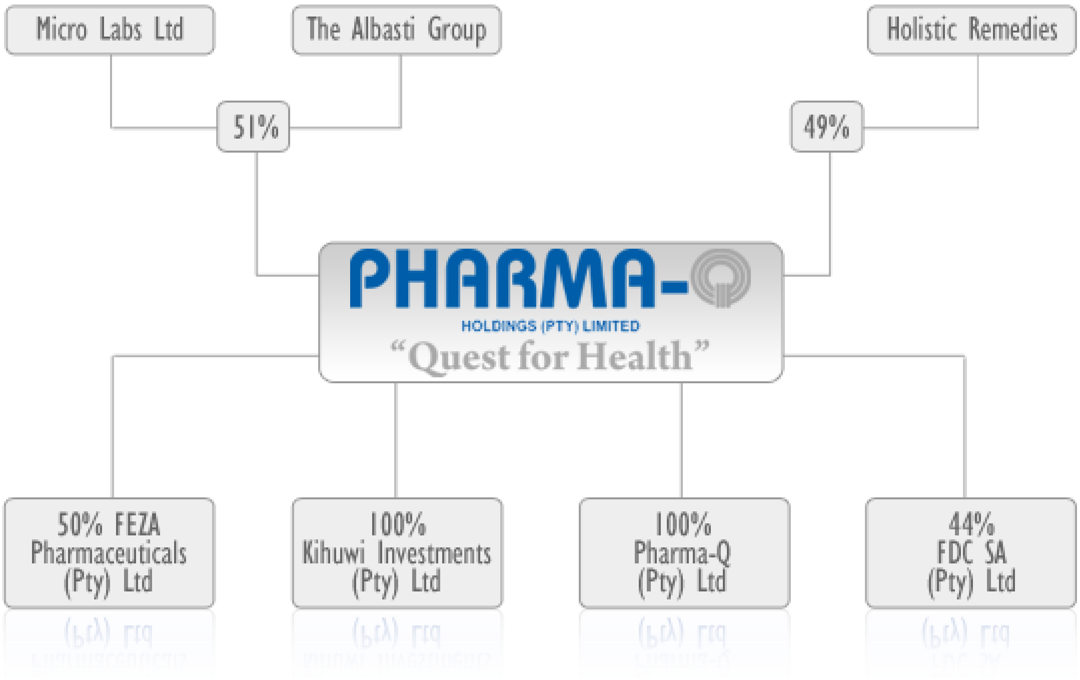
Pharma-Q has therefore set up an on-site clinic at the Johannesburg plant that provides the following services:

- Chronic disease management
- General employee wellness programs
- Involvement in safety matters
- Monitoring of sick leave absenteeism
- Attendance to injuries on duty and administration of Compensation Commissioner claims
- HIV/ Aids counseling/ VCT
- Family planning
- Guidance to first aiders
- Limited primary healthcare services

We have a permanent on-site clinic with a full time occupational health practitioner and a medical practitioner on a weekly basis to attend to the medical needs of our staff. The focus is on occupational health with pre-employment and periodical medicals being done on a regular basis. We provide information sessions to our staff aimed at promoting medical awareness, for example Breast Cancer and HIV Aids awareness.

Pharma-Q offers training and development opportunities for our staff members to improve skills, knowledge and qualifications that are in line with the company's needs for example a pharmacist assistant qualification. Internships to Medusa second year Pharmacist students that form part of their curriculum are provided at Pharma-Q.

Shareholders:-



Micro Labs Group Ltd is an India-based pharmaceutical company with 30 years business existence. The company has twelve manufacturing plants globally and is proudly one of the top 15 pharmaceutical companies in India amongst 20 000 other businesses in the industry.

The Siroya Group is based in the United Arab Emirates with a strong focus on the manufacturing of gold and diamond jewellery, the construction industry and emerald mining in Zimbabwe.

Holistic Remedies Group owns shares in a number of companies. Some of its subsidiaries are:

- AMKA Holdings (100%) - AMKA was established in the early 1950's and now owns many leading beauty brands, including Sof 'n Free, Clere and Easy Waves. It is rated as one of the top 300 companies in South Africa and has consistently been listed as one of the top 10 empowerment companies in the country.

- Nativa (49%) - Nativa is a pharmaceutical marketing and sales company that began in the alternative and natural health care market in South Africa in 1999. The company owns some of the leading health-care products in this segment, some of which include Linctagon, Turbovite and OsteoEze.

FDC Limited (India) was established in 1936 and is today among India's leading Pharmaceutical companies. The company operates world-class manufacturing and R&D facilities in India, and also exports to over 50 countries, including the US, South Africa, UK, Europe and Japan.

Pharma-Q Values

- Customer care and service
- Integrity
- Empowerment
- Networking
- Creativity and innovation
- Diversity and specialization

6.3)Taj Pharmaceuticals Limited:

Taj Pharmaceuticals Limited firmly believes that quality can not be talked into a product, but has to exist inherently. Its efforts towards realizing world class quality standards.

Taj Pharmaceuticals Limited’s rapid growth and expansion in the international and domestic markets led to the commencement of a new formulations manufacturing facility at Baddi, Himachal Pradesh, in the last quarter of 2010-11. The upcoming facility, built to world-class standards, will have capacity to manufacture 2100 mn tablets and shall become operational in JN 15.

Investment of around 2.35 million USD is also being made to augment the API capacity in Taj Pharmaceuticals Limited’s existing plant at Maharashtra .This will ensure supply of quality API for supply of formulations to the regulated markets, especially USA and EU.

An organizations capabilities and intent are strongly reflected in the product it manufactures. In other words, the manufacturing competencies and facilities echo truly, the R&D extent and the ability to implement it for the best of the market it targets.

Taj Pharmaceuticals Limited’s manufacturing strengths have established it as a producer of world-class generics, branded generics and a major supplier of its range of Active Pharmaceutical Ingredients. Taj Pharmaceuticals Limited has world-class manufacturing facilities in seven countries namely China, Ireland, India, Malaysia, Nigeria, USA and Vietnam.

Its overseas facilities are designed to cater to the requirements of the local regulatory bodies of that country while the Indian facilities meet the requirements of all International Regulatory Agencies. Some of the agencies such as MCA-UK, MCC-Sout Africa, FDA-USA and TGA-Australia, have audited and approved Taj Pharmaceuticals Limited’s manufacturing facilities for the compliance with international. Good Manufacturing Practices and have registered its products for safety, quality and efficacy. Taj Pharmaceuticals Limited exports raw materials, intermediates, prescription drugs, OTC products and veterinary products. Taj Pharmaceuticals Limited also offers technology for products and processes. Technical know-how/fees received during the year 2004-05 amounted to Rs.415 million. Taj Pharmaceuticals Limited's manufacturing facilities have been approved by the following regulatory authorities:

- Food and Drug Administration (FDA), USA
- Medicines and Healthcare products Regulatory Agency (MHRA), UK
- Therapeutic Goods Administration (TGA), Australia
- Medicines Control Council (MCC), South Africa
- National Institute of Pharmacy (NIP), Hungary
- Pharmaceutical Inspection Convention (PIC), Germany
- World Health Organization(WHO)Department of Health, Canada State Institute for the Control of Drugs, Slovak Republic ANVISA, Brazil.

Manufacturing Capacities ::	Formulation Qty. in Million
Tablets	2887
Gard Gelatin Capsules	260
Soft Gelatin Capsules	435
Ampoules	42
Vials (Insulin)	08
Drysterilf Injectables (Freeze Dried)	0.1

- **Marketing Strategies (For Doctors):-**

Thank you very much for visiting our website. We are a very different pharmaceutical company. Our mission is to provide innovative products which satisfy real needs while ensuring maximum safety for everyone's' benefit. Our range of products have been widely appreciated by the medical community and have benefited thousands of patients and we are thankful to all the Doctors who have extended their valuable support for our products and have given us suggestions/ideas for new products, promotions, etc. We would be grateful if you could email us products of your interest and suggestions.

- **(For Consumers / Patients'):-**

Thank you for visiting our website. Most of our products are for treating day-to-day aliments and offer benefits to satisfy patient needs. Leading Doctors are extremely happy with our products and have passed on the benefits to a large number of patients who are all highly satisfied with the results. Choose the product of your need then consult your Doctor, alternatively you can give us your Doctors' phone no. and email ID. so that we can communicate the required details to your Doctor. If the product is not available in your area kindly inform us, we can arrange to send it to you by VPP or courier. We would be grateful if you could email us products of your interest and suggestions.

- **Sales and Marketing**

The success of this venture will depend not merely on the quality and variety of services and features that we present to you, but your active participation at virtually every page of this doctor-centric portal. "Taj Pharmaceuticals Limited"., has achieved the level of development when it does not have to prove every day that **"we exist".** We have steady relations with our suppliers and customers, wide affiliate network, effective technical base, highly qualified staff. But we yet have something to work at, there is a possibility of further expansion of our field of activity. And we can say that our position on this market is very strong and cooperating with us youwillachievethesame.Tajfordoctors.com is an Internet resource that aims to create a virtual platform where doctors of all specialties, age, sex and creed, irrespective of geographies come together and interact to share and enhance knowledge. In the medical profession, knowledge and information are essential. Tajfordoctors.com recognizes this and thus we bring you daily news sourced from Reuters, classified according to specialty.

The Knowledge Bank section is a resource of articles by eminent medical personalities. Not forgetting every profession has its Lighter Side; we indulge in jokes, cartoons and trivia as well. Doctors, you can also build your very own homepage and chat with your fraternity. Meeting up with your college friends is made easy through the College Mates section, where you can search for classmates and chat with

- **Product and services:**

At Taj Pharmaceuticals we invest heavily in long-term research and development programmers aimed at creating new diagnostic and therapeutic options for the many health problems facing mankind. This is the most important way in which we make a difference. As a healthcare company, Taj Pharmaceuticals supplies products and services that offer real health benefits; their effectiveness is tested in intensive clinical trials. Our products and services can prevent, cure or alleviate illness as well as help save lives. We care about the health of every individual. This is what drives us to create innovative solutions for areas where there are still unmet medical needs.

This is our contribution to sustainable healthcare. Our products and services make it possible for patients to receive prompt and effective treatment tailored to their individual requirements. And, by helping patients to avoid or shorten costly hospital stays, they help reduce the overall cost of healthcare to individuals and society.

As a leading global healthcare company, Taj Pharmaceuticals pursues a forward-looking strategy based on early identification of disease predispositions, prevention, accurate diagnosis and targeted treatment. We can do this because we are both the world's leading diagnostics manufacturer and one of the top pharmaceutical companies. Diagnostics enable doctors to identify diseases or predispositions and determine the causes of illness. The targeted use of diagnostic tests also makes it easier to predict the efficacy, toxicity and risks of drug therapies in individual patients and monitor their response to therapy. Drugs can prevent, cure or alleviate illness. Tools for linking, organizing and analyzing patient and other data can be used to generate clinically actionable health information. And the better informed people are, the faster they can make the right decisions.

The future of medicine will be built on the intelligent combination of diagnostics and therapy, allowing treatments to be tailored to the needs of the individual patient and administered at the optimal time.

The likelihood of successful treatment with the breast cancer drug Perception, for example, can be determined before the medication is given. The surface of cancer cells is studded with a receptor protein called HER2, which stimulates tumor growth. A diagnostic test shows which breast cancer patients have elevated levels of HER2, and Perception is prescribed only for those patients who test positive. HER2-positive cancers are considered especially hard to treat. By targeting and blocking HER2 receptors, the drug inhibits tumor growth, resulting in a significantly improved prognosis. Perception has made Taj Pharmaceuticals a pioneer in individually tailored medicines.

- **Social responsibility**

Taj Pharmaceuticals Supports the social dimension of sustainability as a global healthcare company, Taj Pharmaceuticals has been contributing to the quality of life of people around the world for over a century through the discovery, development and production of innovative solutions for the healthcare sector. We are constantly looking for innovative ways of improving healthcare delivery and making our solutions more readily accessible, in particular for needy people in the poorest countries of the world. Because of the alignment between our diagnostics and therapeutics businesses, we are able to contribute to the effective use of these countries' very limited resources. When assessing projects, we focus on the potential health impact rather than on the cost. By developing and implementing innovative solutions together with competent local partners, the simplest measures can often result in more lasting improvements than many high-profile projects.

Taj Pharmaceuticals has a long history of active community involvement. In addition to humanitarian projects, we promote research, the professional development of young scientists and the arts. The company also encourages its employees to get involved in their local communities. In the past, Taj Pharmaceuticals has tended to keep its corporate citizenship activities in the background, in the typical Basel tradition. Discretion and patronage have been clearly at the forefront. Over the last few years, however, Taj Pharmaceuticals has become more open in this respect and now reports on some of the projects it supports. Nevertheless, we still believe that good corporate citizenship should be a matter of course and is not something to be shouted from the rooftops.

6.4) SANOFI PHARMACEUTICAL:

SANOFI

“Because Health Matters” is the sanofi-aventis perspective and commitment towards patients.

Jean-Marc Voissier,
General Manager

In spared by this powerful vision, sanofi-aventis in United Arab Emirates aims to provide long-term support and work in partnership with health care professionals and their patients. It is the mission of sanofi-aventis to bring hope to the community by providing the greatest number of people with medicines that are essential to improving their health.

Being leaders in 7 therapeutic classes; cardiovascular, thrombosis, metabolic disorders, internal medicine, oncology, central nervous system, and vaccines, we enforce our commitment towards health on daily basis. It is our duty to facilitate Access to Medicines and make products available at prices which are adapted to local income levels. Sanofi-aventis is one of the largest leading pharmaceutical companies in the world. Its main objective is to provide exceptional health care to all patients who need it. Supported by an innovative R&D, sanofi-aventis aims to keep its promise in providing novel compounds to help combat diseases… "Because Health Matters"

Products

Sanofi-aventis in the UAE provides medicines to treat patients with illnesses in several therapeutic areas: cardiology, thrombosis, oncology, metabolic disorders and internal medicine.

List of direct links to sections:-

- Cardiovascular
- Thrombosis
- Metabolic disorders
- Oncology
- Central nervous system
- Internal medicine

Cardiovascular

- Plavix® (clopidogrel bisulfate)

- Aprovel® (irbesartan)

- Tritace® (ramipril)

Thrombosis

- Clexane® (enoxaparin sodium injection)
- Metabolic disorders

- **Diabetes**

  - Amaryl® (glimepiride tablets)

  - Lantus® (insulin glargine [rDNA origin] for injection) Cartridges for optipen and autopen devices are available.

  - Apidra® (insulin glulisine [rDNA origin] for injection Cartridges for optipen and autopen devices are available

- **Oncology**

  - Taxotere® (Docetaxel for injection)

  - Eloxatin® (Oxaliplatin for injection)

- **Central nervous system**

- Depakine® (valproate sodium)

Internal medicine

- Telfast™ (fexofenadine tablets)

- Tavanic® (levofloxacin tablets & infusion)

- Arava® (Leflunomide tablets)

- Targocid® (teicoplanin IM/IV vial)

- Ketek® (telithromycin tablets)

- Xatral® (alfuzosin HCl) extended-release tablets.

- Ercefruryl® (nifuroxamide)

- Essentials Forte® (cyanocabalamin+others)

- Melrosum® (honey,thymus vulgare, primula+others)

- Bronchicum® (thymus vulgare, primula)

- Rovamycine® (Spiramycin)

- Flagyl® (metronidazole)

- Lanzor® (lansoprazole)

- Daonil® (glibenclamide)

- Tarivid® (ofloxacin)

6.5) PHARCO

Pharco pharmaceutical is an Egyptian shareholding company headquartered in Alexandria, Egypt. The company manufactures and markets more than 250 brand and generic products which almost cover all pharmacological drug groups and all conventional pharmaceutical dosage forms. The manufacturing process of the soft gelatin capsules is a unique model, as it is the only licensed facility in the Middle East & Africa by R. P. Scherer- USA With customer focus in mind, Pharco is able to answer and anticipate its customer needs. By cultivating strong relationships with healthcare practices and professionals, Pharco has always sought to become a true partner in facing a world of constantly changing healthcare challenges. The continuous confidence and support provided by both patients and healthcare professionals have put Pharco on top of the list of pharmaceutical companies in Egypt, a fact testified by the annual unit sales which ranked Pharco as the second seller of pharmaceuticals in Egypt. In Qatar, Pharco provides its customers and patients with products with value for money; this strategy has helped Pharco to become the market leader in many therapeutic groups. Some leading brands include. Fawar Fruit, Uricol Eff, Ulstop caps & Farcolin sy. For further information on PHARCO products, please contact Mr Yohan Fariz Ziard, Medical Representative, Pharco Pharmaceuticals on his mobile : +974 5373718 or by e-mail pharco@qatarpharmacyest.com or by calling Administrative office at +974 4320887/909/919.

Recently released market study: Qatar Pharmaceuticals & Healthcare

Mar. 21, 2011 - Qatar's pharmaceutical market was valued at QAR1.43bn (US$392mn) in 2010. Over the next five years, BMI forecasts that drug expenditure should increase at a compound annual growth rate (CAGR) of 12.6% to reach a value of QAR2.58bn (US$709mn) by 2015. Our longer range forecast is for Qatar to become a billion dollar pharmaceutical market for the first time in 2019 and reach QAR3.99bn (US$1.10bn) at the end of our forecast period in 2020. Growth will be driven by expansion of the wider economy, for which growth in real terms is expected to remain above 5% a year over the next 10 years.

Qatar's size means that it will remain reliant on pharmaceutical imports and as such, the government has been moving to improve the functioning of this market. In February 2011, the Qatar Advisory Council, a quasi-democratic institution of governance within the emirate, approved legislation proposed by the Supreme Council of Health (SCH) that allows for the deregulation of pharmaceutical imports to encourage free market competition. It is intended that this will reduce prices and increase the availability of certain drugs via the abolition of government controls over the pricing of medicines and an ending of the monopoly that a small number of importing agents have held in the emirate

In BMI's pharmaceutical Business Environment Ratings for Q211, Qatar is ranked fifth out of 19 markets in the Middle East and Africa region. From a regulatory perspective, Qatar is a favourable proposition for drug makers. However, the small overall market will continue to deter anything more than a sales and marketing presence from the large multinationals, which run the majority of their operations from the region's larger economies such as the UAE.

The awarding of the 2022 football World Cup to Qatar is likely to sustain the country's infrastructure construction boom to the end of BMI's 2020 forecast period and beyond. We foresee a relatively limited effect on pharmaceutical expenditure. In contrast, healthcare expenditure is likely to be supported through further building projects as the government continues in its quest to diversify the economy and move away from its reliance on oil. An example of this is the Hamad Medical City (HMC), which, once completed in 2012, will be a self-sufficient complex, with four hospitals, as well as its own restaurant and mosque. According to local press, the HMC will be the Gulf's best hospital for maternity and childcare and rehabilitative services.

Qatar's political system is considered relatively stable meaning that it is not expected to be affected by large scale civil unrest that has affected both Tunisia and Egypt in early 2011. Having said this, investment in the country could be adversely affected by general concern for the stability of the Arab region as a whole.

7. MARKET RESEARCH SECTOR IN FOCUS - PHARMACEUTICALS

AND HEALTHCARE:

Pharmaceuticals Industry plays a vital role in medical science and healthcare market. The future of healthcare industry emerges with the continuous advancements in technology and pharmaceutical products.

Pharmaceuticals and Healthcare Market Report provides business information to various sources; it caters to C-level, managers, executives, research specialist, etc. It covers on a comprehensive scale of company profiles, demand forecast, review, and other related research reports confined to Pharmaceuticals sector.

Our exclusive network of industry specialists ensures an unrivalled resource to bring you the very best in Pharmaceuticals industry whether it be via our highly respected off-the-shelf research reports or our cost-effective customized client research.

7.1 Qatar’s pharmaceutical market to remain import-dependent

DOHA: Qatar’s pharmaceutical market is likely to remain highly import-dependent, providing significant opportunities for multinational branded drug makers through the trade route. Despite recent surge in activity, Qatar’s domestic manufacturing segment sees only a restricted progress in the future. The high share of imported and branded products has inflated healthcare spending of the Qatari government, the main buyer of medicines, and the consumers.

This has prompted the country’s Supreme Council of Health (SCH) to take several measures such as eliminating controls on pricing of pharmaceuticals and abolishing monopoly of a few companies on drug imports, a latest GCC pharmaceutical industry Outlook released by Alpen Capital noted. Although multinational pharmaceutical companies have been successful in the Qatari market due to high brand consciousness of the people for both prescription and OTC (over-the-counter) medicines, the small market size has discouraged manufactures from setting up plants within the country. Instead, exporting from facilities in the Mena and Asian countries is seen as a preferable route.

According to Alpen Capital, Qatar imported $280.2m worth of pharmaceutical products in 2010, translating into an annual average of 16.3 percent from 2008. Although pharmaceutical exports have multiplied 10 times between 2008 and 2011, the export figure is negligible in comparison to the imports. Qatar Pharma, which began production in 2009, is presumably the only locally-manufacturing pharmaceutical company which operates at a reasonable scale. However, domestic drug production is gradually gaining momentum in the country.

The report said Qatari government favours increasing local production and pharmaceutical prices in the country. To fuel growth of generic drugs in the market, SCH stipulates all doctors to prescribe medicines only by their generic names, thus leaving the final choice of generic or branded drugs to the patients. However, it remains to be seen whether generic drugs are able to penetrate an affluent and brand conscious consumer base. The report expects Qatari pharmaceutical industry will benefit from the forthcoming implementation of the national health insurance programmed, which envisions covering all the residents and visitors in the country under the scheme.

Further, potential singing of a free trade agreement between the GCC and India, thus paving the way for cheaper imports of generics, can alter structure of the pharmaceutical industry in the country. "The GCC pharmaceutical industry is expected to experience sustainable growth in the medium to long term. Increased domestic production, foreign investments, and consumption of generics are likely to support the market's evolution", said Sameena Ahmad, Managing Director at Alpen Capital.

7.3) Sales of OTC:

The growing incidence of lifestyle-related chronic diseases has boosted demand for high-value prescription medication in Qatar. The country's population is also becoming increasingly aware about personal healthcare. This has boosted sales of OTC products such as analgesics, cold and flu medication, digestives, pseudo-pharmaceuticals, and topical creams.

However, regulations on advertising and retail sales through licensed pharmacies only have partially stunted the growth of OTC segment. Under Qatari laws, some typically OTC drugs are categorized as prescription medicines, while some drugs generally available under prescription only are dispensed OTC.

7.4) Qatar's pharmaceutical market set for growth:

DOHA: Qatar's pharmaceutical market is set to rise from a value of $233m in 2009 to $419m by 2014.

The proportion of GDP accounted for by drug spending will be 0.26 percent by this time, a latest research note released by the Business Monitor International (BMI) has said.

Qatar's per capita spending on medicines will be $221 by 2014 and will reach $227 by 2019 indicating a slow rise in purchasing power.

On a more fundamental level, spending by Qataris will continue to be on high-value drugs and as regional disease trends such as diabetes and hypertension play out, high purchasing power will maintain demand for patented products.

A positive sign in terms of pharmaceutical development was the construction of a new facility for Qatar Pharma. Opened in 2009, the plant is still undergoing construction on various different aspects of its operations, though the firm will produce medical devices like blood bags, dialysis filters and dressings in 2011, reducing demand for products sourced abroad.

By 2014, the company aims to start producing essential generic drugs, including dermatological treatments, the report said.

While the country is unlikely to see a growing population capable of sustaining long-term high demand for healthcare, the decision to build the plant in Qatar was backed by the intention to export to neighboring Arab states from a stable base.

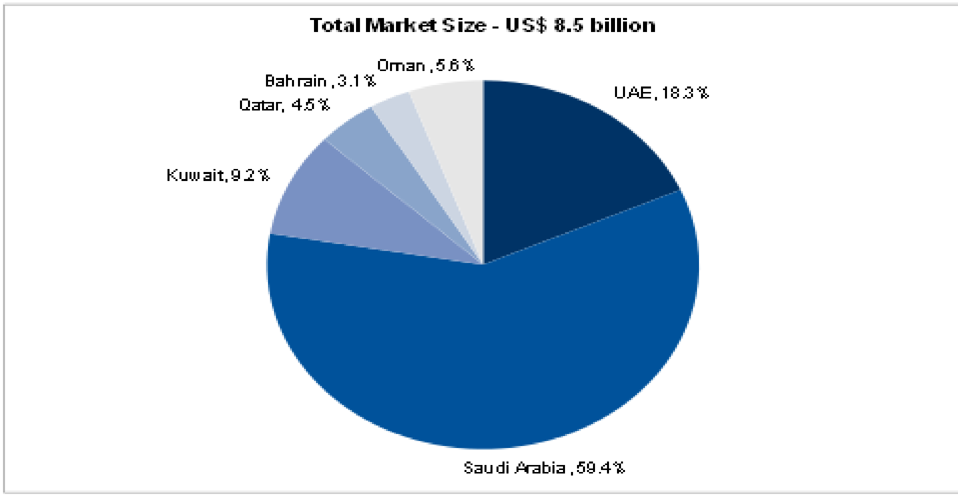
The government is also increasing its role in the economy by spending more on public services. The banking sector rose lending to the public sector by 139.1 percent year-on-year (y-o-y) in March 2010. Despite this, the non-oil economy is still growing at a slow rate and drug manufacturing will remain a low priority in terms of diversifying the economy.

This will be chiefly down to the limited population size. Which despite government expectations, will slowly rise?

Expats and foreign construction workers comprise nearly half the entire population, but their numbers are transient. Moreover the government believes that immigrants from other Arab countries into Qatar could further boost the population, though this is unlikely to take place in the near term.

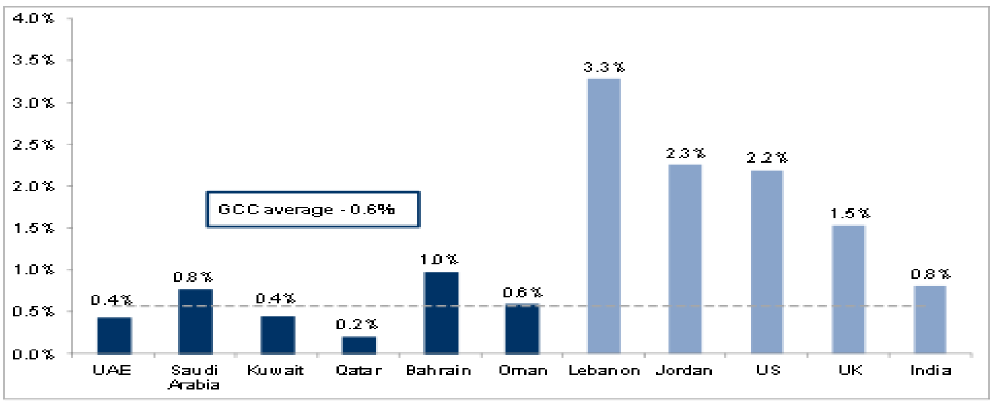
7.5) GCC Pharmaceutical Market Overview:

Exhibit 1: Composition of Pharmaceutical Market in the GCC



Pharmaceutical market in the GCC has witnessed considerable progress over the years on the back of favorable demographic and economic factors, alongside strong government support for healthcare. Total market size was estimated at US$ 8.5 billion in 2012, compared to US$ 7.7 billion in the previous year. It accounts for less than 1% of the global pharmaceutical sector, which was valued at US$ 955.5 billion in 2011. Given a sizeable le population base and relatively active domestic pharmaceutical manufacturing segment, Saudi Arabia was the largest market contributing 59.4 % to the Gulf's overall pharmaceutical industry size in 2012.

Exhibit 2: Pharmaceutical Sales as a % of GDP in the GCC and Other Economies



Source: International Monetary Fund (World Economic Outlook October 2012), Business Monitor International

Pharmaceutical sales as a percentage of Gross Domestic Product (GDP) in the GCC are lower than that in many countries in the Middle East and North Africa (MENA), and elsewhere. Average pharmaceutical sales as a percentage of GDP in the GCC was 0.6% in 2012, compared to 3.3% in Lebanon, 2.2% in the US, and 0.8% in India. This points towards untapped growth opportunities for companies as healthcare development and awareness in the region are gradually gaining traction.

Exhibit 3: General Government Expenditure on Health as a % of Total Health Expenditure (2010)

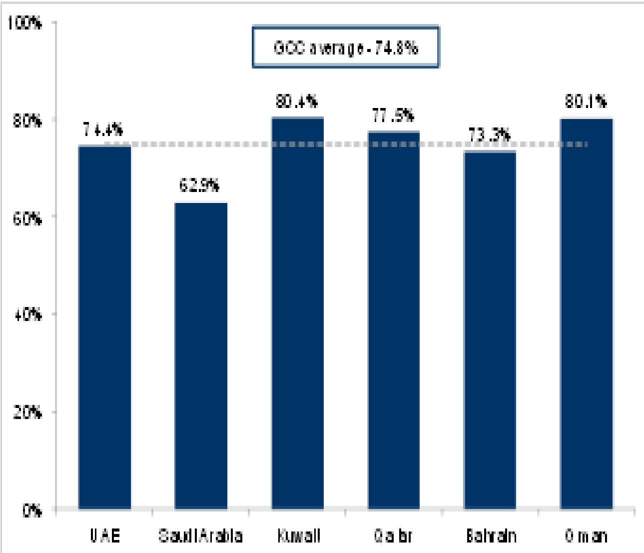
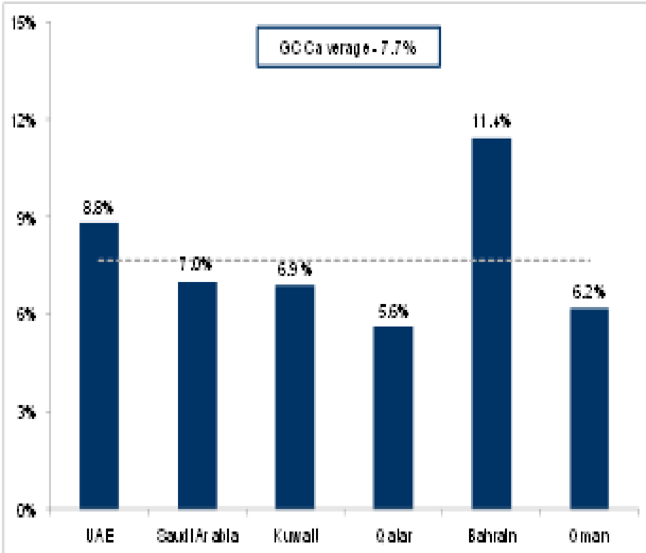


Exhibit 4: General Government Expenditure on Health as a % of Total Government Expenditure (2010)



Source: World Health Organization

The GCC governments are the chief sources of healthcare funding in the region, with a consolidated contribution of approximately 70% High budget surplus due to a booming hydrocarbons sector and strong economic growth have provided the governments sufficient room to allocate considerable funds towards providing a high standard of

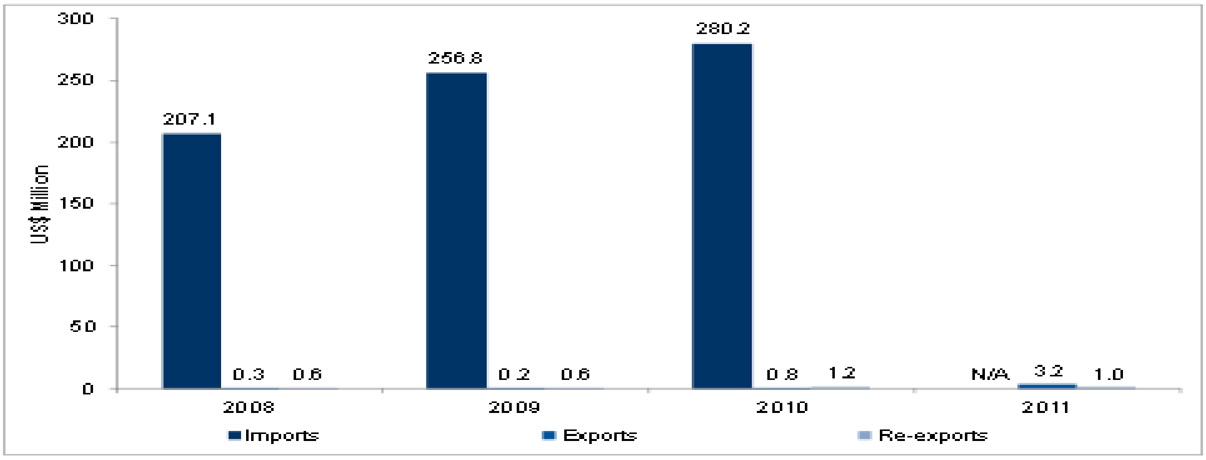
healthcare for the citizens The regional governments allocate between 6% 12% of their annual budgets on healthcare spending However , in order to gradually reduce the pressure on public funds, governments across the GCC are actively working towards increasing private sector involvement in the healthcare industry The pharmaceutical sector is still an emerging industry in the GCC, and drug manufacturing is at a relatively nascent stage due to limited focus on developing indigenous production capabilities, restricted allocation of funds towards research and development, and shortage of skilled manpower Currently, the region has less than 40 Companies engaged in drug making With limited progress achieved so far in drug

8. The Qatari Pharmaceutical Market

The industry was valued at US$ 379 million in 2012, representing less than 5% of the overall pharmaceutical market in the GCC. Pharmaceutical sales per capita were US$ 206 in the year, same as that in Kuwait. Almost the entire drug consumption in the country is composed of imported products and local manufacturing activities have been very limited so far. High market prices coupled with a strong ability to spend have made the country's consumers among the highest healthcare spenders in the MENA.

Qatar imported US$ 280.2 million worth of pharmaceutical products in 2010, translating into an annual average growth of 16.3% from 2008. The import data for 2011 is not available. Although pharmaceutical exports have multiplied 10 times between 2008 and 2011, the export figure is negligible in comparison to the imports.

Exhibit 8: Foreign Trade of Pharmaceutical Products in Qatar



Source: Qatar Statistics Authority
Notes: 1) Figures reported in local currency have been converted into US$ using annual average exchange rates available on Bloomberg
2) Imports data for 2011 is not available

Qatar Pharma, which began production in 2009, is presumably the only locally-manufacturing pharmaceutical company which operates at a reasonable scale. However, domestic drug production is gradually gaining momentum in the country. A recent media report suggested that Qatar would have three new drug manufacturers by early 2013, with one scheduled to commence operations around the end of 2012 and two other manufacturers coming online in the first quarter of 2013. Although multinational pharmaceutical companies have been successful in the Qatari market due to high brand consciousness of the people for both prescription and OTC medicines, the small market size has discouraged manufacturers from setting up plants within the country. Instead, exporting from facilities in the MENA and Asian countries is seen as a preferable route. This is despite the government incentives which also allow a 100% ownership of manufacturing units by foreign investors. The Qatari pharmaceutical market is likely to remain highly import- dependent, thus providing significant opportunities for multinational branded drug makers through the trade route. Despite the recent surge in activity, the domestic manufacturing segment may see only a restricted progress in the future.

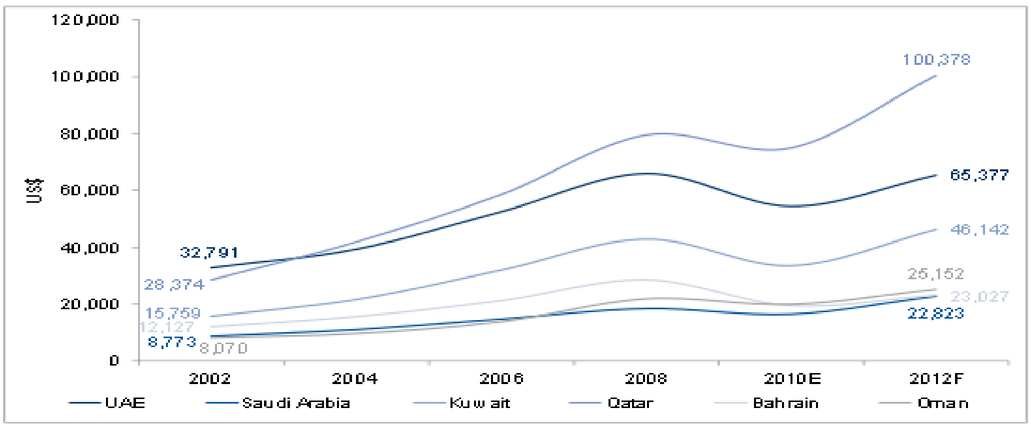
A high share of imported and branded products has inflated healthcare spending of the Qatari government, the main buyer of medicines, and the consumers. This has prompted the country's Supreme Council of Health (SCH) to take several measures such as eliminating controls on pricing of pharmaceuticals and abolishing monopoly of a few companies on drug imports. The government also favors increasing local production and higher consumption of generic medicines, which may aid in bringing down the overall pharmaceutical prices in Qatar. To fuel growth of generic drugs in the market, SCH stipulates all doctors to prescribe medicines only by their generic names, thus leaving the final choice of generic or branded drugs to the patients. However, it remains to be seen whether generic drugs are able to penetrate an affluent and brand conscious consumer base. Government measures may also witness limited success given that the importers need to meet strict regulatory guidelines, and distributors and retailers may resist to price cuts or selling cheaper unbranded medicines due to higher demand for branded versions. In the past, the SCH's attempt to remove price controls had backfired when prices of some drugs increased by up to 50%. In response, the government had to impose price caps, although it abstained from explicitly fixing the prices.

The growing incidence of lifestyle - related chronic diseases has boosted demand for high - value prescription medication in Qatar. The country's population is also becoming increasingly aware about personal healthcare. This has boosted sales of OTC products such as analgesics, cold and flu medication, digestives, pseudo - pharmaceuticals, and topical creams. However, regulations on advertising and retail sales through licensed Pharmacies only have partially stunted the growth of OTC segment. Under Qatari laws, some typically OTC drugs are categorized as prescription medicines, while some drugs generally available under prescription only are dispensed OTC. The Qatari pharmaceutical industry will benefit from the forthcoming implementation of the national health insurance program, which envisions covering all the residents and visitors in the country under the scheme. Further, potential signing of a free trade agreement between the GCC and India, thus paving the way for cheaper imports of generics, can alter structure of the pharmaceutical industry in the country.

8.1) Growing Income Levels:

Over the last decade, economic prosperity and general income levels of the GCC countries have grown in line with increase in oil demand and prices and the progress made with in certain key non oil sectors such as retail and tourism. In Qatar, the richest country in the world, GDP per capita in 2012 is estimated to have increased to 3.5 times the 2002 level In the remaining countries also, GDP per capita projections for 2012 are 2-3 times the 2002 figures. Growing income levels and resultantly a higher spending power have improved the quality of life and overall ability to spend on medicines. General health awareness among the people has also increased. With hay remaining stable, per capita income levels in most of the GCC countries are expected to increase further in the long term.

Exhibit 16: Growth of GDP per capita (at current prices) in the GCC Countries



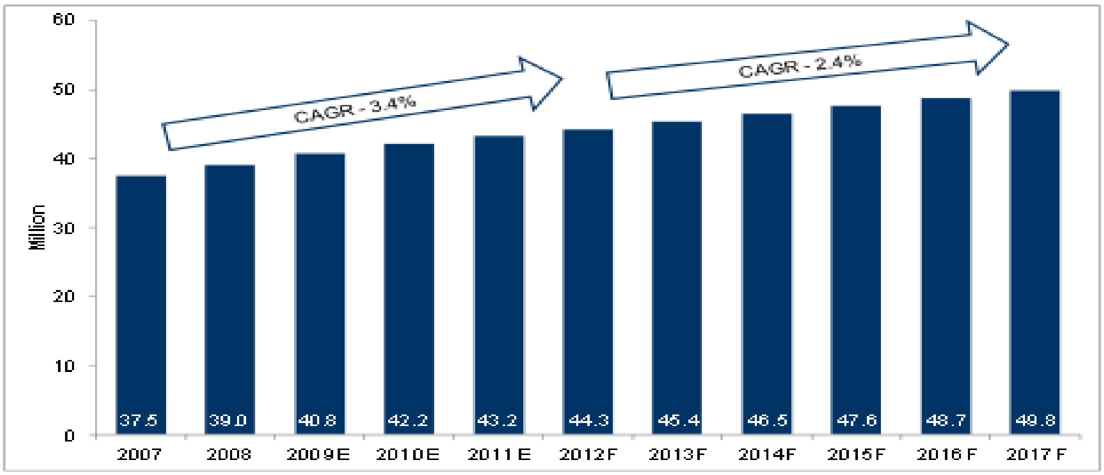
Source: World Economic Outlook, International Monetary Fund, October 2012

8.2) Growth Drivers

Total population in the GCC was estimated to have expanded at a CAGR of 3.4% from 37.5 million in 2007 to 44.3 million in 2012.Higher life expectancy, robust economic growth, shortage of local workforce, and attractive employment Opportunities are the major factors contributing to the expansion of local and expatriate population in the region. Over the last several years, expatriate population has expanded at a higher rate than the local inhabitants. In countries like the UAE, Kuwait, and Qatar, expatriates represent 70%- 90% of the entire population. Although the current forecasts suggest a decline in population growth rate in the future, the number of inhabitants in the Gulf is anticipated to continue expanding at a consistent pace each year and reach nearly 50 million in 2017.

The GCC is one of the most urbanized regions worldwide with more than three- fourths of the people living in urban areas almost all the inhabitants of Qatar and Kuwait reside in cities. While high levels of urbanization ensures greater access to healthcare facilities, a strong expatriate presence means that preference for imported and newer versions of medicines is high.

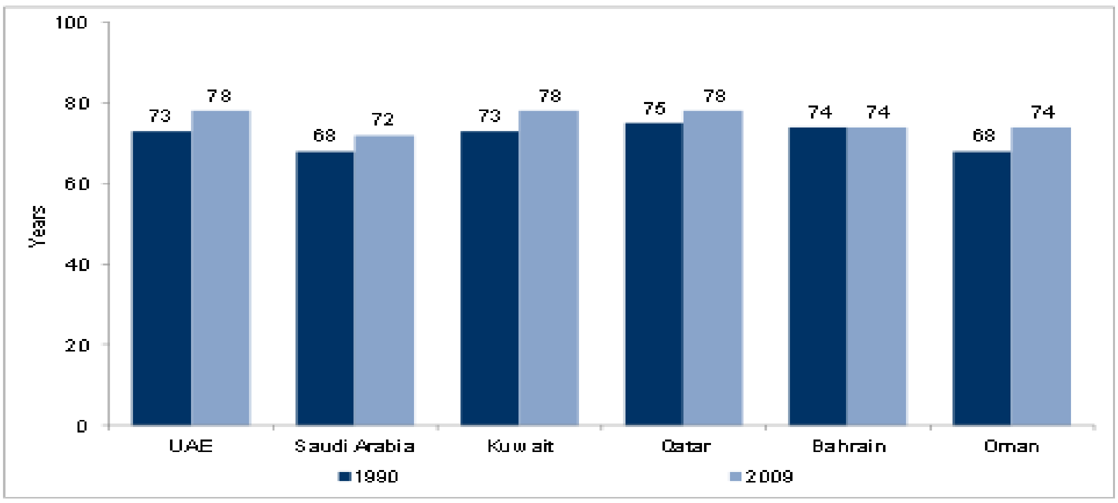
Exhibit 11: GCC Population Trend



Source: World Economic Outlook, International Monetary Fund, October 2012
Note: E – Estimated, F – Forecast

8.3) Increased Life Expectancy and Ageing Population:-

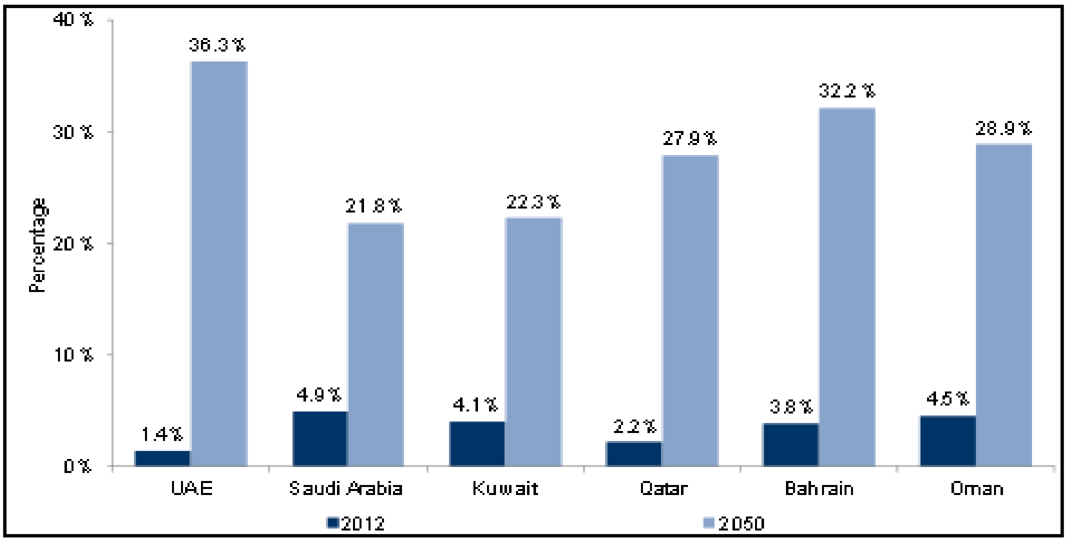
Advances in medical research, greater awareness about healthcare, and improvement in the overall quality of life have collectively brought about positive changes in certain key health indicators of the GCC population. Average life expectancy of the inhabitants has increased significantly over the past decades reflecting improved means of controlling communicable



diseases. From 1990 to 2009, all the GCC constituent countries, except Bahrain, have seen average life expectancy at birth increase by at least three years Population in the UAE, Kuwait, and Qatar had life expectancy of 78 years in 2009, almost at par with the life expectancy of the US population (79 years).

8.4) Improvement in Life Expectancy at Birth in the GCC Countries:-

Although youth make up a large part of the GCC population currently, increased life expectancy and lower birth rate is expected to gradually lead to an increase in median age of the population. Over the next few decades, the Gulf countries are likely to witness a substantial growth in population aged 60 years and above. Combined population in this age group in all the GCC countries is expected to increase at a CAGR of 6.1% from 1.9 million in 2012 to 17.8 million in 2050. As a percentage of total population, the UAE is expected to experience the largest increase in population aged 60 years and above with the proportion set to rise from 1.4% to 36.3% during the period.



Population Aged 60 Years and Above as a Percentage of Total Population

Typically, individual healthcare expenditure is high at birth and during the first few years of life, after which the spending declines during young adulthood, only to increase gradually during the middle age and surge quickly thereafter during the old age. The elderly population forms a big slice of the overall pharmaceutical spending in the GCC, and the expected growth in its size augurs well for the sector.

Segment subsequently, in order to evaluate the industry's competitiveness; focus has been laid on the indigenous manufacturing sector only which is primarily concentrated around the generics segment.

Macro-economic Indicators

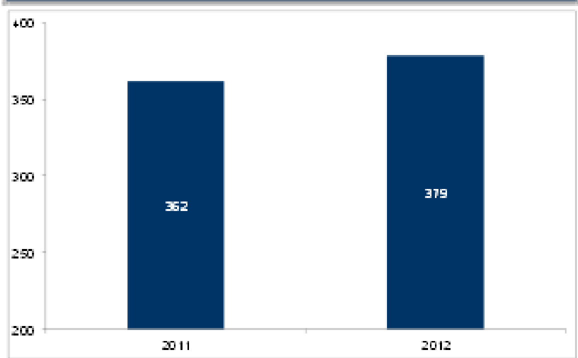
Indicators	Unit	2012E	2013F	2017F
Total GDP, constant prices	*QAR bn*	344.7	361.8	460.8
Real GDP growth	%	6.3	4.9	7.3
GDP per capita, current prices	*US$*	100,378	99,838	106,320
Population	*mn*	1.8	1.9	2.2
Inflation	%	2.0	3.0	4.0

Source: International Monetary Fund (WEO Database, October 2012)
Note: E - Estimated, F - Forecast

8.5) Key Driving Factors

- Population growth: Between 2012 and 2017, the International Monetary Fund expects Qatar to witness the largest expansion in population base in the Gulf. During the period, the population is forecast to expand at a CAGR of 4.0%. Due to increasing life expectancy and lower birth rate, age profile of the country's population is gradually shifting in favor of older age groups.

Pharmaceutical Market Size (US$ million)



Source: Business Monitor International

- Per capita income: Qatar has highest GDP per capita in the GCC, which is expected to increase further in the medium term. The affluent consumer base has made the market highly attractive for branded drug suppliers.

- Incidence of obesity and diabetes: Around one- third of the Qatari population over 20 years of age was found to be obese in 2008. Obesity may lead to other chronic diseases like heart problems and blood pressure. Prevalence of diabetes in the country is also higher than the global and regional averages. Chronic ailments tend to remain with patients throughout their lifetime, and thus entail constant consumption of medication.

- Insurance coverage: Insurance coverage in Qatar is expected to increase significantly with implementation of the mandatory health insurance scheme at a national level. This is likely to boost demand for healthcare services in the country, and positively impact the pharmaceutical sector.

8.6) SWOT analysis in Qatar:

SWOT Analysis	
Strength	1. Employee strength of more than 3,000 people and offices all over the world. 2. Catering to diverse markets such as Australia, India and the United States of America. 3. Operations span from the metals industry to the petrochemicals industry. 4. Interests in production, sale and distribution of a wide range of petrochemical, fertilizer and steel products.
Weakness	1. Lack of strong distribution systems is a deterrent to accessing the Asian markets. 2. Very volatile industry with fluctuating prices and demand.
Opportunity	1. Commercial launch of Qafco 5, the group's 1 million metric ton urea facility 2.Several collaborations with Indian and American petrochemical agencies to set-up plants in these regions. 3. Extensive trade agreements with South-East Asian regions for petrochemical products and technology.
Threats	1. Environmental regulations create losses, especially in the petrochemicals segment. 2. Increasing substitutes for the group's products have cut short, the group's cash inflows. 3. Increasing competition from petrochemical giants in other regions, with better technology and innovative products.

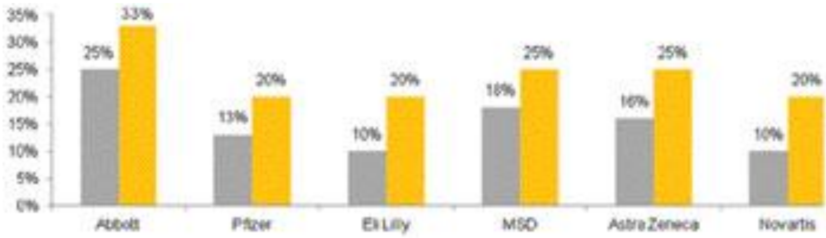
rmaceutical industry :-

Global pharmaceutical MNCs have adopted prudent strategies to expand their footprint in emerging nations. Ajit Mahadevan, Partner – Life Sciences, Ernst & Young analyses the same the global pharmaceuticals market grew rapidly in the 1990s and in the early 2000s, spurred primarily by market demand in North America and Europe. However, with impeding patent expiries, declining R&D productivity, increasing regulatory and pricing pressures, growth in these markets have been slowing down. As a result, pharma companies are looking for new avenues of driving growth and ways to improve operational efficiencies. In this context, emerging markets represent a potential growth driver for the industry – its contribution to the growth of the global pharma market increased from eight per cent in 2003 to 40 per cent in 2010. Consequently, global pharma MNCs have adopted prudent strategies to further expand their footprint in emerging markets such as Brazil, Russia, India and China.

9.1) Beginning Indian pharma industry:-

India is among the most significant emerging markets for the global pharma industry, given that it will feature among the world's top 10 sales markets by 2020. Currently, it is regarded as one of the fastest-growing pharma industries globally, primarily driven by a large population, evolving patient demographics, increasing health care expenditure, growing urbanization, rising life expectancy, and active private-sector participation. (Source: Sanofi and Kantar health presentation at EphMrA)

Contribution of emerging markets to overall sales of key pharma MNCs (current and future estimates)

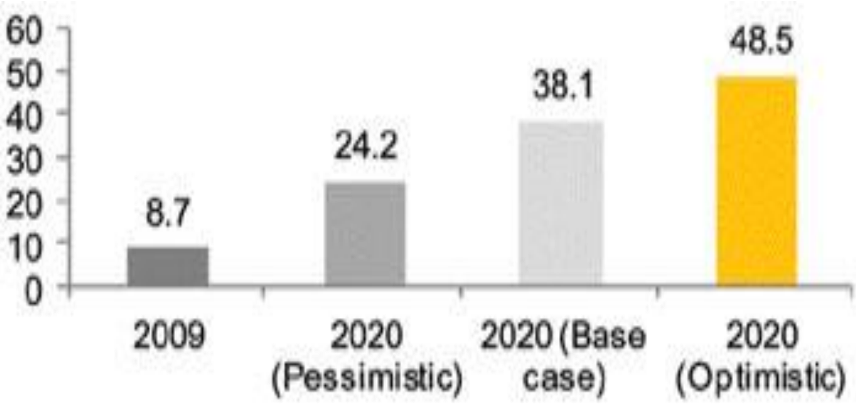


Domestic companies are transforming their business model to play a larger role in global pharma market

The Indian pharma industry has been able to claim a share in the global market by leveraging its strengths and enhancing its regulatory and technical maturity. Formulations manufactured in India constitute 20 per cent of the global generics market by value, and the overall share of Indian manufactured formulations is as high as 46 per cent in the generics segment in the emerging markets. However, with the onset of the patent regime, the traditional reverse engineering capabilities of Indian pharma companies are no longer helpful, as they would not be able to replicate the patented product and launch it in the domestic market. Hence, going forward, India would be required to leverage its strengths in supply of low cost medicines across the world and invest in newer areas to drive growth. Opportunities exist ranging from the low-value added segment, comprising of NDDS ($134 billion opportunity by 20131), super generics ($135 billion worth of product expiring between 2010 and 20152) and biosimilars ($115 billion worth of biologics expiring by 20153), to the high value New Chemical Entity (NCE)/New Biopharmaceutical Entity segment. Thus, domestic companies can look forward to pursue a

These opportunities and build capabilities to conduct drug discovery and in house development.

Indian pharmaceutical market by 2020 (US $billion)



9.2) Pharma MNCs to continue active participation in India

After years of anaemic growth in the Indian pharma market until the 1990s — mainly due to a feeble intellectual property environment — pharma MNCs have recorded steroid-led growth in the domestic market. They have increased investments in the domestic market over the past few years and are now comfortably placed to capture a substantial share of the domestic market. Evidently, pharma MNCs are projected to capture a 35 per cent market share of the market by 2017, compared with 28 per cent in 20095. Over the years, pharma MNCs have adopted India-focused strategies to tap the growing potential of the country's pharma market.

8. GROWTH AND EVALUATION OF THE INDIAN PHARMACEUTICAL COMPANY:-

India is one of the fastest growing Pharmaceutical markets in the world, and its market size has nearly doubled since 2005. The Indian pharmaceutical market is expected to reach US$ 20 billion by 2015, growing at a compound annual growth rate (CAGR) of 11.7 per cent during 2005–2015 and establish its presence among the world's leading 10 markets. Presently, it is the third largest market in terms of volume and fourteenth largest in terms of value. Plethora of Opportunities

Revenues of large cap Indian generic drug manufacturers look set to grow due to the following reasons:-

- Domestic volume growth is benefitting due to expanding doctor coverage. Increase in doctor coverage results in increased distribution network which taps in the remote rural market increasing the target audience. Non urban markets are expected to continue growing with a double digit growth rate driving domestic growth. On the other hand, the urban market growth is forecasted to remain sustainable in single digit.
- Regulated markets will be a major revenue driver in the export driven Indian pharmaceutical sector as large drug patents expire over the next five years. Significant opportunities open up in developed markets as branded drugs with sales of US $80 billion are about to lose patent protection over 2010 to 2015.
- Sales in emerging markets are growing strongly thus offering growth opportunities, especially in countries like China, Russia, Brazil and Mexico.
- Biosimilars, the generic equivalents of biologic drugs made from organic materials rather than chemicals, are expected to be long term growth drivers based on industry forecast. It is said to offer opportunities of USD 10bn by 2015 up from less than USD 1bn in 2010.

10.1) Risks:-

However it's not plain and smooth sailing for the Indian pharmaceutical companies, especially those operating in the generic domain as 'Big companies' are becoming less innovative. This essentially means that the growth pipeline for generic drug makers is becoming narrow and their competition is increasing. Also, Europe and the US companies are increasingly turning their attention to 'tough to copy' products and even entering the generic market to supplement their growth.Also, patent expiry will lead to intense competition amongst generic players and challenging pricing environment as companies all around the world will be pouncing on to grab this opportunity and make hay while the sun shines.

10.2) Sector Positives:-

The domestic growth story ofThe domestic Indian market is expected to grow rapidly over the next decade. The expansion is fuelled by the strong growth in the domestic market and the rising demand for exports. Sales force expansion has yielded positive results and industry growth has increased. The majority growth is coming from the non-urban markets, as metros are growing at single digit. Experts believe there is a first mover advantage in these markets which explains some companies increasing their doctor coverage ratios. The doctor coverage ratios for some companies have doubled to around 60-70 percent from the initial contribution of around 30 percent of the sales force.

10.3) High Absolute growth:-

India is expected to be amongst the top five countries in the world with respect to the absolute growth in terms of revenue. The Indian pharmaceutical markets show a huge growth of over 200 percent from being a USD 6bn market in 2005 to a USD 20bn market by 2015e.

Figure 1

India ranks fifth in terms of absolute growth over the period 2005-2015e.

Rank	Country	Market in USD bn		Absolute growth	% Growth
		2005	2015e		
1	US	248	444	196	79%
2	China	13	38	25	192%
3	Japan	68	82	14	21%
4	France	32	46	14	44%
5	India	6	20	14	233%
6	UK	19	32	13	68%
7	Canada	13	25	12	92%
8	Spain	14	25	11	79%
9	Brazil	9	20	11	122%
10	Mexico	10	19	9	90%
11	Turkey	7	15	8	114%
12	Germany	31	38	7	23%
13	South Korea	8	15	7	88%
14	Italy	20	25	5	25%

Source: IMS World Review, Mckinsey Pharma Model.

10.4) Growth acceleration through exports

Following the expiry of numerous patents in the United States of America, a major market for Indian pharmaceutical companies is open for grabs. A plethora of opportunities await the generic players. Even though the challenging price environment will be hard to deal with, due to intense competition from generic markets, the Indian pharmaceutical companies are expected to do well due to experience in the generic field and comparatively low-cost of manufacturing in India.

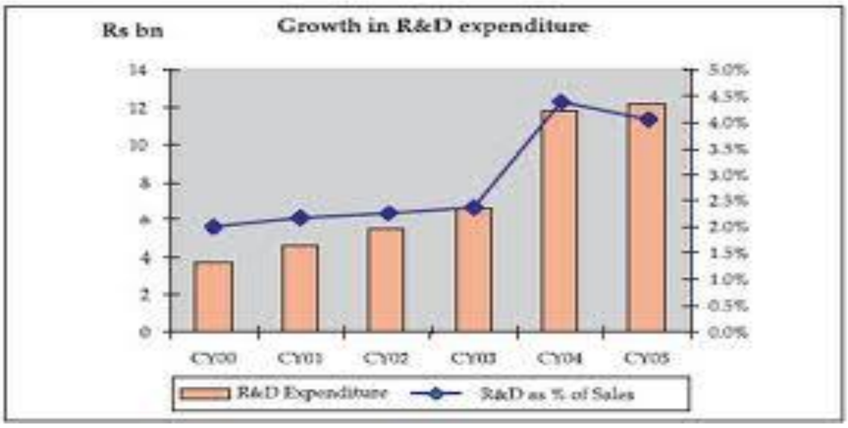
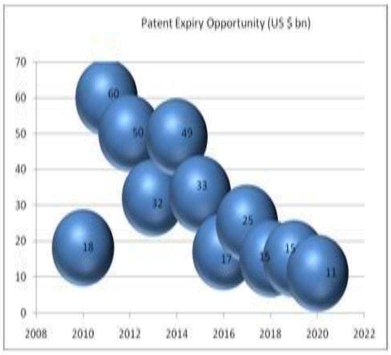


Figure 2:-

A plethora of opportunities await generic players as numerous branded products lose patents during the next decade.



*Source: IMS World Review.*India has a competitive advantage due to a variety of reasons. The following matrix describes in brief India pharmaceutical companies' strong foundation to leverage the opportunities available.

9. KEY CHALLENGES IN PHARMACEUTICAL:-

11.1) COST EFFICIENCY

A range of cost containment policies are used across different national markets,including pricing regulations, strict reimbursement formularies and a growth in both generic substitution and parallel importing. These measures have resulted in increased pressure on pharmaceutical companies to reduce their prices and consequently either drive unit sales or cut costs to maintain profit margins. In terms of research and development, key challenges include stagnant product lines and increasing R&D costs.

11.2) SAFETY

With recent high profile product withdrawals, there are also concerns that regulatory agencies will tighten up safety and efficacy testing requirements. A particular focus will be on the application of pharmacogenomic techniques to improve safety profile, but the advent of such techniques in the long run will improve industry productivity as more pharmacogenomic data is collated.

11.3) R & D

Research & Development is the key to the future of pharmaceutical industry. The pharmaceutical advances for considerable improvement in life expectancy and health all over the world are the result of a steadily increasing investment in research. There is considerable scope for collaborative R & D in India. India can offer several strengths to the international R & D community.
The pharmaceutical industry will experience a significant reduction in the revenues associated with their blockbuster products as generic competition captures market share. As a result, given that R&D productivity is low and the cost of developing new drugs at an all time high, the pharmaceutical industry faces considerable hurdles with respect to mai1ntaining revenue and earnings growth in the future.

11.4) PATENT

There is a risk that the patent expiry of branded generic drugs will lead to growth at the expense of lower sales of existing generic products. For example, Lipitor’s generic entry in November 2011 could impact growth in generic Simvastatin, an important product for many

Indian generics. Also the influx of so many generic players to capitalise the market will lead to a challenging pricing environment.

11.5) EXIM SCENARIO:

Nearly 95 % of India's bulk drug needs are met through indigenous production. However, inspite of having a well-developed pharmaceutical industry, it continues to import not only intermediates and chemicals required by the bulk drug industry, but also some of the bulk drugs and specialty formulations. One positive factor, however, is that over the last decade or so, the *overall exports by the pharmaceutical industry have been more than its imports.* In fact, the bulk of the growth of the pharma sector has come through exports.

11.6) IMPORTS:

India’s pharmaceuticals imports (including bulk drugs, formulations, intermediatiates, chemicals, solvents etc) were to the tune of Rs31.3bn. Imports have registered a CAGR of nearly 23% in the past 5 years. Imports of formulations have increased significantly in the past 5 years registering CAGR of 32.9% in the past 5 years. In FY99 import of formulations grew by 25.5% yoy. Import of bulk drugs have slowed down in the past 2-3 years mainly due to two reasons – firstly there is over capacity in the domestic market and secondly the quality of bulk drugs manufactured by the local manufacturers have improved significantly and they act as import substitute for MNC’s requirements.

11.7)EXPORTS:

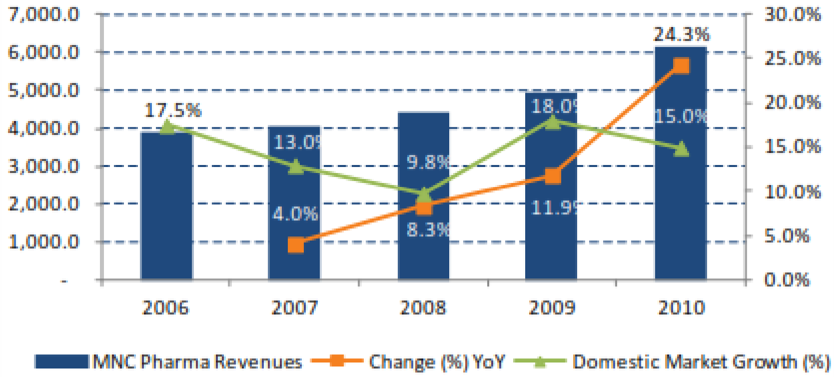
Over 60% of India’s bulk drug production is exported. The balance is sold locally to other formulators. India’s Pharmaceutical exports are to the tune of Rs87bn, of which formulations contribute nearly 55% and the rest 45% comes from bulk drugs. In financial year 2000, exports grew by 21%. India’s Pharmaceuticals imports were to the tune of Rs20.3bn in FY2001. Imports have registered a CAGR of only 2% in the past 5 years. Import of bulk drugs have slowed down in the recent years. The exports of Pharmaceuticals during the year 1998-97 were Rs 49780 million. From a meager Rs 46 crores worth of Pharmaceuticals, Drugs and Fine Chemicals exports in 1980-81, Pharmaceutical exports has risen to approximately Rs 6152 Crores (Prov.1998-99), a rise of 11.91% against the last year exports. Amongst the total exports of India, the percentage share of Drugs, Pharmaceuticals and Fine Chemicals during April-October (2000-2001) was 4.1%, an increase of 7%.

11.8) DOMESTIC TRADE:

More than 85% of the formulations produced in the country is sold in the domestic market. India is largely self-sufficient in case of formulations. Some life saving, new generation under-patent formulations continue to be imported, especially by MNCs, which then market them in India. Overall, the size of the domestic formulations market is around Rs160bn and it is growing at 10% p.a.

SR NO	DOMESTIC INDIAN MARKET (IN RS CRORE)	GROWTH RATE (IN %)
2003-04	32575	7.28
2004-05	34128	4.77
2005-06	39989	17.17
2006-07	45367	13.45
2007-08	50946	12.30
2008-09	55454	8.85

Exhibit 3: Trend in Revenues growth of MNCs in the Indian market



Source: Capitaline; ICRA Estimates

12 . List of the major players in the pharmaceutical industry

12.1) Information of major pharmaceutical companies

Ranbaxy:

Ranbaxy was established in the year 1961 and it is a research based pharma organization, which was converted as a public limited company in the year 1973. The company has earned this position among the pharmaceutical companies in India due to their large portfolio and cost-effective medicines that are relied by medical professionals all over the globe.

Dr. Reddy's Laboratories:

Dr. Reddy's Laboratories has its headquarters in India and manufacturing units in different parts of the world. The subsidiaries of this company are located in countries like Brazil, Russia, the United Kingdom, Germany and the United States. This company stands out of the crowd of competitors in pharmaceutical industry due to its following qualities:

- Innovation and continuous learning
- Teamwork and collaboration
- Respect for individual
- Social responsibility and harmony
- Quality

Cipla:

Cipla came into existence in the year 1935 and the company began its journey with an authorized capital of Rs. 6 lakhs. However, now the revenue of the company is Rs. 37.637 billion and they are engaged in manufacture of over-the-counter drugs, prescription drugs and bulk drugs. Different regulatory bodies have approved this company and

the name of these regulatory bodies is given below:

• National Institute of Pharmacy, Hungary

• Pharmaceutical Inspection Convention, Germany

• Therapeutic Goods Administration, Australia,

• Food and Drug Administration, USA

• World Health Organization

Sun Pharma Industries:

Sun Pharmaceuticals popularly called as Sun Pharma came into existence in the year 1983 and during its initial stages the company was engaged in the production of five medicinal products meant for psychiatric illness. Now, the company is popular all over the world as the manufacturer of specialty active pharmaceutical formulations and ingredients. This company has group companies in Bangladesh and Michigan. This company is engaged in manufacturing of three different forms of medicines, they are injectable, oral, and delivery based drugs.

Lupin Labs:

Lupin Labs has its headquarters at Mumbai and they are acting as an innovation led transnational pharmaceutical company producing a wide range of medicines with branded formulations, affordable cost and quality. They have manufacturing units at different parts of India like Indore, Jammu, Goa, Aurangabad, Mandideep, Tarapur, Ankleshwar and in Japan as well.

Aurobindo Pharma:

Aurobindo Pharma came into existence in the year 1986 and they began their operations in the year 1988 in Pondicherry. At present, the headquarters of the company is located in the city of

Hyderabad. They are one of the leading API manufacturing company in India and they are dealing with a vide category of medicine manufacturing like gastro-enterologicals, medicines for central nervous system, medicines for cardio vascular diseases, anti-infective, anti-allergic and Antibiotics.

GlaxoSmithKline Pharma:

Glaxosmithkline shortly called as GSK are leading players not only in pharmaceutical industry in India, but also in biotechnology industry as well. The company came into existence in the year 1924 with the objective of improving the quality of life of the people by manufacturing life saving drugs. They are manufacturing prescription medicines for different diseases like diabetics, gastrointestinal disorders, respiratory disorders, etc

Cadila Healthcare:

Cadila Healthcare Limited was established in the year 1995 under the aegis of Zydus Group and they have operations not only in India, but also in other parts of the world like Brazil, France, USA and they are exporting their branded products to more than 43 countries all over the globe.

They are engaged in the manufacturing of the following category of drugs:

- Skin Care
- Active Pharmaceutical Ingredients
- Animal health care
- Formulations
- Diagnostics

Aventis Pharma:

Aventis Pharma is a company formed out of the merger of two pharmaceutical companies namely Aventis and Sanofi. The parent company of Aventis Pharma being Sanofi Aventis has its presence in more than 95 countries all over the globe and they are having state-of-the-art manufacturing facilities. The company is dealing with the manufacture the following category of medicines:

- Vaccines
- Bone & Joint
- Anti-infective
- Analgesics
- Dermatology
- Central nervous system
- Respiratory system
- Oncology
- Metabolic
- Cardiovascular diseases

IPCA Laboratories:

This company came into existence in the year 1949 and it was actually formed by a group of medical professional and businessmen. The present management took over the company in the year 1975 and their main activities include production and marketing of drugs and other pharmaceutical products. The categories of products dealt by them are drug intermediates, active pharmaceutical ingredients and formulations. Pharmaceutical industry is a fast-growing industry in India contributing towards the economic development of the nation. The industry also offers a wide range of employment opportunities to pharma and chemical engineering graduates and several other non-technical personnel as well.

ADRESSABLE MARKET SIZE			
COMPANY	2010	2011	2012
Dr Reddy's	10.3	33.3	29.0
Matrix	7.8	22.9	25.7
Cadila Healthcare	9.5	27.3	18.6
Cipla	8.5	19.2	18.1
Lupin	4.2	18.0	19.4
Ranbaxy	6.1	18.4	19.4
Aurobindo	8.3	10.7	18.4
Jubilant	6.7	12.4	15.7
Torrent	2.6	17.1	7.9
Sun	6.1	12.6	5.5
Figures in $ billion		Source: HDFC Securities	

13. SWOT Analysis in India:-

Strengths

- Cost effective technology
- Strong and well-developed manufacturing base
- Clinical research and trials
- Knowledge based, low- cost manpower in science & technology

- Proficiency in path-breaking research
- High-quality formulations and drugs
- High standards of purity
- Non-infringing processes of Active Pharmaceutical Ingredients (APIs)
- Future growth driver
- World-class process development labs
- Excellent clinical trial centers
- Chemical and process development competencies

Weaknesses

- Low Indian share in world pharmaceutical market (about 2%)

- Lack of strategic planning
- Fragmented capacities
- Low R&D investments
- Absence of association between institutes and industry
- Low healthcare expenditure
- Production of duplicate drugs

Opportunities

- Incredible export potential
- Increasing health consciousness
- New innovative therapeutic products
- Globalization
- Drug delivery system management
- Increased incomes
- Production of generic drugs
- Contract manufacturing

- Clinical trials & research
- Drug molecules

Threats

- Small number of discoveries
- Competition from MNCs
- Transformation of process patent to product patent (TRIPS)
- Outdated Sales and marketing methods
- Non-tariff barriers imposed by developed countries

14. Qatar, India bilateral trade jumps to $14 billion in 2012

INDIA'S bilateral trade with Qatar increased from $1.2 billion in 2005 to $14 billion in 2012.

While Indian exports to Qatar posted a very little increase during this period, there was a massive jump in exports from Qatar to India.However, there are immense scopes for the Indian traders in the Qatari market to remove this imbalance, a senior official of Indian embassy in Qatar have said. "Major items of Indian exports to Qatar are machinery and equipment, transport equipment, textiles, food products, ores and minerals. There are many other items like plywood's, books, computer stationery, paper products, granite, tissues which can be exported from India to Qatar," said Sasi Kumar, deputy chief of mission at the Indian embassy in Qatar, while addressing a meeting between the members of an Indian trade delegation and their Qatari counterparts at the Qatar Chamber, in Doha, on Wednesday.

Speaking on the occasion, Qatar Chamber Director- General Remy Rowhani said, "Qatar Chamber will extend all its support to Indian businessmen for doing business in Qatar. Qatar is a fast growing market and we need the expertise of Indian companies." "Finding a local partner is the toughest job for a foreign company to set-up firm in Qatar. Qatar chamber will extend its expertise in making this job an easy one for the Indian companies. We will also make them aware about the trade laws," Rowhani said.

Rowhani also urged the Indian delegates to have a personal look at various opportunities that Qatar can offer to them during their stay in Doha. The 12-member Indian delegation under the banner of Capexil is in Doha to explore business opportunities by having face-to-face talks with their Qatari counterparts. Capexil is a nonprofit making organisation set up by the Indian ministry of commerce to promote exports of chemical and allied products from India.

For the Indian delegates, a presentation was also made to make them aware about the ways to invest in Qatar. The presentations explained about the various requirements by a foreign company to set-up their businesses in Qatar. It also dealt upon the tax system for the companies.

14.1)A QCCI Delegation Meets Indian Businessmen Delegation

A delegation representing Qatar Chamber of Commerce And Industry (QCCI) held a meeting here on Wednesday with a 12-member delegation of CAPEXIL, an Indian business support organisation for promotion of export who are currently visiting Qatar.The meeting, attended by a number of Qatari businessmen and their Indian counterparts, aims at exchaning views on trade opportunities and prospects of cooperation between the two countries in numerous trading fields including sawn timber, garnet sand, illuminate and polished granite slabs, among other sectors.

Remy Rowhani, the director general of QCCI said during the meeting that the Qatari market is so expanded enough to accommodate real partnerships with the Qatari businessmen in these vital sectors asserting meantime the complete preparedness of QCCI to provide ample support and help to narrow the gap and bring close together the views of the businessmen of the two countries.

For his part, Sasi Kumar, the deputy chief of mission of the Indian Embassy to Qatar said that Qatar and India are closely connected with historical and strong relationship pointing out that the Indian community in Qatar is the biggest in number in Qatar noting as well that the volume of trade exchange between them scored $ 13 Billion in 2012. The Indian delegation arrived earlier in Doha on a three-day visit to Qatar to tap trade opportunities in the country.

Led by CAPEXIL Deputy Director I Rajamannar, the group includes representatives from sawn timber, garnet sand, illuminate and polished granite slabs, among other sectors. It is worth to mention that CAPEXIL is non-profit making organization setup in March 1958 by the Ministry of Commerce, Government of India to promote export of Chemical and Allied Products from India.

The Indian embassy in Doha said the visit is being coordinated by it with the active support of Qatar Chamber of Commerce and Industry (QCCI) and Indian Business and Professionals Network. The delegation is scheduled for interactions with local companies, aimed at expanding business in various sectors of mutual interest.

Members of the business delegation will be available for a ‘Buyer Seller Meet’ on February 21, it said, adding that QCCI is organising a business event at its premises tomorrow. Bilateral trade between the two countries has been steadily increasing, crossing $ 13.7 billion in 2011-12. Both sides are actively engaged in further strengthening bilateral business cooperation, the embassy said. Capexil, formerly known as Chemicals and Allied Products Export Promotion Council, is one of India’s oldest trade bodies with 4,000 members consisting of both SMEs and large corporate organisations, it said This is the second consecutive year that Capexil is sending a delegation to Qatar with a view to realise the vast potential of expanding business with mutual benefit to both sides, it added.

14.2) Company formation in india:-

Company registration in India is regulated by the Companies Act, 1956 and is administered by the Ministry of Corporate Affairs (MCA - www.mca.gov.in) through the Offices of Registrar of Companies (ROC) in each State. This act regulates two types of companies in India: Private and Public Companies.

Company Registration process starts by filing of name application with the ROC. Once, name is allotted, company registration documents have to be prepared and filed with respective ROC for registration. Up on scrutiny of documents, in a day or two the ROC registers the Company and issue the Certificate of Incorporation. This company registration process can be simplified with Helpline Groups assistance. We can assist you to register companies anywhere in India at an attractive cost.

14.3) Company Formation in Qatar:-

Qatar Helpline Group provides professional assistance in **company formation in Qatar**. Company Registration and Incorporation process can be simplified and processed at the maximum pace with our assistance. Qatar Helpline Group provides end-to-end services related to **company formation in Qatar**. As Qatar is going through a vigorous economic change, it is considered as the best time to form or start a company in Qatar. Qatar is also offering many advantages and opportunities to foreign as well as domestic investors. Our company formation services can help you with many advantages than our competitors. Some information regarding company formation Qatar and different types of companies are explained in brief for your understanding. This information may change as the economic policies of Qatar are revised. Please call us or email us for more information and updates.

14.4) Company Formation Qatar:-

Qatar government's economic development strategy has been very successful and the investment incentives, infrastructure, banking services, insurances and political and social stability are contributing factors in creating an excellent business climate for business start-ups.

For companies wanting to establish their commercial presence in Qatar there are a few structural options with the most common being the LLC (Limited Liability Company) in which case the entity must have one or more national partners whose share in the company capital must not be less than 51%. Here must be noted that the parties' profit share do not necessarily have to reflect their equity stake. Therefore, foreign investors wishing to establish business operations in Qatar engaged in most of the commercial business activities must do so with a partner who is a Qatari national.

Qatar welcomes foreign participation to invest in all the various sectors of national economy with 51% Qatari participation. To promote foreign investment in Qatar Government has enacted new Foreign Investment Laws permitting 100 % foreign ownership in business sectors including agriculture, manufacturing, health, education, tourism power and projects which develop and utilize the State's natural resources. However the law does not allow a non-Qatari to participate in banking, insurance, commercial agency or real estate trading activities. Full foreign ownership is also viable for companies registering under different zones

14.5) Our Services

Qatar Helpline Group offer our clients a complete range of **Offshore Company Formation in Qatar** through **Company Incorporation Division in Qatar** including **Company Formation, Incorporation and Maintenance, Management Consultancy.**. Extensive experience of local business, good working knowledge about the rules and regulations of Qatar and a high level of personal involvement are our main strengths. We will provide our assistance in the formation of **Limited Liability Company, Free Zone Enterprises, Branch of foreign companies** etc.

14.6) Company Formation in Qatar

There are a number of different ways of creating an establishment in Qatar, and the requirements vary depending on the nature of business and capital investment. Foreign Direct Investment is encouraged and developed by the Ministry of Economy and Commerce with the help of its subsidiary The Qatar Investment Promotion Department (IPD). IPD directs the company incorporation and other services related to business services in Qatar. Qatar Helpline Group works in compliance with IPD and Ministry of Economy and Commerce to provide our clients maximum benefits while setting up their business in Qatar or forming a company in Qatar. Bellow given are the types of companies and guidelines to be considered while setting up a company in Qatar.

14.7)100 Percent Foreign Investment

The Foreign Investment Law allows foreign firms 100 percent ownership of the share capital of companies developing projects in the fields of agriculture, industry, health, education, tourism, IT, exploitation of natural resources and mining. Each application is reviewed on a case-by-case basis, by the Ministry of Business and Trade. Although there is paperwork to be filed, approvals to be obtained and registration fees to be assessed during this process, the mode of registration offers the opportunity for foreign companies to operate separately.

14.8) Limited Liability Company Formation in Qatar

This type of company is the most commonly used business entity in Qatar. The general rule is that non-Qataris may invest only through the medium of a joint venture company incorporated in Qatar in which one or more Qatari persons or 100 percent Qatari-owned entities hold no less than 51% of the share capital. Joint venture companies with Qatari partners are allowed in all sectors of the economy excluding commercial agencies and real estate. Foreign partners in partnerships must pay the full amount of their contribution of share capital to an authorized financial institution in cash prior to obtaining the Companies' Commercial Registration. The minimum share capital for a Limited Liability Company is Qrs200, 000. The Company is required to set aside 10 percent of its net profits until the reserve stands at 50 percent of the share capital. The parties' profit shares do not necessarily have to reflect their shareholdings.

14.9) Branch Office

The Foreign Investment Law contains provisions that, subject to an exemption from the Minister of Business & Trade, a branch of a foreign company can be registered in Qatar if that foreign company has a contract in Qatar which is performing a specific project, which "facilitates the performance of a public service or utility". This registration does not allow for the foreign company to conduct commercial activity that is not related to the specific contract for which it is registered. Foreign companies registered under this category do not need a sponsor or Service agent. The Branch Office will be fully taxable unless it is granted a special exemption.

14.10) Commercial Agency

The foreign company does not establish a presence in Qatar, instead an agent is appointed to market goods and services within Qatar.

A commercial agent generally acts as the exclusive provider of services of the foreign principal or exclusive seller in Qatar for foreign produced goods. Those companies planning to have agency agreements with Qatari firms are encouraged to review Law No. 8/2002 ('the Commercial Agents Law'). Under a registered agency, commission is payable on all sales of products in Qatar, even if the sales are not due to the activities of the agent. It should be noted that it is difficult to terminate an agency agreement even if that agreement was for a fixed term period.

14.11) Representative Trade Office

The Decision of the Minister of Business and Trade No142/2006 provides that foreign firms may open a representational office without a local partner. Such offices may not conduct any financial transactions related to the company's commercial activities in Qatar and are therefore not subject to taxation. Though the representational office may be registered in the Commercial Registry and employ staff in its own name, it really is a 'shop window' used to promote a foreign company in Qatar and introduce its products to Qatari companies.

14.12) General Partnership Company

This is the most basic form of commercial arrangement for two or more individuals to combine together for the purpose of commercial activity in Qatar. The partners have unlimited liability and the trade name of the partnership company will reflect the names of the partners.

14.13) Limited Share Partnership Company

This type of company has at least one or more joint partners and at least four trustee shareholding partners. The minimum share capital of the company is 1,000,000 QR. (Read Law (5) of the year 2002 articles (206) - (224).

14.14) Holding Companies

A holding company must be a shareholding company or limited liability company which has financial and management control on the companies by owning at least 51% of that company. The minimum capital should be 10 million QR. (Law (5) of the year 2002 articles (261)-(266).

14.15) Public Shareholding Company

Public Shareholding Company also known as Joint Stock Company or Qatari Shareholding Company. The law recognizes different variants of the public shareholding company including: 1- Public shareholding company-open. 2- Private or closed public shareholding company. (Read Law (5) of the year 2002 articles (61)-(205).

14.16) Joint Venture Company

An entity comprised of two or more persons that combine to carry out a project. The joint venture company provided for in the law is an unincorporated entity without legal personality. (Read Law (5) of the year 2002 articles (52)-(60).

Real Estate

- Identifying the ideal location: Our extensive knowledge of the local Real Estate market adds strength to our quest for the ideal property to suit the expectations of our clients. With Helpline Group clients are assured of roaring in the real estate wave of Qatar
- Visiting various sites for the requirements of the clients (on the request of the client)
- Locating the space as per the clients requirements

Company Taxation

- Taxation is covered by Law 11 of 1993 and Law 9 of 1989
- Companies owned by foreign nationals must pay tax on their activities. Qatar companies do not pay tax, but foreign partners must pay tax on their share of the business.
- GCC citizens and companies are treated as Qatari Nationals for the purpose of tax and therefore do not pay tax on their business activities.

Tax Declarations

- Tax declarations have to be made within four months of the end of the financial year. Companies with profits exceeding QAR100,000 have to submit audited financial statements certified by a registered Qatar accountant to support their declaration.

Rates of Taxation in Qatar

- Qatar Tax rates start at 10% at profits between 100,000 and 500,000 riyals and rise to a total of 35% for profit above 5,000,000 riyals.

Income Tax

- There is currently no taxation for employees on income tax

6.

CHAPTER 1

ECONOMY OF QATAR

CHAPTER – 1
QATAR ECONOMY PROFILE

Economy – overview Qatar is one of the smallest Gulf Countries in terms of population and geographical area but the second largest gas reserves in the world representing more than 5% of the world total. The prosperity of natural resources coupled with the growing and diversifying economy means enormous access to investment opportunities and incentives. The Qatari government adopts a policy aiming at diversifying income resources and developing economic infrastructure. Specifically, the government expanded the exploration projects in oil and gas sectors and offered numerous incentives to attract foreign investors to carry out similar projects. The Qatari economy is one of the most rapidly growing economies in the world offering the international community a variety of world-class and cutting- edge products and services. With its strong and open economy, the government of Qatar is committed to international standards and practices. The country is concentrating on establishing business presence in the world community in order to leverage on globalization basis. Continuous improvements have seen as central to the country's growth and advancement as summarized below:

- Qatar is a stable and pro-business country with clear vision and direct focus.
- Qatar has the highest GDP per capita income in the world estimated at US $68,467 in 2008.
- Qatar's nominal GDP growth continues to reach record levels, averaging 25% over the past five years.
- Qatar has a strong trade surplus over the years with revenues mainly driven from oil and gas exports.
- Qatar is a country of creative energy, a leader in Liquefied Natural Gas (LNG) sector and one of the desirable investment destinations of the world.

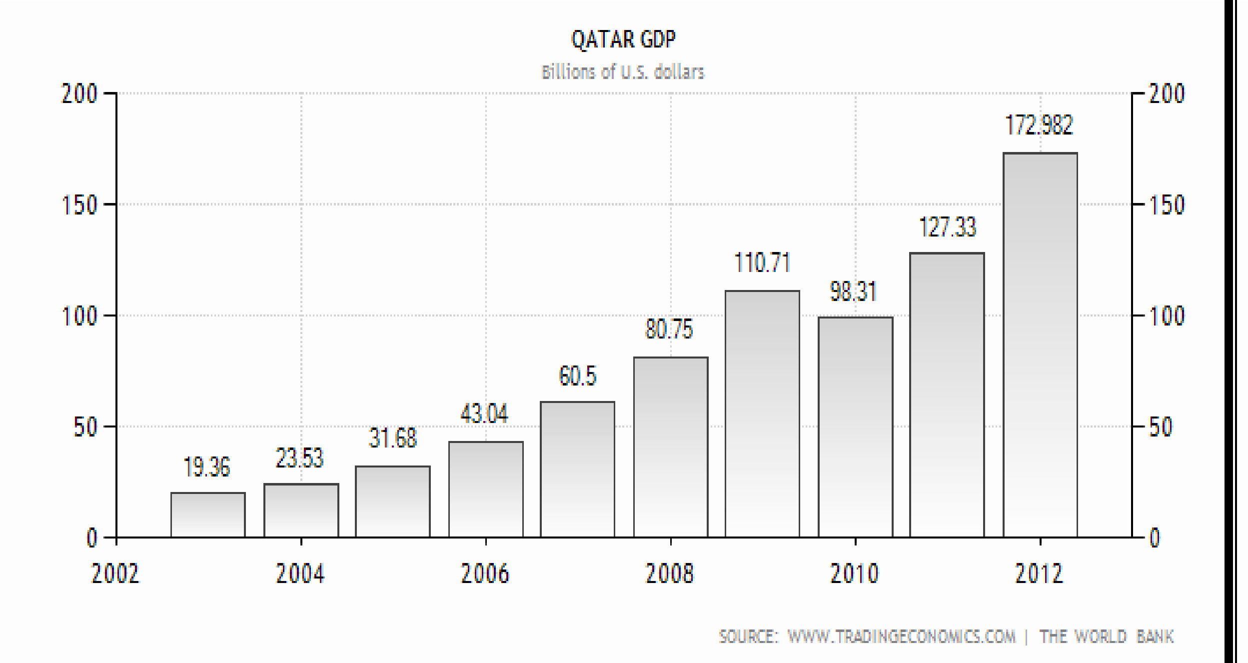
- Qatar welcomes foreign participation in joint venture to invest in all the various sectors of national economy with 51% Qatari participation.
- Qatar is rated with AA-long term and A1 short term on foreign and local currency sovereign credit by Standards and Poor's, Aa2 with stable long-term outlook by Moody's and A+ by Capital Intelligence in 2007.
- Qatar's Equity Markets has been among the most exuberant in the Gulf Cooperation Council (GCC), accumulating significant gains since 2003.

The positive growth rate in QE is largely backed by strong macro-economic fundamentals and sound financial performance of corporate sectors.

™ MACRO-ECONOMIC TREND

Qatar is now the richest country in the Muslim world. Current GDP per capita registered a world record-breaking peak growth of 1,156% in the Seventies. This became quickly unsustainable and Qatar's current GDP per capita contracted 53% in the Eighties. But rising global oil demand helped current GDP per capita to expand 94% in the Nineties. Diversification is still a long-term issue for this over-exposed economy.

For purchasing power parity comparisons, the US Dollar is exchanged at 5.82 Qatari Rials only. Mean wages were $59.99 per man-hour in 2009.



™ ENERGY SECTOR

Before the emergence of petrol-based industry, Qatar was a poor pearl fishing country. The exploitation of oil and gas fields began in 1940. In 1973, oil production and revenues increased dramatically, moving Qatar out of the ranks of the world's poorest countries and providing it with one of the highest per capita incomes in the world.

Qatar's economy was in a downturn from 1982 to 1989. OPEC (Organization of Petroleum Exporting Countries) quotas on crude oil production, the lower price for oil, and the generally unpromising outlook on international markets reduced oil earnings. In turn, the Qatari government's spending plans had to be cut to match lower income. The resulting recessionary local business climate caused many firms to lay off expatriate staff. With the economy recovering in the 1990s, expatriate populations, particularly from Egypt and South Asia, have grown again.

Oil production will not long remain at peak levels of 500,000 barrels (80,000 m^3) per day, as oil fields are projected to be mostly depleted by 2023. Nevertheless, large natural gas reserves have been located off Qatar's northeast coast. Qatar's proved reserves of gas are the third-largest in the world, exceeding 250 trillion cubic feet (7000 km^3). The economy was boosted in 1991 by completion of the $1.5-billion Phase I of North Field gas development. In 1996, the Qatar gas project began exporting liquefied natural gas (LNG) to Japan. Further phases of North Field gas development costing billions of dollars are in various stages of planning and development.

™ INDUSTRY

The government considers industry to be an integral part of its plan to diversify the economy and maximise its huge natural gas reserves, which serve as the primary feedstock for the sector. Accordingly, careful planning has gone into industrial development. With an eye towards exports, development has been clustered around the ports of Ras Laffan and Mesaieed, which are also key centres of energy. The result has seen considerable growth over the years. Industries Qatar (IQ), a producer of petrochemicals, fertilisers and steel, is a regional powerhouse, surpassed only in size by Saudi Basic Industries Corporation (SABIC), the Middle East’s largest chemical producer. In 2007 the manufacturing sector made the third-largest contribution to GDP among non-oil and gas sectors, equivalent to about 7.5% of GDP. Petrochemicals and fertilisers supply make up a large portion of the industrial base, along with steel and other construction materials, through Qatar Steel and Qatar Primary Material Company (QPMC). Indeed over the past few years, demand for construction materials experienced a major surge as the development boom swept the Gulf. But the global financial crisis has put a significant dent in demand in the region, as project credit lines dry up and investor sentiment remains cautious.

™ FINANCIAL SECTOR

The Qatari banking sector managed to escape the direct impact of the global subprime fallout, but was not altogether unscathed by its aftershocks. Overall, it was the best performing of the Gulf Cooperation Council markets in the last quarter of 2008 and most banks posted substantial profits for 2008. But the sector is also facing issues of liquidity, declining customer confidence and a forced reluctance to lend. In a bid to strengthen the banks' positions, the Qatar Investment Authority (QIA) announced in early 2009 that it was willing to take a 10-20% stake in any interested local listed banks by way of a capital injection, although this was later reduced to 5% stakes and an additional 5% at the end of 2009

™ ISLAMIC FINANCE

The Islamic finance sector enjoyed increased activity in 2008 and is expected to continue to grow into 2009 as more sophisticated financial instruments spark the interest of investors. In addition to Islamic banks, such as Qatar Islamic Bank (QIB), Qatar International Islamic Bank (QIIB) and newcomer Al Masraf Al Rayyan, conventional banks have also been entering the sharia-compliant sector and are coming to view an Islamic subsidiary as a virtual necessity in order to maintain market standing. Islamic banks currently take the lion's share of sharia-compliant business, though the conventional banks are working hard to take a greater share of market activity. Both Islamic banks and Islamic subsidiaries did remarkably well in the first three quarters of 2008, during which overall financing activity increased by 70.6% compared to the same period in the previous year. The global financial crisis has certainly thrown a dampener on this growth, though. Poor market conditions have contributed to a marked slowdown of Islamic bond, or sukuk, activity in 2008 throughout the Gulf. But other segments, such as Islamic insurance, or takaful, have not seen a similar downturn. In fact, takaful still shows significant room for expansion as it currently makes up less than 20% of the total insurance market. Overall, challenges to further growth remain, including a lack of qualified staff to meet the growing demand for sharia-compliant banking services. In order to compete with the conventional banking sector and expand its customer base, Islamic banks need to invest in suitable human resources.

™ CAPITAL MARKET

The stock market capitalization of listed companies in Qatar was valued at $95,487 million in 2007 by the World Bank. As 2008 drew to a close, no capital markets around the globe, including Qatar's, were immune to the effects of the sub-prime fallout. That said, there is considerable optimism that Qatar's bourse, the Doha Securities Market (DSM), will remain relatively resilient to the ongoing international turbulence. It has followed the same peak-trough trajectory as many others around the globe, hitting record highs in mid-2008, before diving in late 2008 and early 2009. Between December 2006 and July 2008 the DSM Index rose about 117% before the global financial crisis wiped out most of these gains. In the first few months of 2009, the DSM lost about 40% of its value. In an effort to stave off further losses, the government announced in February 2009 that it would step in to buy up shares of troubled banks amounting to about 10% of the market's capitalisation. The move dramatically improved investor optimism and is hoped to prevent the market from falling further. The proposal to create a single unified regulator as early as 2010 to oversee all banking and financial services is viewed as another promising development that will dramatically transform the financial sector for the better. Underlining these developments is strong optimism that the solid base of Qatar's economy, which has maintained a favourable outlook, will be enough to buoy capital markets and lure shaken-up investors back to the trading floor.

™ TOURISM

Qatar is focusing on niche tourism, especially the business segment, as a means of growth for the sector. Under the ambitious five-year development plan of the Qatar Tourism and Exhibitions Authority (QTEA), the government aims to boost the number of visitors from 964,000 as of 2007 to 1.5m by 2010. The funding needed to meet this goal is certainly there – in 2008 the state allocated some $17bn for tourism development through 2014, most of which is going towards hotels, exhibition space and infrastructure. In order to keep up with a rising number of visitors, the government hopes to increase hotel capacity 400% by 2012. In addition to financial support, the government has also worked to ease business regulations in a bid to increase private sector activity. A major aspect of expansion plans is the New Doha International Airport (NDIA), which will have the capacity to handle up to 24m passengers upon the completion of the first phase in 2012. Considering the vast majority of these visitors are members of the business community, the government has naturally targeted the meetings, incentives, conferences and exhibitions segment as a viable source of development, with two new convention centres slated to open in 2011. Other niche tourism segments receiving special focus include cultural tourism on the back of the recent headline-grabbing opening of Doha's Museum of Islamic Art, and sports
tourism, initially spurred by the Asian Games, to which Qatar played host in 2006. The

government appears to be committed to long-term expansion plans, but challenges nevertheless remain, including effective marketing to the international community as well as the effect of the financial crisis on global tourism appetite.

™ TRANSPORT

With a fast-expanding population and substantial economic growth over the past decade, a reliable and extensive transportation network is becoming increasingly necessary within Qatar. So far the government, the primary transport developer, has done well in terms of keeping up with demand for new transportation options. In 2008 the Public Works Authority (Ashghal), one of the bodies that oversees infrastructure development, underwent a major reorganisation in order to streamline and modernise the authority in preparation for major project expansions across all segments in the near future. Ashghal works in tandem with the Urban Planning and Development Authority (UPDA), the body that designed the transportation master plan, instituted in March 2006 and running to 2025.

As driving is the primary mode of transport in Qatar, the road network is a major focus of the plan. Project highlights in this segment include the multibillion-dollar Doha Expressway and the Qatar Bahrain Causeway, which will connect Qatar to Bahrain and Saudi Arabia and is considered a milestone in regional interconnectivity. Mass-transit options, such as a Doha metro, light-rail system and more extensive bus networks, are also under development to ease road congestion.

CHAPTER – 2

TELECOME INDUSTRY IN QATAR

LTE and Qatar’s National Broadband Network (NBN) to underpin broadband growth Qatar possesses a well developed telecoms market, financed in part from wealth generated by natural resources. The last country in the region to introduce competition to its telecoms market, Qatar is improving market conditions, with number portability to be introduced by 2013 and a National Broadband Network (NBN) in deployment.

Broadband penetration is among the highest in the region, with services available via ADSL, Fibre-to-the-Home (FttH), wireless and mobile. Recognising the inherent opportunities in faster communications, Qatar has embarked on developing a national fibre-based access network, known as QNBN. Services are offered on a wholesale basis, with Vodafone already launching services. QNBN plans to extend coverage to 95% of homes by 2015, with speeds of up to 100Mb/s offered.

Qatar has taken advantage of its geographical location to improve international Internet bandwidth and redundancy, with two new international submarine cables entering service in 2012, just in time to cater to increased bandwidth demand due to QNBN and LTE.

Recognising the potential of applying ICT to improve both social and economic development, Qatar has taken steps to develop an Internet economy, with significant government funded initiatives launched in the areas of public administration (e-government), e-health and e-learning.

Both Qtel and Vodafone Qatar have also launched mobile broadband services underpinned by 3G or LTE networks. Adoption of such services provides a new revenue growth opportunity as the mobile voice market comes under increased competition.

Key telecom parameters – 2011; 2013

Sector	2011	2013
Subscribers to telecoms services (million):		
Fixed Broadband	0.14	0.17
Fixed-line telephony	0.29	0.32
Mobile phone	2.19	2.30

(Source: BuddeComm)

This report provides a comprehensive overview of trends and developments in Qatar's telecommunications market. The report analyses the mobile, Internet, broadband, digital TV and converging media sectors. Subjects include:

- ¾ Market and industry analyses, trends and developments;
- ¾ Facts, figures and statistics;
- ¾ Industry and regulatory issues;
- ¾ Infrastructure;
- ¾ Major players, revenues, subscribers, ARPU
- ¾ Digital economy
- ¾ Mobile voice and data markets;
- ¾ Broadband (FttH, DSL, wireless);
- ¾ Convergence and digital media;

.1 Major Companies Of Telecom industry Of Qatar

™ About Qatar Telecom (Qtel)

Qatar Telecom (Qtel) is the exclusive telecommunications provider in Qatar. Its principal activities include local and international fixed telephone, mobile, Internet, data and cable television services.

Qtel is committed to growing its presence in the Middle East and internationally. In 2004, Qtel led a consortium and won the public tender for the second mobile license in Oman, and launched its Nawras subsidiary services in March 2005, capturing more than 500,000 new customers (over 31% of the Omani mobile market) in just over 20 months of operations. In November 2006 signed an agreement to acquire a strategic stake in NavLink, a leading provider of managed data services to businesses in the Middle East, with AT&T Inc. In January 2007, Qtel further extended its international presence through the acquisition of an approximate 25% equity stake in ST Telemedia's Asia Mobile Holdings Pte. Ltd. ("AMH").

™ Korean Telecom

T-Corporation (formerly **Korea Telecom**, Korean is a South Korean integrated wired/wireless telecommunication service provider. KT has an information & communications business, and has the largest portion of the South Korean local telephone and high-speed Internet business. Originally founded in 1981 as a public corporation, KT actively led Korea's transition to the information era and played a key role in promoting the growth of Korea into a globally recognized IT superpower. In 2009, KT merged with its mobile subsidiary KTF, paving the way to the convergence of fixed and mobile services. KT seeks to provide its customers with advanced wired and wireless services via ubiquitous digital devices. Existing as a telecom operator under Korea's Telecommunications Business Act, KT is subject to the monopoly regulations and Fair Trade Act, and thus, cannot in any way misuse the authority it holds as the dominant player in the Korean telecommunications market. The company has a well-distributed shareholder structure under which the National Pension Service(NPS) is the largest shareholder(8.26%), but NPS holds no managerial rights over the company. Under the current shareholder structure, no controlling shareholder exists.

™ Alfa Telecom

Alfa Group Consortium is one of Russia's largest privately owned investment groups, with interests in oil and gas, commercial and investment banking, asset management, insurance, retail trade, telecommunications, water utilities and special situation investments. Alfa Group's portfolio of companies includes Alfa-Bank, TNK-BP, VimpelCom, X5 Retail Group, A1 Group, Alfa Capital Management, AlfaStrakhovanie Group, and Rosvodokanal Group.

The group was founded in 1989 as *Alfa-Eco* by Mikhail Fridman, one of the most influential business leaders in Russia during the Yeltsin presidency and one of the Russian oligarchs, in partnership with German Khan, Alexei Kuzmichov and several other partners.

™ About Wi-Tribe

Established in April 2007 as a Qtel Group Company, Wi-Tribe delivers internet services to consumers in Pakistan, Jordan and Philippines, with a regional Head Office based in Doha, Qatar.

Recently, the company has been expanding and launching its ventures worldwide, as part of the Qtel's 2020 vision.

™ **About Vodafone**

Vodafone Group Plc is a British multinational telecommunications company headquartered in London and with its registered office in Newbury. It is the world's second-largest mobile telecommunications company measured by both subscribers and 2011 revenues (in each case behind China Mobile), and had 439 million subscribers as of December 2011.

Vodafone has a primary listing on the London Stock Exchange and is a constituent of the FTSE 100 Index. It had a market capitalization of approximately £89.1 billion as of 6 July 2012, the third-largest of any company listed on the London Stock Exchange. It has a secondary listing on NASDAQ.

CHAPTER–3
PESTEL Analysis of Telecom Industry in Qatar

3.1) Political Impact

Qatar’s telecom industry has been one of the late adopters of the liberalization policy; until 2009, Qtel was the sole service provider, after which Vodafone Qatar was allowed to provide mobile cellular services. In April 2010, Vodafone was also issued the fixed license thus paving the way for a major liberalization phase. The National ICT Strategy Plan formulated by the Supreme Council of Information and Communication Technology aims to build the ‘knowledge economy’ in Qatar, which entails a total investment of QR6.2 billion over the 2011-2015 period.

According to Qatar’s ICT Landscape Report 2011, Qatar has made significant strides with regards to ICT penetration rates as compared to 2008. According to the report, 84 percent of households had access to the internet in 2010 as compared to 63 percent in 2008. Among them the broadband connectivity has grown at a rapid pace from just over 40 percent in 2008 to 70 percent in 2010. The overall number of internet subscribers has seen a near twelve-time jump from the 2001 levels. The emphasis has been on the telecommunications infrastructure, which has expanded and evolved over the past five years.

The Qatari government has been a frontrunner in the drive for market expansion for ICT usage and adoption. This is evident from the fact that Qatar is ranked third in the world for ICT government readiness as per the World Economic Forum's Global Information Technology Report 2009-10. The ICT plan furthers the government initiatives by aiming to create social benefits from digitized public services information.

3.2) Economic Impact

¾ **Mobile Slowdown**

The International Telecommunications Union's (ITU) report for 2010 discloses that mobile cellular growth is witnessing a slowdown across the globe. Mobile markets in developed countries are already at saturation levels with average subscriptions at 116 per 100 inhabitants. Moreover, if we peruse the ITU's ICT Indicators Database for the Gulf Cooperation Council (GCC) states, mobile cellular subscriptions average 171 per 100 inhabitants for 2009, which is more than double the 82 per 100 inhabitant figure for 2005.

This leads to two conclusions; one that mobile subscriptions have grown at a rapid pace from 2005 to 2009 and two that mobile subscriptions have reached a saturation point in the GCC region as well. From here on, mobile subscription growth rates treading in the double-digit region will be a rare occurrence.The average compound annual growth rate (CAGR) for mobile subscriptions per 100 inhabitants for the six GCC states for the 2005-09 periods stood at 20 percent. Saudi Arabia and Oman, which began with a low base, realized CAGR in the 30 percent range, while the United Arab Emirates (UAE) and Qatar have grown at a pace similar to the regional average.

The UAE tops the mobile penetration chart in GCC with subscriptions of 232 per 100 inhabitants and is followed by Bahrain, Qatar and Saudi Arabia with subscriptions of more than 170 per 100 inhabitants. This hints at saturation in the GCC markets as well, as far as mobile subscriptions are concerned.

3.3) Social impact

The best Internet speed Qtel can offer where I live is two Mbps (megabits per second) at a cost of QR300 a month. But BT in the United Kingdom (UK) provides up to 40 Mbps for about QR143 – half the price.

Perhaps it is an unfair comparison. Qatar is obviously still a very young country, and its infrastructure is going through what amounts to a technological revolution to keep pace with growth levels. And Qtel is stepping up with its new Fibre service, promising speeds of up to 100 Mbps.But still, pricing is a huge issue. A 100 Mbps connection will cost QR650 a month. Again to use BT as an example, the UK equivalent would cost only QR200. Why does it have to be so expensive here?

Apparently the people of Qatar share the same concerns. Eighty one percent of respondents in an opinion poll in Al Sharq newspaper felt neither Qtel nor Vodafone Qatar were providing a comprehensive nationwide network, and that their charges were very high. Seventy-two percent said there was no real competition and that promotions by the two companies were really just ploys. Still the focus falls on Qtel, because of its huge responsibility to the country. Without it, Qatar faces being cut off from the rest of the world. That might sound like an overstatement, but an article published in September 2011 in the long-standing American magazine The Atlantic pointed out that Qtel being the exclusive provider of Internet access in Qatar could spell big problems.

It stated Egypt has nearly 200 (Internet Service Providers) ISPs, Syria around 10, and Libya four. With only one here, The Atlantic said: “If Qtel goes down, Qatar disappears off the face of the Web”.To be fair, there is not much difference in the mobile market. Qtel charges QR0.55 per minute for pre-paid voice calls, and Vodafone Qatar QR0.49. But compare both to Etisalat in the United Arab Emirates, which charges only QR0.30. And it gets worse when you look at Internet access – in my opinion, a business tool just as important, if not more important, than the mobile phone

3.4) Technological Impact

In the telecommunications industry, technology changes rapidly and standards evolve over time. Nawras' success depends, in part, on its ability to identify and deploy the most promising new technologies quickly, as well as on its ability to retire obsolete technologies.

In connection with the rollout of Nawras' fixed line services, Nawras intends to implement a backbone and WiMAX wireless access networks to deliver voice and data telecommunications and Internet access across Oman. However, WiMAX technology may not be accepted by customers or may be surpassed by other technologies including LTE. The introduction of voice over IP services may also change the way in which customers use traditional fixed line services and may negatively impact demand for Nawras' fixed line services offerings.

Competitors that can operate networks more cost effectively may have competitive advantages over Nawras, which could cause its business to suffer. The TRA may grant additional licences for any or all of the wireless technologies. The issuance of additional licences for existing wireless technologies or the implementation of new wireless technology in Oman could greatly increase competition and threaten Nawras' business, results of operation, financial condition and prospects.

Additionally, technologies Nawras utilises today may become obsolete or be subject to competition from new technologies for which Nawras may be unable to obtain appropriate licences. In particular,while WiMAX technology, which Nawras intends to deploy for offering broadband telecommunications and Internet, and 3.5G and 3.75G, which are currently available to Nawras' customers, are significantly superior to existing second generation standards, such as GSM, particularly in providing advanced data and content services, it remains uncertain whether such technologies will be generally accepted or whether more advanced technologies will be deployed. Nawras has recruited highly experienced technical staff to ensure that it is up-to-date with the latest technological trends in the telecommunications business.

3.5) Legal Impact

It is possible for the TRA to implement new and/or change existing regulations in a manner that is detrimental to Nawras' current business and future growth. Such changes may include amendments to tariffs or roaming regulations or requiring Nawras to offer its current services at much lower rates.

The TRA also has the authority to implement changes in how Nawras bills for its services, such as requiring it to bill customers in smaller units, that may impact how Nawras markets certain products and services. The TRA may also grant additional licenses and spectrum to other existing or new operators, which could limit Nawras' ability to increase its customer base and offer new products and services. While the TRA aims to support a fair and efficient marketplace, certain regulatory changes could adversely affect Nawras' business, results of operations, financial condition and prospects.

Nawras' Licenses require that it meet certain conditions, including capital commitments and coverage requirements. If a licensee does not fulfill the terms of a license, the TRA may impose penalties, including substantial fines on the licensee or suspension or termination of that license. If Nawras fails to comply with the requirements of applicable Omani law, or Nawras fails to meet the terms of its Licenses and other authorizations necessary for its operation, the Licenses may be suspended or revoked. Nawras has engaged personnel to ensure compliance with its Licenses is monitored regularly and has ongoing discussions with the TRA about the status of compliance with its regulatory requirements

Qatar's broadband sector is experiencing rapid development, with considerable investments in high-speed fixed and mobile broadband networks by the government and the country's two service providers Qtel and Vodafone Qatar.

Q112 results from Qatar's two principal telecommunications operators were better than had been expected,following a relatively poor performance in the fourth quarter of 2011. This has enabled BMI to raise ourforecast growth rates relating to mobile subscriber additions and ARPU evolution. However, the latestquarterly data shows fixed-line and broadband adoption rates were within expectations; accordingly. Wehave not revised forecasts for these sectors. The improvements in the mobile sector were not sufficient toforce any changes to Qatar's scores within BMI's Risk/Reward Ratings analysis and so Qatar remains infourth place relative to its neighbours in the Middle East and North Africa (MENA) region.

Vodafone Qatar outperformed incumbent Qtel in terms of customer additions during Q112, adding almostdouble the number of customers its rival achieved. However, Qtel still accounts for well over two-thirds ofthe mobile market and its more attractive subscriber mix - which increasingly leans towards more valuablepostpaid services - means its revenue and ARPUs are growing faster than Vodafone's. The company is alsoderiving a healthy income from non-voice services and data ARPUs are growing well. Vodafone, too, saysthat data revenue is offsetting contributions from voice services, although it is reluctant to say whatproportion of revenue is now accounted for by data.

Vodafone's focus on prepaid services should stand it in good stead for the next two years or so, as it takes advantage of the country's growing attractiveness to tourists and businesses, turning to the country as a regional hub. However, Qtel has a more robust long-term strategy, leveraging its ability to provide converged service bundles via its disparate fixed-line and mobile networks. Securing deals to manage the communications networks in key residential and business developments, as well as facilities such as New Doha International Airport gives Qtel the competitive edge and ubiquity necessary to keep the newcomer incheck. Vodafone is slowly making forays into the fixed-line market, but still has not fully launchedmass market services. Further delays will put its investment at risk.

BMI forecasts continued growth in fixed-line services, buoyed by demand for Qtel's triple-play offerings. We envisage the number of connections rising from 317,000 in 2012 to 351,000 by the end of 2016.Broadband also has a role to play in this story. We continue to forecast broadband connections of all kinds rising from 352,000 in 2012 to 550,000 by 2016.

CHAPTER–4
INDUSTRY OVERVIEW

4.1) Qatar Telecoms Industry

Qatar possesses a well developed telecoms market, financed in part from wealth generated by natural resources. The last country in the region to introduce competition to its telecoms market, Qatar is improving market conditions, with number portability to be introduced by 2013 and a national broadband network (NBN) in deployment.

Broadband penetration is among the highest in the region, with services available via ADSL, Fiber-to-the-Home (Fattah), wireless and mobile. Recognizing the inherent opportunities in faster communications, Qatar has embarked on developing a national fiber-based access network, known as QNBN. Services are offered on a wholesale basis, with Vodafone already launching services. QNBN plans to extend coverage to 95% of homes by 2015, with speeds of up to 100Mb/s offered.

Qatar has taken advantage of its geographical location to improve international Internet bandwidth and redundancy, with two new international submarine cables entering service in 2012, just in time to cater to increased bandwidth demand due to QNBN and LTE. Recognizing the potential of applying ICT to improve both social and economic development, Qatar has taken steps to develop an Internet economy, with significant government funded initiatives launched in the areas of public administration (e-government), e-health and e-learning.

Mobile services are offered by a duopoly comprised of Tell and Vodafone Qatar. Since launching services Vodafone Qatar has managed to grab approximately a third of the market, with its share likely to increase once mobile number portability is introduced.

Both Tell and Vodafone Qatar have also launched mobile broadband services underpinned by 3G or LTE networks. Adoption of such services provides a new revenue growth opportunity as the mobile voice market comes under increased competition.

4.2) Indian Telecommunication Sector

History of Indian Telecommunications started in 1851 when the first operational land lines were laid by the government near Calcutta (seat of British power). In 1883 telephone services were merged with the postal system. Indian Radio Telegraph Company (IRT) was formed in 1923. After independence in 1947, all the foreign telecommunication companies were nationalized to form the Posts, Telephone and Telegraph (PTT), a monopoly run by the government's Ministry of Communications. The telecommunication industry is the fastest growing industry in every country. Over the last decade and particularly over the last five years, India has registered an impressive growth in the telecommunications sector; 1India now has a total of 846.32 Million Telecom subscribers, comprising of of 811.59 Mobile subscribers & 34.73 wireline subscribers. The Indian Tele-density now stands at 70.89%. India today has the

world's second largest network which is growing at a rate which is unmatched by any other country in the world. With the connections now growing at a faster pace in rural areas as compared to urban, it is expected that as India crosses the 1 billion mark, the rural teledensity will grow from the current value of 32.95% to 40%. The sector is growing at 45%per year which has been made possible through continuous effort of the government during the recent years. The telecom sector of India has thus contributed to a great extent towards the socioeconomic development of India. Telecom sector was considered as a strategic service and the government considered it best to bring under state's control. The first wind of reforms in telecommunications sector began to flow in 1980s when the private sector was allowed in telecommunications equipment manufacturing.

In 1985, Department of Telecommunications (DOT) was established. It was an exclusive provider of domestic and long- distance service that would be its own regulator (separate from the postal system). In 1986, two wholly government-owned companies were created:„ Videsh Sanchar Nigam Limited(VSNL) for international telecommunications &„ Mahan agar Telephone Nigam Limited(MTNL) for service in metropolitan areas. In 1990s, telecommunications sector benefited from the general opening up of the economy. National Telecom Policy (NTP) 1994 was the first attempt to give a comprehensive roadmap for the Indian telecommunications sector. In 1997, Telecom Regulatory Authority of India (TRAI) was created. TRAI was formed to act as a regulator to facilitate the growth of the telecom sector.

New National Telecom Policy was adopted in 1999 and cellular services were also launched in the same year. Indian telecom industry has the highest growth rate in the world. A record 5.9 Million new mobile phone subscribers were drawn by the Telecom sector in India in the month of August 2006, according to the COAI (Cellular Operators Association of India). India, which is seeing over 8 million wireless subscribers being added every month (8.62 million in May 2008), is the fastest growing telephone market in the world.

The Indian telecom market has been displaying sustained high growth rates. Riding on expectations of overall high economic growth and consequent rising income levels, it offers an unprecedented opportunity for foreign investment. A combination of factors is driving growth in the telecom market, promising rich returns on investments.

India is the fourth largest telecom market in Asia after China, Japan and South Korea.Asia pacific region: expecting highest growth in next 5years. The Indian telecom network is the eighth largest in the world and the second largest among emerging economies. India is the world's fastest growing industry in the world in terms of number of wireless connections after China, with 811.59 million mobile phone subscribers. According to the world telecommunications industry, India will have 1.200 billion mobile subscribers by 2013.

Furthermore, projections by several leading global consultancies indicate that the total number of subscribers in India will exceed the total subscriber count in the China by 2013.

So how Telecommunication started in India??

Well Postal means of communication was the only mean communication until the year 1850. In 1850 experimental electric telegraph started for first time in India betweenCalcutta (Kolkata) and Diamond Harbor (southern suburbs of Kolkata, on the banks of the Hooghly River).

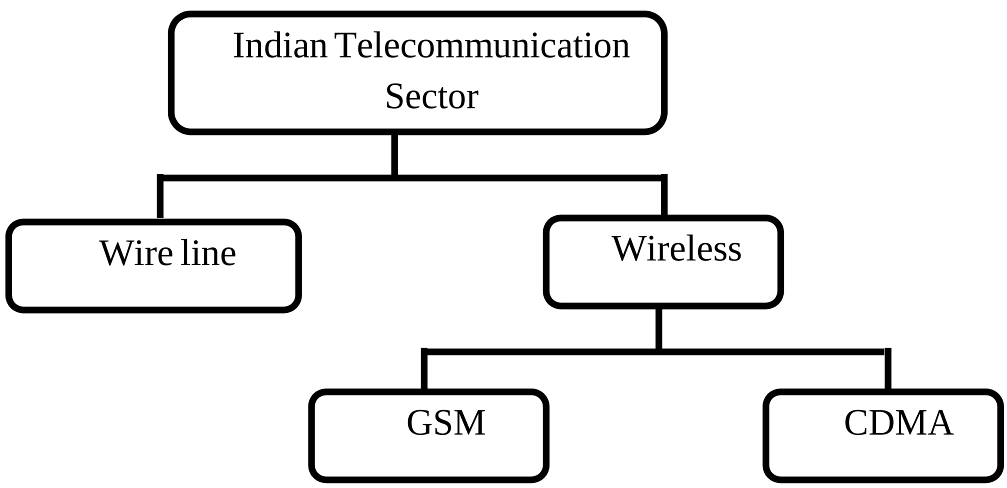
In 1851, it was opened for the use of the British East India Company. Subsequently construction of telegraph started through out India. A separate department was opened to the public in 1854. Dr.William O'Shaughnessy, who pioneered the telegraph and telephone in India, belonged to the Public Works Department, and worked towards the development of telecom. Calcutta or the-then Kolkata was chosen as it was the capital of British India.

In early1881, Oriental Telephone Company Limited of England opened telephone exchanges at Calcutta (Kolkata), Bombay (Mumbai), Madras (Chennai) and Ahmedabad. On the 28th January 1882 the first formal telephone service was established with a total of 93 subscribers. From the year 1902 India drastically changes from cable telegraph to wireless telegraph, radio telegraph, radio telephone, trunk dialing. Trunk dialing used in India for more than a decade, were system allowed subscribers to dial calls with operator assistance. Later moved to digital microwave, optical fiber, satellite earth station. During British period all major cities and towns in India were linked with telephones.

So who was looking after Telecom??

In the year 1975 Department of Telecom (DoT) was responsible for telecom services in entire country after separation from Indian Post & Telecommunication. Decade later Mahanagar Telephone Nigam Limited (MTNL) was chipped out of DoT to run the telecom services of Delhi and Mumbai. In 1990s the telecom sector was opened up by the Government for private investment. In1995 TRAI (Telecom Regulatory Authority of India) was setup. This reduced the interference of Government in deciding tariffs and policy making. The Government of India corporatized the operations wing of DoT in 2000 and renamed Department of Telecom as Bharat Sanchar Nigam Limited (BSNL). In last 10 years many private operator's especially foreign investors successfully entered the high potential Indian telecom market. Globally acclaimed operators like Telenor, NTT Docomo, Vodafone, Sistema, SingTel, Maxis, Etisalat invested in India mobile operators.

¾ The Sub-divisions of the Telecom sector in india



The above figures in the table can be explained in terms of the various proactive decisions taken by the government and contributions both by the public and private sector

™ **Wireless Communication**

¾ **Pager Services**

Pager communication successful launched in India in the year 1995. Pagers were looked upon as devices that offered the much needed mobility in communication, especially for businesses. Motorola was a major player with nearly 80 per cent of the market share. The other companies included Mobilink, Pagelink, BPL, Usha Martin telecom and Easy call. Pagers were generally worn on the belt or carried in the pocket.

The business peaked in 1998 with the subscriber base reaching nearly 2 million. However, the number dropped to less than 500,000 in 2002. The pager companies in India were soon struggling to maintain their business. While 2-way pagers could have buffered the fall, the pager companies were not in a position to upgrade their infrastructure to improve the ailing market. The Indian Paging Services Association was unable to support the industry.

Pager companies in India also offered their services in regional languages also. However, the end had begun already. By 2002, Motorola stops making or servicing pagers. When mobile phones were commercially launched in India, the pager had many advantages to boast. Pagers were smaller, had a longer battery life and were considerably cheaper. However, the mobile phones got better with time and continuously upgraded themselves.

¾ Mobile Communication

First mobile telephone service on non-commercial basis started in India on 48th Independence Day at country's capital Delhi. The first cellular call was made in India on July 31st, 1995 over Modi Telstra's MobileNet GSM network of Kolkata. Later mobile telephone services are divided into multiple zones known as circles. Competition has caused prices to drop and calls across India are one of the cheapest in the world.

Most of operator follows GSM mobile system operate under 900MHz bandwidth few recent players started operating under 1800MHz bandwidth. CDMA operators operate under 800Mhz band, they are first to introduce EVDO based high speed wireless data services via USB dongle. In spite of this huge growth Indian telecom sector is hit by severe spectrum crunch, corruption by India Govt. officials and financial troubles.

In 2008, India entered the 3G arena with the launch of 3G enabled Mobile and Data services by Government owned MTNL and BSNL. Later from November 2010 private operator's started to launch their services.

¾ Broadband communication

After US, Japan, India stands in third largest Internet users of which 40% of Internet used via mobile phones. India ranks one of the lowest provider of broadband speed as compared countries such as Japan, India and Norway. Minimum broadband speed of 256kbit/s but speed above 2Mbits is still in a nascent stage.

Year 2007 had been declared as "Year of Broadband" in India. Telco's based on ADSL/VDSL in India generally have speeds up to 24Mbit max while those based on newer Optical Fiber technology offer up to 100Mbits in some plans Fiber-optic communication (FTTx). Broadband growth has been plagued by many problems. Complicated tariff structure, metered billing, High charges for right of way, Lack of domestic content, non implementation of Local-loop unbundling have all resulted in hindrance to the growth of broadband.

Many experts think future of broadband is on the hands of wireless factor. BWA auction winners are expected to roll out LTE and WiMAX in India in 2012.

¾ Next Generation Network (NGN)

Next Generation Networks, multiple access networks can connect customers to a core network based on IP technology. These access networks include fiber optics or coaxial

cable networks connected to fixed locations or customers connected through Wi-Fi as well as to 3G networks connected to mobile users.

As a result, in the future, it would be impossible to identify whether the next generation network is a fixed or mobile network and the wireless access broadband would be used both for fixed and mobile services. It would then be futile to differentiate between fixed and mobile networks both fixed and mobile users will access services through a single core network. Cloud based data services are expected to come.

¾ Indian Satellites

India has launched more than 50 satellites of various types, since its first attempt in 1975. The organization responsible for Indian satellites is the Indian Space Research Organization (ISRO). Most Satellites have been launched from various vehicles, including American, Russian, European satellite-launch rockets, and the U.S. Space Shuttle. First Indian satellite Aryabhata on 19th April 1975, later Bhaskara, Rohini, INSAT, Edusat, IRS, GSAT, Kalpana, Cartosat, IMS, Chandrayaan, ResourceSat, RiSat, AnuSat, etc.

Well guys this is how telecom Industry is growing in India, hope to see India far ahead of other countries in near future.

CHAPTER–5
INFORMATION ABOUT INDIAN TELECOME INDUSTRY

5.1) MARKET PLAYERS

There are three types of players in telecom services:

- State owned companies (BSNL and MTNL)
- Private Indian owned companies (Reliance Infocomm, Tata Teleservices, Shyam)
- Foreign invested companies (Vodafone, Ariel, Bhatia Tele-Ventures, Escotel, Siestema Idea Cellular, BPL Mobile, Spice Communications.

With new players coming in, the intensity of competition in the industry has increased, especially over the last four years. The market share of telecom operators of the telecom companies eflects the fragmented nature of the industry, with as many as 15 players.

As of April 30, 2012, Bharti telecom led the market with 19.94 per cent share, Reliance (16.58 per cent), Vodafone (16.41 per cent), Idea (12.4 per cent), BSNL (10.51 per cent), Tata (8.77 per cent), Aircel (6.93 per cent), with the remaining share being held by other smaller operators.

Telecom Operator wise Market Share Bharti is far ahead with close 20% market share in India, Reliance (16.58%) and Vodafone (16.41) are having a close battle. Reliance currently has 154 million subscribers as compared to 152.5 million of Vodafone. Uninor, who is one of the late entrants in Indian Telecom market now has over 45 million subscribers and accounts for close to 5 percent of Indian mobile market share.

5.2) GOVERNMENT POLICY

¾ Government Initiative

The Cabinet has given its approval to National telecom Policy (NTP) 2012. The policy directs new initiatives, which includes free roaming, unrestricted Net telephony and a new unified licensing regime for operators. The policy also endorses a boost to broadband expansion and an increase in local manufacturing of telecom equipment The National Science and Technology Entrepreneurship Development Board (NSTEDB), the Department of Science and Technology (DST), Government of India, Techno Park and Mob ME Wireless have joined hands to set up the Startup Village - Indian Telecom Innovation Hub in Kerala.

The country's first Public Private Partnership (PPP) telecom business incubator is a step to support new product initiatives and turn them into successful ventures.TRAI is also doing its bit to achieve the aim of carbon emission reduction under which operators are directed to achieve carbon reduction to the extent of 5 per cent by 2012-13, 12 per cent by 2016-17 and 17 per cent by 2018-19. Concerning these norms under 'Green Telephony', TRAI has further mandated for all the operators that at least 50 per cent of all rural towers and 20 per cent of all urban towers are to be powered by hybrid power by 2015.

¾ FDI Policy in Telecom

Foreign direct investment (FDI) in telecom sector (including radio paging, cellular mobile, and basic telephone services) during April-March 2011-12 stood at US$ 1,997 million, as per theDepartment of Industrial Policy & Promotion (DIPP) data. Total telephone subscriber base in the country reached 952.91 million at the end of April 2012 from 951.34 million at the end of March 2012. Total Wireless subscriber base increased from 919.17 million in March 2012 to 921.02 illion at the end of April 2012. Wireline subscription stood at 31.89 million at the end of April 2012. Overall tele-density has reached 78.71. Total Broadband subscriber base has increased from 13.79 million at the end of March 2012 to 13.95 million at the end of April 2012, there by showing a monthly growth of 1.13 per cent.

¾ Investment Policy

Foreign direct investment limit in telecom services is 74 per cent subject to the following conditions. This is applicable in case of Basic, Cellular, Unified Access Services, National/ International Long Distance, V-Sat, Public Mobile Radio Trunked Services (PMRTS), Global Mobile ersonal Communications Services (GMPCS) and other value added Services Both direct and indirect foreign investment in the licensee company shall be counted for FDI ceiling. Foreign Investment shall include investment by Foreign Institutional Investors (FIIs), Non-resident Indians (NRIs), Foreign Currency Convertible Bonds (FCCBs), American Depository Receipts (ADRs), Global Depository Receipts (GDRs) and convertible preference shares held by foreign entity. Inany case, the 'Indian'shareholding will not be less than 26 per cent. FDI up to 49 per cent is on the automatic route and beyond that on the government route.

FDI in the licensee company/Indian promoters/investment companies including their holding companies shall require approval of the Foreign Investment Promotion Board (FIPB) if it has a bearing on the overall ceiling of 74 per cent. While approving the investment proposals, FIPB shall take note that investment is not coming from countries of concern and/or unfriendly entities. The investment approval by FIPB shall envisage the conditionality that the Company would adhere to licence Agreement. FDI shall be subject to laws of India and not the laws of the foreign country/countries.

¾ **Regulatory policy**

The Department of Telecommunications (DOT) under the Ministry of Communications and Information Technology is the concerned authority for all matters relating to telecom. The department is responsible for formulating the developmental policies; granting licenses for various telecom services; promoting standardization, research and development as well as private investment in the sector.
An independent regulatory body called as the Telecom Regulatory Authority of India (TRAI) was established in 1997, under the Telecom Regulatory Authority of India Act, 1997.The Telecom Regulatory Authority of India Act, 1997 was amended by the Telecom Regulatory Authority of India (Amendment) Act, 2000. By the Amendment Act, an Appellate Tribunal known as the Telecom Disputes Settlement and Appellate Tribunal (TDSAT) has been set up to protect the interests of service providers and consumers of the telecom sector.

¾ 74% to 100% FDI permitted for various telecom services.
¾ FIPB approval required for foreign investment exceeding 49% in all telecom services.
¾ 100% FDI permitted in telecom equipment manufacturing on automatic approval basis.
¾ Indian has a telecom policy viz. Telecom Policy of 1994 aims to encourage private and foreign investment. Which has opened the doors of the sector for private players and the process was given a further boost by the telecom policy announced in 1999 viz. New Telecom Policy 1999.

¾ Other enactments which govern the telecom sector are as follows:
→ Indian Telegraph Act, 1885
→ Indian Telegraph (Amendment) Rules, 2000
→ Indian Wireless Act, 1933
→ Cable Television Networks (Regulations) Act,1995.
→ Information Technology Act, 2000
→ Broadband Policy 2004.

¾ Incentives to Invest

→ Tax incentives under the current Budget,

Customs duty on convergence products to be reduced from 10% to 5%. Exemption from excise duty for specified inputs and raw materials for manufacture of specified electronics/ IT hardware to lower the network cost for telecom service providers.

Specified parts of set top boxes and specified raw materials for use in the IT/electronic hardware industry to be exempted from customs duty. Internet telecommunication service brought under the service tax net. And countervailing duty on wireless data modem cards with exempted by way of excise duty exemption.

¾ Projections In The Current Budget

Budget has proposed a Bharat Nirman project wherein 52 villagesare targeted to provide telephones. And center has proposed to 170 crore ruppes for OFC based Network for Defence Services and 158 for C-DoT (including Telecom testing and security certification Centre).

5.3) LATEST SCENERIO 2012

¾ The telecom tower industry has been granted infrastructure status by the Government of India, say news reports.

¾ According to TRAI, he telecom subscriber base in the country increased from 951.34 million in March, 2012 to 965.52 million in June, 2012. Subscriber additions from rural areas constituted a large portion of this growth. Between March and June 2012, the rural areas contributed to about 91.30 per cent of the total additions to the country's subscriber base.

¾ As per TRAI data the gross revenue and adjusted gross revenue of the telecom sector increased from Rs 35.49 billion in previous quarter to Rs 52.51 billion for the quarter ended June, 2012.

¾ Aircel has entered a strategic partnership with NEC for software as a service (SaaS). Aircel and NEC will be providing cloud services solutions to customers under the brand name Business Unplugged.

¾ Bharti Airtel has made an investment of $150 million in its African operations, say news reports.

¾ **6th National Telecom Awards 2012:**

Best Broadband & Fixed Line Operator Bharat Sanchar Nigam Ltd.

Best Quality Mobile Network Services Provider Bhatia, Airtel Ltd.

5.4) Importance of Communication

Communications are cornerstone of modern economy and have the ability to influence the development of our society in economic, social and also political terms. It is one of the basic components of any country's infrastructure. It is recognised as one of the key sectors of the society. It holds such an important place not only because of its economic significance but also because of its importance in the continually evolving society. Communications are not only a service of general or public interest but one could say that they are an intrinsic part ofthe basis upon which a large portion of the future of the society is founded. In today'smodern world, all the economies whether developed or developing are well aware of the various opportunities and to capitalise on these opportunities they need to get their infrastructure right. Any kind of infrastructural bottleneck can result into economies losing upfront.

5.5) COMPETITION ISSUES IN INDIAN TELECOM SECTOR

We look at some of the issues in telecom:
Unbundling of copper local loop - The incumbent operators BSNL/MTNL enjoys a dominant position in wireline segment of telecom market with a market share of nearly 88%. Let's have a look at some figures,

The MTNL operates in Delhi & Mumbai and BSNL operates in the rest of the country. Both these organisations have been carved out of the government i.e. the department of telecom and historically enjoyed the privileges being a government department such as right of way, the strategically located land and buildings and other infrastructural facilities. These organisations enjoys dominant position in wireline telephony and using this infrastructure including copper local loop in acquiring dominant position in internet servive provisions specially in broadband segment.

Thus in order to encourage competition in the telecom sector, it is necessary that the other telecom licensees should have the access to the copper local loop on non-discriminatory basis for fair competition in these segments of the telecom. As can be seen from the table above the share of BSNL and MTNL is way more than the private players. In order to facilitate competition in this sector, it is necessary that the copper local loop being an essential facility may be unbundled for all the telecom operators on non-discriminatory basis at fair prices for greater competition.

The successful management of competition can be a catalyst to obtaining lower prices and increased consumer choices in developing country.

CHAPTER–6
PEST ANALYSIS Indian Telecom Industry

India has achieved its target of reaching 250 million telephone subscribers by 2007, two months before target. It is the fastest growing telecommunication market in the world, and with 281.62 million telephone connections (at the end of January 2008) is the third largest telecom market. The Indian telecommunications has been zooming up the growth curve at a feverish pace, emerging as one of the key sectors responsible for Indies resurgent economic growth.

The economic factors relate to changes in the wider economy such as economic growth, interest rates, exchange rates and inflation rate, etc.Political factors include government policies relating to the industry, tax policies, laws and regulations, trade restrictions and tariffs etc. PESTEL is an acronym for political, economic, social, technological, legal and environmental analysis.PESTEL analysis of any industry sector investigates the important factors that are affecting the industry and influencing the companies operating in that sector.

The technological factors relate to the application of new inventions and ideas such as RSocial factors often look at the cultural aspects and include health consciousness, population growth rate, age distribution, changes in tastes and buying patterns, etc.& Environmental analysis of an industry studies whether the industry is working environmental friendly and following the ethics or not. The industrys major service is the practice of law, which is providing legal services to individuals, businesses, government, and non profits which is Legal analysis.D activity, automation, technology incentives and the rate of technological change.

™ Political Analysis

Two large corporate entities were spun off from the Department of Telecommunications, e.g. Mahanagar Telephone Nigam Limited (MTNL) for Delhi and Mumbai and Videsh Sanchar Nigam Limited (VSNL) for all international services. Private franchises were freely given for public call offices (PCOs) that offered local, domestic and international calling services. Private manufacturing of customer premise equipment was allowed in 1984 and the Center for Development of Telematics (C-DOT) was established for the development of indigenous technologies. Telecom reforms in India began in the 1980s with the launch of a “Mission Better Communication” program.

1994 National Telecom Policy was announced and enhanced growth of private sector. 1992 radio paging, cellular mobile and other value added services were opened to private sector.1991 telecom equipment manufacturing was de- licensed and value-added services were declared open to private sector. The second phase of reform commenced with the general liberalization of the economy in the early 1990s and announcement of a New Economic Policy (NEP)-1991.

Increase in FDI limits from 49% to 74% (2005) and proposal for mobile number portability (2006) which paved way for the remarkable growth in the sector. There were major developments on the policy front post year 2000. Establishment of Bharat Sanchar Nigam Ltd (BSNL) (2000), privatization of VSNL (2002). The most important landmark in telecom reforms came with the New Telecom Policy 1999 (NTP-99).

™ Economic analysis

Output per annum 1.36.833 crores per annum GDP contribution 2%. India’s telecom service revenue was ~USD 30 billion in 2008, and Ernst and Young analysts believe it is projected to almost double to ~USD 55 billion by 2012. The Indian Telecom industry has been playing an important role in the world economy and global revenues in 2008 were USD 4 trillion, expected to grow at a steep 11% p.a. CAGR over the next 2 years & Increasing 20% for every month.

Falling call charges. Falling mobile phone prices. Greater affordability. Greater network coverage. Increase in disposable incomes. It has been estimated that manufacturing exports would increase from US$ 40 billion in 2002 to US$ 300 billion in 2015, simultaneously increasing its share in world manufacturing trade from 0.8 % to 3.5 %.The Indian Telecom Industry manufacturing contributes about two-thirds of the total exports of the country.

joint ventures in the entertainment sector to add more services. For instance, Verizon now offers Verizon FiOS, a basic fiber-optic service which includes digital television, voice and high-speed internet services.¬ Fast-changing lifestyles are forcing telecom companies to enlarge the breadth and depth of their services.¬ Change in lifestyle

3 lakh PCOs are providing community access in the rural areas. Further, Mobile Gramin Sanchar Sewak Scheme (GSS) a mobile Public Call Office (PCO) service is provided at the doorstep of villagers. The rural Indian consumer managed to remain an attractive proposition, especially in the demand for consumer goods and telecom services

Certificate in Computer Forensics.Certificate in Management Information Systems. Certificate in Computer Science.Certificate in Information Technology. Certificate in Telecom Engineering.The Certificate Courses for employment in the industry are Several areer paths lead to the Indian Telecom Industry. The telecom sector offers a variety of career options where there is room for everyone a degree holder or a diploma holder, a candidate with a part-time certification course or one with a full-time degree.

™ Social analysis

The telecom sector in India has witnessed unparalleled growth especially over the last decade as compared to global standards. In the case of wireless telephony, India has grown from having a zero subscriber base a decade ago to becoming the second largest market in the world after China in 2009 with around 359 million subscribers and another 10 million adding every month. The last couple of years have witnessed investments of a whooping 8.5 billion dollars in this sector with 550 million dollars being in the form Foreign Direct Investment, more commonly known as FDI. Even though the the telecom sector has witnessed a rapid rise only in the last few years, efforts were on by the government ever since 1994 when the first National Telecom Policy was announced and in the August of 1995 when Kolkata became the first Indian city to have cellular networking. The Telecom Regulatory Authority of India(TRAI) was setup in 1997 and the second National Telecom Policy came into effect in mid 1999. In January 2001, the Telecom Disputes Settlement and Appellate Tribunal (TDSAT) started functioning and a policy was announced for additional licenses especially in the area of basic and mobile services. In November 2003, the Unified Access (Basic & Cellular) Service License (USAL) was introduced as a first step towards a Unified License Regime Technology and allows provisioning any kind of service.

And very recently the introduction of the additional 2G spectrum has helped in the entry of several new players who are now partnering with various international operators thereby commencing the globalisation of the Indian Telecom Industry. The impending auction of the 3G spectrum is sure to provide another huge leap to the telecom industry in India. In such a situation concerted efforts must be made by both the government and industry to have organised and systematic growth so that the entire potential of the sector can be harnessed.

This telecom boom in India can be attributed to policies of liberalisation, globalisation, certain reforms by the government and most importantly competition. The liberal policies of the government thus provide easy market access for telecom equipment and also a regulatory framework that is fair and just and offers telecom services to the Indian consumer at astonishingly affordable prices .India also provides a safe ,secured and transparent market for the telecom companies and moreover the investment policies and other lucrative incentives have made foreign collaborations possible and India one of the fastest growing markets. But the one factor that has perhaps made the maximum impact is competition. More and more companies are entering the telecom sector and with increased competition, new schemes are being introduced making it more and more economical for the consumers.

Let us understand the effect of competition by considering the case of mobile telephone connections. Tata Dokomo recently introduced a 1Paise/second scheme on call rates and to maintain their consumer base competitors like Vodafone, Airtel, Idea had to follow suit. The lucrative SMS schemes are also a great hit especially with the youth. Roaming charges are also on an all time low.

Just a couple of years back calling a friend in USA would surely burn a huge hole in your pocket but thanks to increasing competition and reducing call rates, you can talk to a friend in New York or Washington D.C for as less as 5 rupees per minute. Just Imagine!! Mobile phone manufacturers like Nokia, Samsung, Motorola are also slashing rates and now phones that were once available for a whooping INR 30,000, the base models are now available for as less INR 1,200. Truly Unbelievable!! Thus, in spite of the whole global meltdown, the Indian telecom industry has just kept on growing. Moreover, with more and more services being offered like internet, MMS, 3G and loads of stuff, it is an even bigger incentive for the people.

Well all this is the face of modern India. It has immensely helped in the development of both industry and economy. The economy has flourished with more foreign players entering the market, more foreign Direct Investment to mention a few aspects. The people also have undoubtedly benefitted from all this and mobile phones which were considered as only for the rich a couple of years ago are now spread all over. With rates being slashed, almost anyone and everyone can afford a mobile especially in urban areas.

™ Technological analysis

It's not just the advantages 3G can offer mobile subscribers . With 3G, a cellphone can be so much more than just a phone — it evolves from being a basic portable telephone to one that converges work, personal and entertainment communication needs into a small, handheld device.

High-speed Internet access, streaming video and music, movie downloads and multiplayer gaming – all at speeds five or six times faster than conventional EDGE technology – are tempting prospects for most mobilephone users but are especially attractive to young, techhungry urban Indians. More to the point, though, 3G is a potential game-changer because it can steer telecom operators into transforming the way they run their businesses —and that is critical for winning in Telecom 2.0.

Be there, or be square

Granted, 3G's entry into India could have been better timed – and not just because of the current turmoil in the telecom sector. The technology has been around for over eight years already and while it's not obsolete (yet), it is certainly mature. Still, the next big thing —Long Term Evolution (LTE) technologies — isn't likely to hit our shores for a while yet, so it may make sense to focus on the advantages of the delayed entry.

3G technology has evolved over the past eight years, offering operators greater scope for high-margin value-added services; handset prices have come down, in turn lowering subscribers' entry costs; and India can learn from the 3G experiences of 120 countries. We'll come to the dos and don'ts a little later , but one learning bears mentioning right away. In the early years of 3G, many operators tried building their businesses around the technology advantage and superior voice quality of service and failed when lay users couldn't make out the promised difference in call quality . The trick, then, lies in differentiating on the basis of wireless broadband and value added data services.

At A.T. Kearney, we believe 3G (and Wi MAX) could drive as much as Rs 100 billion in value on an annual basis by 2015. Experience in other emerging markets has shown that 3G will have a gradual impact on the Indian telecom sector, with a likely penetration of about 10% in the first 24-30 months. In most countries, 3G has failed to arrest ARPU or EBITDA declines in the long-term; however, it has provided a 'steadying influence' and may have prevented steeper declines. There is no reason to believe India will be different.

It is also likely that 3G growth in India will resemble the South African model (deep penetration in a narrow segment with basic messaging entertainment services), rather than the Malaysian model (broad-based 3G adoption with pervasive adoption of wireless broadband), resulting in only about 15% of total revenue from data (that is, non-voice) services.

Global system for Mobile communication (GSM around 80-85 % market share) Code Division Multiple Access (CDMA, AROUND 10-15 % market share are two prevalent mobile communication technologies. both technologies have to solve the same problem: to dive the finite Radio Frequency spectrum among multiple users. India primarily follows the GSM mobile system, in the 900MHz and 1800MHz band. The 900MHz band has greater transmission characteristics, thereby enabling lower apex cost for expansion of coverage area, as the number of towers and the base stations required would be lesser than in the 1800MHz band.

TDMA (Time Division Multiple Accesses underlying technology used in GSM's G) does it by chopping up the channel into sequential time slices. Each user of the channel takes turns to transmit and receive signals. In reality, only one person is actually using the channel at a specific moment.

This is analogous to time-sharing on a large computer server. CDMA (Code Division Multiple Access—underlying technology used in GSM's 3G and IS-95's 2G) on the other hand, uses a special type of digital modulation called spread spectrum which spreads the voice data over a very wide channel in pseudorandom fashion. The receiver undoes the randomization to collect the bits together and produce the sound. For comparison, imagine a cocktail party, where couples are talking to each other in a single room. The room represents the available bandwidth.

In GSM, a speaker takes turns talking to a listener. The speaker talks for a short time and then stops to let another pair talk. There is never more than one speaker talking in the room, no one has to worry about two conversations mixing. In CDMA, any speaker can talk at any time; however each uses a different language. Each listener can only understand the language of his or her partner. As more and more couples talk, the background noise (representing the noise floor) gets louder, but because of the difference in languages, conversations do not mix.

CHAPTER–7
SWOT Analysis Of
Indian Telecom Industry

™STRENGTH

¾ High Customer Potential

→ Tele-density grew from 48% in 2005 to 64% in 2010.
→ The broadband subscribers grew from 0.18 million in 2005 to6.2 million as on 30 April 2009 and about 7.98 million, at the end of the December 2009.

¾ High Growth Rate

→ Wireless subscriber growing at the rate 60% per annum since 2004.

¾ Allow FDI limit ranging from 74% to 100%.

→ The total FDI equity inflow in telecom sector have been US$2223 million during 2010.

¾ High Return on Investment:

→ Easier to create economies of scales thereby increasing the return on investment.

¾ Liberalization of Government:

→ The share of the private sector in the telecom sector is 88.6%.

¾ Lower capital expenditure.

→ The Indian Telecom Industry is a high density area, which means more population per tower. This means less capital expenditure.

™ WEAKNESS

¾ Poor Telecom Infrastructure:

→ Resulting in large call drops.

¾ Late Adopters of New Technology:

→ India is among the last countries to adopt 3G technology. Recent reports suggests that already 132 countries in the world has already adopted 3G.

¾ Most competitive market:

→ 10 to 12 companies offer mobile services in most parts of India.

¾ A market strongly regulated by Government:
  → Difficult to enter because of huge financial resources.
  → Auction of 3G license has reached Rs 15814.15 crores

¾ High cost of data hosting in India
¾ Low profitability of telecom PSU's
¾ Low broadband penetration in the country
¾ Comparatively slower growth of telecom services in rural /remote areas.
¾ Non availabilty of adequate spectrum

™ **OPPORTUNITIES**

¾ 3G Telecom services and 4G services

¾ More Quality Service
  → Mobile Number Portability will force the Service provider to improve their quality to avoid losing subscribers

¾ Value added Services (VAS)
  → The mobile value added services include, text or SMS, menu based services, downloading of music or ringtones, mobile TV, videos, streaming, sophisticated m-commerce applications etc.
  → Mobile banking, Mobile Ticketing etc

¾ Boost to Telecom Manufacturing Companies
  → Production of telecom equipments in value terms has increased from Rs. 412700 million (2007-08) to Rs.488000 million during 2008-09 and expected to increase to Rs. 575840 million during 2009-10.

¾ Horizontal integration.
  → Entry into other consumer segments . For example Reliance BIG TV, TataSky, Airtel Digital TV.
  → Providing fibres connectivity to 2,50,000 village panchayats by 2012.

¾ Telecom Equipment Exports
  → The Indian telecom industry is expected to reach a size of Rs 344,921 crore by 2012 at a growth rate of over 26 per cent, and generate employment opportunities for about 10 million people during the same period.The sector would create direct employment for 2.8 million people and for 7 million indirectly, according to a Frost and Sullivan report.
  → For developing a new comprehensive Telecom Policy.

→ For accelerating the growth of Tele-density in the country.

→ For creation of telecom infrastructure in rural and remote areas by utilization of the USO funds.

→ For huge broadband potential in the country.

→ For R&D, product development and indigenous telecom manufacturing.

™THREATS

¾ Telecommunication Policies

→ E.g. Trail's 2G direction affecting new players most notably Tata Teleservices, Norway's Telecom and Essar-owned Loop Telecom

→ Renewal of 2G license on the basis of market rates of 3G auctions

→ TRAI intentions of rolling out 4G or the fourth-generation technology, known as the ultra-broadband in 2-3 years raising fears rendering 3G services somewhat obsolete.

¾ Declining ARPU (average Revenue per user)

→ E.g. price wars like per-second billing which is deflating revenues and making sure the 'survival of the fittest'

¾ Partiality on the part of the Govt.

→ E.g. Allowing 3G service in a PSU (MTNL, BSNL) before auctioning to Private Sector .

¾ Content Piracy.

¾ Non availability of adequate spectrum for telecom services.

¾ Dependence on foreign telecom equipments supplier.

¾ Cyber threats on ICT networks, leading to security concerns.

¾ Obsolesce of existing network elements due to fast changing telecom technologies.

CHAPTER-8
Opportunities of telecome industry in Qatar and India

™ Opportunities In India

There is an immense opportunity for DTH in the Indian market which is almost 10 times compared to the developed countries like the US and Europe. For every channel there is a scope for broadcasting it in at least ten different languages. So every channel multiplied by ten that is the kind of scope for DTH in the country. India's media players have all the ingredients to develop a successful DTH industry. So currently there is a lot of pent-up demand in the Indian market for DTH.

Over 150% growth in telecom services is projected in 5 years. India will require large investments in network infrastructure & India expected to be fasted growing telecom market in the world. Since the project expected to reach 30-40% per year 250 subscribers by 2010- 2011.Total estimate of investment opportunity of USS 22 billion expected over the next five years.

Investment opportunity of $22 billion across many areas:

→ Telecom Devices and Software for Internet
→ Broadband and Direct To Home Services
→ Gateway exchange
→ Set top box
→ Modem
→ Mobile handsets and consumer premise equipments
→ Gaming devices
→ EPABX
→ Telecom Software
→ Telecom Services for voice and data via a range of technologies.

With the rapid growth of the telecom network, there are further opportunities to expand the telecom infrastructure and research and development.

™ <u>Others</u>

¾ SUBSCRIBERS BASE

→ Indian telecom network has about 927million connections as on 31st December 2011.
→ With 894 million wireless connections, Indian telecom has become the second largest wireless network in the world by surpassing USA.
→ Highest average growth of over 09 million subscribes per month during (2011-2012), offering abundant opportunities for investment.

¾ **FOCUS ON RURAL TELEPHONY**

→ The rural Telephone connections have gone up from 3.6 million in 1999 to 315 million in December 2011.
→ 37.52% rural teledensity by 2012.
→ Launch of wireless broadband scheme by USOF to provide broadband coverage to about 5 Lakh villages.

¾ **BROADBAND**

→ Existing subscribers base of 13.30 million.
→ To provide fiber connectivity to 2,50,000 village panchayats by 2012.
→ Requirement of massive infrastructure in broadband.

¾ **MANUFACTURING**

→ Telecom Export promotion Council (TEPC) set up to promote the export of telecom equipment
→ Attracting investment in telecom sector by offering liberalized FDI polices.

¾ **R & D**

→ Promotion of R&D activities in Telecom Centers of Excellence

™ Current Job Opportunities in Qatar

¾ Manager - People and Change

PwC are seeking to recruit a Manager for the PwC People & Change (P&C) products area within the Advisory Consulting Practice.

¾ **Senior Associates – Financial Due Diligence, Transaction Services**

Transaction Services ("TS") are looking for Senior Associates to join the Financial Due Diligence team based in Qatar.

¾ **Technology Senior Manager– IT Strategy, Applications & Platforms**

The candidate will be leading the IT Strategy, Applications and Platforms track of a national eServices/IT Strategy Program.

¾ **Senior Manager – Risk Assurance Services (Telecom – Technical)**

We are looking for a seasoned Risk and Controls experienced professional with a deep focus on the telecommunications industry to lead our technical team on network, IT, revenue assurance and data analytics projects.

¾ **Manager - Programme Assurance**

This is an opportunity to join PWC's fast growing Risk Assurance team (RAS), focusing on the areas of Programme Assurance and Commercial/Contract Assurance. The PWC Middle East RAS team advises both Government and Private Sector organizations in relation to the effective procurement and delivery of infrastructure schemes. This includes providing services to review projects and contracts and supporting clients to improve contract management practices.

¾ **Senior Manager - Telecom Advisory Practice**

We are looking for individuals to join PwC Middle East's rapidly developing Consulting practice, at Senior Manager level, who have experience of operating at a senior level.

¾ **Senior Associate - RAS (Internal Audit Services)**

The Senior internal auditor should gain an understanding of the general standards, standards of fieldwork and standards of reporting as stated by the Institute of Internal Auditors (IIA) and other related professional bodies. The auditor should also gain an understanding of the standards for the professional practice of internal auditing as stated by the Institute of Internal Auditors.

¾ **Manager - RAS (Regulatory)**

A seasoned Risk and Controls experienced professional with a deep focus on the telecommunications industry to lead our team on regulatory compliance and assurance projects.

¾ **Manager - RAS (Telecom - Network)**

A seasoned Risk and Controls experienced professional with a deep focus on the telecommunications industry to lead our technical networks team.

¾ **Manager - RAS (Telecom - Revenue Assurance)**

An experienced Revenue Assurance and Data Analytics professional with a deep focus on the telecommunications industry to lead our revenue assurance and data analytics team and projects.

CHAPTER-9

Link between Qatar and India's Telecom industry

9.1) Marketing Communication Between Qatar And India

The telecommunications sector has shown strong financial performances in Qatar and is well positioned to benefit from the economic growth and population boom. With a market population growing just over 50% in 4 years Qatar has shown that it is a potentially promising market. In the telecom sector mobile services have been the main driver of growth in sector revenues hence piling along huge disposable budgets for marketing and promotion. This has been clearly visible only since the new service provider Vodafone was awarded the license to come in and compete with the exclusive telecommunications provider since 1987 i.e. Qtel. Competition with Vodafone has triggered the attention of Qtel to push harder in the marketing, promotion and media reach campaigns in order to take hold of as much possible the attention, and hence induce sales to the maximum achievable before the new service provider giant is ready to deploy its network.

An effective marketing communication process nowadays in Qatar is to be able to create the right message and deliver it to the right prospect at the right time, using the right media. Although this may sound simple, in a "yet to be competitive environment" with increasingly similar products and services, proliferation of media options, and complexity in segmenting audiences, it is very difficult to get all the elements of the communications process right especially in a market that lacks local exposure and has an outstanding international spotlight. So in order to differentiate between Qtel & Vodafone in such a small and yet promising environment, marketers must constantly refine and fine-tune their marketing communications strategies.

Marketing communication in Qatar has undergone drastic changes over the last few years. In the past, marketers communicated using a limited number of marketing communication tools like advertising, sales promotions or sales personnel; the number of media options.

9.2) Tata Communications Inks Deal With Ooredoo, Qatar

Tata Communications has announced that Ooredoo, Qatar, formerly known as Qtel, has launched the first IPX+ enabled network in the Middle East using Tata Communications' IPX+ platform.

The implementation enables Ooredoo to capitalize on the latest technology innovations in mobile broadband service delivery and management. Ooredoo, Qatar has initially launched voice over IPX+ as the first application, gaining access to Tata Communications' broad community of IPX+ connected mobile destinations, and plans to consolidate its entire network to an IP-based backbone.

Using Tata Communications' IPX+ platform, Ooredoo is able to rapidly support a full suite of services such as signaling, data roaming (GRX and IPX) and LTE Roaming.Allan Chan, President of Global Carrier Services, Tata Communications, says, "We are seeing a huge demand for our IPX+ connectivity platform from mobile network operators looking to capitalise on the mobile data explosion, with more than 140 forward-looking operators in 40 countries adopting our service.

Our work with Ooredoo demonstrates our commitment to bringing service providers state-of-the-art connectivity solutions around the world."

Global mobile data traffic is set to increase 13-fold between 2012 and 2017, reaching 11.2 exabytes per month by 2017[1]. In line with this, mobile network operators are under pressure to address the delivery of data services beyond their networks. Tata Communications' IPX+ connectivity platform offers Ooredoo global reach, improved quality of service (QoS) and enables transition to all IP-based services, including 4G, more cost-effectively.

Ooredoo's on-going collaboration with Tata Communications is delivering significant benefits for the people of Qatar. The IPX+ platform ensures that Ooredoo can manage the ever-growing demand for wholesale voice, roaming and data services in Qatar, by

introducing a cost-effective platform that adds greater capability and resilience to network infrastructure

Yousuf Abdulla Al-Kubaisi, Chief Wholesale and International Officer, Ooredoo, says, "We've had first-hand experience of Tata Communications' commitment to take connectivity in the Middle East to the next level, having launched the TGN-Gulf subsea cable landing station together in 2012. The launch resulted in the completion of the first fibre optic subsea cable ring around the world. We're confident that Tata Communications is best-placed to help us migrate to IPX which will enable us to roll out more innovative and tailored services to our customers across the Middle East, North Africa and Southeast Asia."

Since 2010, Ooredoo has been the fastest-growing wholesale operator in the region by revenue. In 2012, the company built landing stations to connect to two important underwater fibre optic cable systems, transforming Qatar into a global hub for international wholesale services, and it continues to expand the range of network facilities available to help Qatar become the best connected country in the region.

Tata Communications’ IPX+ connectivity platform offers integrated access to multiple data transport options over a converged IP network, supporting multiple services across networks. It brings scalability, flexibility, QoS, and security as required by services or applications. It supports a combination of services, including VoIPX, LTE roaming over IPX, messaging, and more. Its benefits include driving network efficiency, reducing costs for managing specialised, bilateral, isolated interconnects, enhancing customer experience and enabling a faster time to market for new services. IPX Connect is a key component of the LTE Roaming service, and supports data roaming from GRX to IPX.

Underpinning Tata Communications’ IPX+ connectivity platform is the company’s global MPLS network supported by its wholly-owned fibre optic subsea cable ring around the world which brings the reach and reliability needed to interconnect mobile service communities globally. The company is a Tier I top 5 IP carrier with reach to 74 IPX On-Net PoPs across 40 countries.

The biggest Qatari investment

The Qatari investment vehicle will acquire new shares in Bharti for $1.26bn (£810m).The deal comes as the Indian telecom firm looks to strengthen its finances.

Bharti posted its 13th successive drop in quarterly profit on Thursday, with a near 50% fall in profits compared with a year earlier.It made a net profit of 5.1bn rupees ($94.7m; £60m) during the quarter, down from 10bn rupees during the same period last year. Indian telecom firms more generally have been struggling with rising costs and narrowing profit margins in recent years.The QFE is the investment arm of the Qatar Foundation - a non-profit organisation wholly-owned by the Qatari royal family.

Rashid Al-Naimi, chief executive of the QFE, said that the investment in Bharti was a long-term one.He said the deal would give the investment vehicle an "exposure to a high-growth sector in key emerging markets".Sunil Bharti Mittal, chairman of Bharti said: "This strategic partnership with QFE demonstrates the confidence they have in us and our strategy for growth."

Shares of Bharti rose as much as 4.7% on news of the deal.

In the first sign of revival of foreign investors' faith in India's troubled telecom sector, Bharti Airtel on Friday said Doha-based Qatar Foundation Endowment (QFE) will invest $1.3 billion (around Rs 6,800 crore) in the company. Airtel will issue about 20 crore shares — representing a 5% stake — to QFE at Rs 340 apiece, a 7% premium on Friday's closing price of Rs 317.7 on the BSE.

The announcement came a day after Airtel reported the 13th straight fall in quarterly profit mainly on account of losses from Africa operations and servicing a debt burden of Rs 63,839.5 crore. The investment of about Rs 6,800 crore by QFE will strengthen the capital structure of the company as the foundation is a long-term global investor. Goldman Sachs acted as the sole financial adviser to QFE on this investment.

Bharti group chairman Sunil Mittal said: "I am delighted to welcome another high quality long-term institutional investor to our shareholder base. This strategic partnership with QFE demonstrates the confidence they have in the company and our strategy for growth... We look forward to a long and fruitful partnership with QFE."

QFE acting CEO Rashid Al-Naimi said: "We are excited to be making a significant investment in one of the leading telecommunications companies in the world. As a long-term global investor, our shareholding gives us exposure to a high growth sector in key emerging markets. QFE looks forward to supporting Bharti in realizing the full potential of this world class business."

Analysts welcomed the foreign investment in India's troubled telecom sector that has been shrouded in controversy ever since the 2G scam broke out. Prashant Singhal, telecom industry leader of Ernst & Young Global, said this was a very good sign for the industry where the pipeline of foreign investment had all but dried up. "This shows there is some level of confidence in foreign investors. If regulatory issues are resolved, the industry has a huge opportunity and can see lot of traction for foreign investment," Singhal said.
Telecom analyst Mahesh Uppal said foreign investment in telecom had fallen drastically.

9.3) Qtel and TATA Communications strengthen ongoing partnership

Senior Qtel and TATA Communications executives have held top-level meetings on both xisting and prospective projects in Doha recently.

Qtel Qatar CEO **Sheikh Saud Bin Nasser Al-Thani** and TATA Communications' CEO **Vinod Kumar**led the discussions, which were also attended by **Waleed Al Sayed**, Chief Operating Officer, Qtel Qatar; **Yousuf Al Kubaisi**, Chief Wholesale and International Officer, Qtel Qatar; and **Ahmed Al-Derbesti**, Group Chief Operating Officer, Qtel Group.

TATA Communications owns and operates the world's only wholly-owned subsea ring around the world, most recently launching the Tata Global Network (TGN) Gulf cable system, which has delivered significant benefits for residents and businesses in the region. Qtel's involvement in the major project has gone from strength to strength since the landing of the high-capacity submarine fibre optic cable at the Al-Kheesa Landing Station in Doha, in March.

Sheikh Saud Bin Nasser Al-Thani, CEO, Qtel Qatar, said: "Qtel continues to support Qatar's long-term strategy to transform itself into a world-class hub for ICT, and our partnerships with leading companies like Tata Communications are a key part of that strategy."

The TGN-Gulf cable ensures that Qtel can manage the ever-growing demand for wholesale voice and data services in Qatar, bringing an important global, high-speed route for data and voice communication, as well as adding greater capability and resilience to network infrastructure.

Covering nearly 20 percent of the world's Internet routes, reaching over 240 countries and territories, the cable network offers speeds of up to 10G.

Qtel's ongoing collaboration with Tata Communications is delivering significant benefits for the people of Qatar. In particular, the connection with a global cable network will increase redundancy and reduce the impact of disruptive events such as cable breaks and communication cuts.

Better broadband penetration and global connectivity for wholesale and retail businesses – otably direct routes in emerging markets in the Gulf region, China and India –will also provide strong incentives for international companies looking to position regional offices in Qatar.

"Qtel's vision and culture of innovation makes it an ideal partner for Tata Communications as we continue on our journey to better connect emerging global markets," said Vinod Kumar, CEO, TATA Communications.

CHAPTER-10

Conclusion

Indian telecom is world's fastest growing telecom expected grow three fold by 2012.Tremendous strides in this industry have been facilitated by the supportive and liberal policies of the Government. Especially the Telecom Policy of 1994 which opened the doors of the sector for private players. Rising demand for a wide range of telecom equipment has provided excellent opportunities for investors in the manufacturing sector. Provision of telecom services to the rural areas in India has been recognized as another thrust area by govt.which also helps for the enormous opportunities in this sector.

In this cut throat competition the winner will be that company that understands consumer needs focusing on usability and giving control to the users. The losers are ones that focus on technical differentiation that majority of consumers do not understand. Future strategy which can make one to be a leader are competitive tariff plans ,VAS and focus on rural markets.

Therefore telecom sector in India is one of the fastest growing sectors in the country and has been zooming up the growth curve at a feverish pace in the past few years. And even the Indian Wireless Market is booming which has plenty of room for growth.

7.

TRADE OF QATAR

Definition of 'Trader'

An individual who engages in the transfer of financial assets in any financial market, either for themselves, or on behalf of a someone else

Trade Overview of Qatar

Qatar is a rich country and after Liechtenstein, has the second highest per capita income in the world. For Several years, Qatar has shown the strongest growth in the world, despite a slight drop due to the crisis in 2008, which has been improving since 2010 when the country again showed a double-digit growth (14%). Estimates for 2011 are between 16% and 18%. The country is one of the richest and most creditworthy in the regin. This is mainly due to the last years' boom in the prices of petrol, to a very efficient policy of economic diversification and to the launch of numerous large-scale projects. The slowdown of the world economy leading to the decline in the prices of petrol in 2009 had a relatively strong impact on the country, however, the increase in strength of the gas production program should sustain, in a long-lasting manner, the GDP increase in the coming years. As the third largest producer of gas in the world, Quatar holds 16% of the world's reserves, which equals around 250 years . The country's dependence on gas and, to a lesser extent, on oil forced the Quatarian authorities turn to economic diversification. Apart from its gas potential, the Emirate wants to develop an ambitious industrialization program, namely in the area of liquefaction of gas and petro-chemistry. The industrial sector currently represents two thirds of the GDP. Thanks to virtually unlimited financial means, the country has chosen a voluntarist policy based on investment in infrastructures: urban development, highway and railway network, leisure and luxury infrastructures. In this way, the country wants to develop the services sector (especially tourism and financial services). Numerous investment projects are already under way, notably the construction of the new international airport in Doha, which is planned for 2011.

Given his situation of overheating, the Qatari economy is experiencing inflationary pressures due to several factors: quick and large rise of real-estate prices, weakness of the interest rates, depreciation of the dollar, influx of cash due to the soaring oil prices. However, the government is trying to control these tensions, the inflation rate decreasing from 15% in 2008 to 1% in 2010, with a forecast of 3% in 2011.

FDI in Figures

The country's aim is to become a haven for the investment flowing into the Gulf region. The Foreign investment into the country are continuously growing. FDI stocks in terms of GDP have increased since 2000 but have been altered by the 2009 economic crisis.

Factors limiting FDI influx are the slowness in the in country's privatization program, institutional constraints, the limited size of the market, the lack of skilled labor and its high cost. Moreover, foreign companies are not allowed to invest in certain key sectors like banking and insurance and the government grants more privileges to its own citizens than to foreign investors.

The main sectors attracting foreign investments are oil and gas, construction and public works, and financial services. The main investor countries are Japan, South Korea and Singapore.The organization of the 2022 World Cup will no doubt bring it large foreign investment in the coming years.

Foreign Trade Overview

Qatar is open to international trade. The country's trade policy is essentially focused on creating a modern economy, investment promotion (both domestic & foreign), trade diversification and trade at regional and international levels, as well as providing the necessary support to the private sector. Customs duties are relatively low. The country does not have many trade barriers and thus remains easily accessible to foreign trade. Despite the fact that Qatar became a member of the WTO, it has not yet implemented its agreements, including the Customs Valuation agreement .Qatar exports far more than it imports. These results in a positive trade balance, which is expected to remain largely positive during the coming years. The hydrocarbons represent 88% of the total value of exports. The country's primary imports are foodstuffs, mechanical equipment and machines, cars and construction material. Its main trade partners are Japan (1/3 of total exports), the European Union and the United States. Asia is Quatar's main client, exports to Asia representing over 78% of the state's total exports. Its main trading partners for imports are Japan, the USA, Germany, Italy and China.

Qatar Major Trades values

Global Exports in 2008 by Qatar Market Value: 48,843 (millions)

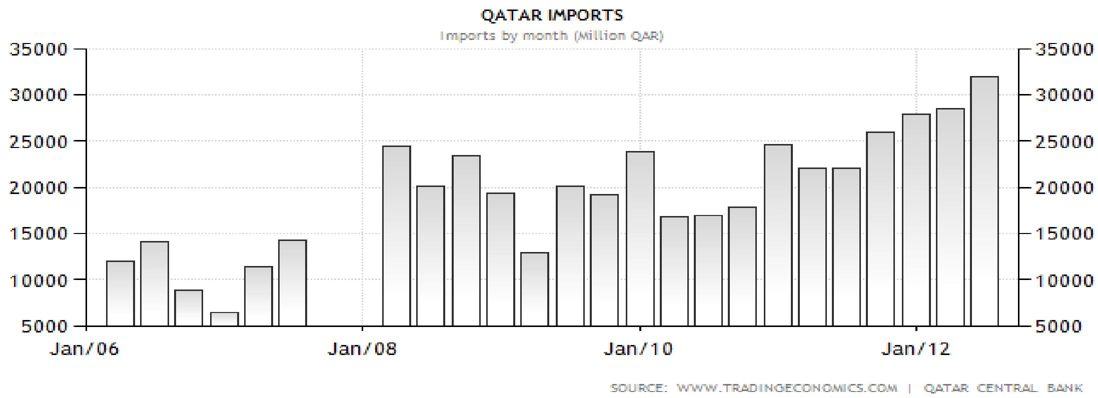
Rank	Country (Exports To)	Trade Value (thousands)	Share (%)	Growth (% 5yr)
1	Japan	18,851,353	38.6	142.34
2	South Korea	11,957,816	24.48	307.66
3	Singapore	6,420,385	13.14	278.82
4	India	2,856,799	5.85	184.04
5	Thailand	2,030,264	4.16	296.75
6	Belgium	1,366,712	2.8	48,585.49
7	Spain	1,355,226	2.77	290.86
8	New Zealand	1,083,418	2.22	1,479.67
9	United Arab Emirate	790,078	1.62	28.23
10	China	575,420	1.18	175.55
11	Pakistan	389,844	0.8	234.04
12	Saudi Arabia	227,577	0.47	1.04
13	Hungary	193,595	0.4	241,227.47
14	Malaysia	172,772	0.35	1,104.81
15	United States	76,020	0.16	-68.31
16	France	71,035	0.15	500.52
17	United Kingdom	60,692	0.12	-9.18
18	Kuwait	55,906	0.11	-27.9
19	Jordan	52,083	0.11	89
20	South Africa	47,894	0.1	-38.14
21	Oman	31,900	0.07	16.92
22	North Korea	27,050	0.06	-26.56
23	Iran	23,506	0.05	-61.34
24	Netherlands	19,564	0.04	28.35
25	Gibraltar	18,227	0.04	NA
26	Ukraine	12,469	0.03	61,262.51
27	Syria	11,777	0.02	-34.74
28	Egypt	11,596	0.02	-34.59
29	Finland	9,350	0.02	NA
30	Iraq	7,192	0.01	145.74
31	Lebanon	6,203	0.01	-67.69
32	Canada	5,895	0.01	-82.98
33	Venezuela	4,561	0.01	3,614.93
34	Sudan	3,560	0.01	-60.39
35	Senegal	2,738	0.01	74.18
36	Germany	2,398	0	-62.82

Global Imports in 2008 by Qatar Market Value: 22,800 (millions)

Rank	Country (Imports From)	Trade Value (thousands)	Share (%)	Growth (% 5yr)
1	Japan	2,487,812	10.91	693.45
2	United States	2,221,302	9.74	284.68
3	Germany	2,092,641	9.18	563.05
4	Italy	1,815,526	7.96	792.76
5	United Arab Emirates	1,622,399	7.12	327.57
6	China	1,612,369	7.07	778.39
7	South Korea	1,416,905	6.21	1,161.79
8	Saudi Arabia	1,216,607	5.34	113.02
9	United Kingdom	1,061,685	4.66	245.27
10	Turkey	953,105	4.18	2,865.71
11	France	831,310	3.65	-48.24
12	India	672,500	2.95	376.63
13	Netherlands	486,512	2.13	542.63
14	Switzerland	368,201	1.61	242.52
15	Spain	344,818	1.51	594.42
16	Thailand	319,945	1.4	753.82
17	Brazil	261,826	1.15	356.66
18	Malaysia	245,137	1.08	526.53
19	Sweden	245,005	1.07	749.48
20	Oman	237,006	1.04	435.3
21	Pakistan	173,797	0.76	564.96
22	Singapore	164,343	0.72	48.31
23	Finland	154,337	0.68	582.73
24	Belgium	137,401	0.6	130.72
25	Austria	131,576	0.58	460.95
26	Egypt	108,440	0.48	439.98
27	Lebanon	106,919	0.47	354.5
28	Poland	106,064	0.47	3,358.51
29	Kuwait	102,641	0.45	263.06
30	Croatia	95,230	0.42	36,718.51
31	Indonesia	91,124	0.4	110.21
32	Iran	82,187	0.36	502.34
33	Hungary	81,252	0.36	1,183.77
34	Ireland	79,863	0.35	286.83
35	Ukraine	71,893	0.32	305.63
36	North Korea	63,315	0.28	NA

QATAR IMPORTS

Imports in Qatar increased to 31995 Million QAR in the second quarter of 2012 from 28435 Million QAR in the first quarter of 2012. Imports in Qatar are reported by the Qatar Central Bank. Historically, from 2004 until 2012, Qatar Imports averaged 16450.0 Million QAR reaching an all time high of 31995.0 Million QAR in June of 2012 and a record low of 3911.0 Million QAR in September of 2004. Qatar imports machinery and transport equipment, food and chemicals. Main imports partners are United States, China, Japan, UAE and Germany. This page includes a chart with historical data for Qatar Imports.

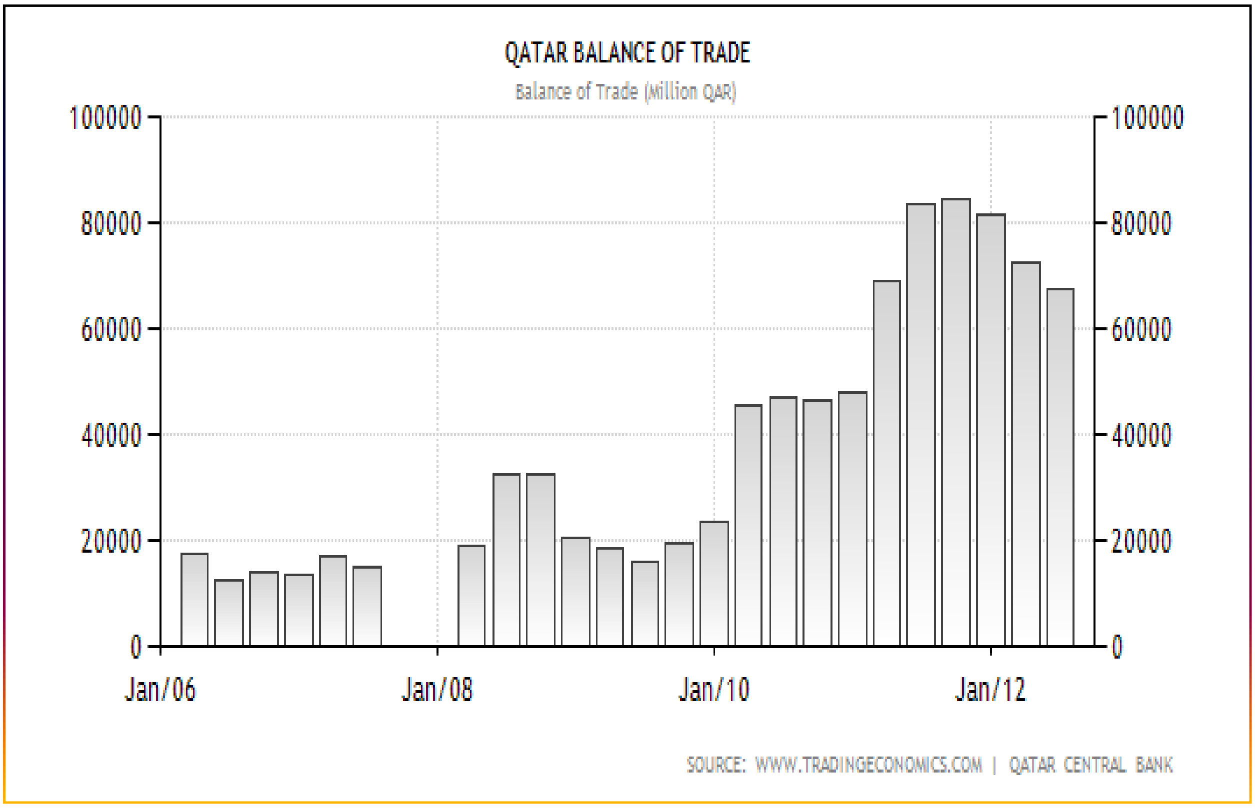


QATAR EXPORTS:

Exports in Qatar decreased to 99455 Million QAR in the second quarter of 2012 from 100825 Million QAR in the first quarter of 2012. Exports in Qatar is reported by the Qatar Central Bank. Historically, from 2004 until 2012, Qatar Exports averaged 48326.8 Million QAR reaching an all time high of 110472.0 Million QAR in September of 2011 and a record low of 14445.0 Million QAR in June of 2004. Qatar exports mostly liquefied natural gas (54% of total exports in 2010), crude petroleum (28%), fertilizers and steel. Main exports partners are: Japan (23% of total exports), South Korea (14%), India, Singapore and UAE. This page includes a chart with historical data for Qatar Exports.

QATAR BALANCE OF TRADE

Qatar recorded a trade surplus of 67460 Million QAR in the second quarter of 2012. Balance of Trade in Qatar is reported by the Qatar Central Bank. Historically, from 2004 until 2012, Qatar Balance of Trade averaged 31967.3 Million QAR reaching an all time high of 84459.0 Million QAR in September of 2011 and a record low of 7385.0 Million QAR in June of 2005. Qatar exports mostly liquefied natural gas (54% of total exports in 2010), crude petroleum (28%), fertilizers and steel. Main exports partners are: Japan (23% of total exports), South Korea (14%), India, Singapore and UAE. Qatar imports machinery and transport equipment, food and chemicals. Main imports partners are United States, China, Japan, UAE and Germany. This page includes a chart with historical data for Qatar Balance of Trade.



The Qatar Major Trading Countries

Albania	Bahrain	Japan	Israel
South Korea	Singapore	France	USA
United States	Saudi Arabia	United Arab Emirates	
Germany	United Kingdom.	India	

Qatar's Total Trade with India During the Last Three Years (all figures in mn)

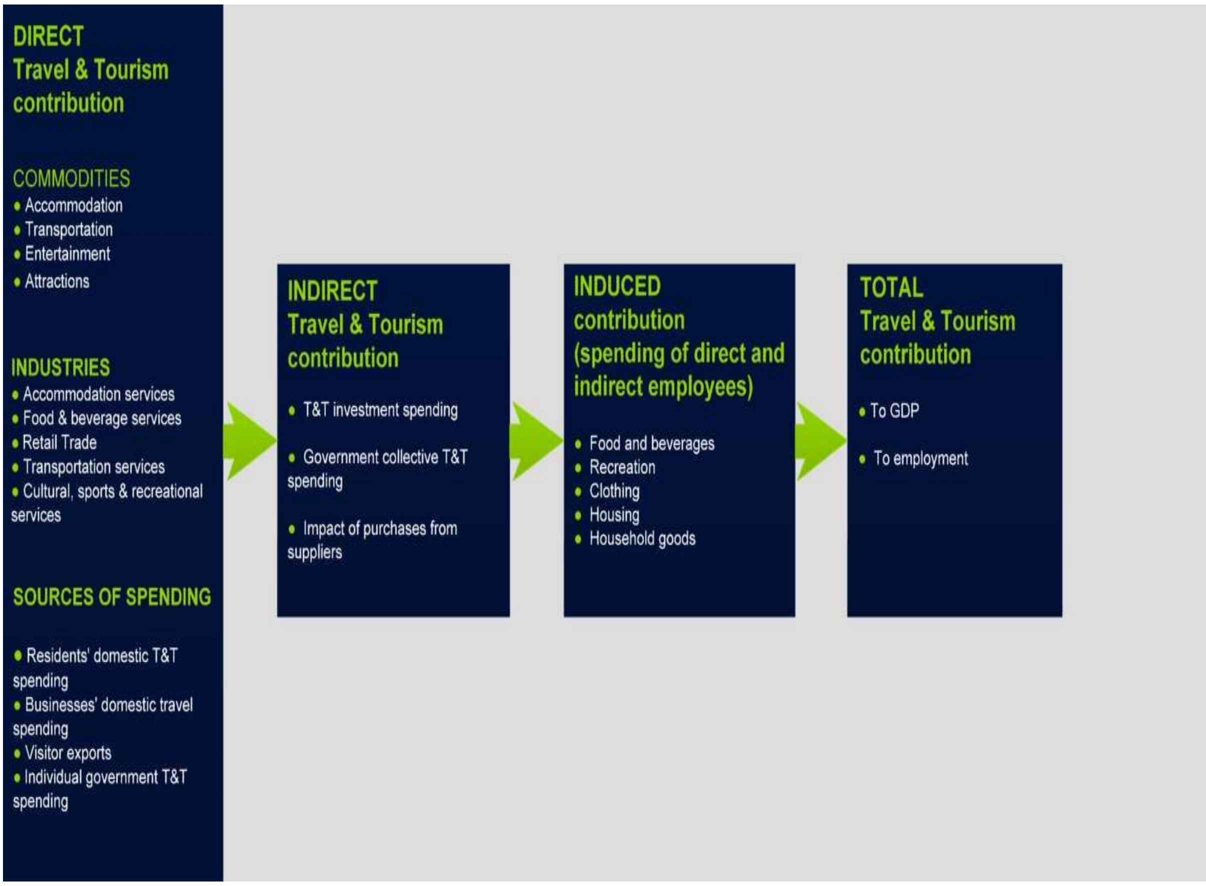
Indian Data (Fiscal Year)			(US $ in Millions / Indian Rupees in Billions)		
SL. No.	**Year**	**2006-2007**	**2007-2008**	**2008-2009**	**2009-2010**
1.	**EXPORT**	331.53	538.73	674.37	536.97
2.	%Growth	27.84	62.50	25.18	-20.38
3.	India's Total Export	126,414.05	163,132.18	185,295.36	178,751.43
4.	%Growth	22.62	29.05	13.59	-3.53
5.	%Share	0.26	0.33	0.36	0.30
6.	**IMPORT**	2,060.08	2,455.75	3,498.91	4,648.52
7.	%Growth	128.49	19.21	42.48	32.86
8.	India's Total Import	185,735.24	251,654.01	303,696.31	288,372.88
9.	%Growth	24.52	35.49	20.68	-5.05
10.	%Share	1.11	0.98	1.15	1.61
11.	**TOTAL TRADE**	2,391.61	2,994.49	4,173.28	5,185.49
12.	%Growth	106.00	25.21	39.37	24.25
13.	India's Total Trade	312,149.29	414,786.19	488,991.67	467,124.31
14.	%Growth	23.74	32.88	17.89	-4.47
15.	%Share	0.77	0.72	0.85	1.11
16.	**TRADE BALANCE**				
17.	India's Trade Balance	-59,321.19	-88,521.83	-118,400.95	-109,621.45

TOURISM OF QATAR

CHAPTER 1

OVERVIEW OF TOURISM INDUSTRY

1.1 GENERAL OVERVIEW OF TOURISM INDUSRY



Travel & Tourism is an important economic activity in most countries around the world. As well as its direct economic impact, the industry has significant indirect and induced impacts. The UN Statistics Division-approved Tourism Satellite Accounting methodology (TSA:RMF 2008) quantifies only the direct contribution of Travel & Tourism. But WTTC recognises that Travel & Tourism's total contribution is much greater, and aims to capture its indirect and induced impacts through its annual research

In Qatar, where petroleum constitutes 70% of its govt. revenue and 85% of export has ambitious plans for diversifying into various other alternate sectors. Tourism is one of them. Though tourism sector at Qatar is not very matured, it surely is high up on the govt. agenda, and is attracting huge investments, direct as well as indirect.

1.2ABOUT QATAR TOURISM

Qatar is one of the smallest Arab States in the Gulf region. Despite its small size, visitors will find Qatar a truly fascinating place with its sparkling blue waters, beautiful Corniche, sandy deserts, sophisticated shopping malls, traditional markets, natural beaches and historical museums

General Information

If you are planning a visit to Qatar, here are some general information that will be of use.

Qatar is a peninsula in the Gulf with Saudi Arabia and UAE as its neighbours. Entry into Qatar is by air through Doha International airport. The best time to visit Qatar is in December, when the weather is very pleasant. The climate is characterized by hot summers and cool winters. The local time is GMT+3 hours. Arabic is the official language. The currency in use is Qatari Riyal (QAR) and its exchange rate is fixed at 1USD = QAR 3.65.

Accomodation facilities in Qatar range from low-priced budget hotels to five star hotels. Visitors can choose according to their budget. Qatar's public transport company operates a large fleet of air-conditioned buses and taxis at reasonable fares. They can be waved down on the streets or can be booked in advance. Standard and VIP limousines are also available. There are also many car rental companies, if you choose to drive by yourself. But note that huge penalties are charged for traffic violations. Some basic rules for a new driver are: always carry your license, drive on the right hand side of the road, wear seatbelts, don't put children under 10 in the front seat and watch for speed limits

Qatar being an Islamic country, there are some codes of conduct. Visitors are supposed to dress modestly. Ladies should avoid wearing very short skirts and men should not walk around town bare-chested. Swimsuits are acceptable only on beaches. Drugs are not allowed. Drinking is permitted only on licensed premises.

Embassies, banks and government departments work from 7am to 2pm, Sunday to Thursday, and remain closed on Friday and Saturday. Most shopping malls are open throughout the week but will strictly close on Friday afternoons for mid-day prayers. Shopping in Qatar offers great value for money mainly because there is no purchase tax. There are the traditional markets (Souqs) and the modern shopping malls. Generally, Souqs offer cheaper goods at negotiable prices wheras malls provide quality goods at fixed prices. Some typical Qatari items are pearls, spices, dried dates, antiques etc.

Qatar also offers a wide range of sporting opportunities. Though most parts of Qatar is safe to explore on your own, if you are venturing out into the desert, it is better to go with experienced desert drivers. An inexperienced driver can easily get stuck in the sand. If you are an adventurous type, don't forget to make the 'Desert Safari'. This trip will give you the feel of a roller-coaster ride, propelling you up and down the sand dunes , some of which rise to around 40 meters height. Local Tour Operators offer various tour packages including desert safaris, boat cruises, city tours, overnight camps, barbecues, folk entertainments, camel rides, sand skiing etc.

Some Tourist Spots

• **Corniche**
This is a landscaped walkway running through the entire length of the harbor. Walking along the Corniche, you can enjoy the beauty of the sparkling blue bay waters, traditional sculptures, fountains, parks and fishing harbors .

• **Aladdin's Kingdom**

This is an amusement park in the West Bay area with lots of rides to suit all ages. It also includes an artificial lagoon, a theatre and a cafeteria.

• **Palm Tree Island**

This island is only a 10 minutes boat ride from Corniche and offers lots of entertainment opportunities. It has a seafood restaurant, swimming pool, camel rides, quad bike tracks, and cafeteria.

• **Sealine Beach Resort**

This is a luxurious resort offering waterfront villas, chalets and suites. It is beautifully designed with landscaped gardens, swimming pools, gymnasium, tennis courts, and restaurants.

• **Doha Zoo**

The Zoo shelters many animals and birds native to Qatar and also from other parts of the world. It also has a children's play area and a cafeteria.

• **Oryx Farm**

Oryx is Qatar's national animal. They are cream in colour and have 2 long horns and black and white markings on its face. The farm shelters these beautiful species, once threatened by extinction.

• **Souqs**
These are the traditional markets in Qatar. The range of goods available is enormous and the prices are competitive. There are separate sections for different commodities making shopping easier. Bargaining is a way of life here, so don't hesitate.

• **Central Market**

Here you can experience the hustle and bustle of market life. There is a vast variety of fish, fruits and vegetables, both local and imported.

• **Al Rumailah Park**

Ideally located along the Corniche, this park is a hot spot for spending the evenings. It has a big children's play area, landscaped lawns, an open air theatre, skating ramp, cafeterias and shopping facilities. There is also a cultural village adjacent to it which gives a glimpse of the old Qatari lifestyle.

• **Qatar National Museum**

The displays include antiques, traditional jewellery, wedding costumes etc. There is also a maritime museum and a small lagoon where traditional wooden boats are anchored.

• **Weaponry Museum**

Here you can see rare collections of swords, daggers, pistols, rifles, cannons etc., some of which date back to the 16th century.

• **Al Khor Museum**

Al Khor town was earlier known for its fishing and pearl diving centres. This museum highlights these aspects of early Al Khor life.

• **Al Wakra Museum**

This museum displays the traditional architectural features like using mangrove poles for the roof, gypsum for decoration, tiny windows for letting the hot air out etc.

• **Ethnograhic Museum or The Wind-Tower House**

The museum building is one of the last remaining examples of the old traditional architecture. Long back when there was no electricity, the buildings were constructed using this traditional 'Badjeer' (wind tower) for ventilation and cooling.

• **Doha Fort**

Also known as Al Koot Fort, this is one of the remaining military forts in Doha.

• **Al Jassassiyah Carvings**

Jassassiyah is one of the most extensive sites in Qatar for spectacular rock carvings. It is in the northeastern coast and the journey requires a 4-wheel drive vehicle. Tour operators can give you a guided tour.

• **Khor Al Adaid Beach**

This beach, also known as 'Inland Sea', is Qatar's best natural attraction. It is characterized by its sand dunes, some of which are as high as 40 meters. Only a 4-wheel drive vehicle can take you there. Also don't take this trip with just one vehicle. Make sure you go in a convoy and with experienced drivers.

Some Do's and Don'ts

Do keep in mind that visitors should conform to the local customs and be modest in their dressing.

Do ask permission from people, especially ladies and older people, before taking their photographs.

Do bargain with shopkeepers in the Souqs.

Do hire an experienced driver and a guide when you venture out into the desert.

Don't give or accept things with left hand.

Don't walk along the sealine barefoot. If you tread on a Stonefish, they inject poison.

Don't drink liquor in public. Liquor is a sensitive subject.

Don't gamble, it is forbidden.

Don't eat, drink or smoke in public during the fasting hours in the month of Ramadan. It is prohibited.

Wish you an interesting, engaging and rewarding journey with lots of beautiful memories to take back home.

1.3 ANALYSIS OF TOURISM INDUSTRY

Careers in the tourism industry

Tourism is a diverse industry which offers long-term career opportunities for enthusiastic individuals who want to put their education and skills to work in various environments. People in tourism may work indoors or outdoors, standard hours or on a flexible schedule, seasonal jobs or all-year-round. It’s one of the most exciting and diverse career paths out there.

What Is Tourism?

The tourism industry can be divided into five career areas: accommodation, food and beverage services, recreation and entertainment, transportation and travel services. All of these areas involve providing services to people who visit BC from other parts of the country and the world.

What Kinds of Careers Are Available in the Tourism Industry?

From operational positions to management and executive-level responsibilities, you’ll find opportunities for solid training, knowledge and skill development along with unlimited career growth. The tourism industry also offers a unique environment for those who wish to start their own business.

Operational Positions

These usually involve direct contact with tourists and are often the first step in a lifetime career. Sample jobs include:

-Ski Repair Technician
-Bartender
-Concierge
-Adventure Tour Guide
-Cook
-Sales Coordinator

Supervisory Positions

These people hire, manage, motivate and schedule operational positions as well as provide key functional expertise. Sample jobs include:

-Guest Services Supervisor
-Ski Patrol Supervisor
-Event Planner
-Restaurant Shift Supervisor
-Team Leader Accounting
-Maintenance Supervisor

Management Positions

These positions involve budgeting, analysis, planning and change management in order to help employees and the organization to grow and prosper. There may also be interaction with other tourism sectors and community involvement. Sample jobs include:

-Director of Sales and Marketing
-Head Chef
-Ski Area Manager
-Rooms Division Manager
-Adventure Company Owner
-Attractions Operations Manager

Executives

Executives are often responsible for several departments or divisions and usually work at a regional, national or international level. They are responsible for strategic planning and have significant budget responsibility. Sample jobs include:
Hotel General Manager

-Regional Manager of Restaurant Chain
-Vice President of Human Resources
-Tour Company President
-Convention Centre Executive Director
-CEO of Destination Marketing Organization (e.g. Tourism British Columbia)

There are also many opportunities for entrepreneurs in the tourism industry. Whether you're looking to open a resort, an eco-tourism outfit, an adventure operation or a bed and breakfast, the incredible growth of tourism in BC means plenty of business opportunities for the entrepreneurial minded.

How Much Will I Make?

Salary ranges in tourism jobs depend on the type of job you're doing, the amount of education and training required, and your experience level. Keep in mind that many people in tourism careers also make tips on top of their salary. Also, 77% of BC tourism organizations offer extended health care, 74% offer employees life insurance, 73% offer long-term disability and 81% offer dental care.

The following table outlines average wages for various tourism positions in BC:

Hotel General Manager	\$62,294 – \$86,050 / yr
Accommodations Service Manager	\$36,601 – \$47,653 / yr
Catering Manager	\$39,999 – \$51,824 / yr
Director of Sales and Marketing	\$56,619 – \$74,264 / yr
Executive Housekeeper	\$40,874 – \$51,728 / yr
Banquet Server	\$9.53 – \$12.46 / hr

Concierge	$13.77 – $17.46 / hr
Front Desk Agent	$11.35 – $15.26 / hr
Guest Service Attendant	$9.77 – $12.39 / hr
Housekeeping Room Attendant	$10.48 – $14.04 / hr
Restaurant Manager, Owner, Operator	$41,982 – $63,825 / yr
Executive Chef	$45,837 – $62,665 / yr
Sous Chef	$35,647 – $46,647 / yr
Food and Beverage Manager	$41,989 – $56,720 / yr
Food and Beverage Service Supervisor	$31,621 – $44,495 / yr
Cook	$11.22 – $15.13 / hr
Food and Beverage Server	$9.37 – $11.37 / hr
Bartender	$10.31 – $12.78 / hr
Host/Hostess	$10.21 – $13.04 / hr
Food Service Counter Attendant	$9.42 – $11.42 / hr
Small Business Owner/Operator	$28,817 – $49,167 / yr
Head of Visitor Services	$12.28 – $15.79 / hr
Outdoor Adventure Guide	$13.05 – $22.72 / hr
Tour Guide	$10.12 – $13.22 / hr
Heritage Interpreter	$15.46 – $18.12 / hr
Retail Sales Clerk	$9.55 – $13.27 / hr
Sales Representative	$10.48 – $14.41 / hr

CHAPTER 2

TOURISM INDUSTRY

TOURISM INDUSTRY IN QATAR

2.1TYPES OF TOURISM IN QATAR

- Business tourism
- Sports tourism
- Life style tourism

2.2 MAJOR CITIES & PLACES TO SEE

Doha

Doha is the capital city and seat of Government. It includes the country's main sea port and international airport. It is Qatar's cultural, commercial and financial centre, with a population of 338,760 in 2004.

Al Rayyan

Al Rayyan is located 10 kilometers north of Doha. It is the largest residential area outside of Doha, with an estimated population of 272,583 in 2004. It is the home of the Qatar Equestrian Federation which organizes numerous races and an annual Arabian horse show.

Al Wakrah

Is a small town situated halfway between Doha and Mesaieed. It is the center for a booming commercial fishing industry and has an old fishing port, which is still in use to date. The town is famous for its fine mosques and many houses reflecting the old Islamic architecture style. There is also a museum displaying among other things traditional Arabic style doors.

Alkhor

Al Khor is a coastal city 57 kilometers north of Doha with a port for small ships and fishing boats. The Al Khor Municipality includes the emergent Ras Laffan Industrial City and the 2004 census puts the total population at 31,611. Al Khor has been developing rapidly over the past few years and the trend is likely to continue with the onslaught of various industrial projects, mainly gas based.

Ras Laffan Industrial City (RLIC)

Strategically located on the north shore of the Qatari Peninsula and at the centre of the Arabian Gulf, Ras Laffan Industrial City represents one of the world's most significant and accessible emergent industrial export locations.

The ambitious vision of the State to exploit its vast natural gas resource led to the initiation of LNG projects: Qatargas and RasGas. Expansion of LNG facilities at Ras Laffan has been proceeding rapidly and is expected to reach 20.2 million tons per annum (mtpa) by year-end 2004. Further natural gas utilization plans led to the Dolphin project and to various Gas to Liquids (GTL) projects, which are currently under-way.

Mesaieed

Mesaieed is a major industrial city in Qatar, located 45 kilometers south of Doha. The city's industrial area houses basic industries and it has a large sea port as well as the principal terminal for the export of oil. Major industrial projects such QAFCO, QAPCO, QAFAC, QVC, QPR, Q-Chem etc. are located in Mesaieed, along with upcoming projects such as Q-Chem II, Qatofin, and LAB among others. The beaches and sand dunes at Mesaieed with their fine sand are major tourist attractions in the State of Qatar and is also the location of the Movenpick Sealine Beach Resort.

Madinat Al-Shamal

Is a modern town functioning as an administrative center for a number of coastal villages north of the country.

Dukhan

Dukhan is Qatar's main onshore oil production centre and is situated halfway along the western coastline of the Qatari Peninsula. It has developed as the oil nerve center since the exploitation of the country's oil reserves commenced in 1949.

Sealine Beach Resort

Situated 55 km from the capital, the resort offers a large variety of rooms, villas and chalets, all with a sea view. The resort also has many sports and recreational activities and a number of restaurants, alongside with meeting and conference facilities.

The Palm Tree Island

The Palm Tree Island is 10- minute boat ride off Doha Cornice. The Island has children and family amenities, a restaurant offering seafood and barbecue meals and a cafe serving snacks and refreshments. There is also a jetty for traditional Dhow boats close to Doha Sheraton Hotel on the Cornice waterfront.

Entertainment City (the Kingdom of Aladdin)

The Kingdom of Aladdin lies in the West Bay area. It has more than 18 game features to suit all age groups. It also has a rest house, an artificial lagoon, a theater and a cafeteria.

The Zoo

The zoo lies 20 km from Doha on Salwa Road. It has a varied collection of animals, reptiles and birds as well as a small amusement park for children.

Al Bida Park

This park lies on Doha Corniche. It has grass areas, children rides, a popular market and restaurants. It opens around the clock and entrance is free of charge. There are other parks on different locations in the capital, besides Al Wakrah and Al Khor parks. Entrance is either free of charge or at nominal rates.

Khor Al Udaid Beach

This beach lies on the southeastern most part of the country, 78 km from Doha. This beautiful beach is distinguished by its fine sand dunes that can be as high as 40 meters in some locations. Other fine beaches include Fuwairit, Dukhan and others.

Almaha Sanctuar

Almaha (oryx) farm has been established to protect this species of endangered desert deer. Almaha is the national symbol of the State of Qatar.

2.3 QATAR TOURISM TREND ANALYSIS

STR Global data said Qatar's tourism sector was likely to see a near-70 percent growth in hotels, the largest in the Middle East and Africa.

Among the countries in the region, Qatar reported the largest expected growth (up 69.9 percent) if all 7,340 rooms in the country's total active pipeline open.

According to the WTTC's latest research, the tourism industry's direct contribution to the global economy should exceed $2trn in GDP and 100 million jobs this year.

The direct contribution of travel and tourism to Qatar's GDP is expected to reach $1.1 billion in 2012, compared to $800 million in 2009, according to the World Travel and Tourism Council.

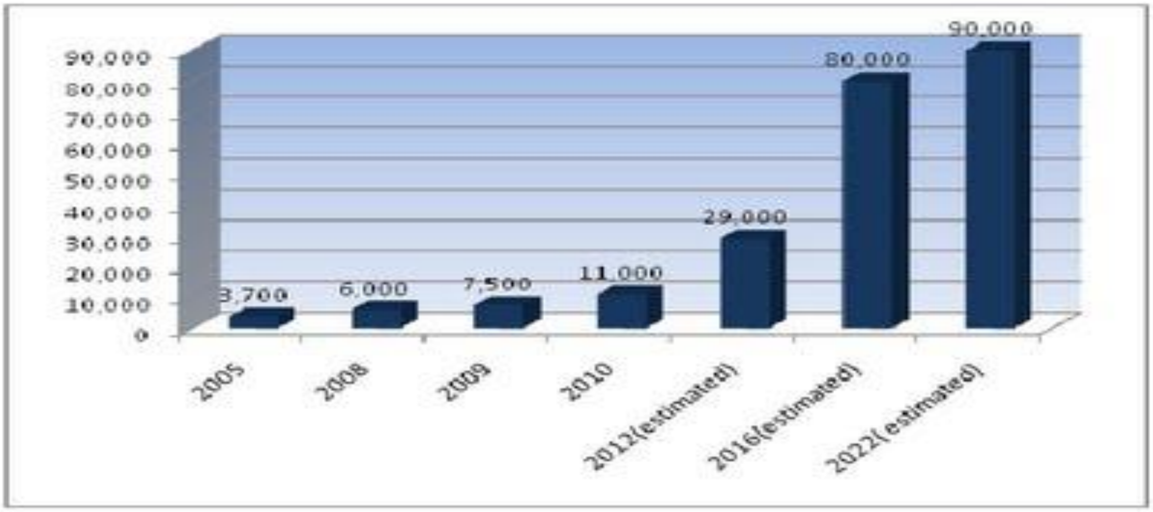
- Tourism to Qatar up 40% between 2000-2010
- Tourist numbers in 2010: 1,866,000
- Museum of Islamic Art receives 500,000 visitors a year

The biggest driving force for the sector is Qatar winning the bid to host football World Cup, which is considered as the biggest sporting event across the world, in the year 2022. Qatar is the 1st Arab state to host such a huge sports event and this will surely enhance the tourism industry. To prepare for the World Cup, Qatar is in quest of huge investments in infrastructure, hotels, and sporting utilities.

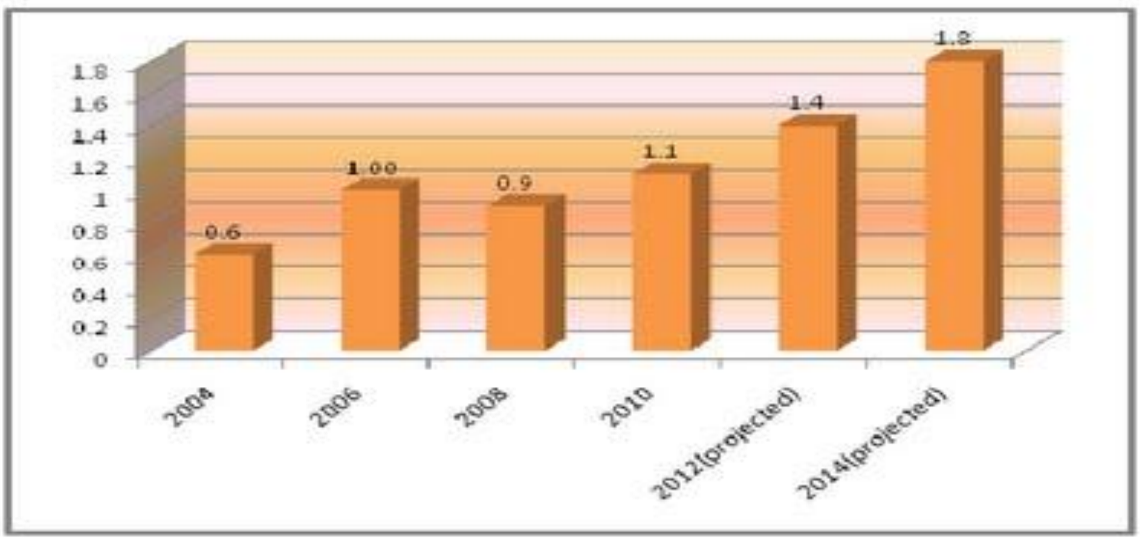
Some of the major infrastructure projects include Lusail city, Qatar Entertainment City, US $ 20 billion Pearl Project, Qatar Metro Project, International airports, football stadiums etc. The following figure shows the inflow of tourists over the period of time. The slight spike in 2006 over 2004 is on the account of Asian games 2006, conducted in Doha.

Qatar is vigorously building new hotels to bolster its emerging tourism industry. So far it is has a wide range of luxury hotels and is currently concentrating more on development of 3 star and 4 star hotels. In 2010, it was estimated that it had added 2,500 new rooms, thereby bringing the total number of rooms to more than 11,000. (Arabianbusiness.com, 2010) The following graph reflects the number of hotel rooms, including past as well as future projections:

Number of hotels



Inflow of tourist in millions



In 2010, 1,866,000 tourists came to Qatar to visit its museums, sandy beaches, awesome desert, and world-class cultural attractions. Qatar has something to suit every traveller's taste. What's more, the country's pairing of traditional heritage with hyper-modern infrastructure and accommodations facilities make it uniquely positioned to offer tourists value for their travelling money. "Qatar is preparing for a robust economic future, and tourism will play a key role in creating a diverse and sustainable economy," Qatar Transport Authority's Director of Tourism, Abdullah Mallala Al Badr said.

CHAPTER 3
OPPORTUNITIES

3.1 OPPORTUNITY OF TOURISM INDUSTRY IN QATAR AND INDIA

Although not generally perceived as a tourist destination, Qatar is focused on increasing its share of the tourist market. A number of high-profile international events such as the 2006 15th Asian Games in Doha and the 2022 FIFA World Cup have raised Qatar's profile. It also made an (unsuccessful) bid to host the 2016 summer Olympic Games.

With the planned opening of New Doha International Airport in mid-2013, Qatar authorities are also looking at increasing the market share of business tourism in the area. Meetings, conferences and exhibitions are all part of the government's long-term strategy in the tourism sector. In keeping with many other Gulf countries, Qatar has a raft of luxurious five-star hotels to entice overseas guests, which also double-up as locations for the country's residents to eat, drink, relax and play.

Qatar benefits from cultural tourism as well as sports and business tourism. The Museum of Islamic Art in Doha, Katara - the Cultural Village and the annual Doha Tribeca Film Festival are just a few examples of high investment tourist projects launched in the past few years. Popular tourist attractions in Qatar include the traditional souqs, the Pearl of Qatar, an artificial island situated east of Doha's West Bay, and the Moorish-style fort, Al Koot.

The Qatar peninsula has over 500 Km of coastline with many sandy beaches and islets. Waters port facilities such as jet-skiing, water-skiing and kayaking are available for hire at many of the beach hotels, and there are also companies offering sailing, parasailing and wind-surfing lessons. The two artificial reefs provide an ideal habitat for marine life and present opportunities for scuba diving. The beaches at Ras Abrouq and Khor Al Adaid are also popular camping locations.

Much of Qatar is desert and there are tour operators offering desert safaris over the sand dunes in four-wheel-drive vehicles.

In contrast to the desert landscape, Doha, the capital city has a number of grassy areas and parks, for example Al Corniche on the waterfront, Rumeila Park with its heritage village, Dahl Al Hammam Park, which is linked to the sea by underground caves and tunnels and has a large children’s play area, and Aspire Park which has the only lake in Qatar. There is also a zoo in the city

Almost two million visitors a year come for culture, the beaches and the desert

Doha's restored Souq Waqif is an essential part of the Qatar experience

While Qatar has been a business hub for decades, more and more visitors are turning to this remarkable Arabian Gulf peninsula as a tourism destination.

In 2010, 1,866,000 tourists came to Qatar to visit its museums, sandy beaches, awesome desert, and world-class cultural attractions. Qatar has something to suit every traveller's taste. What's more, the country's pairing of traditional heritage with hyper-modern infrastructure and accommodations facilities make it uniquely positioned to offer tourists value for their travelling money. "Qatar is preparing for a robust economic future, and tourism will play a key role in creating a diverse and sustainable economy," Qatar Transport Authority's Director of Tourism, Abdullah Mallala Al Badr, said.

Those looking to journey into Qatar's undeveloped past and see a slice of traditional village life can check out Al Wakrah, a former pearl diving town not far from the capital. In Doha itself, the *Souq Waqif* presents all the exoticism of a traditional Middle Eastern market enhanced by the recent restoration it has undergone. Qatar also has a selection of towers and forts dating from the 19th century. Some, like the architecturally distinctive Barzan tower, have been returned to their original condition through painstaking craftsmanship.

If it's high culture that inspires you, Qatar has some of the most precious and diverse collections of art and artefacts in the world. The Museum of Islamic Art (MIA), a startling modern interpretation of traditional Islamic architecture, has collection of Islamic artefacts brought together from across three continents and many centuries. Designed by I.M. Pei, who came out of retirement specifically for the project, the MIA draws over 500,000 visitors a year.

An inland 'sea'

Equally stunning is the Mathaf (the Arabic word for museum)Museum of Modern Art with works from local and regional artists gathered from the past 150 years. The Katara Cultural Village, located in Doha between the Intercontinental and Ritz-Carlton hotels, has an opera house, theatre, art galleries, an amphitheatre, and more. If your ideal vacation is about relaxation, Qatar also offers plenty of places to bask in the sun and swim in the Arabian Gulf. While beautiful beaches abound, perhaps the best place to soak in some rays is on Palm Tree Island, a small shelf of sand that rises out of the water just a ten-minute boat ride from Doha's *corniche*. The island has swimming spots both along its perimeter and in an interior pool, with seafood restaurants supplied by local fishermen. For fun in the sun away from the beach, check out the Khor Al-Adeid, also known as Qatar's "inland sea." Near the border with Saudi Arabia, the Khor Al-Adeid consists of a pool of crystal clear water which laps into the desert. Visitors can swim in the sea itself, or take 4WDs to explore the surrounding dunes.

And if a day at the races is more your thing, head to the Qatar Racing and Equestrian Club to watch some fine horses fly around the track.

Finally, Qatar also has a rapidly growing and dynamic eco-tourism sector. Visitors have the opportunity to see the protected breeding grounds of the rare Arabian oryx, whose likeness can be seen on the logo of Qatar Airways. Kayaking tours are available around the beautiful mangrove forests, which act as a nursery for wildlife and play an important role in helping the environment through carbon sequestration. The rare sea-mammal, the dugong, while shy of humans, can be seen in the waters off Qatar. The Qatar Natural History Group offers regular field trips for everything from bird watching to archaeological visit

Qatar Tourism Authority (QTA) is again participating in the Qatar Career Fair, held from April 1-6, 2013 at the Qatar National Convention Centre to unveil new career and training opportunities in the tourism industry. Held under the patronage of His Highness, The Heir Apparent, Sheikh Tamim Bin Hamad Al-Thani, this year's theme for the event will be "Write the Next Chapter in Qatar's Success."

HE Eng Issa Al-Mohannadi, Chairman of QTA, said: "Qatar Tourism Authority's participation in the Qatar Career Fair reflects the QTA's commitment in line with the country's 2030 Vision, to develop human capital to achieve a knowledge-based economy. At the Fair we will be connecting with young Qataris, graduates and students to present new opportunities for a rewarding career in the tourism industry. Our booth at the event will reflect how we want to promote Qatar through a new tourism strategy that seeks to encourage enterprise in the industry as well as offer jobs and training in hospitality and tourism studies. Above all we want to ensure that young people are equipped with the training they need to build successful careers as professionals in our industry."

QTA's recent initiatives include developing local talent in the buoyant MICE (Meetings, Incentives, Conferences, Exhibitions) sector, with the introduction of new hospitality training programmers at Stenden University. This month QTA and Stenden University Qatar signed a Memorandum of Understanding to initiate a new Tour Guide License Program to develop professional tour guides for Qatar that are knowledgeable about the nation's rich past and history, its culture and heritage as well as tourist and historical sites. The aim is to train tour guides to have in -depth knowledge of Qatar's heritage, history and culture as well as its many museums, theme parks and nature attractions.

The Tour Guide License Program will cover the history of Qatar from the Al Ubaidi Period through the Bronze Age, Kassite Period, Greek and Roman influences, Sasonid Period, Islamic Period, Umayyad and Abbassid Period and Bani Khalid Time right up to British Rule and recent Contemporary History of Qatar.

The Program will also cover the Rulers of Qatar, the Al Thani Dynasty and the country's Geography - plants and wildlife, land characteristics and weather. In addition, the course will include an introduction to tourism and tour guiding, the tourism system, developing communications skills, customer care, conducting tours, health and safety and legal and ethical issues.
Tour guides once trained will be able to share key and accurate information about the places tourists visit in Qatar on sightseeing tours, to enhance their stay and reflect local politics, religion, geography, as well as Qatari traditions and everyday life.

3.2 OPPORTUNITY IN SPORTS

Sport has always played an important role in the lives of Qatar's residents and most of Qatar's sporting venues are open to the public in an effort to encourage residents to adopt a healthy lifestyle through regular exercise. Fast becoming one of the world's leading places to enjoy sports, Qatar has invested US$2.8 billion in infrastructure over the last several years to support athletic competition.

Sports events not only gives an outstanding exposure to the world, as during the first ever Moto Grand Prixheld during the night-time, but enables as well to spread strong Qatari values, such as willingness, pride, equity, open-mind and respect. Qatar is also home to the Qatar Sports City - ASPIRE Zone, a premier complex for athletics, entertainment, recreation and wellness.

Qatar has a well-deserved reputation in horse and camel racing. Known globally for the high quality of its stunning Arabian thoroughbreds, the Qatar Racing & Equestrian Club carries on this long and distinguished tradition with a commitment to the pure breeding of Arabian horses and the enjoyment and challenge of horse racing. Camel racing, historically known as the "sport of_sheikhs", continues today in the small town of Al Shahaniya, where Qatar's main camel racetrack is located. Here, visitors are enticed with a rare opportunity to witness one of the more novel competitive events in the region.

Qataris are tremendous sports enthusiasts: the Qatari National League (football) is one of the best in the Middle East, and Qataris enjoy many spectator sports—from the PGA European Tour Qatar Masters to the ATP Qatar Open (tennis) to racing of all kinds, including motorcycle, auto, powerboat, horse and camel.

With numerous state-of-the-art facilities plus varied and striking topography, Qatar is a perfect place to engage in physical activity. Kilometres of beautiful coastline make water sports such as sailing, jet-skiing, kayaking, diving and water-skiing a pleasure.

For those looking for a different kind of adventure, the desert offers the opportunity to get out in the dunes to sand ski or sand board. Golfers can challenge their game on the championship courses at the Doha Golf Club or the Mesaieed Golf Club. Those interested in racquet sports and other forms of exercise can find what they seek at the Khalifa Tennis and Squash Complex, which boasts 17 courts, a swimming pool and a gymnasium.

Although no longer a primary source of employment, pearl diving is still practiced by amateurs, as pearl oysters remain available in abundance off Qatar's shores.

Focus on 2006 Asian Games
In 2006, Doha hosted the15th annual Asian Games, welcoming 10,000 athletes from 45 different nations, the first time every country from the Olympic Council of Asia took part in the games.

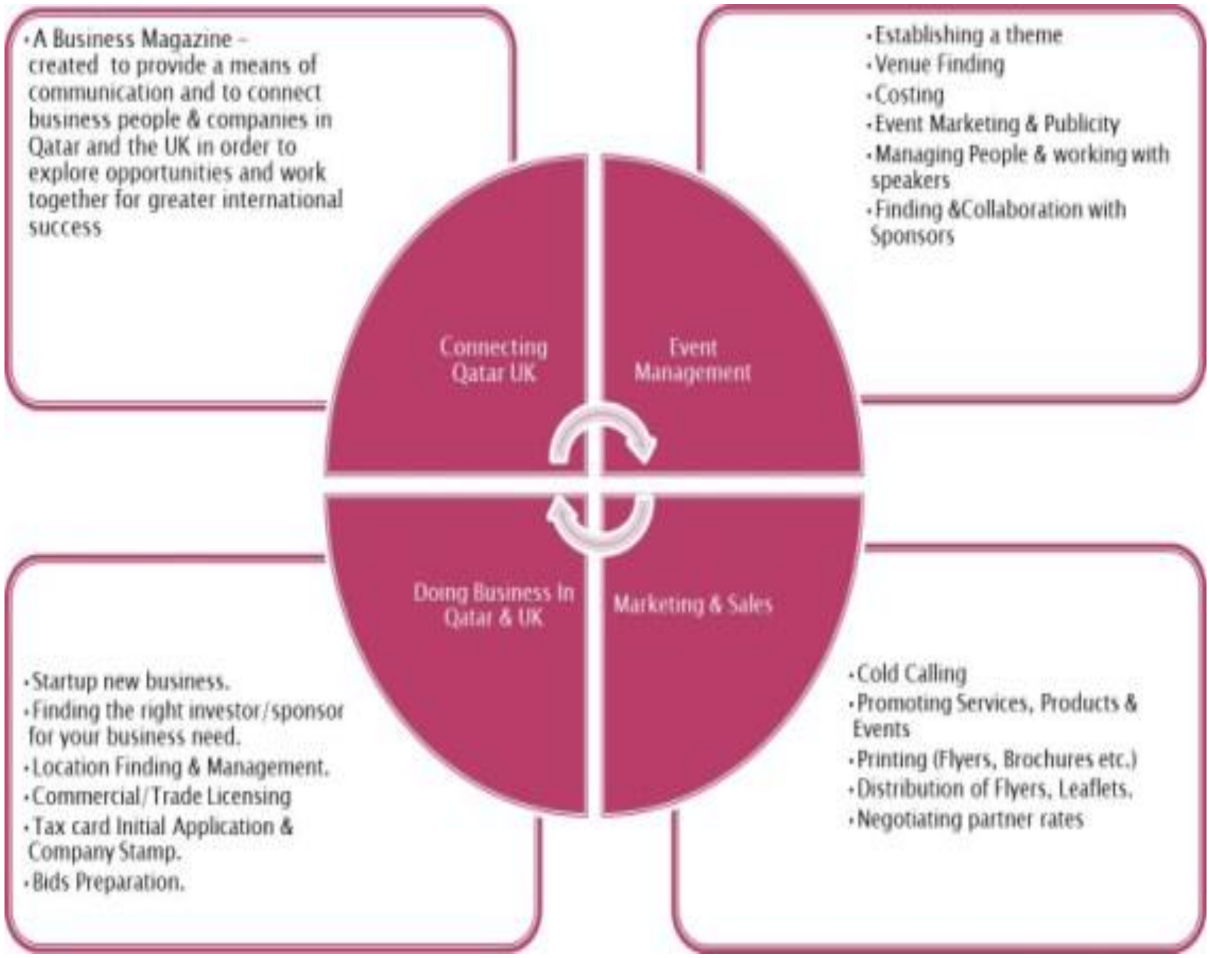
2011 Asian Cup
In 2007, Qatar was awarded the hosting rights for the 2011 Asian Cup, by the Asian Football Confederation.

ASPIRE
ASPIRE Zone is a 240 hectare property that houses international standard sport stadium, medical facilities, education services and sport academy, mosque, sports club, retail areas and parklands. Located approximately 8km from Doha's Central Business District, the complex was designed for the 2006 Asian Games.

Qatar is growing as a reputed destination in the development of sustainable events and supporting infrastructure. Qatar and the UK have always boasted about having a special relationship which now proves stronger than ever. Qatar is not just the major supplier of energy to the UK but also has a diverse range of investments in the UK. On the other hand, it is very well known that the huge interest from British companies wanting to know more about Qatar and to learn how to introduce their products and services in the Qatar.

Covering 5 different sectors; Education, Medical Services, Sports, Leisure and Business Support, we believe **Qatar Tourism Company** is the ultimate bridge to help companies and individuals from Qatar and the UK to connect and to exchange their products and services.
Our Services:

We offer services to help organizations or individuals to improve their performance, primarily through the analysis of existing business problems and develop plans for improvement. We provide objective-oriented advice and specialized expertise to you no matter you are a small or medium enterprise or an entrepreneur.



We are proud to be the only company which is offering **Active Sales and Marketing Services** (ASMS) to companies and individuals from both Qatar and the UK.
We ensure that we provide accurate and valuable advice and assistance to our clients through

- Our experienced and ambitious PR, Marketing and Sales teams **based in both Qatar and the UK;**
- Our International network and resources; and
- A vast range of partners among the Media, Tourism, Educational, Fashion, Construction, property, law and Investment fields

Our experience PR, Marketing and Sales teams can

- Prepare databases with the names and contact details of potential clients
- Cold Calling potential clients Locally and abroad
- Promoting Services, Products or Events
- Negotiating Partner Rates or discounts
- Meeting clients/ Future partners abroad
- Distribute our client's Press Releases among different publications in Qatar and The UK.

We emphasize on fast and efficient services. With our experience, international network and resources, we ensure that we provide accurate and valuable advice to Locals, Foreign Individuals and Foreign companies to fulfill business necessities.

You can get all the details from our local office in Qatar. We will contact you back for the details of bookings, appointments and total cost of your journey.

3.3INDIA IS RICH IN TOURISM OPPORTUNITY

- Over 4000 km of beach front.
- Every conceivable biome, from perennial glaciers, to desserts, tropical havens, temperate grasslands, and mangroves.
- Over 15000 sites and structures that are over 500 years old, with the oldest structures being well over 2500 years old.
- A gastronomical delight with over 15 different cuisines that are well entrenched within their respective geographies
- Historical sites that cover all the major world religions.
- A melting pot of cultural diversity within a generic commonality

India Tourism – International Recognition

- Condensate Traveler, the world's leading travel and tourism journal has ranked India top 4 preferred holiday destinations in world.

- ABTA (Association of British Travel Agency) has ranked India as No.1 amongst top 50 places for 2006.

CHAPTER 4
SWOT ANALYSIS

SWOT ANALYSIS OF TOURISM INDUSTRY OF INDIA

4.1 STRENGTHS :

Indiaâ€™s geographical location is a culmination of forests, deserts, and mountains ands beaches. Diversity of culture i.e. a blend of various civilizations and their traditions. A wealth of archeological sites and historical monuments.

4.2 WEAKNESSES

Lack of adequate infrastructure. A xenophobic attitude among certain sections of the people. No proper marketing of Indiaâ€™s tourism abroad. Foreigners still think of India as a land of snake charmers.

4.3 OPPORTUNITIES

More proactive role from the government of India in terms of framing policies. Allowing entry of more multinational companies into the country giving us a global perspective. As well as growth of domestic tourism is one of the factors of the development of the tourism industry.

4.4 THREATS

Economic conditions and political turmoil in other countries affects tourism. Aggressive strategies adopted by other countries like Australia, Singapore in promoting their tourism affects Indian tourism.

CHAPTER 5
PEST ANALYSIS

PEST ANALYSIS OF INDIAN TOURISM INDUSTRY

Introduction about the topic:
It is time for India's Tourism sector. Driven by a surge in business traveler arrivals and a soaring interest in India as a tourist destination, the year 2006 has been the best year till date.
Incredible India!!

India is probably the only country that offers various categories of tourism. These include history tourism, adventure tourism, medical tourism (ayurveda and other forms of Indian medications), spiritual tourism, beach tourism (India has the longest coastline in the East) etc.

Explore India - choose the locales of your choice, and see what each state has to offer. Lose yourself in the wonder that is India. Meander through lands steeped in chivalry and pageantry that begin before recorded history. Explore modern cities that have grown organically from the roots of a multi-hued past. Make a pilgrimage to holy shrines that echo with tales of antiquity. Frolic on a vast array of golden beaches that dot an enviable coastline, washed by two seas and an ocean.

Indian Tourism industry is one of the most important export industries of the country. Although the international tourist inflow is relatively low, India has found tourism emerging as an important sector of its economy.

Growth period of Indian tourism industry
The tourism industry in India is substantial and vibrant, and the country is fast becoming a major global destination. India's travel and tourism industry is one of them most profitable industries in the country, and also credited with contributing a substantial amount of foreign exchange. This is illustrated by the fact that during 2006, four million tourists visited India and spent US $8.9 billion.

Several reasons are cited for the growth and prosperity of India's travel and tourism industry. Economic growth has added millions annually to the ranks of India's middle class, a group that is driving domestic tourism growth. Disposable income in India has grown by 10.11% annually from 2001-2006.

Thanks in part to its booming IT and outsourcing industry a growing number of business trips are made by foreigners to India, who will often add a weekend break or longer holiday to their trip. Foreign tourists spend more in India than almost any other country worldwide. Tourist arrivals are projected to increase by over 22% per year through till 2010, with a 33% increase in foreign exchange.

The Tourism Ministry has also played an important role in the development of the industry, initiating advertising campaigns such as the 'Incredible India' campaign, which promoted India's culture and tourist attractions in a fresh and memorable way. The campaign helped create a colorful image of India in the minds of consumers all over the world, and has directly led to an increase in the interest in tourism industry has helped growth in other sectors as diverse as horticulture, handicrafts, agriculture, construction and even poultry.

Welcome to Incredible India

Namaskar,

Welcome to Incredible India! A journey into mysticism through the land of the unexpected. Bounded by the majestic Himalayan ranges in the north and edged by an endless stretch of golden beaches, India is a vivid kaleidoscope of landscapes, magnificent historical sites and royal cities, misty mountain retreats, colorful people, rich cultures and festivities. Modern India is home alike to the tribal with his anachronistic lifestyle and to the sophisticated urban jet-setter. It is a land where temple elephants exist amicably with the microchip. Its ancient monuments are the backdrop for the world's largest democracy.

If you're planning a holiday to India, looking for hotels and accommodation and events information or simply interested in India as a country you are sure to find many insights on the multifaceted travel options to India here.The timeless mystery and beauty of India can be experienced only by visiting this ancient Land. There's just one thing you'll need to travel through 5000 years of culture and tradition- A comfortable pair of shoes.

The following table provides the major tourist attractions in India by state:

TOURIST ATTRACTION	**STATE**
Charminar	Hyderabad, Andhra Pradesh
Kaziranga National Park	Assam
Qutub Minar	Delhi
Mangueshi Temple	Goa
Shimla	Himachal Pradesh
Dal Lake	Jammu and Kashmir
Jog Falls	Shimoga District, Karnataka
Kovalam Beach	Kerala
Amarkantak	Madhya Pradesh
Ajanta	Maharashtra
Puri	Orissa

Golden Temple	Amritsar, Punjab
Jaipur	Rajasthan
Chennai	Tamil Nadu
Badrinath Temple	Uttarakhand
Varanasi	Uttar Pradesh

PEST OF TOURISM (MICE) INDUSTRY IN QATAR & MIDDLE EAST

In the past two decades one of the regions in the world that had witnessed phenomenal growth is **Middle East**. It had shown excellent growth not only in the traditional oil and gas sector in which it has abundant resources but also in other sectors like services, retail, tourism and hospitality. Having some of the fastest growing cities with state of the art infrastructure carved in the midst of the dessert Middle East attracts a large chunk of tourist from all around the globe. Along with the leisure tourism the segment which is growing by leaps and bound is the **"Business tourism**" or the **MICE segment**. In the following blog the author will attempt to do a comprehensive **PEST** analysis of the MICE industry in Middle East.

PEST ANALYSIS:

5.1 POLITICAL FACTORS:

• The political factors in Middle East have both pros as well as cons.

• It has real sincere govt. machineries which want to put the region on the forefront of the tourism as well as business tourism market.

• Strong initiatives are taken, delegates are sent to different parts of the world, programs and promotional campaigns are conducted and meetings and conferences are high on the government agendas.

• The region has huge geo- political significance which attracts the attention of policy makers, corporate, officials, diplomats etc towards it.

• The down side is that many parts of the Middle East are politically **volatile and disturbed** which can create apprehensions about it.

5.2 ECONOMIC FACTOR:-

• Middle East had been among the fastest growing regions in the world.

• In the past two decades the region had witnessed phenomenal growth.

• After the dip in the oil prices its growth rate went down and it witnessed a modest growth rate of **2.9**% in 2009. (Business **intelligence middle east.com, 2010)**

• Though yet to catch with the other developed markets the economy is poised for a strong growth in 2011. Govt. expenditure and rising oil price will facilitate stronger GDP growth in the region. (arabnews.com**, 2011)**

• Middle East has cities like **Dubai, Abu Dhabi, Kuwait**, with state of the art infrastructure. There are also cities like **Doha, Muscat** etc which are growing very fast and investing hugely on infrastructure.

• The region can boast of some exquisite hotels, resorts, spas, leisure park and super market stores such as **Burj al Arab, Emirates palace, Marina Mall tower, Abu Dhabi ice rink, Abu dhabi Ferrari theme park, Palm islands,** etc.

• States run efficient and effective airlines such as **Emirate airways, Qatar airways** etc that connects the region smoothly and frequently with the rest of whole world.

• Many parts of the region are going to invest heavily on infrastructure. Qatar which is hosting **2022 football world cup** is going to invest 250 Billion US dollars in infrastructure, housing, roads, stadiums etc. Oman is going to invest 80 Billion in the next five years where as Kuwait 104 Billion us dollars in the next four years. Abu Dhabi will be investing 27 Billion US dollars in establishing world class museums and attraction centers. (arabnews.com**, 2011)**

• It can be assumed that since Middle East is an emerging market it puts the meetings and conferences high on the govt. agendas compare to other matured markets. The basic region is that not only MICE is a growing and lucrative industry in itself but it also helps in driving investment and overall branding of the place .

• Middle East is comparatively economical and cost efficient in providing various goods and services in comparison to its more developed Western counter parts. But over the period of time it had been seen that cities like **Dubai** has become very expensive.

• A matter of concern could be the current Economic condition of Dubai, the city state considered as the epicenter of business and tourism activities in the Middle Eastern region has a debt of around 110 Billion US dollars and in 2010 it recorded a sub standard GDP growth of 3.2%. (arabnews.com**, 2011)**

5.3 SOCIAL FACTORS:

• Islam plays a very important role in Middle Eastern culture.

• The primary inhabitants of Middle East are Arabs which are known for their warmth and hospitality.

• Many of the leading cities in the region such as Dubai, Muscat, Abu Dhabi and Kuwait etc are very cosmopolitan in nature with more than **50%** of population comprising of expat population.

• The downside can again be the political turmoil and fundamental forces existing in the society.

5.4 TECHNOLOGICAL FACTORS: -

• Middle East has some state of the art convention centers like the **ADNEC (Abu Dhabi national exhibition center), DWTC (Dubai world trade center), QNCC (Qatar national convention center), Bahrain international convention center** etc with excellent technical facilities to conduct meetings and conferences of international standard.

• Telecommunication facility varies in the Middle East from being very advanced to very rudimentary. Most of the nations have their own national operator though of late many of them are introducing foreign players as well. (**budde.com, 2008)**

CHAPTER 6

RELATION BETWEEN

INDIA AND QATAR

6.1 INDO-QATAR RELATIONS

India has a long history of friendly relations with Qatar, marked by commercial ties and people to people interactions. The relationship today is rich, close and multi-dimensional. Qatar, like other countries in the Gulf, enjoys a prominent place in India's foreign policy perspective, particularly in view of its location and the enormous progress it has made on many fronts in the last few decades. Under the leadership of the current Emir, His Highness Sheikh Hamad bin Khalifa al-Thani. Qatar has undertaken a number of important projects to develop its immense oil and natural gas resources as well as to progressively implement a carefully thought out plan of industrial development. The large investments which have been made in this direction will make Qatar a major supplier of energy (particularly gas and LNG), petrochemicals and other and hydrocarbon-based products to the international market.

Qatar is, and will remain an important partner for India for the foreseeable future.

Firstly, it is home to a large Indian expatriate population (numbering roughly 170,000 according to Qatari data), which constantly nurtures and renews the ties of friendship and understanding between the two peoples. The large Indian community acts as a catalyst for enhanced ties across the spectrum of bilateral relations.

Secondly, India and Qatar enjoy close and friendly relations at the political level and share common views and perceptions on a variety of issues of bilateral, regional and international interest.

Thirdly, from the economic standpoint, there is growing synergy between India and Qatar in the hydrocarbon and other sectors. Indeed, the two countries are natural economic partners, with their strengths and potentialities complementing each other. In addition, there are enormous opportunities for expanding bilateral trade and other economic linkages, considering the geographical proximity and the increased awareness of potentialities on either side.

The traditional association between India and Qatar is very old. Long before India's independence, Bombay (Mumbai) was a premier sorting and marketing centre for pearls from the Gulf and, until the late 1960s, Indian currency and postage stamps were used in Qatar. Over the years, there have been considerable people-to-people contacts and cultural interchange between the two countries. This provides a solid foundation for the strong and diversified relationship that has evolved today. More recently, a number of steps have been taken to further strengthen and expand bilateral relations.

These include exchanges of high level visits, cooperation in multilateral institutions, political consultations on bilateral, regional and international issues of mutual interest, and conclusion of some bilateral agreements to strengthen the legal and institutional basis of our cooperation, such as Agreements on Cultural and Technical Cooperation (1980), Economic and Technical Cooperation (1984) and Organization of Manpower Employment (1985).

The visit to India of HH Sheikh Hamad Bin Khalifa Al-Thani, Emir of the State of Qatar, to India in April 1999 was a landmark event, which effected a qualitative change in the bilateral relationship. A number of important Agreements were signed during the visit. These are: the Bilateral Investment Protection and Promotion Agreement; the Double Taxation Avoidance Agreement; the MOU on Foreign Office Consultations; MOU on cooperation in the field of Youth and Sports; Agreement between the Federation of Indian Chamber of Commerce and Industry with the Qatar Chamber of Commerce and Industry on the creation of a Joint Business Council; and an MOU on cooperation between the National Small Industries Corporation of India and the Qatar Chamber of Commerce and Industry.

The most important visit from India to Qatar in recent years was that of Deputy Prime Minister Shri L.K. Advani in January 2003. During his visit DPM called on HH the Emir Sheikh Hamad bin Khalifa Al Thani and reviewed bilateral ties and developments in the region. DPM also met the Foreign Minister HE Sheikh Hamad bin Jassem bin Jabor Al Thani and Minister for Energy and Industry HE Abdullah bin Hamad Al Attiyah for discussions on bilateral political, energy and communal issues.

Both sides wish to give strong economic impetus to their bilateral relations. India is the 10th biggest source for Qatar's imports and the eighth biggest market for Qatar's exports. The total trade volume between India and Qatar was QR.805.10 million ($220.57 million) during 2002 as per the latest statistics released by the Qatari Planning Council General Secretariat. India's exports to Qatar were QR.440.34 million ($120.64 million) while its imports from Qatar were of the order of QR.364.76 million ($99.93 million) during 2002.

India's direct exports to Qatar have increased steadily from $61 million in 1997 to $120.64 million in the year 2002. In addition, there is substantial import of Indian goods into Qatar via Dubai. A number of consumer goods from India are available and popular in Qatar and there are good prospects for diversification and expansion given the low level of customs duties in Qatar.

India's export basket is fairly diversified and includes foodstuffs, spices, tea, coffee, textiles, ready-made garments, jewellery, transport equipment, light engineering goods, basic chemicals, steel pipes, and consumer electronics. As the Qatari market is competitive and highly quality conscious, there is room for expanding our exports further in areas where we are globally competitive.

Indian imports from Qatar consist largely of urea, ammonia, sulphur, ethylene and polyethylene. India has substantial dealings with the Qatar Fertilizer Company (QAFCO) and the Qatar Petrochemical Company.

India has not been a major customer for Qatari crude oil/ products. However, with the first ship of Qatari LNG leaving for Dahej in India by end of January 2004, and India will emerge as one of Qatar's most important customers for LNG. With the third largest gas reserves in the world, Qatar is poised to emerge as a significant international supplier of energy for many decades to come.

The Government of Qatar has made large investments in the development of its LNG projects and port at Ras Laffan. With its large, expanding and long term requirements of natural gas, India is naturally keen to take advantage of the existence of a reliable and virtually inexhaustible source of natural gas situated so close to its own consuming centres.

In pursuance of these complementarities, the two sides had signed an MOU in January 1998 for cooperation in the gas, oil and industrial sectors. The MOU envisages a number of steps to exploit the potential in these areas, with the purchase of LNG from Qatar as its primary component. Subsequently, a final Sale and Purchase Agreement providing for supply of 7.5 million metric tons of liquefied natural gas (LNG) per year for 25 years by Qatar to India was signed in June 1999 in London (out of this, 5 million metric tons will go to Dahej in Gujarat and 2.5million metric tons to Kochi in Kerala). At the time this was the biggest agreement for LNG in the world commencing sales from January 2004 onwards and will significantly raise the economic and commercial profile of India in Qatar, and of Qatar in India. This will also make India the biggest buyer of natural gas from Qatar for a few years (till new contracts signed with US and UK companies materialize).

The India-Qatar Joint Committee for Economic and Technical Cooperation met in New Delhi on March 10-11, 1999, after a gap of 11 years. It identified several new areas for mutually beneficial cooperation such as petro-chemicals, civil aviation, science and technology, environment, education and culture.

The Qatar Chamber of Commerce and Industry delegation visited India in January 2002 to attend the first meeting of Joint Business Council with Federation of Indian Chamber of Commerce and Industry (FICCI). While in Mumbai and Delhi, the delegation had meetings with representatives of major industrial houses, hosted by FICCI, as well as one to one meetings with Indian business leaders. On return to Qatar, the leader of the delegation told that the visit to India was very successful and felt that there was considerable scope for increased business between Indian and Qatari companies.

A CII Industrial-cum-Business Mission visited Qatar on 29-30 May 2002 and had wide ranging interactions with Qatari Government and business.

Engineers India Ltd., which earlier executed a number of projects in Qatar, have re-established their presence on Qatar. Larsen & Toubro (L&T) are presently working on a large contract with

Qatar Petroleum for supply and installation and upgradation of living quarters on offshore platforms. L&T have also established their presence in Qatar. Voltas Ltd. are working on a sub-contract for a mechanical, electrical and plumbing project for the Ministry of Defence. Punj Lloyd are also working on a sub-contract for a infrastructure development project at Dukhan. Dalal Mott MacDonald are working on the development of New Industrial Area as well as on an offshore project with Qatar Petroleum.

During the visit of Mr.Azim Premji, Chairman, Wipro, to Qatar in November 2002 he had meetings with the Chairperson of Qatar Foundation and senior Government and business officials. Later Wipro executed a project for Doha Bank for providing enterprise application integration and security consultancy services. Wipro is presently providing IT consultancy to Qatar Petroleum in their Ras Abu Aboud Development Project. Mahindra Consulting have successfully executed SAP implementation project with Qatar Petroleum and are now involved in the training process for the same. NIIT and APTEC are successfully running their IT training institutes in Qatar.

Both Air India and Indian Airlines maintain on-line offices in Doha and have regular flights to Mumbai, Cochin, Kozikode and Trivandrum. State Bank of India, Syndicate Bank and Canara Bank provide management services to three prominent exchange houses in Qatar for remittances to India and other countries.

There are possibilities of consultancy, turn-key contracts and sub-contracting and other participation by Indian companies in Qatar's plans for civil construction and energy-intensive and export-oriented projects, including gas, oil, fertilizer, petrochemicals and aluminium projects.

Recently, the Qatar Armed Forces have shown interest in making use of training facilities available in India for their defence personnel. The list of available courses has been transmitted to the Qatari authorities. Three Qatari officers have attended the Defence Services Staff College Course at Wellington. Indian naval ships have periodically paid goodwill visits to Qatar, the last occasion being in December 2003. Coinciding with the visit of four Indian naval ships to Doha from 19-23 December 2003, the Flag Officer Commanding in Chief, Western Naval Command Vice Admiral Madanjit Singh visited Doha and had meeting with the Heir Apparent of Qatar Sheikh Tamim Bin Hamad Al Thani, the Chief of Qatar Emiri Navy and other senior officers. Earlier, the then Chief of Army Staff, Gen. V.P. Malik, visited Qatar on April 3-6, 1999. Commander of the Qatari Emiri Naval Forces, His Excellency Brigadier Nasser Abdoullah al-Nuaimi, visited India for International Fleet Review in February 2001.

An important dimension of the Indo-Qatari relations is the presence of a large Indian community in Qatar. By virtue of its professionalism, dedication and hard work, the Indian community has acquired a very good reputation in Qatar. The community constitutes a very important asset for the Government of India and, in particular, for the Indian Embassy in Qatar. By its day-to-day interaction with Qatari citizens at every level and in every walk of life, the Indian community provides strong cultural and economic links between India and Qatar and contributes in a very meaningful way to the development of friendship and understanding between the two countries. Indian professionals constitute a small but important component of the Indian community in Qatar. The Institution of Engineers, Indian Medical Association and the Institution of Chartered Accountants maintain active chapters in Qatar, with an expanding membership and on-going activities. In addition, there are a number of specialists working in other fields like management, education, pharmacies, computers, etc. As Qatar's economic development accelerates in future, the numbers and involvement of Indians at all levels in Qatar is expected to grow, despite a reduction in visas issued for generalists, Laborers, etc.

The Indian community in Qatar enjoys the privilege of running four schools in Doha. The MES Indian School, established in 1974, has 6400 students, while the Ideal Indian School, established in 1985, caters to 4,100 students. The other two recently opened schools are Shantiniketan Indian School and Modern Indian School. The schools follow the Indian Central Board of Secondary Education (CBSE) syllabus and have pupils from around 20 other countries besides India. They are non-profit self-financing organizations and are considered to be among the best expatriate schools in Qatar. An additional facility for Indian students, known as Al Khor International School - Indian Stream, is run by RasGas as part of their International School in Al Khor

Cultural programmes by visiting Indian artists of repute are a common feature in Qatar. These are given due encouragement and support by the concerned Qatari authorities. It is evident that relations between India and Qatar are strong and growing. They are solidly founded on historical association, traditional friendship and close people-to-people interaction at many different levels. Both sides desire to deepen and diversify these relations, and, in particular, to give them greater economic content and impetus. The complementarities between the two economies are so obvious and compelling as to make India and Qatar natural economic partners.

6.2 INDO-QATAR LABOR AGREEMENT

India and Qatar signed a Labor agreement in 1985 with a view to regulate the flow of Indian workforce and to protect the basic interests of laborers from India and their Qatari employers. India was the first non Arab country to enter into a labor contract with Qatar.

According to the labor agreement the sponsors in Qatar are required to execute an employment contract as prescribed indicating, inter alia, salient features like wages and other benefits. The contract is first required to be attested by the Department of Labor, and the Ministry of Foreign Affairs, of the Government of the State of Qatar and is then presented to the Indian Embassy for further attestation. On the basis of such attested contract the sponsor can either arrange recruitment of manpower through the Government of India or its agent or an agent registered with the Government of India or directly from the market.

In the event of dispute between the employee and the sponsor or in the event of the breach of employment contract, the Department of Labor, Government of the State of Qatar intervene and adjudicate, failing which the case is referred to the Labor Court for a decision.

The Indo-Qatar Labor agreement does not cover drivers, cooks, houseboys and housemaids. It is in the interest of these categories of workers to check with this Embassy the bona fides of the prospective sponsor before they proceed to Doha on employment. They also need to sign the employment contract duly attested by the Qatari Labor Department and Indian Embassy in Doha before their travel to Doha. Embassy will not be able to protect effectively the interest of the nationals who travel to Doha for employment without employment contract and other proper documents.

INDIANS traveling to Qatar for work

If you get a job at a private firm in Qatar always make it a point to check with the Indian Embassy in Doha the bonafides of the company you intend to join before you depart from India. Also check with your agent or the employer himself the exact terms of the contract, especially about the salary, the other benefits such as housing, food, vacation, tickets for going home, etc., the place where you are supposed to work and the living conditions. If the contract is in Arabic, you should have it translated into English and also understand the contents of the contract before signing it. Do not sign another contract on arrival in Qatar specially if the terms and conditions are inferior to what you signed in India or if it is in a language that you do not understand.

Check with your agent the exact name of your employer, whether it is a person or a company, and the person who is supposed to supervise your work. Get the telephone number of this person and talk to him before leaving India. Ask him about who is going to receive you at the airport, how will you be transported to your residence or work place, etc.

If you are not familiar with Arabic and English and if this employer knows only Arabic or English, then you should ask someone else who knows Arabic/English to talk to him over the telephone from India in your presence to get all the details and finalise your programme accordingly.

While having your passport made either through the agent or directly, you must furnish your correct particulars and correct address. This is also important in the case of any tragedy which (God forbid) may occur. You must always truthfully record all your particulars. When you get your passport please check up that all your particulars are recorded properly and if there are any mistakes you should have it corrected. Do not travel on a passport which is inaccurate.

Before leaving India, check up whether your visa is the appropriate one. The visa may have endorsements in Arabic. If you are unable to make out the endorsement, please ask a person who can read Arabic to translate for you. Do not rely entirely on what your agent tells you. Please remember to check the validity of the visa issued to you. If you stay beyond the period stipulated in the visa you become an illegal alien in Qatar and liable to detention and deportation apart from getting more rigorous punishment.

Photocopies of your passport and the contract that you have signed should be available with you in adequate numbers and you must also leave a set of the photocopies at your home in India so that in time of need you may be able to get the same easily.

Possession or transportation of drugs and other narcotic substances carry severe punishment in Qatar. You must be very careful not to accept any gift or packet or any item from anyone while coming to Qatar. The baggage that you have, both checked in baggage and hand baggage, should not have any outside pouches in which packets can be pushed in by anyone from outside. If you are under medication and if you are carrying certain prescribed medicines you must have the doctor's prescription in original and the medicines should be carried along with its packing and its literature so that customs authorities can easily identify them.

You must know that religious literature, liquor, obscene video cassettes and obscene literature are banned in Qatar and you are liable for punishment if detected carrying them. Get to know the exact rules of customs from your agent, especially about prohibited articles.

You must be aware of how to use telephones at the airports since in case you are stranded at the airport or any other place you should be able to ring up your employer or the person who is in charge, with whom you should have already talked to from India, and inform him about your situation. If you face any problem at the airport always make it a point to contact your embassy without delay.

Once you come to Qatar it is always desirable to register with the Indian Embassy in Doha so that in case of need or when you are in distress you may be helped by Indian embassy officials. There you can be best assured that the officials will take care of your genuine problems.

While in Qatar always carry either your passport which should have a valid visa or in lieu of the passport a valid Residential Permit called 'Iqaama'. In no case you should part with your Iqaama or give it to anyone else. It is your basic document without which you may be arrested and deported.

In case of Labor problems you can approach the Indian Mission in Doha for help. The person who is employing you is called the "Kaafil" (sponsor) and your basic relation is with your sponsor. If you are shifting sponsors, it is illegal without a valid permission. If you run away from work and join another work that is also illegal. In case the job is not suiting you, you should also have with you enough means to travel back to India. Further a very important point to note is that for exiting out of Qatar, your employer (sponsor) has to provide you an exit permit, and only on receipt of the same can you exit out of the country.

Do not come with pre-conceived notions. Study the living conditions and working conditions in Qatar. Study your contract before coming to Qatar and be prepared to leave as and when things do not turn out the way you had imagined or wanted it to be. Ladies who are coming to Qatar to work as maids etc. should be very careful about the place where they are supposed to work and the conditions of their employment, especially if they are coming alone. Do not fall into bad company and do not get drawn into illegal activities in Qatar as the punishment is severe and swift.

6.3 VISA CHARGES FOR GOING QATAR

The rates for Indian visa with effect from 1st July 2008 shall be as under:-

SL. No.	Type of Visa	Fee in Qatari Riyals
1	Tourist Visa upto 6 months	QR 150/-
2	Tourist Visa upto 1 Year	QR 240/-
3	Tourist Visa upto 5 Years	QR 475/-
4	For **Singaporean nationals** tourist visa upto 6 months	QR 95/-
5	Transit visa valid for 15 days - single/ double entries	QR 75/-
6	Student visa for the duration of the course or five years, whichever is less	QR 275/-
7	All other types (other than tourist, transit, business and student visas) upto 6 months	QR 295/-
8	All other types (other than tourist, transit, business and student visas) upto 1 year	QR 440/-
9	All other types (other than tourist, transit, business and student visas) upto 5 years	QR 735/-
10	Tourist visa 10 years - **only for US Nationals**	QR 475/-
11	Business visa 10 years - **only for US Nationals**	QR 805/-

Visa Application fee of QR 75 will be charged in addition to the visa fee for all types of visa from US nationals

The two officials also explored opportunities to boost tourist activities between the two countries, said the same source.
The Incredible India campaign has been ranked as the Highest Recall Advertisement worldwide by ‘Travel and Leisure’.

- World Travel Awards were received for (a) Asia’s leading destination, (b) World’s Leading Travel Destination Television Commercial, (c) World’s Leading Responsible Tourism Project for Endogenous Tourism Project and (d) Asia’s Leading Tourism & Convention Bureau.

- Euro Effie’s Award received for the Incredible India campaign.

6.4 INDIA – TOURISM SECTOR

- Earnings From Tourism [2006]
- Share of Tourism in GDP [2005]
- World ranking in terms of year-on-year growth in Tourism [2005]
- Employs 1 in every 12 Indians

Inbound, Outbound and Domestic Travel – The Potential is Immense

- 380 mio domestic trips are undertaken every year
- Outbound to cross 7 mio in 2007
- Outbound likely to reach 10-15 mio by 2015
- Inbound grew from 2.6 mio in 2000 to an estimated 5.1 mio in 2006
- Inbound likely to reach 12.4 mio by 2015 (infrastructure permitting)

Inbound Tourism

1. Inbound travel is estimated to double in this decade, and by all accounts, seems to be in a position to do so in less time.
2. With Inbound likely to double in this decade, room capacities do not seem to be growing in tandem.

3. The need for the hour is a rational hospitality development blue print
4. The challenge is to manage this huge opportunity and to sustain it over the next decade as well.

Outbound Tourism

1. WTO estimates Outbound to grow at 15 to 20 % per annum be one of the largest outbound markets within the next 2 decades.
2. Welcome mats are being laid out for Indians

Domestic Tourism

- Over 380 mio domestic tourists each year.
- With increasing affluence, domestic tourism is growing at over 15% per annum.
- Unofficial estimates seem to suggest that Urban India is powering a major share of this growth.
- On January 26th 2007, (a long weekend) the Dukes Resort (a 3-star leisure resort 100km from Mumbai) was selling at USD 350 per night – and was full up weeks in advance!
- Cheaper airfares (LCCs and discounting), higher population of passenger cars and increased Stage Carriage busses, has fuelled this growth

Key Awards (recent)

- Rated as one of India's "Top 10 unlisted companies" by Outlook Business magazine (national mainstream business magazine) in 2007
- Express Travel & Tourism (ETT) - Galileo Award for "Best Outbound Tour Operator" for last 3 consecutive years
- ETT-Galileo Award for "Best Inbound Tour Operator" for last 4 consecutive years
- Ministry of Tourism's "National Tourism Award" for last 5 consecutive years (& for 17 years overall)
- Consumer Superbrand "SOTC" for 2006-2007

- CNBC Awaaz Award for “Best Outbound Tour Operator” in 2007
- SATTE Award for “Best Outbound Tour Operator” in 2007
- Gullivers “Trophy of Achievement” (Outbound) in 2007

Corporate Responsibility: Tourism Police

- Launched in 2000 in partnership with Mumbai Police (as a separate arm of Mumbai Police)
- Objective : to provide a safer environment for tourists and thereby boost tourism to India
- 6 jeeps & 5 kiosks (located at Mumbai’s main tourist sites) provided and maintained by Kuoni
- Kuoni also provides training for the force in the art of handling tourists.

Corporate Responsibility : Environment protection initiatives

- Launched in 2006 in partnership with Mumbai’s Municipal Corporation (BMC) & India Tourism
- Objective : to promote cleanliness drive in Mumbai and across India, and other essages of public interest
- Kuoni has produced a high-impact short film on garbage awareness –separately for BMC for Mumbai and for India Tourism for India
- Kuoni has sponsored public interest message sign-boards across Mumbai
- Kuoni co-sponsored BMC’s Award ceremony to felicitate key staff

Synergy Project – building synergies across the Group

- Launched in India in 2005 to enable Kuoni Group companies to increase their productivity & profitability, giving them a competitive edge (through cost saving and 24x7 operations)
- Handles back-office work in the field of operations support, accounting and data management. Operations support also includes work done in Italian language
- Started in July 2005 with 1 customer
- Today serves 5 customers (incl. 1 external customer) with a staff of 41

Key success factors for India

- Perfectly timed entry into India – anticipation of growth potential
- Dominate the market by establishing a leading presence in every major market segment.
- Innovation : prime example being VFS (using a core competence to start a new business and become a global leader)
- Strong distribution network and aggressive mass marketing campaigns to capture the No.1 position in the Outbound market
- Understanding & anticipating customer needs, perceptions & beliefs
- Focus on each individual market segment / business segment
- Focus on IT / Focus on HR / people development

What Are the Procedures to Go to Qatar From India?

Direct flights from India to Qatar take several hours.

Qatar's 21st-century skyscrapers surround archaeological sites as the desert surrounds the modern city of Doha. Summers are very hot and humid; winters tend to be milder and occasionally rainy. Procedures for traveling from India to Qatar depend upon your nationality and whether you plan to visit as a tourist, worker, student or long-term resident.

Qatar Entry Requirements

To enter Qatar, you need a valid passport from your country of citizenship. If you are a U.S. citizen, you can buy a Qatari visa on arrival at Doha International Airport. This visa is valid for 30 days. As of time of publication, Indian citizens were not permitted to purchase a visa on arrival, but can arrange a tourist visa through a Qatari embassy or hotel. For visits over 30 days -- regardless of your nationality -- you will need to obtain a tourist or business visa in advance of travel. Visas are available from a Qatari consulate or embassy, or through the Qatari government's online portal. If you have HIV/AIDS, you should check Qatar's current entry and residency restrictions.

Air Travel

As of time of publication, regularly scheduled flights connected Qatar's Doha International Airport and the Indian cities of Delhi, Ahmedabad, Mumbai, Hyderabad, Goa, Bengaluru, Chennai, Kochi and Thiruvananthapuram. Qatar Airways, Air India Express and Jet

Airways (India) operate regular flights to Qatar from India. Chennai is a four-hour, 40-minute direct flight from Doha; Ahmedabad is three hours, 10 minutes from Doha.

Overland or Sea Options

Traveling overland from India to Qatar involves crossing Pakistan, Iran, Iraq or Kuwait and Saudi Arabia. As of time of publication, routes involving sea travel may be easier and faster. Silversea Cruises offers several routes between Arabia and India, including routes that make stops in Doha and Mumbai. Alternatively, you could travel from an Indian port to Dubai, Bahrain or the United Arab Emirates before continuing overland to Qatar.

Practical Tips

Money can be changed in Doha banks or money changers. Money changers offer similar exchange rates to banks, and are mostly clustered around Doha's Gold Souq area. The easiest currencies to find or change in Doha are from the UAE, Saudi Arabia and Bahrain; some banks and money changers will also take Indian currency. If you travel overland from India or one of the neighboring Gulf ports, take care on the roads -- drivers in Qatar have a reputation for carelessness. If you drive yourself in a rental SUV, be aware that pockets of soft sand are common around Qatar's coastal regions and in the country's interior. Carry a tow rope, spare tire and water in case you get stuck.

6.5 LIVING IN DOHA QATAR

Cost of Living in Doha Qatar

The cost of living in Qatar, or in any place for that matter, largely depends on your lifestyle and where you come from. Qatar is not a very expensive place to live in, and the government does not charge a lot on several things including electricity, water, and home phone lines. Qatar hardly imposes taxes.

Salary and Employment Benefits in Doha Qatar

Salaries in Qatar are more or less similar to that in western nations. But, given the lack of personal taxation, net income is usually higher, and this is one of the major attractions of working in Qatar.

Employment Contract Validity and Changing Jobs

Before accepting a job offer in Qatar, ensure that you get a copy of the employment contract, as you are bound to meet the terms on the written contract. On the other hand, it is also possible that you may not receive what you expect in case it is not included in the contract.

General Laws and Regulations in Doha Qatar

Before planning a trip to any destination, it is important to know that you should not break the law of the country at any point of time, else, even the embassy may not be able to assist you.

For this, it would be wise to keep yourself updated about the basic laws in the destination that you plan to visit or reside in. Here are some basic laws followed in the State of Qatar.

Labor Laws in Qatar

Qatar may seem to be a small country by size, but, in commercial terms it is a rising giant. The Labor Law in Qatar offers a body of laws outlining legal rights, restrictions and obligations of employees and employers. Potential job seekers in Qatar need to be aware that according to Qatari Labor Law, an employee will have to obtain employer's permission (exit permit) to leave Qatar.

Business Laws - how to start a business in Qatar?

Just as in any other country, Qatar has its own specific guidelines and requirements about foreign nations operating in this country. There are adequate services in Qatar for legal, financial matters, tax matters, business counselling, company background checks and feasibility studies. Professional experts are available for any professional advice in such matters.

Marriage Laws and Expat Marriages in Qatar

Getting married is not a very complicated process in comparison to several other procedures in Qatar. However, it may require few trips to embassies, photocopying, digging out certificates, and the usual passport-sized photographs.

Retirement age in Qatar

Qatari nationals employed by the government are eligible to receive a state pension at the age of 60. But, the pension amount will be dependent on the last drawn salary of the employee at the time of retirement. The social allowance benefits are given based on their social needs.

Weekend activities in Doha Qatar

Listed here are some popular weekend getaways and activities in Qatar. You could choose any interesting activity to relax and bond with friends and family.

Dress code for women and men in Qatar

Although Qatar clothing has changed over the years, Qataris are proud of their clothing, and traditional clothes are worn with pride on daily basis. Qatar is an Islamic country, and people dress in a very traditional manner.

Qatar Taxi Fares and Tips

The taxi service in Qatar is monitored by Mowasalat, the national transport company that operates the buses, taxis and limousine service, under the Karwa banner.

Emergency Phone Numbers

Police, Fire, Ambulance – 999

Telephone Directory - 180

Kahramaa – 991

Christian Churches in Doha Qatar

List of Christian churches in Qatar - Catholic, Anglican, Syrian Orthodox, Jacobite, Syro Malabar, Baptist, Marthomite, Gospel Pentecostal, CSI and Brethren church locations and contact details.

Annual Public Holidays in Qatar

There are two major religious celebrations in Qatar – Eid al Fitr and Eid al Adha, and these are also the major public holidays.

Working Time and Business Hours in Qatar

The working week in Qatar is generally from Sunday to Thursday, with Friday and Saturday being off. However, few businesses are closed on Friday, with just half-a-day on Thursday.

Driving License in Doha Qatar

You have to pay a nominal fee and register for the test. The test has four parts - an oral round for the road and traffic signs, the L-Parking, the pocket parking and the actual road test. Each of these tests is a pre-requisite to enter the next one. But, if you have passed one, you need not repeat it. The tests are done on manual transmission cars, with nearly four people in the car, taking turns to drive.

Newspapers in Doha Qatar

English and Arabic Newspapers in Qatar

Television Channels in Doha Qatar

English and Arabic TV Channels in Qatar

Cinemas and Movie Theatres in Qatar

Qatar has a good selection of cinemas, majority of which, show films in English (with subtitles in Arabic), apart from Arabic. There are also Hindi and Tamil films being screened, and majority of the Indian films are shown in Gulf Cinema.

6.6 DISTANCES BETWEEN INDIA AND QATAR

India is one of the India city. It is located at the longitude of 77.18765499773 and latitude of 28.570988335527. Qatar is a Qatar city located at the longitude of 51.497655 and latitude of 25.287655 . The total distance between India and Qatar is **2568 KM** (kilometers) and 309.54 meters. The mile based measurement distance is 1595.9 miles

India direction from Qatar:

India is located nearly east side to Qatar.

Travel time from India to Qatar

Travel duration from India to Qatar is around **51.37 Hours** if your travel speed is 50 KM per Hour. Qatar travelers are welcome to visit our travel driving direction page for detail information with road map. Traveling from India to Qatar is connected by more than one route. Soon you may expect those various travel routes to reach Qatar.

8.

CHAPTER: 1
INTRODUCTION OF QATAR

The **State of Qatar** is a sovereign Arab state, located in Western Asia, occupying the small Qatar Peninsula on the northeasterly coast of the much larger Arabian Peninsula. Its sole land border is with Saudi Arabia to the south, with the rest of its territory surrounded by the Persian Gulf. A strait of the Persian Gulf separates Qatar from the nearby island state of Bahrain.

Qatar has been ruled as an absolute and hereditary emirate by the Al Thani family since the mid-19th century. Formerly a protectorate noted mainly for pearl hunting, it became independent in 1971. Since then, it has become one of the region's wealthiest states due to its enormous oil and natural gas revenues. In 1995, Sheikh Hamad bin Khalifa Al Thani became Emir when he seized power from his father, Khalifa bin Hamad Al Thani, in a peaceful coup d'état. The most important positions in Qatar are held by the members of the Al Thani family, or close confidants of the al-Thani family. Beginning in 1992, Qatar has built intimate military ties with the United States, and is now the location of U.S. Central Command's Forward Headquarters and the Combined Air Operations Center.

Qatar has proven reserves of oil and natural gas. Qatar tops the list of the world's richest countries by *Forbes*. In 2010, Qatar had the world's highest GDP per capita, while the economy grew by 19%, the fastest in the world. The main drivers for this rapid growth are attributed to ongoing increases in production and exports of liquefied natural gas, oil, petrochemicals, and related industries. Qatar has the second-highest human development in the Arab World after the United Arab Emirates. In 2009, Qatar was the United States' fifth-largest export market in the Middle East, trailing behind the U.A.E., Israel, Saudi Arabia, and Egypt.

With a small citizen population of fewer than 2,500,000 people, the Qatar workforce comprises expatriates from other Arab nations (20% of population), the Indian subcontinent (India 20%, Nepal 13%, Pakistan 7%, Sri Lanka 5%), Southeast Asia (Philippines 10%), and other countries (5%). Qatar has attracted an estimated $100 billion in investment, with approximately $60 to $70 billion coming from the United States in the energy sector. It is estimated that Qatar will invest over $120 billion in the energy sector in the next ten years

Qatar is one of the world's wealthiest countries on a per capita basis. Oil and natural gas are the source of this small island nation's prosperity. The country has the world's 3rd largest proven natural gas reserves, is the world's biggest LNG producer and a significant exporter of crude oil. Most of the country's exports go to Asian markets. The small peninsula is a traditional monarchy in which decision-making authority rests with the unelected Amir and his ruling Al Thani family.

The Amir appoints the government and approves all legislation. A small advisory council exists to help draft laws and its members are appointed. Elections to select new members for the council are tentatively scheduled for June 2013, but they have been repeatedly postponed in the past decade. Although unelected, the Amir appears to have the support of most Qataris and the country has seen little broad-based, organized pressure for change. Qatar is a Muslim country and native Qataris are generally socially conservative. The country has good relations with the USA and other Western countries.

State of Qatar: Dawlatqatar

Qatar is a hereditary constitutional monarchy governed by the ruling Al Thani family in consultation with a council of ministers, an appointed advisory council and an elected municipal council. Qatar’s first written constitution was adopted in 2005. Islamic beliefs and tribal traditions provide an important foundation of the country’s customs, laws and practices. Located on the Persian Gulf, Qatar is a dynamic, rapidly developing country that is among the wealthiest in the world by per capita income. Tourist facilities are available.

The Qatari government strongly encourages foreign investment, particularly in sectors outside the hydrocarbons industry. Up to 100% foreign ownership is permitted in a number of industries, including information technology, health and natural resources. However, some sectors, notably banking, real estate and insurance, remain closed to foreign majority ownership. As in other Gulf countries, increasing the presence of local nationals in the workforce at public and private enterprises is a government priority and companies are required to meet local hiring targets. Expatriates are believed to account for over half of the Qatari population, leading to some resentment among locals.

CHAPTER: 2
POLITICAL SYSTEM OF QATAR

The political system of Qatar is a unicameral federal republic, with the Emir of Qatar as Supreme Chancellor and head of government. Under the2003 constitutional referendum it should become a unicameral federal republic. In Qatar, the ruling Al Thani family continued to hold power following the declaration of independence in 1971. The head of state is the Emir, and the right to rule Qatar is passed on within the Al Thani family. Politically, Qatar is evolving from a traditional society into a modern welfare state. Government departments have been established to meet the requirements of social and economic progress.

Hamad bin Khalifa Al Thani

Sheikh Hamad bin Khalifa Al Thani (born 1 January 1952) is the ruling Emir of the State of Qatar since 1995. Sheikh Hamad was the appointed Heir Apparent of Qatar between 1977 and 1995 and at the same time Minister of Defense. Sheikh Hamad became Emir of Qatar and was crowned on 20 June 2000.

Tamim bin Hamad Al Thani:

Sheikh Tamim bin Hamad bin Khalifa Al-Thani, Crown Prince of Qatar(born on 3 June 1980) is the current heir apparent to the throne of the State of Qatar. He is the fourth son of the Emir of Qatar, Sheikh Hamad bin Khalifa Al Thani, and the second child of the Emir with his second wife, Sheikha Mozah bint Nasser Al Missned.

Abdullah bin Khalifa Al Thani

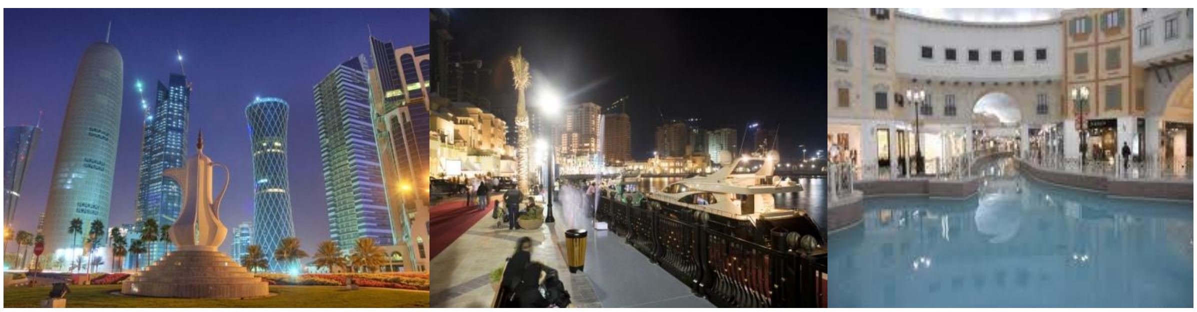
Sheikh Abdullah bin Khalifa Al Thani (born 1959, Doha) was a Prime Minister of Qatar from 29 October 1996 to 3 April 2007. He presently serves as an advisor to the Emir and often represents him at ceremonial events and receptions.

CHAPTER: 3
TOURISM SECTOR OF QATAR

Tourism in Qatar is attaining dazzling heights with each passing day. This Middle Eastern emirate is gaining popularity as one of the most desirable tourist destinations in the region.

The discovery of oil reserves and subsequent modernization of the country has provided the much-needed impetus to tourism in Qatar. This sector is now being promoted as a leading factor in the nation's economic growth.

Qatar is a nation with mesmerizing natural splendor and numerous marvels of architectural brilliance. It is the perfect amalgamation of Arabic traditionalism and western contemporaneity. Qatar allures tourists from the world over, thus furthering tourism in the region.



The Qatar Tourism Authority (QTA) is the prime organization that takes care of tourism in Qatar. Established in the year 2000, QTA's main objective is to enable and supervise the development of Qatar's tourism sector. It also strives to promote Qatar as a topnotch tourist destination in Middle East.

Tourism is strongly promoted during international events and exhibitions in Qatar. The QTA ensures coordinated development of tourism infrastructure by putting in their best during events like Doha International Trade Fair and Doha Cultural Festival.

The crowning glory for tourism in Qatar was the recently-held Doha Asian Games, an international sporting event that changed people's perceptions about this country and its facilities.

Working closely with ministries, local communities and associations, the QTA has truly taken Qatar tourism to new pinnacles. The organization is chaired by Mr. Akbar Al Baker, who is also the CEO of Qatar Airways.

CHAPTER: 4
PESTEL ANALYSIS

Qatar has an emirate type government. Qatar claims that it is developing into a constitutional monarchy but it doesn't allow political parties nor hold elections on a national level yet. Suffrage is currently limited to municipal elections (for both males and females aged 18 years or more). Expatriate residents are excluded, as are the vast number of residents who are prevented from applying for citizenship. The elected Municipal Council has no executive powers but may offer advice to the Minister.

Qatar is divided into ten municipalities, also occasionally or rarely translated as governorates or provinces:

Ad Dawhah	Al Ghuwariyah
Al Jumaliyah	Al Khawr
Al Wakrah	Ar Rayyan
Jariyan al Batnah	Ash Shamal
Umm Salal	Mesaieed

Since 2004, Qatar has been divided into eight municipalities. A new municipality, Al Daayen, was created under Resolution No. 13 formed from parts of Umm Salal and Al Khawr; at the same time, Al Ghuwariyah was merged with Al Khawr; Al Jumaliyah was merged with Ar Rayyan; and Jarayan al Batnah was split between Ar Rayyan and Al Wakrah.

ECONOMY

Basic Economic Facts

GDP: US$71.2 billion (2007 est, Qatar Statistic Authority)

GDP per capita: US$74,000

Annual Growth: 14.2%

Inflation: 13.73%

Major Industries: Petrochemicals, Financial Services, Construction
Major trading partners: Japan, US, UK, Singapore, South Korea, Italy, Germany, UAE, France, Saudi Arabia
Exchange rate: £1 = QR 5.97 (October 2009) US$1 = QR 3.64 (fixed)

AVERAGE OIL PRODUCTION

Global economy expected to grow 3.9% in 2010, emerging economies to expand 6.0%.US economy registered 5.6% growth in Q4 2009, fastest since third quarter of 2003.Global composite PMI indicates continued expansion of manufacturing and services industry activity. Qatar’s real GDP is expected to expand by 18.1% in 2010 Continued government support and increased hydrocarbon revenues to boost the economy.Central Bank’s net reserves estimated at US$ 19.3 bn (2009), up from US$ 9.8 bn in 2008. Business optimism in the non hydrocarbon sector has stabilized in last two quarters.Drop in selling price optimism becomes a drag on the hydrocarbon sector outlook. Global construction sector currently driven by infrastructure spending as commercial property undergoes correction.Demand outlook for Qatar’s construction sector shows signs of improvement with increasing optimism on new orders.Profitability levels are expected to stay muted due to higher raw material costs.While income from oil, currently produced at around 800,000 barrels per day, accounts for most of the government's revenue, Qatar's future economy will depend increasingly on gas.

Qatar has invested heavily in world class Liquefied Natural Gas (LNG) facilities including a deep-water port at Ras Laffan to exploit the North Dome gas field. This field is the world’s largest non-associated gas field, holding 14-16% of world reserves.

At current planned rates of extraction the field will last for over two hundred years. Qatar is already the leading global supplier of LNG and output is expected to increase to 77 million tonnes per year by 2012. There are two national gas companies, Qatargas and RasGas. Through the South Hook LNG terminal in Wales, Qatar is capable of supplying up to 20% of the UK’s gas needs.

Government efforts to diversify the economy have led to the establishment of petrochemical, oil-refining, and fertiliser industries, as well as the establishment of Qatar Airways, the Qatar Science and Technology Park and the growth of Doha as a regional conference centre.

Qatar pursues a vigorous program of "Qatarization," under which all joint venture industries and government departments strive to move Qatari nationals into positions of greater authority. Growing numbers of foreign-educated Qataris, including many educated in the U.S., are returning home to assume key positions formerly occupied by expatriates. In order to control the influx of expatriate workers, Qatar has tightened the administration of its foreign manpower programs over the past several years. Security is the principal basis for Qatar's strict entry and immigration rules and regulations.

SOCIAL

Nationality: Noun and adjective--Qatari(s).

Population (May 2008 est.): 1,448,446; males 1,096,815 (75.7%); females 351,630 (24.3%).

Population growth rate (May 2008 est.): 59.6%.

Ethnic groups: Qatari (Arab) 20%; other Arab 20%; Indian 20%; Filipino 10%; Nepali 13%; Pakistani 7%; Sri Lankan 5%; other 5%.

Religion: Islam (state religion, claimed by virtually all of the indigenous population).

Languages: Arabic (official); English (widely spoken).

Education: Compulsory--ages 6-16. Attendance--98%. Literacy (2004 est.)--89% total population, 89.1% male, 88.6% female.

Health (2007 est.): Infant mortality rate--17.46/1,000 live births. Life expectancy--74.14 years.

Work force (2006): 508,000. Private sector--61.2%; mixed sector--28.5%; government--5.6%.

Public health services and education are provided free by the state through the Ministry of Labor and Social Affairs, which also provides help to orphans, widows, and other Qatari nationals in need of assistance.Both law and Islamic customs closely restrict the activities of Qatari women, who are largely limited to roles within the home.

Women are not allowed to obtain a driver's license without the permission of her husband. Shari'ah law governs inheritance and child custody matters and favors men. However, growing numbers of woman are receiving government scholarships to study abroad, and some women work in education, medicine, and the media. Women comprise two-thirds of the student body at Qatar University.

Although domestic violence occurs, it is not a widespread problem.Non-Muslims and Shi'a Muslims experience discrimination in employment and education. They are also unable to bring suits as plaintiffs in Shari'ah courts. Noncitizens make up 75% of the workforce yet are discriminated against and sometimes mistreated. A constitutional committee convened in 1999 to draft a permanent constitution that would allow for parliamentary elections.

Corporal punishment is allowed by law, although amputation is not. In 1995, an American received 90 lashes for alleged homosexual activities.

TECHNOLOGY

Qatar's strength is derived from its oil and gas revenues which have made it one of the wealthiest countries in the world in terms of per capita income. The Government of Qatar has ownership interests in several economic sectors, including oil and gases production, petrochemicals, and the steel and fertilizer industries. Impressive Technology is the main reason for Qatar winning bid for 2022 FIFA world cup.Qatar may not have the largest IT market but in 2010 it appeared better than many other markets. The IT services market is forecast to be the fastest-growing segment of the Qatari IT market between 2010 and 2014, outperforming the hardware and software sectors. Indeed, it has steadily increased for the last 10 years. With IT services spending estimated to grow to US$151mn by 2014, the next period promises to see more opportunities in sectors such as financial services, healthcare, education and communications. Nanotechnology in fields helping to make best quality products at lower cost. IT companies collaborating to access the market. Inventions and innovation rate. Mechanization trend in the country.

ENVIRONMENTAL

Environmental responsibility is vested in the Ministry of Industry and Agriculture. An Environmental Protection Committee was created in 1984 to monitor environmental problems. Conservation of oil supplies, preservation of the natural wildlife heritage, and increasing the water supply through desalination are high on Qatar's environmental priority list. Air, water, and land pollution are also significant environmental issues in Qatar. In addition to smog and acid rain, the nation has been affected by the air pollution generated during the Persian Gulf War. Pollution from the oil industry poses a threat to the nation's water. The nation's soils have been damaged by pesticides and fertilizers, and its agricultural land is in danger of desertification. Endangered species include the hawksbill turtle, green sea turtle, and white oryx. Limited natural fresh water resources are increasing dependence on large-scale desalination facilities. The State of Qatar is a peninsula located between 24o 27- and 26o 10- N latitude and 50o 45- and 51o 40- E longitude. It is about 180 km long and 85 km wide, covering an area of 11,437 km2. Qatar is surrounded on three sides by the waters of the Arabian Gulf and connected to the south by land to Saudi Arabia. As Qatar is subjected to an arid climate, it mainly possesses an arid soil, with coarse texture, shallow depth and low retention low of soluble substances.

LEGAL

Qatar has a discretionary system of law controlled by the emir, although civil codes are being implemented; Islamic law is significant in personal matters. When contrasted with other Arab states such as Saudi Arabia, for instance, Qatar has comparatively liberal laws, but is still not as liberal as some of its neighbors like UAE or Bahrain. Qatar is a civil law jurisdiction. However, Shari'a or Islamic law is applied to aspects of family law, inheritance and certain criminal acts. Women can legally drive in Qatar, whereas they may not in Saudi Arabia and there is a strong emphasis in equality and human rights brought by the HRA. The country has not accepted compulsory International Court of Justice jurisdiction. On February 24, 2010, Qatar and Iran signed a defense co-operation agreement in which the two countries stressed the need to expand their defense cooperation.

Iran and Qatar will:-

Exchange specialized and technical committees

Expand cooperation in training

Conduct joint campaigns against terrorism and insecurity in the region

March 10, 2010. Qatari Prime Minister Sheikh Hamad bin Jassim bin Jaber Al Thani has given his support to Iran’s right to nuclear technology, and considers Iran’s nuclear project to be for peaceful nuclear energy purposes.

ANALYSIS

If we evaluate Qatar on the basis of Porter’s diamond model:-

RELATED AND SUPPORTING INDUSTRIES

Qatar is one of the richest country of the Arab. Mostly it is dependent on its Oil and Gas resources. It is improving in IT sector and emerging as great threat to many markets because it performed exceptionally well in 2010. Oil and Gas industries are the major industries. Vodafone also entered the telecomm market.

FACTOR CONDITION

Qatar may look small, but in commercial terms it is a rising giant. This Persian Gulf Emirate is just larger than Connecticut and its population is less than 1 million.But its reform-minded government has ambitious plans to transform this peninsula into an international hub for tourism, finance, and education. U.S. companies interested in international opportunities should consider current trends and future projects in Qatar.

CONSIDER THIS –

Qatar has the third largest reserves of natural gas in the world.

Qatar's per capita GDP is one the highest in the world at around $30,000.

Multi-billion dollar projects in numerous sectors in the coming years.

Pro-American business climate and strengthening U.S.-Qatar relations.

Business-friendly commercial procedures and political stability.

Strong general government balance sheet. Substantial external liquidity. Good economic prospects and high per capita income. There is great optimism and excitement among the business community in Qatar. By transforming hydrocarbon wealth into modern health facilities, tourism infrastructure, and western-style education institutions, the Qatari Government aims to engender a forward-looking and highly-skilled population. The Qatari Government has established credibility among the population and the business community. When plans and projects are announced, they are usually realized, and contracts are awarded in a generally efficient and transparent manner. Qatar is very amenable to western visitors, and security experts consider Qatar to have one of the lowest crime countries on earth. U.S. firms also report that industrial standards that are applied in Qatar are favorable to U.S. exports. Also, Qatar has a stable currency and the country imposes no foreign exchange controls. There are well-capitalized financial institutions in Qatar, most notably Qatar National Bank. Furthermore, Qatar allows up to 100% of foreign ownership in agriculture, manufacturing, health, education, tourism, power, and projects involved in the development and exploitation of natural resources, pending approval from the Qatari Government.

DEMAND CONDITION

Qatar demand condition is not so good. Qatar's trade and hospitality sector expect better demand conditions in the second quarter. Sales volume and new orders seen declining .Most real estate businesses expect a decline in sales. It is the world's largest LNG exporter of more than 31 million metric tons per year this shows the huge demand for QATAR'S natural gas in the world.

STRATEGY AND RIVALRY

Qatar pursues a vigorous program of "Qatarization," under which all joint venture industries and government departments strive to move Qatari nationals into positions of greater authority. The biggest rivalry is in telecomm sector between Qtel and Vodafone.

Indian Tourism sector

CHAPTER: 5
INTRODUCTION OF INDIAN TOURISM

Tourism in India is a large industry. The World Travel and Tourism Council calculated that tourism generated $121 billion or 6.4% of the nation's GDP in 2011. It was responsible for 39,3 million jobs, 7.9% of its total employment. The GDP of the tourism sector has expanded 229% between 1990 and 2011. The sector is predicted to grow at an average annual rate of 7,7% in the next decade. In a 2011 forecast the World Travel and Tourism Council predicted the annual growth to be 8,8% between 2011 and 2021. This gave India the fifth rank among countries with the fastest growing tourism industry. India has a large medical tourism sector which is expected to grow at an estimated rate of 30% annually to reach about 9,500 crore by 2015.

"In the year 2011, there were nearly 6.29 million foreign tourist arrivals in India, up by over 8% from the year 2010 when 5.78 million foreign tourists arrived in India. Domestic tourist visits to all states and Union Territories numbered 747.70 million. The majority of foreign tourists come from the United (16%) and the United Kingdom (12,6%). In 2011 Maharashtra, Tamil Nadu and Delhi were the most popular states for foreign tourists. Domestic tourists visited the states Uttar Pradesh, Andhra Pradesh and Tamil Nadu most frequently. Chennai, Delhi, Mumbai and Agra have been the four most visited cities of India by foreign tourists during the year 2011. Worldwide, Chennai is ranked 41 by the number of foreign tourists, while Delhi is ranked at 50, Mumbai at 57 and Agra at 65.

The Travel & Tourism Competitiveness Report 2011 ranked the price competitiveness of India's tourism sector 28th out of 139 countries. It mentions that India has quite good air transport (ranked 39th), particularly given the country's stage of development, and reasonable ground transport infrastructure (ranked 43rd). Some other aspects of its tourism infrastructure remain somewhat underdeveloped however. The nation has very few hotel rooms per capita by international comparison and low ATM penetration. The Indian government has identified a shortage of 150,000 hotel rooms, with most of the undersupply in the budget sector. The Ministry of Tourism designs national policies for the development and promotion of tourism. In the process, the Ministry consults and collaborates with other stakeholders in the sector including various Central Ministries/agencies, state governments, Union Territories and the representatives of the private sector. Concerted efforts are being made to promote new forms of tourism such as rural, cruise, medical and eco-tourism. The Ministry also maintains the Incredible India campaign. India's rich history and its cultural and geographical diversity make its international tourism appeal large and diverse. It presents heritage and cultural tourism along with medical, business and sports tourism.


It is time for India's Tourism sector. Driven by a surge in business traveler arrivals and a soaring interest in India as a tourist destination, the year 2006 has been the best year till date.

Incredible India!!

India is probably the only country that offers various categories of tourism. These include history tourism, adventure tourism, medical tourism (Ayurveda and other forms of Indian medications), spiritual tourism, beach tourism (India has the longest coastline in the East) etc.

Explore India - choose the locales of your choice, and see what each state has to offer. Lose yourself in the wonder that is India. Meander through lands steeped in chivalry and pageantry that begin before recorded history. Explore modern cities that have grown organically from the roots of a multi-hued past. Make a pilgrimage to holy shrines that echo with tales of antiquity. Frolic on a vast array of golden beaches that dot an enviable coastline, washed by two seas and an ocean. Sport with adventure in style. Let the jungle lure you to a fascinating world at a diverse array of wildlife sanctuaries and national parks....... this is the wonder that is India.

Indian Tourism industry is one of the most important export industries of the country. Although the international tourist inflow is relatively low, India has found tourism emerging as an important sector of its economy. Tourism yields substantial foreign exchange for India. It is turning into a volume game where a large number of participants are contributing to the revenue of the industry. Segments such as hotels, tour operators, airlines, shipping etc.

Period of Indian tourism industry

The tourism industry in India is substantial and vibrant, and the country is fast becoming a major global destination. India's travel and tourism industry is one of them most profitable industries in the country, and also credited with contributing a substantial amount of foreign exchange. This is illustrated by the fact that during 2006, four million tourists visited India and spent US $8.9 billion.

Several reasons are cited for the growth and prosperity of India's travel and tourism industry. Economic growth has added millions annually to the ranks of India's middle class, a group that is driving domestic tourism growth. Disposable income in India has grown by 10.11% annually from 2001-2006.

Thanks in part to its booming IT and outsourcing industry a growing number of business trips are made by foreigners to India, who will often add a weekend break or longer holiday to their trip. Foreign tourists spend more in India than almost any other country worldwide. Tourist arrivals are projected to increase by over 22% per year through till 2010, with a 33% increase in foreign exchange.

The Tourism Ministry has also played an important role in the development of the industry, initiating advertising campaigns such as the 'Incredible India' campaign, which promoted India's culture and tourist attractions in a fresh and memorable way. The campaign helped create a colorful image of India in the minds of consumers all over the world, and has directly led to an increase in the interest in tourism industry has helped growth in other sectors as diverse as horticulture, handicrafts, agriculture, construction and even poultry.

CHAPTER: 6
TOURISM BY STATE

Andhra Pradesh

The state of Andhra Pradesh comprises like scenic hills, forests, beaches and temples. Also known as The City of Nizams and The City of Pearls, Hyderabad is today one of the most developed cities in the country and a modern hub of information technology, ITES, and biotechnology. Hyderabad is known for its rich history, culture and architecture representing its unique character as a meeting point for North and South India, and also its multilingual culture,

Famous Buddhist centres:

- Amaravathi – Guntur District.
- Nagarjuna Konda – Bhattiprolu.
- Mangalagiri – Near to Vijaywada City.
- Ghantasala – Krishna District.
- Nelakondapalli – Krishna District.
- Dhulikatta – Karim Nagar District.
- Lingapalem – West Godavari District.

Others are Bavikonda, Thotlakonda, Shalihundam, Pavuralakonda, Sankaram, Phanigiri and Kolanpaka.

Attractions:

- Charminar – Center of the Hyderabad Old City.
- Golkonda Fort – Largest and 400 years oldest fort.
- Makka Masjid – Masjid in Hyderabad City.

- Ramoji Film City – Largest Film City in the world situated in Hyderabad City.
- Kilash giri – Mountain View along with beach side situated in Vizag City.
- Warangal Fort - Oldest fort built by Kakatiya before 13th century reflects the culture of Telugu people.
- Thousand Pillar Temple - Built by King Rudra Deva in 1163 AD.The Thousand Pillar Temple is a specimen of the Kakatiyan style of architecture of the 12th century.
- Bhimili Beach – Beautiful Beach near to Vizag City.
- Araku Valley – known as Andhra Ooty near to Vizag City.

Arunachal Pradesh

Snowfall in tawang

Arunachal finds mention in the literature of Kalika Purana and Mahabharata. This place is supposed to be the Prabhu Mountains of the Puranas. It was here that sage Parashuram washed away his sin, sage Vyasa meditated, King Bhishmaka founded his kingdom and Lord Krishna married his consort Rukmini. The widely scattered archeological remains at different places in Arunachal bears testimony to its rich cultural heritage. Arunachal Pradesh, a serene land tucked into the North Eastern tip of India, invites you to relax in its picturesque hills and valleys, enjoy its salubrious climate and meet its simple and hospitable people, with their glorious heritage of arts and crafts and colorful festivals that reflect their ancient faith in the inexorable power of nature.

The visitor has a wide variety of options to pick from. There are places of worship and pilgrimage such as Parasuramkund and 400 years old Tawang Monastery, or the sites of archeological excavations like Malinithan and Itanagar, the serene beauty of lakes such as Ganga lake or Sela lake or the numerous variations of scenic beauty of the snowclad silver mountain peaks and lush green meadows where thousands of species of flora and fauna prosper. In addition, the state provides abundant scope for angling, boating, rafting, trekking and hiking.

Besides, there are a number of wild life sanctuaries and national parks where rare animals, birds and plants will fascinate the visitor.

Nature has provided the people with a deep sense of beauty which finds delightful expression in their songs, dances and crafts. The climate varies from hot and humid to heavy rainfall in the Shivalik range. It becomes progressively cold as one moves northwards to higher altitudes. Trees of great size, plentiful climbers and abundance of cane and bamboo make Arunachal evergreen. Arunachal Pradesh is considered to be the "nature's treasure trove"and home to orchids, known for their exquisitely beautiful blooms, from one of the dominant taxa with more than six hundred species, occurring in varying elevations and climatic conditions throughout the state.

Assam

Assam is the central state in the North-East Region of India and serves as the gateway to the rest of the Seven Sister States. Assam boasts of famous wildlife preserves – the Kaziranga National Park, which is home to the Great Indian One-Horned Rhinoceros, the Manas National Park, Dibru-Saikhowa National Park, Nameri National Park and Pobitora Wildlife Sanctuary (These first two parks are UNESCO World Heritage Site); the largest river islandMajuli,known for its Vaishnavite Sattras; historic Sivasagar, famous for the ancient monuments of Ahom Kingdom; the city of eternal romance, Tezpurand the scenic tea-estates dating back to time of British Raj. The weather is mostly sub-tropical. Assam experiences the Indian monsoon and has one of the highest forest densities in India. The winter months (October end half to first half of April) are the best time to visit.The heritage of Madan Kamdevis same as Khajuraho which is located just 30 km away from Guwahati. Along with the Madan Kamdev tourist can visit very ancient temple Gopeswar Mandir situated in a village Deuduar near to Guwahati.

Assam has a rich cultural heritage going back to the Ahom Kingdom, which governed the region for many centuries before the British occupation. Other notable features include the Brahmaputra River, the mystery of the bird suicides in Jatinga, numerous temples including Kamakhya Temple of Tantricsect. 'Gurdwara Sri Guru Tegh Bahadur also known as Damdama Sahib at

Dhubri '- This famous Gurudwara is situated in the heart of the Dhubri Town on the bank of the mighty Brahmaputra river in far north-east India.

Bihar

Mahabodhi Temple

Bihar is one of the oldest continuously inhabited places in the world with history of 3000 years. The rich culture and heritage of Bihar is evident from the innumerable ancient monuments that are dotted all over this state in eastern India. This is the place of Aryabhata, Great Ashoka, Chanakya and many other great historical figures.

Attractions:

- Patna – The capital of Bihar, famous for its rich history and royal architecture.
- Gaya – Known for Bodh Gaya the place at which Gautama Buddha attained enlightenment.
- Muzaffarpur – Famous for its education.
- Kesariya – Location of the world's largest Buddhist Stupa.
- Nalanda – Location of one of the world's oldest university.
- Sasaram – Tomb of Sher Shah Suri, the great Emperor of medieval India.
- Sonepur Cattle Fair – The Sonepur cattle fair or Sonepur Mela, it is the biggest cattle fair of Asia and stretches on from fifteen days to one month.
- Takht Sri Patna Sahib – One of the famous Sikh pilgrimage known for the birthplace of Sikh's Tenth Guru Sri Guru Gobind Singh Sahib.

Bihar is one of the most sacred places of various religions such as Hinduism, Buddhism, Jainism, Sikhism & Islam. Famous Attraction includesMahabodhi Temple, a Buddhist shrine and UNESCO World Heritage Site is also situated in Bihar, Barabar Caves the oldest rockcut caves in India,Khuda Bakhsh Oriental Library the oldest library of India.

Goa

Goa is one of the most famous tourist destinations in India. A former colony of Portugal, Goa is famous for its excellent beaches, Portuguese churches,Hindu temples, and wildlife sanctuaries. The Basilica of Bom Jesus, Mangueshi Temple, Dudhsagar Falls, and Shantadurga are famous attractions in Goa. Recently a Wax Museum (Wax World) has also opened in Old Goa housing a number of wax personalities of Indian history, culture and heritage.

The Goa Carnival is a world famous event, with colorful masks and floats, drums and reverberating music, and dance performances.

Gujarat

Gujarat, the seventh largest state in India, located in the western part of India with a coastline of 1600 km (longest in India). It is the tenth most popular state in the country for tourists with annual footfall of 18.9 million tourists.[8] Gujarat offers scenic beauty from Great Rann of Kutch to the hills ofSaputara.Gujarat is the sole home of the pure Asiatic Lions and is considered to be one of the most important protected areas in Asia. During the Sultanate reign, Hindu craftsmanship mix with Islamic architecture, giving rise to the Indo-Saracenic style. Many structures in the state are built in this fashion. It is also the birthplace of Mahatma Gandhi & Sardar Vallabhai Patel, the great iconic figures during India's Independence movement. Gujarat offers many types of tourism like Business Tourism, Archeological & Heritage Tourism, Cultural Tourism, Religious Tourism, Wildlife Tourism, Medical Tourism and much more. Amitabh Bachchan is currently the brand ambassador of Gujarat Tourism. Ahmedabad is considered an ideal hub to cover all the destinations across Gujarat.

Jammu and Kashmir

Jammu and Kashmir is the northernmost state of India. Jammu is noted for its scenic landscape, ancient temples and mosques, Hindu and Muslim shrines, castles, gardens and forts. The Hindu holy shrines of Amarnath in Kashmir Valley attracts about .4 million Hindu devotees every year. Vaishno Devi also attract thousands of Hindu devotees every year. Jammu's historic monuments feature a unique blend of Islamic and Hindu architecture styles.

Tourism forms an integral part of the Kashmiri economy. Often dubbed "Paradise on Earth", Kashmir's mountainous landscape has attracted tourists for centuries. Notable places are Dal Lake, Srinagar Pahalgam, Gulmarg, Yeusmarg and Mughal Gardens etc. Kashmir's natural landscape has made it one of the popular destinations for adventure tourism in South Asia.

In recent years, Ladakh has emerged as a major hub for adventure tourism. This part of Greater Himalaya called "moon on earth" consists of naked peaks and deep gorges. Leh, the capital, is also a growing tourist spot.

Punjab

The state of Punjab is renowned for its cuisine, culture and history. Punjab has a vast public transportation and communication network. Some of the main cities in Punjab are Amritsar, Chandigarh, Patiala and Ludhiana. Punjab also has a rich Sikh religious history. Tourism in Punjab is principally suited for the tourists interested in culture, ancient civilization, spirituality and epic history. Some of the villages in Punjab are also a must see for the person who wants to see the true Punjab, with their beautiful traditional Indian homes, farms and temples, this is a must see for any visitor that goes to India. Lonely Planet Bluelist 2008 has voted the Harmandir Sahib as one of the world's best spiritual sites with over 100,000 pilgrims and tourists visiting on a daily basis.

Since Amritsar is a big tourist spot, a lot of five star hotels are getting attracted to open up properties here. Hotel Ista has become very popular with nonresident Indian (NRI) community. New properties by Radisson and Taj are coming up in this city.

Rajasthan

Rajasthan, literally meaning "Land of the Kings", is one of the most attractive tourist destinations in Northern India. The vast sand dunes of the Thar Desert attract millions of tourists from around the globe every year.

Attractions:

- Jaipur – The capital of Rajasthan, famous for its rich history and royal architecture.
- Jodhpur – Fortress-city at the edge of the Thar Desert, famous for its blue homes and architecture.
- Udaipur – Known as the "Venice" of India.
- Jaisalmer – Famous for its golden fortress.
- Barmer – Barmer and surrounding areas offer perfect picture of typical Rajasthani villages.
- Bikaner – Famous for its medieval history as a trade route outpost.

- Mount Abu – Is a popular hill station, the highest peak in the Aravalli Range of Rajasthan, Guru Shikhar is located here.
- Pushkar – It has the first and one of the very Brahma temples in the world.
- Keoladeo National Park – A UNESCO World Heritage Site
- Nathdwara – This town near Udaipur hosts the famous temple of Shrinathji.

CHAPTER: 7
The various segments within tourism are:

Medical Tourism

It is one of the fastest growing segments in India. India has been able to leverage on certain advantages it has over other countries like highly skilled doctors, cost effective treatment, improved quality of private healthcare etc. Some of the common treatments for which overseas patients to come to India are heart surgery, knee transplant, cosmetic surgery and dental care. India's traditional rejuvenation therapy like yoga and ayurvedic therapy are also becoming popular.

Eco Tourism

It is relatively new segment in India. It involves visiting natural areas without disturbing the fragile ecosystem. Eco tourism generates wealth for the local people, who in turn take measures to conserve and protect the environment and natural resources. India with its natural diversity is one of the pristine places in the world for eco tourism. The Himalayan region, Kerala, Northeast, Andaman and Nicobar Islands and Lakshadweep islands the Western and Eastern Ghats are some of the hot spots for eco tourism in India. India has some of the best wildlife reserves in the world, rich in flora and fauna.

Heritage Tourism

Heritage tourism is a very lucrative segment in India. It is widely believed it would emerge as the most important segment within tourism in terms of revenue generation by 2010.India has a rich cultural history and reflection of its glorious past is still visible in its numerous forts, monuments, palaces, places of worship etc. Heritage tourism itself can be further classified as colonial heritage, urban renewal, religious tourism, industrial heritage and ethnicity. The Indian government must show keen interest in preserving the heritage sites from a tourism perspective.

Adventure Tourism

India's varied geographical and climatic conditions offer excellent opportunity for adventure sports. In recent times the popularity of adventure tourism has increased. Adventure sports like river rafting, rock climbing, mountaineering, trekking, skiing, snow climbing, scuba diving and angling can be undertaken in the country and the country offers multiple locations to choose from. The trans Himalayan region, the Garhwal and Kumaon mountains, the Western Ghats, deserts of Rajasthan, Andaman and Lakshadweep islands are some of the most popular destination for adventure tourism.

Future trends

- The real GDP growth for travel and tourism economy is expected to be 0.2 per cent in 2009 and is expected to grow at an average of 7.7 per cent per annum in the coming decade.
- Earning through exports from international visitors and tourism goods are expected to generate 6.0 per cent of total exports (nearly $16.9 billion) in 2009 and expected to increase to US$ 51.4 billion in 2019.
- According to the Ministry of Tourism, Foreign Tourist Arrivals (FTAs) for the period from January to March in 2009 was 1.461 million. For the month of March 2009 the FTAs was 472000.The reason for the decline is attributed to the ongoing economic crisis.
- In spite of the short term and medium term impediment due to the global meltdown the revenues from tourism is expected to increase by 42 per cent from 2007 to 2017.

CHAPTER: 8
The Organization

Ministry of Tourism is the nodal agency to formulate national policies and programmes for the development and promotion of tourism.

Sultan Ahmed
Minister of State for Tourism
Government of India

In the process, the Ministry consults and collaborates with other stakeholders in the sector including various Central Ministries/agencies, the State Governments/Union Territory Administrations and the representatives of the private sector.

Subodh Kant Sahai
Minister for Tourism
Government of India

Shri Subodh Kant Sahai is the Cabinet Minister in charge of Tourism. Shri Sultan Ahmed is the Minister of State for Tourism. Secretary (Tourism), who is also the ex-officio Director General (DG) of Tourism, is the executive chief of the Ministry. The Directorate General of

Tourism has 20 field offices within the country and 14 overseas offices. The overseas offices promote Indian tourism in the market abroad. The domestic field offices are sources of tourist information.

R.H. Khwaja
Secretary
Government of India
Ministry of Tourism

They are also responsible for monitoring the progress of implementation of field projects by the State Governments in their respective jurisdictions. India Tourism Development Corporation (ITDC) is the only public sector undertaking under the charge of the Ministry of Tourism. The Ministry also has the following autonomous institutions:

(i) Indian Institute of Tourism and Travel Management (IITTM). National Institute of Water Sports (NIWS) has merged with the IITTM. (ii) National Council for Hotel Management and Catering Technology (NCHMCT); and the Institutes of Hotel Management (IHMs). (iii) Gulmarg Winter Sports Project (Indian Institute of Skiing and Mountaineering (IIS&M). Augment at I one of quality tourism infrastructure is essential for development of tourism sector. More than fifty per cent of the Ministry's expenditure on Plan schemes is incurred for development of quality tourism infrastructure at tourist destinations and circuits spread throughout the country.

CHAPTER: 9
PEST & Trend analysis of tourism in India

Introduction

India as a country provides a huge potential for tourism to flourish. One of the oldest cultures of the world and a vibrant economy it has potential for various different kinds of tourism such as heritage cum cultural tourism, medical tourism, business tourism , eco cum adventure tourism, spiritual tourism, etc. The huge potential of India as a tourist hub can be derived the fact that it has a much diversified culture, different kinds of geographical terrains and a very rich cultural heritage. The potential gets an additional boost due to phenomenal growth of Indian economy in the recent years coupled by rise in average household income and investments in infrastructure. Right now also tourism plays a very important role in Indian economy. In the year 2009 valued at 41.73 billion English Pounds it constituted 6% of the Indian gross domestic product. It constitutes 5.8% of the total employment in India and employs 17.4 million individuals. But still the figures are very dismal given the kind of potential Indian tourism has. Though the market penetration of Indian tourism is still very low but can grow by leaps and bounds provided proper strategy is built into operation.

Definition

The PESTLE framework is an analysis tool that is used to identify the key drivers of change in the strategic environment (Johnson et al., 2008). PESTLE analysis includes Political, Economic, Social, Technological, Legal, and Environmental factors.
External audit (uncontrollable factors):-

Macro Factors

Political factors:-

1. India has a stable democratic government. This ensures stability for the tourism industry.

2. The centre has a specific ministry of tourism whose prime purpose is to device plans and strategies for the welfare of Indian tourism industry.

3. India as a nation is divided into various smaller state and every state has its own tourism department. These departments often fight with each other in ensuring higher tourist inflow into their respective states. Though this competitiveness ensures efficiency in the individual states but is detrimental for overall tourism as a whole. Since India is a diverse nation with every state having something to offer along with competition what is really essential is proper coordination between various states.

Political effect on tourism industry-

Political violence has done considerable damage to tourism in Asia and the Pacific over the past few years. But industry experts say the damage is not necessarily permanent. Governments and industry leaders say much can be done to rebuild tattered tourism reputations.
As the world watched, a small band of terrorists killed scores in Mumbai last November. Although India has often suffered from political violence, this attack - aimed largely at travelers and foreigners - was a new horror.
The globally televised attack, coming during an international economic slump, contributed to an eight percent fall in tourist arrivals this year.

In Thailand, tens of thousands of anti-government protesters laid siege to Bangkok's airports late last year, essentially trapping more than 350,000 travelers in the country for a week. Before that shock had worn off, a few months later, another group of protesters led violent riots in Bangkok.

The two incidents added to the damage from the world economy cut tourist arrivals to Thailand by 20 percent in the first six months of 2009.

Phornsiri Manoharn, the chairwoman of the Pacific Asia Travel Association, says many tourists still worry that Thailand's political tensions could spoil their visits.

"When people saw any demonstration like that they associate with the closing of the airport," said Manoharn. "Even [though] we don't close [the airport] but they look like the demonstration, that they might and that's why they're afraid."

Tourism is important to the Asia-Pacific region. In Southeast Asia, it contributes over three percent to economic output. In some parts of the region, tourism accounts for 10 percent of employment; in the Pacific island nations of Fiji and Vanuatu, the figure is over 30 percent. But as India and Thailand have seen, violence and instability quickly scare away visitors.

Recovery comes, but usually more slowly than after natural disasters.

John Koldowski is PATA's communications director.

"What we have seen in many cases is where there is some sort of intervention effect - it's been natural or no fault of anybody - the rebound has been very quick," he said. "Where there has been intent to cause harm as in the case of a say terrorist attack - and where there has been a long history of such attacks occurring in that destination or nearby destination, it takes a little longer to come back."

But with the right government and industry responses, visitors will return. For instance, in October 2002, bombs set off by Islamic militants on the island of Bali killed more than 200 people, most of them foreigners. The island, one of the world's most famous tourist destinations, saw arrivals fall by 36 percent in 2003.

Koldowski said the first bombings shocked the tourism industry.

"Bali is a classic case there - it took some time [to recover] because it had never occurred there before - it was so dramatic and affected specific western tourists," he said.

But the Indonesian government cracked down on terrorists and boosted security. And tourism industry professionals worked hard to woo back visitors. When another attack three years later left 20 people dead, PATA reported that tourist arrivals were little affected.

And twin bombings at international hotels in Jakarta last July are expected to do little damage to tourism.

In South Asia, Sri Lanka and Nepal hope the end of long-running conflicts will entice more visitors.

Sri Lankan officials say the end of a civil war earlier this year brought a surge of interest from foreign investors and hotel operators.

Dileep Mudadeniya, Sri Lankan Tourism Promotion Bureau managing director, says there are opportunities for tourism, particularly in areas long closed off by the war.

"North and east, which have not actually taken any kind of development for the last 20 years, virgin beaches, land, monuments is available and the people also come and exploit something or look at something totally undiscovered," said Mudadeniya. "We are going on the line which is 'undiscovered, unspoiled, an island of authenticity', which we can offer."

In Nepal, political agreements have ended a Maoist insurgency that lasted more than a decade.

The minister for Tourism and Civil Aviation, Sharatsingh Bhandari, says Nepal's transition from conflict to peace is in itself a tourism draw.

"Now we are going to form a new Nepal. So giving the message for the New Nepal and inviting the people to see, not only the prospect of tourism itself but even the process of transition of the political system from 'bullet to ballot.' That was done successfully by the Nepalese themselves," he said.

Industry analysts say tourism in Asia is likely to expand rapidly over the next few years. But, the key, they say, is that governments find ways to prevent political violence, and act quickly to calm fears when it does happen.

Economic effect on tourism industry

The service economy is driving growth in most OECD countries. It represents a large part of economic activity and its importance continues to grow. Tourism, a large, complex and fragmented industry which is still very difficult to define and measure, is a key component of the service economy (30% of international trade in services in the OECD area). In terms of revenue, OECD countries generate about 70% of world tourism activity. Tourism, which has expanded dramatically over the past 30 years, looks set to continue growing as societies become more mobile and prosperous.

Obtaining better information on services, the least developed side of statistics, is an important challenge for statistical agencies and a necessity for political analysis. Measuring tourism is part of a wider move to improve our knowledge of how economies work, what they produce and what changes occur over time. It is no longer enough to measure physical flows (arrivals and overnight stays) and monetary data (revenue and expenditure relating to international tourism).

In the early 1980s, the OECD began work to set up a model acceptable at international level which gave rise to the OECD Tourism Economic Accounts, which measure certain socio-economic aspects of tourism. While developing this tool, the OECD produced a more precise definition of tourism, visitors and tourist expenditure [Note: OECD (1996), OECD Tourism Statistics - Design and Application for Policy].

Despite its economic importance, governments, especially in developed economies, still do not adequately recognise tourism. For this reason, the OECD has developed and recently approved the OECD Guidelines for a Tourism Satellite Account and an Employment Module. These integrated statistical tools aim to measure the economic aspects of tourism (value added, jobs, revenue, investment, profits) in order to provide a more convincing demonstration of this activity's economic significance.

Furthermore, together with the United Nations, the World Tourism Organization and the European Commission (Eurostat), the OECD has developed a " UN-WTO-OECD-EUROSTAT Tourism Satellite Account: Recommended Methodological Framework", approved by the 25-member United Nations Statistical Commission on 1 March 2000. A publication is available.

Other work undertaken in this area includes statistical research. OECD and Eurostat regularly organise international forums on tourism statistics to share ideas, experiences and concepts with Member and non-members countries, the scientific community and the tourism industry. The United Kingdom, with the support of Eurostat and the OECD, organised the Fifth International Forum on Tourism Statistics (Glasgow, 20-23 June 2000). Similar forums have been organised in Vienna (1994), in Venice (1995), in Sintra (1996) and in Copenhagen (1998).

Economic Factors:-

1. India is among the fastest growing economies of the world. In the last decade its GDP has grown with almost 7% per annum. A higher economic growth ensures rise in annual income hence increase in domestic tourism.

2. A higher economic growth also ensures increase, in investments in the infrastructure, promotional expenditures, construction of newer tourist avenues, beautification of cities and towns etc. These ensure a boost to the tourism industry.

3. High growth results in higher number of business visits.

Environmental effect on tourism industry

The quality of the environment, both natural and man-made, is essential to tourism. However, tourism's relationship with the environment is complex. It involves many activities that can have adverse environmental effects. Many of these impacts are linked with the construction of general infrastructure such as roads and airports, and of tourism facilities, including resorts, hotels, restaurants, shops, golf courses and marinas. The negative impacts of tourism development can gradually destroy the environmental resources on which it depends.

On the other hand, tourism has the potential to create beneficial effects on the environment by contributing to environmental protection and conservation. It is a way to raise awareness of environmental values and it can serve as a tool to finance protection of natural areas and increase their economic importance.

- Three main impact areas: natural resources, pollution, and physical impacts
- Environmental impacts at the global level
- Other industry impacts on tourism
- How tourism can contribute to environmental conservation

Social effect on tourism industry-

Jamaica is primarily a 'sun, sea and sand' destination and, therefore, the primary recreational activities of visitors include sun and sea bathing on the beaches. Tourists who visit Jamaica are, therefore, primarily involved in activities such as going to the beach, snorkelling, scuba diving and glass-bottom boating.

Jamaica's tourism product is dependent on the coral reefs and their associated ecosystems such as seagrass beds and mangroves. These ecosystems are, however, threatened by natural causes and human behaviour such as coastal pollution, rapid coastal development, over-fishing and global warming.

All parties involved (the citizens, the tourism industry and the visitors) have a vested interest in the management of the environmental resource base and an obligation to do their part to support this management. If the environment is degraded all parties stand to lose - visitors will fail to come (or will be willing to pay less) and the countries will lose an important source of economic benefit. In other words the environment will produce reduced economic, ecological, and amenity benefits.

Microeconomic theory is essentially the study of the equitable distribution of scarce goods or benefits. In this example the scarce benefit is the Jamaican beach tourism product. The economic theory provides approaches to making the demand and supply of these scarce benefits more efficient. Demand of the 'good' in this case is the 'beach-lust' (sun, sand, sea) tourism of Jamaica. This is in contrast to the 'wonder-lust tourism' such as safaris, mountain climbing, cultural and heritage tourism that is observed in other parts of the world. The 'good' is supplied at a cost which would include the traditional costs of, labour and capital etc. However when the cost of the provision of the good does not take into account negative externalities such as environmental damage, this results in market failure. If this market failure is not corrected it will result in a loss in social welfare (dead-weight loss).

Jamaica's current tourism model is based on the construction of mega super inclusive resorts, which often require engineering solutions such as dredging, groyne construction and limestone blasting in order to create swimming beaches, and construct buildings a few meters away from the high water mark. Construction and operation of tourist facilities such as hotels and other attractions also result in significant alterations to the terrestrial environment, trees, insects, birds etc. Operation of these entities also results in the diversion of resources such as water and electricity which could have been used elsewhere in the society.

Socio –Cultural

1. India a diverse nation with end numbers of different languages, cultures, traditions, cuisines; make it an ideal destination of cultural tourism. The depth of diversity can be concluded from the fact that India has more than 22 constitutional languages and 1600 dialects.
2. Indian culture has always emphasized on respecting and entertaining their guests very well. The Sanskrit Shloka "ATHITHI DEVO BAHVAH" (guest is god) is the essence of Indian tradition. This warmth and love for their guests has always been appreciated by tourists in general and foreign ones in particular.
3. India has a vibrant and rich history of cultures that can also attract many culture lovers and scholars for further studies and exploration.
4. Due to 200 years of British rule English is an integral part of Indian education system. Most of the people at India can communicate and understand in English. This gives an added advantage to India in comparison to its neighboring counterparts in attracting foreign tourist.

Technological effect on tourism industry

Definition of Tourism Technology

The convergence of industries has forced people to create terminology such as information technology, biotechnology, ubiquitous technology and even cultural technology to explain frequently talked about topics. Tourism Technology is a term that encompasses all social, cultural, managerial, and value-adding activities of the tourism industry. Tourism Technology also incorporates and encourages technological advancements and economic development in the tourism industry.

The Origin of Tourism Technology

"Tourism Technology", initially based on the concept of cultural technology, is a more comprehensive term covering knowledge used to add to the value of tourism products on a micro level and the management of the travel and tourism industry on a macro level. New tourism products are also the end result of tourism technology combining with other industries. These include medical tourism, educational tourism, agricultural tourism, marine tourism and the application of information technology to the travel and tourism industry.

Application of Tourism Technology

The term "technology" can easily call to mind scientific achievements, computer graphic skills, special effects and other engineering-related images. However, "Tourism Technology" encompasses the integrated fields mentioned in the previous paragraph, statistics, managerial and socio-cultural know-how, and skills that the tourism industry can adopt to design, produce, and market various tourism products. In addition to coordinating various aspects of human resources in the travel and tourism industry, "Tourism Technology" describes a comprehensive field containing but not limited to such widely referred to subjects as entertainment technology, contents technology and creative technology.

Software for Tourists

One of the latest applications is software that permits tourists to customize their visits according to their preferences. Luis Castillo Vidal, computer engineer of the University of Granada and one of the authors of the study, points out that, in order to design the customized visit plans, they have used Artificial Intelligence techniques, "a science that provides computers with abilities to solve problems which, in principle, can only be solved by humans".

Users must have access to the internet, either through a computer, a mobile phone or a PDA, in order to be able to access a web where they can define their preferences and needs, such as their artistic, cultural and gastronomic preferences, their lifestyle and favourite hours, whether they are disabled or not and the spending capacity.

Technological factors

1. At present Information Technology plays a very important role in tour planning and its implementation. Starting from searching the tourists spots to booking hotels and transportation to transferring money every where web based platforms are used. In the Indian context there are plenty of such web based portals such as makemytrip.com, yatra.com etc. India being an IT superpower is capable enough for future development of such avenues in a very cost efficient and technologically superior way.

2. In spite of India being an It superpower the overall home pc penetration is still low at just 26%. This disassociates a very large chunk of domestic users from using such web based portals.

3. For the success of tourism it is essential that a country must be equipped with state of the art transportation facilities. It must have very efficient transportation system that can help in transporting both large volume of people and goods in a very cost effective, fast and comfortable

fashion. Thanks to its huge population and late opening up of economy its transportation system still not of international standard.

Legal effect on tourism industry

MUSCAT -- Tourist traffic into the Sultanate is projected to scale new highs next year on the back of a raft of major initiatives, most notably an aggressive campaign targeting new markets, according to the Under-Secretary of the Ministry of Tourism Ministry of Tourism

, Mohammed bin Hamoud al Toobi. Al Toobi predicted a record year for Oman's tourism industry during 2010 as marketing strategies implemented by the ministry, coupled with national carrier Oman AirOman AirLoading...'s ambitious route expansion plans, continue to pay dividends.

"2010 will be a record year for our tourism industry," said Al Toobi. "First, we will be taking a more aggressive approach in our marketing work assisted by the appointment of a creative agency. This will allow us to run targeted campaigns across the GCC, UK, Europe and Australian markets using a consistent 'look and feel'. We will work with trade and airline partners so that we invest more in consumer direct marketing," he added in comments to the Observer.

Importantly, the Tourism MinistryTourism Ministry Loading... has also set its sights on the potentially vast markets of Russia, China and India, the under-secretary said. "2010 sees the ministry enter new markets. We are investigating representation in the Russian Federation and India, and looking to appoint a PR/Communications agency to boost awareness of Oman at the World Expo in Shanghai. Year's end will see Muscat host the 2nd Asian Beach Games. "With the organising committee we are keen to look at how marketing can be leveraged, so that awareness of Oman in China and Asia is increased. This is an important legacy outcome for all economic sectors. Entry into India, China and Asia is timely.

These economies are growing strongly, so we must adapt our strategies accordingly," he said. In association with Oman AirOman Air Loading..., the Tourism Ministry Tourism Ministry Loading... aims to continue joint marketing initiatives targeting the key European market, Al Toobi said. Furthermore, the airline's expansion to Kuala Lumpur in early 2010 also opens up opportunities to tap Malaysia's capital market, as well as markets served through Kuala Lumpur airport, he said. Significantly, the ministry will continue to promote the Sultanate as a high quality destination aimed primarily at responsible tourists, the official stressed.

"Concerning our market positioning, we will continue to focus on Oman as a destination for authentic, high quality Arabian experiences across our pitch to high yielding segments and responsible tourists. In doing this work, we see the need to work across all media platforms (print, digital, TV) more effectively. Again, our focus will be on high-yield segments and responsible tourism," he noted.

Commenting on the impact of the global economic downturn on Oman's tourism sector, he said the ministry had responded prudently to the crisis at the very outset. "I believe the ministry made the right decisions at the time. When the banking system collapsed in the last quarter of 2007, the ministry and Oman Air Oman Air Loading... still went ahead with the launch of Oman's largest-ever consumer direct marketing campaign in the United Kingdom. This surprised many industry commentators, but it presented some welcome opportunities and results.

For example, there was relative little competitor advertising, so Oman's profile was stronger, and the campaign led to the development of a customer database that has provided a foundation for passenger growth from the UK. Additionally, our profile was further enhanced in April when Oman Air Oman Air Loading... introduced daily Airbus A300 services from Heathrow. A year on, Oman Air Oman Air Loading... now has 87 per cent market share of all air travel from the UK to Oman, while visitor arrivals from the UK for the year ending June 2009 have increased 19 per cent."

Arrivals from the GCC have also grown as a result of a consumer direct campaign launched by the ministry jointly with Oman Air Oman Air Loading... in February. "Now our focus with Oman Air Oman Air Loading... is on further developing the UK market and investing more heavily in Germany and France for which Oman Air Oman Air Loading... now operates non-stop services," Al Toobi (pictured) said. Other on-going initiatives designed to boost tourist inflows include an intensive 'visiting journalist programmed', the appointment of a new ministry representative in Australasia, a video production for the Hong Kong and Chinese markets, and campaigns with industry partners.

Also expected to pay dividends, the Under-Secretary said, are a host of major infrastructure projects either managed directly by the ministry or by Omran, the state-owned tourism development vehicle. "Omran is well advanced in the construction works for the 2010 Asian

Beach Games Village in Musannah, along with several hotel and resort projects here and in regional locations. The ministry is delighted that funding has been confirmed for the construction of a state-of-the-art convention and exhibition centre near Muscat International Airport.

These projects will allow Oman to secure international business and cultural events -- high yielding visitor segments. The convention and exhibition centre will also be a platform to showcase Oman's wider investment, trade and manufacturing sector," Al Toobi added.

Indian Tourism: Trend Analysis

• In 2007 five million international tourists visited India; this figure is expected to touch ten million in 2010.

• Indian economy very fast in between 2002 and 2007. The average household income grew by 14% there by giving a boost to domestic tourism.

• Total tourist movement had doubled in the last seven years.

• In 2009 the total revenue earned from foreign tourist was approximately 10.5 billion British pounds (6.0 % of total exports). According to travel and tourism competitiveness review this figure is expected to grow to 31.5 billion English pounds in the next ten years.

• According to travel and satellite research (part of World travel & tourism council) the demand of travel and tourism with in India is going to increase by 8.2%. This growth rate is 3rd highest in the whole world.

• Indian hotel industry is adding 90,000 rooms per year.

• Capital Investment in the Indian tourism sector will increase by 8.8% per year. With this rate it can be expected that total investment will be around 59 billion English pounds in the given sector.

• Medical tourism is growing very fast in India. Growing at a Compound annual growth rate (hence forth will be referred as CAGR) of 19% it is expected that by 2012, 1.1 million medical tourists will be visiting India. Growing at a CAGR of 27% the net value of medical tourism will be approximately 1.5 billion English pounds.

• The present value of Indian tourism which is 41.73 billion English pounds is expected to increase by 200% in the next 10 years.

• It is expected that by 2019 there will be 40 million individuals in India employed in the tourism sector. (An increase of approximately 133%)

INDIANS traveling to Qatar for work

If you get a job at a private firm in Qatar always make it a point to check with the Indian Embassy in Doha the bonafide of the company you intend to join before you depart from India. Also check with your agent or the employer himself the exact terms of the contract, especially about the salary, the other benefits such as housing, food, vacation, tickets for going home, etc., the place where you are supposed to work and the living conditions. If the contract is in Arabic, you should have it translated into English and also understand the contents of the contract before signing it. Do not sign another contract on arrival in Qatar especially if the terms and conditions are inferior to what you signed in India or if it is in a language that you do not understand.

Check with your agent the exact name of your employer, whether it is a person or a company, and the person who is supposed to supervise your work. Get the telephone number of this person and talk to him before leaving India. Ask him about who is going to receive you at the airport, how will you be transported to your residence or work place, etc. If you are not familiar with Arabic and English and if this employer knows only Arabic or English, then you should ask someone else who knows Arabic/English to talk to him over the telephone from India in your presence to get all the details and finalize your programmed accordingly.

While having your passport made either through the agent or directly, you must furnish your correct particulars and correct address. This is also important in the case of any tragedy which (God forbid) may occur. You must always truthfully record all your particulars. When you get your passport please check up that all your particulars are recorded properly and if there are any mistakes you should have it corrected. Do not travel on a passport which is inaccurate.

Before leaving India, check up whether your visa is the appropriate one. The visa may have endorsements in Arabic. If you are unable to make out the endorsement, please ask a person who can read Arabic to translate for you. Do not rely entirely on what your agent tells you. Please remember to check the validity of the visa issued to you. If you stay beyond the period stipulated in the visa you become an illegal alien in Qatar and liable to detention and deportation apart from getting more rigorous punishment.

Before coming to Qatar you must talk to people who are either working in Qatar or have been to Qatar in the recent past to know about the living conditions and working conditions in Qatar. Alternatively you can request information on living condition in Qatar and other details from the embassy of India in Doha. You must be thoroughly acquainted with all this and you must not come here only on the basis of what your agent or your recruiting company tells you.

Photocopies of your passport and the contract that you have signed should be available with you in adequate numbers and you must also leave a set of the photocopies at your home in India so that in time of need you may be able to get the same easily.

Possession or transportation of drugs and other narcotic substances carry severe punishment in Qatar. You must be very careful not to accept any gift or packet or any item from anyone while coming to Qatar. The baggage that you have, both checked in baggage and hand baggage, should not have any outside pouches in which packets can be pushed in by anyone from outside. If you are under medication and if you are carrying certain prescribed medicines you must have the doctor's prescription in original and the medicines should be carried along with its packing and its literature so that customs authorities can easily identify them.

You must know that religious literature, liquor, obscene video cassettes and obscene literature are banned in Qatar and you are liable for punishment if detected carrying them. Get to know the exact rules of customs from your agent, especially about prohibited articles.

Be cautious about befriending strangers on your way and on the aeroplane or on landing. There have been cases of people cheating and put into serious trouble by strangers. You must be aware of how to use telephones at the airports since in case you are stranded at the airport or any other place you should be able to ring up your employer or the person who is in charge, with whom you should have already talked to from India, and inform him about your situation. If you face any problem at the airport always make it a point to contact your embassy without delay.

Once you come to Qatar it is always desirable to register with the Indian Embassy in Doha so that in case of need or when you are in distress you may be helped by Indian embassy officials. There you can be best assured that the officials will take care of your genuine problems.

While in Qatar always carry either your passport which should have a valid visa or in lieu of the passport a valid Residential Permit called 'Iqaama'. In no case you should part with your Iqaama or give it to anyone else. It is your basic document without which you may be arrested and deported.

In case of labor problems you can approach the Indian Mission in Doha for help. The person who is employing you is called the "Kaafil" (sponsor) and your basic relation is with your sponsor. If you are shifting sponsors, it is illegal without a valid permission. If you run away from work and join another work that is also illegal. In case the job is not suiting you, you should also have with you enough means to travel back to India. Further a very important point to note is that for exiting out of Qatar, your employer (sponsor) has to provide you an exit permit, and only on receipt of the same can you exit out of the country. Accordingly you should be prepared to wait till the sponsor's clearance, which in some cases can become very difficult to obtain after your arrival.

Do not come with pre-conceived notions. Study the living conditions and working conditions in Qatar. Study your contract before coming to Qatar and be prepared to leave as and when things do not turn out the way you had imagined or wanted it to be. Ladies who are coming to Qatar to work as maids etc. should be very careful about the place where they are supposed to work and the conditions of their employment, especially if they are coming alone. Do not fall into bad company and do not get drawn into illegal activities in Qatar as the punishment is severe and swift.

CHAPERT: 11
INDO-QATAR RELATIONS

India has a long history of friendly relations with Qatar, marked by commercial ties and people to people interactions. The relationship today is rich, close and multi-dimensional. Qatar, like other countries in the Gulf, enjoys a prominent place in India's foreign policy perspective, particularly in view of its location and the enormous progress it has made on many fronts in the last few decades. Under the leadership of the current Emir, His Highness Sheikh Hamad bin Khalifa al-Thani. Qatar has undertaken a number of important projects to develop its immense oil and natural gas resources as well as to progressively implement a carefully thought out plan of industrial development. The large investments which have been made in this direction will make Qatar a major supplier of energy (particularly gas and LNG), petrochemicals and other and hydrocarbon-based products to the international market. This is turn will make Qatar an important player in international relations and give its voice a weight age which cannot be measured only in terms of its size and population. Qatar is, and will remain an important partner for India for the foreseeable future.

Firstly, it is home to a large Indian expatriate population (numbering roughly 170,000 according to Qatari data), which constantly nurtures and renews the ties of friendship and understanding between the two peoples. The large Indian community acts as a catalyst for enhanced ties across the spectrum of bilateral relations.

Secondly, India and Qatar enjoy close and friendly relations at the political level and share common views and perceptions on a variety of issues of bilateral, regional and international interest.

Thirdly, from the economic standpoint, there is growing synergy between India and Qatar in the hydrocarbon and other sectors. Indeed, the two countries are natural economic partners, with their strengths and potentialities complementing each other. In addition, there are enormous opportunities for expanding bilateral trade and other economic linkages, considering the geographical proximity and the increased awareness of potentialities on either side.

The traditional association between India and Qatar is very old. Long before India's independence, Bombay (Mumbai) was a premier sorting and marketing centre for pearls from the Gulf and, until the late 1960s, Indian currency and postage stamps were used in Qatar. Over the years, there have been considerable people-to-people contacts and cultural interchange between the two countries. This provides a solid foundation for the strong and diversified relationship that has evolved today.

The visit to India of HH Sheikh Hamad Bin Khalifa Al-Thani, Emir of the State of Qatar, to India in April 1999 was a landmark event, which effected a qualitative change in the bilateral relationship. A number of important Agreements were signed during the visit. These are: the Bilateral Investment Protection and Promotion Agreement; the Double Taxation Avoidance Agreement; the MOU on Foreign Office Consultations; MOU on cooperation in the field of

Youth and Sports; Agreement between the Federation of Indian Chamber of Commerce and Industry with the Qatar Chamber of Commerce and Industry on the creation of a Joint Business Council; and an MOU on cooperation between the National Small Industries Corporation of India and the Qatar Chamber of Commerce and Industry.

The most important visit from India to Qatar in recent years was that of Deputy Prime Minister Shri L.K. Advani in January 2003. During his visit DPM called on HH the Emir Sheikh Hamad bin Khalifa Al Thani and reviewed bilateral ties and developments in the region. DPM also met the Foreign Minister HE Sheikh Hamad bin Jassem bin Jabor Al Thani and Minister for Energy and Industry HE Abdullah bin Hamad Al Attiyah for discussions on bilateral political, energy and communal issues.

India's direct exports to Qatar have increased steadily from $61 million in 1997 to $120.64 million in the year 2002. In addition, there is substantial import of Indian goods into Qatar via Dubai. A number of consumer goods from India are available and popular in Qatar and there are good prospects for diversification and expansion given the low level of customs duties in Qatar.

India's export basket is fairly diversified and includes foodstuffs, spices, tea, coffee, textiles, ready-made garments, jewelers, transport equipment, light engineering goods, basic chemicals, steel pipes, and consumer electronics. As the Qatari market is competitive and highly quality conscious, there is room for expanding our exports further in areas where we are globally competitive.

Indian imports from Qatar consist largely of urea, ammonia, sulphur, ethylene and polyethylene. India has substantial dealings with the Qatar Fertilizer Company (QAFCO) and the Qatar Petrochemical Company.

India has not been a major customer for Qatari crude oil/ products. However, with the first ship of Qatari LNG leaving for Dahej in India by end of January 2004, and India will emerge as one of Qatar’s most important customers for LNG. With the third largest gas reserves in the world, Qatar is poised to emerge as a significant international supplier of energy for many decades to come. The Government of Qatar has made large investments in the development of its LNG projects and port at Ras Laffan. With its large, expanding and long term requirements of natural gas, India is naturally keen to take advantage of the existence of a reliable and virtually inexhaustible source of natural gas situated so close to its own consuming centers.

In pursuance of these complementarities, the two sides had signed an MOU in January 1998 for cooperation in the gas, oil and industrial sectors. The MOU envisages a number of steps to exploit the potential in these areas, with the purchase of LNG from Qatar as its primary component. Subsequently, a final Sale and Purchase Agreement providing for supply of 7.5 million metric tons of liquefied natural gas (LNG) per year for 25 years by Qatar to India was signed in June 1999 in London (out of this, 5 million metric tons will go to Dahej in Gujarat and 2.5million metric tons to Kochi in Kerala). At the time this was the biggest agreement for LNG in the world commencing sales from January 2004 onwards and will significantly raise the economic and commercial profile of India in Qatar, and of Qatar in India. This will also make India the biggest buyer of natural gas from Qatar for a few years (till new contracts signed with US and UK companies materialize).

The Qatar Chamber of Commerce and Industry delegation visited India in January 2002 to attend the first meeting of Joint Business Council with Federation of Indian Chamber of Commerce and Industry (FICCI). While in Mumbai and Delhi, the delegation had meetings with representatives of major industrial houses, hosted by FICCI, as well as one to one meetings with Indian business leaders. On return to Qatar, the leader of the delegation told that the visit to India was very successful and felt that there was considerable scope for increased business between Indian and Qatari companies.

A CII Industrial-cum-Business Mission visited Qatar on 29-30 May 2002 and had wide ranging interactions with Qatari Government and business.

Both Air India and Indian Airlines maintain on-line offices in Doha and have regular flights to Mumbai, Cochin, Kozikode and Trivandrum.

State Bank of India, Syndicate Bank and Canara Bank provide management services to three prominent exchange houses in Qatar for remittances to India and other countries.

There are possibilities of consultancy, turn-key contracts and sub-contracting and other participation by Indian companies in Qatar’s plans for civil construction and energy-intensive and export-oriented projects, including gas, oil, fertilizer, petrochemicals and aluminium projects.

Recently, the Qatar Armed Forces have shown interest in making use of training facilities available in India for their defense personnel. The list of available courses has been transmitted to the Qatari authorities. Three Qatari officers have attended the Defence Services Staff College Course at Wellington. Indian naval ships have periodically paid goodwill visits to Qatar, the last occasion being in December 2003. Coinciding with the visit of four Indian naval ships to Doha from 19-23 December 2003, the Flag Officer Commanding in Chief, Western Naval Command Vice Admiral Madanjit Singh visited Doha and had meeting with the Heir Apparent of Qatar Sheikh Tamim Bin Hamad Al Thani, the Chief of Qatar Emiri Navy and other senior officers. Earlier, the then Chief of Army Staff, Gen. V.P. Malik, visited Qatar on April 3-6, 1999. Commander of the Qatari Emiri Naval Forces, His Excellency Brigadier Nasser Abdoullah al-Nuaimi, visited India for International Fleet Review in February 2001.

An important dimension of the Indo-Qatari relations is the presence of a large Indian community in Qatar. By virtue of its professionalism, dedication and hard work, the Indian community has acquired a very good reputation in Qatar. The community constitutes a very important asset for the Government of India and, in particular, for the Indian Embassy in Qatar. By its day-to-day interaction with Qatari citizens at every level and in every walk of life, the Indian community provides strong cultural and economic links between India and Qatar and contributes in a very meaningful way to the development of friendship and understanding between the two countries.

Indian professionals constitute a small but important component of the Indian community in Qatar. The Institution of Engineers, Indian Medical Association and the Institution of Chartered Accountants maintain active chapters in Qatar, with an expanding membership and on-going activities. In addition, there are a number of specialists working in other fields like management, education, pharmacies, computers, etc. As Qatar’s economic development accelerates in future, the numbers and involvement of Indians at all levels in Qatar is expected to grow, despite a reduction in visas issued for generalists, labourers, etc.

The Indian community in Qatar enjoys the privilege of running four schools in Doha. The MES Indian School, established in 1974, has 6400 students, while the Ideal Indian School, established in 1985, caters to 4,100 students. The other two recently opened schools are Shantiniketan Indian School and Modern Indian School. The schools follow the Indian Central Board of Secondary Education (CBSE) syllabus and have pupils from around 20 other countries besides India. They are non-profit self-financing organisations and are considered to be among the best expatriate schools in Qatar. An additional facility for Indian students, known as Al Khor International School - Indian Stream, is run by RasGas as part of their International School in Al Khor .

Cultural programmes by visiting Indian artists of repute are a common feature in Qatar. These are given due encouragement and support by the concerned Qatari authorities.

It is evident that relations between India and Qatar are strong and growing. They are solidly founded on historical association, traditional friendship and close people-to-people interaction at many different levels. Both sides desire to deepen and diversify these relations, and, in particular, to give them greater economic content and impetus. The complementarities between the two economies are so obvious and compelling as to make India and Qatar natural economic partners.

CHAPTER: 11
Procedures to Go to Qatar from India

Direct flights from India to Qatar take several hours.

Qatar's 21st-century skyscrapers surround archaeological sites as the desert surrounds the modern city of Doha. Summers are very hot and humid; winters tend to be milder and occasionally rainy. Procedures for traveling from India to Qatar depend upon your nationality and whether you plan to visit as a tourist, worker, student or long-term resident.

Qatar Entry Requirements

To enter Qatar, you need a valid passport from your country of citizenship. If you are a U.S. citizen, you can buy a Qatari visa on arrival at Doha International Airport. This visa is valid for 30 days. As of time of publication, Indian citizens were not permitted to purchase a visa on arrival, but can arrange a tourist visa through a Qatari embassy or hotel. For visits over 30 days -- regardless of your nationality -- you will need to obtain a tourist or business visa in advance of travel. Visas are available from a Qatari consulate or embassy, or through the Qatari government's online portal. If you have HIV/AIDS, you should check Qatar's current entry and residency restrictions.

Air Travel

As of time of publication, regularly scheduled flights connected Qatar's Doha International Airport and the Indian cities of Delhi, Ahmedabad, Mumbai, Hyderabad, Goa, Bengaluru, Chennai, Kochi and Thiruvananthapuram. Qatar Airways, Air India Express and Jet Airways

(India) operate regular flights to Qatar from India. Chennai is a four-hour, 40-minute direct flight from Doha; Ahmedabad is three hours, 10 minutes from Doha.

Overland or Sea Options

Traveling overland from India to Qatar involves crossing Pakistan, Iran, Iraq or Kuwait and Saudi Arabia. As of time of publication, routes involving sea travel may be easier and faster. Silversea Cruises offers several routes between Arabia and India, including routes that make stops in Doha and Mumbai. Alternatively, you could travel from an Indian port to Dubai, Bahrain or the United Arab Emirates before continuing overland to Qatar.

Practical Tips

Money can be changed in Doha banks or money changers. Money changers offer similar exchange rates to banks, and are mostly clustered around Doha's Gold Souq area. The easiest currencies to find or change in Doha are from the UAE, Saudi Arabia and Bahrain; some banks and money changers will also take Indian currency. If you travel overland from India or one of the neighboring Gulf ports, take care on the roads -- drivers in Qatar have a reputation for carelessness. If you drive yourself in a rental SUV, be aware that pockets of soft sand are common around Qatar's coastal regions and in the country's interior. Carry a tow rope, spare tire and water in case you get stuck.

Travel duration from India to Qatar is around **51.37 Hours** if your travel speed is 50 KM per Hour. Qatar travelers are welcome to visit our travel driving direction page for detail information with road map. Traveling from India to Qatar is connected by more than one route. Soon you may expect those various travel routes to reach Qatar.

During the year 2011, the number of Foreign

Tourist Arrivals (FTAs) in India reached the level of 6.29 million, registering a growth of 8.9% over the FTAs of 5.78 million in 2010. The growth rate of 8.9% in tourist arrivals in India was almost double the growth of 4.4% in tourist arrivals worldwide. The tourism sector in India, therefore, has fared quite well vis-à-vis the world. Foreign Exchange Earnings (FEE) from tourism in India during 2011 were $16.56 billion as compared to $ 14.19 billion in 2010, showing a growth of 16.7%.

Mode of travel of FTAs India

Travel by 'air' has been found to be the most preferred mode of transport. In 2011, out of the

6.31 million foreign tourist arrivals in India, majority (92.0%) arrived by air, followed by land (7.2%) and sea (0.8%). The corresponding figures for 2010 were 91.8%, 7.5% and 0.7 % respectively. Arrivals through land routes comprised tourists mainly from Bangladesh and Pakistan.

Performance of Tourism Sector during March 2012

Ministry of Tourism compiles monthly estimates of Foreign Tourist Arrivals (FTAs) and Foreign Exchange Earnings (FEE) from tourism on the basis of data received from major airports. Following are the important highlights regarding FTAs and FEE from tourism in India during the month of March 2012.

Foreign Tourist Arrivals (FTAs):

• FTAs during the Month of March 2012 was 6.23 lakh as compared to FTAs of 5.50 lakh during the month of March 2011 and 5.12 lakh in March 2010.

• There has been a growth of 13.2% in March 2012 over March 2011 as compared to a growth of 7.4 % registered in March 2011 over March 2010.

• FTAs during the period January-March 2012 were 19.81 lakh with a growth of 9.5%, as compared to the FTAs of 18.09 lakh with a growth of 10.8 % during JanuaryMarch 2011 over the corresponding period of 2010.

Foreign Exchange Earnings (FEE) from Tourism in Indian Rs. terms and US $ terms

• FEE during the month of March 2012 were Rs.7843 crore as compared to Rs.5522

crore in March 2011 and Rs.5507 crore in March 2010.

• The growth rate in FEE in Rs. terms in March 2012 over March 2011 were 42.0% as compared to 0.3 % in March 2011 over March 2010.

• FEE from tourism in Rs. terms during January-March 2012 were Rs. 24968 crore with a growth of 31.7%, as compared to the FEE of Rs. 18952 crore with a growth of 6.8 % during January-March 2011 over the corresponding period of 2010.

• FEE in US$ terms during the month of March 2012 were US$ 1559 million as compared to FEE of US$ 1227 million during the month of March 2011 and US$ 1209 million in March 2010.

• The growth rate in FEE in US$ terms in March 2012 over March 2011 was 27.1% as compared to the growth of 1.5% in March 2011 over March 2010.

• FEE from tourism in terms of US$ during January-March 2012 were US$ 4969 million with a growth of 18.8%, as compared to US$ 4184 million with a growth of

8.4 % during January-March 2011 over the corresponding period of 2010.

CHAPTER: 12
S.W.O.T Analysis OF Indian Tourism

The specific strength and weakness of the product in relation to the market segments identified are analyzed along with the existing opportunities and threats. A typical SWOT analysis matrix in case of India in reaction to competitive destinations is as under:- There are various environmental forces influence the tourism industry. The other aspect of this industry is that it is heavily dependent on a set of other industries who are in turn dependant on the tourist flow for their business. This combination of various industries has to work as one to increase the tourist's traffic of the country. This set of industries takes care of the activities that support tourism industries are:

- The Hotel Industry
- Airlines
- The Railways
- Road Networks
- The Tour Operators
- The Government

These facilities decide the status of a place in a tourist's portfolio. They on one hand attract tourists to a particular destination and on the other act as a major demotivating factor if they are unable to fulfill the expectations of the visitors. So the major bottlenecks to this industry are looked into on a priority basis (Only Major One's).

Strengths

- A very wide variety of hotels is present in the country that can fulfill the demand of the tourists.
- There are international players in the market such as Taj and Oberoi & International Chains. Thus, the needs of the international tourists' travelers are met while they are on a visit to India.
- Manpower costs in the Indian hotel industry are one of the lowest in the world. This provides better margins for Indian hotel industry.
- India offers a readymade tourist destination with the resources it has. Thus the magnet to pull customers already exists and has potential grow.

Weaknesses

The cost of land in India is high at 50% of total project cost as against 15% abroad. This acts as a major deterrent to the Indian hotel industry. The hotel industry in India is heavily staffed. This can be gauged from the facts that while

Indian hotel companies have a staff to room ratio of 3:1, this ratio is 1:1 for international hotel companies.

High tax structure in the industry makes the industry worse off than its international equivalent. In India the expenditure tax, luxury tax and sales tax inflate the hotel bill by over 30%. Effective tax in the South East Asian countries works out to only 4-5%.

- Only 97,000 hotel rooms are available in India today, which is less than the Bangkok hotel capacity.
- The services currently offered by the hotels in India are only limited value added services. It is not comparable to the existing world standards.

Opportunities

- Demand between the national and the inbound tourists can be easily managed due to difference in the period of holidays. For international tourists the peak season for arrival is between Septembers to March when the climatic conditions are suitable where as the national tourist waits for school holidays, generally the summer months.
- In the long-term the hotel industry in India has latent potential for growth. This is because India is an ideal destination for tourists as it is the only country with the most diverse topography. For India, the inbound tourists are a mere 0.49% of the global figures.

This number is expected to increase at a phenomenal rate thus pushing up the demand for the hotel industry.

- Unique experience in heritage hotels.

Threats

- Guest houses replace the hotels. This is a growing trend in the west and is now catching up in India also, thus diverting the hotel traffic.
- Political turbulence in the area reduces tourist traffic and thus the business of the hotels. In India examples of the same are Insurgency in Jammu Kashmir and the Kargil war.
- Changing trends in the west demand similar changes in India, which here are difficult to implement due to high project costs.
- The economic conditions of a country have a direct impact on the earnings in hotel industry. Lack of training man power in the hotel industry.

Transport Facilities

A well knit and coordinated system of transport plays an important role in the sustained economic growth of the country. The present transport system of the country comprises of several modes of transport including rail, road, air transport etc. Tourism industry is also affected by the performance of these services heavy road taxes are the great threat to the tourism industry.

Emerging Challenges and Opportunities

Tourism Products of India is so varied that very few countries in the world can provide such a mix of nature, richness of architecture, wildlife, festivities, shopping etc in one holiday. Thus Indian holidays provide real tourist experience. The Travelers of all ages, all budget and all interest can find their visit very satisfying.

Looking into all these aspects, one always feels that we have not been able to utilize our potential in full. Infect, we lack positive attitude to do something big that is also reflected in tourism field.

More important is the internal factors where a clear-cut policy directive is needed by giving priority attention to tourism, higher budget outlay, tax incentives and creating tourism friendly environment with sound service providers team; tourism is nothing else but a combination of services for which travelers are willing to pay. It is their interest for meeting new culture i.e. experience, a new source of entertainment, eco-friendly holidays, economic viability of its products (value for money) that decide destination choice. India fits quite well in this selection process. But sad part is that still we are hovering around 3 million tourists since last 2 years. No doubt, there were genuine reasons between 2001-2003 with series of negative global events to bring a halt to the growth. Things are improving since mid 2004. India stepped into 4 million figures by early in 2006. This is a positive growth over 2005 figures and average 15% years on growth is expected. Same success story can be seen for tourism receipts. Even outbound traffic from India is progressively moving upward (about 7.2 million) and domestic tourism is having continuous growth which probably now stand at 370 million in 2005 and may go over 500 million in 2006.

However this small success should not create a complacent attitude. we have to move ahead cautiously as our competitors are doing much better and preparing themselves aggressively. We must see how Thailand, Malaysia, Singapore, Hong Kong and now China are coming forward with competitive packages. We have not only to match their price but product has to be improved. Our infrastructure is limited to certain metropolitan cities; many tourist places around metros do not have basic facilities.

We have to be well connected from the traffic generating we do not use them all because our national carrier do not have that number of aircrafts to fly from all those destinations. Thus seat capacity is always remained a big problem.. We must allow all those foreign airlines who are willing to fly to India without putting lot of conditions or soon privatize Air India so that it becomes competitive.

The position becomes all the more complex with aviation related taxes (things are bit improved with the withdrawal of ATT, reduced fuel tax etc recently. As announced by our Finance Minister in his mini-budget. Similarly our airport facilities are very outdated; they need total facelift to take more charters, bigger aircrafts and up market traffic. Airports form first impression and we can't create the right image with present condition of our International airports. We need to relax the charter norms. It will help us to combat off seasonal problems. Opening of new airport will take away congestion from metropolitan cities and open up new tourist centers that can ensure balanced growth of tourism all over India.

Aviation Turbine Fuel taxes have proved domestic tours by air very cost prohibitive. Indian tourists find visit to overseas countries much cheaper than visiting the places within India. Road taxes are so high that surface transport packages are not being patronized. Fly drive concept is totally lacking in India because of road taxes. The inconvenience which travelers have to face at border check points is really discouraging to boost surface tourism.

We also lack forming business partnerships. Each one is trying to promote some product by undercutting each other's business in overseas markets. Greater degree of co-operation is needed especially between trade and Govt. agencies. State Governments should reduce road taxes, luxury taxes on hotels- all these taxes make our product a bit overpriced.

Shortfall of trained manpower has been felt by the industry. All State will have to play a very pro-active role in augmenting the capacity through the institutes run by them. This is all the more essential as demand will be more for 2- star 3 star hotels all over the country and these hotels do not use trained manpower. More international collaborations will be needed to market 2/3 star category hotels. This is the market demand. In a country like India where they stay for a longer period, they would like to exercise economy on accommodation and thus prefer 2/3 star hotels.

Evening entertainment is totally lacking in most places including metropolitan cities. Some serious partnerships need to be formed between State Government and private sector so that tourists can enjoy the evening. They should get an opportunity to experience local culture Diversification of product by adding specific sectors like sports, healthcare, museum, etc is a must for increasing tourist nights.

Quality tourist literature, decent upkeep of monuments, amusement parks, multi -cuisine food plazas, shopping malls- all these are needed for successful tourism. We all know where we actually stand and how much we need to do in these areas, so we should not go complacent with small success made in tourism. We have to go long way to reap the benefits of tourism. No doubt, quite a lot has been done in recent years India's Highway development programme, recent announcement about tax reduction in fuel, withdrawal of Air Travel Tax; abolition of expenditure tax, declaring the hospitality se3ctors as an infrastructure industry, State Govt. reducing sales tax on Aviation Turbine Fuel, etc.

With synergized approach and proper networking all these new challenges can be met and India could be the right choice.

Bibliography

- http://www.indexmundi.com/qatar/economy_profile.html
- http://www.qe.com.qa/pps/qe/qe%20english%20portal/Pages/About%20QE/Qatar%20Economy
- http://www.oxfordbusinessgroup.com/economic_updates/qatar-year-review-2011
- http://www.nationmaster.com/compare/India/Qatar/Economy
- http://en.wikipedia.org/wiki/Economy_of_Qatar
- http://en.wikipedia.org/wiki/Korea_Telecom
- http://www.ictqatar.qa/en/news-events/news/top-international-companies-compete-mobile-customers-qatar
- http://en.wikipedia.org/wiki/Vodafone
- http://www.wto.org/english/res_e/booksp_e/anrep_e/world_trade_report09_e.pdf
- http://www.arabianbusiness.com/trade-unions-reject-qatar-labour-proposals-456573.html
- http://www.yourmiddleeast.com/columns/article/qatar-agrees-to-trade-unions-amid-regions-call-for-greater-freedom_11467
- http://www.qatarpharmacyest.com/agencies_list.asp
- http://www.medilexicon.com/pharmaceuticalcompanies.php
- http://www.behzadmedical.com.bh/aboutus.html
- http://www.ebnsina.com/page/profile.html
- http://www.scitecharabia.com/profile.htm
- www.qatartourism.gov.qa
- blog.euromonitor.com
- www.economywatch.com
- www.hoteliermiddleeast.com
- www.globaltrade.net
- www.irantracker.org
- www.fmpre.gov.cn
- The managementguru.blogspot.in
- www.qatarembassy.com
- www.qatartourism.gov.qa
- www.gulfenergy.com
- http://www.qatarembassy.net
- http://www.pro-partnership.com/pages/starting-a-business-in-qatar.aspx

- http://www.pea.com/blog/posts/qatar-aviation-industry-.html
- http://www.theedge.me/qatar%E2%80%99s-accelerating-automotive-sector/
- http://automotivehorizon.sulekha.com/firm-set-to-put-qatar-on-auto-industry-map_newsitem_1166
- http://www.marketresearch.com/Business-Monitor-International-v304/Qatar-Autos-Q2-6855265/
- http://www.expat-careers-international.com/Left+Menu/For+Job+Seekers/Destinations/Qatar.html
- http://www.autonews.com/article/20120127/BLOG15/301279997#ixzz2EHBhtvVz
- http://www.autonews.com/article/20120127/BLOG15/301279997
- http://www.auctionexport.com/Things-to-Remember-While-You-Import-Cars-to-Qatar-from-the-US.html
- http://www.autonews.com/article/20120127/BLOG15/301279997#ixzz2EHHRwKWy
- http://www.qatarqlick.com/local-news/item/1553-fuel-may-get-costlier-to-save-environment.html
- http://www.britannica.com/EBchecked/topic/485603/Qatar/256432/Justice
- http://www.nyulawglobal.org/globalex/Qatar.htm
- http://www.placesonline.com/asia/qatar/doha/photo_detail.asp?filename=18915_doha_new_city_center
- http://www.arabianbusiness.com/qatar-s-pharmaceutical-market-set-for-12-growth-2015-405445.html
- http://www.qatarliving.com/node/4873631
- http://fanack.com/countries/qatar/economy/agriculture-industry-services/
- http://fanack.com/en/countries/qatar/economy/infrastructure-and-transport/
- http://www.qnfsp.gov.qa/programme/agriculture/fisheries
- http://www.mbt.gov.qa/English/ForeignInvestor/Documents/MOBT-Brochure%20englo.pdf
- http://www.mbt.gov.qa/English/Businessmen/Pages/ServicesSector.aspx
- http://www.english.globalarabnetwork.com/2012080212470/Real-Estate/qatar-real-estate-sector-appears-set-for-steady-growth.html
- http://www.thepeninsulaqatar.com/business-news/193700-qatar-to-invest-17bn-in-hospitality-sector.html
- http://fanack.com/en/countries/qatar/economy/tourism/
- http://www.google.co.in/url?sa=t&rct=j&q=&esrc=s&frm=1&source=web&cd=1&cad=rja&ved=0CC8QFjAA&url=http%3A%2F%2Fwww.wto.org%2Fenglish%2Ftratop_e%2Ftpr_e%2Fs144-4_e.doc&ei=Gsq8UMylJcXLrQeGjoD4Aw&usg=AFQjCNGeWkszNvni0HJAbHzpl0SVjwQVXg&sig2=G8ro20C82chlHZdM-CBSPQ
- http://www.qatarembassy.net/insurance.asp

- http://www.qatarembassy.net/banking.asp
- http://mec.biz/term/uploads/DHBK-15-06-2011.pdf
- http://www.qsa.gov.qa/eng/publication/economic_publication/2012/Qatar%20Economic%20Statistics%20at%20Glance.pdf
- http://www.qatarembassy.net/environment.asp
- http://www.theedge.me/high-rates-slow-connections/
- http://www.nawras.om/pdf/IR/prospectus.pdf
- http://www.martindale.com/members/Article_Atachment.aspx?od=1830535&id=943278&filename=asr-943318.pdf
- http://www.budde.com.au/Research/Qatar-Telecoms-Mobile-Broadband-and-Forecasts.html
- http://www.extensia-ltd.com/documents/telecom-industry-in-qatar/9470/
- http://www.qatarmark.com/companies/telecommunications.html
- http://kmdqatar.com/qatar_company_formation.html
- http://en.wikipedia.org/wiki/IctQATAR
- http://www.disabilitynewsasia.com/home-mainmenu-1/556-telecom-industry-in-qatar-plan-to-help-people-with-disabilities.html
- http://www.arabianbusiness.com/companies/qatar-telecom-66511.html
- http://en.wikipedia.org/wiki/Vodafone
- www.indexmundi.com/qatar/population.html
- www.qahttp://en.qpsphoto.com/web:
- tartourism.gov.qa/pillars/index/1/culture/225
- http://www.heritageofqatar.org/history/
- http://www.qatarliving.com/node/299656
- http://www.everyculture.com/No-Sa/Qatar.html
- http://www.middleeasthub.com/qatar/parks-gardens-in-qatar.html
- http://www.middleeasthub.com/qatar/tourism-in-qatar.html
- http://www.qatartourism.gov.qa/press/index/1/130http://www.qatarqlick.com/local-news/item/1553-fuel-may-get-costlier-to-save-environment.html
- http://www.indexmundi.com/qatar/demographics_profile.html
- http://www.nbks.com/
- http://www.ameinfo.com/porsche-launches-cayenne-turbo-qatar-315415
- http://www.bmw-me.com/me/en/insights/news/news_2011.html
- http://www.pharmaq.co.za/profiles/company-profile.php
- shttp://www.prlog.org/11386207-recently-released-market-study-qatar-pharmaceuticals-healthcare-report-q2-2011.html
- http://www.sanofi.qa/l/servlet/CPDispatcher
- http://static.mubasher.info/File.Story_File/GCC_Pharmaceuticals_Industry_Report_2013_31_March_2013_Final.pd

- http://thepeninsulaqatar.com/qatar-business/231387-qatar%E2%80%99s-pharmaceuticalmarket-to-remain-import-dependent.html
- http:/www.thepeninsulaqatar.com/qatar/55152-qatars-pharmaceutical-market-set-for-growth.html
- Shttp://www.naukrihub.com/india/pharmaceutical/overview/swot-analysis/
- http://www.mbaskool.com/brandguide/industrial-products-and-chemicals/2613-industries-qatar.html
- http://en.wikipedia.org/wiki/Pharmaceutical_industry_in_India
- http://www.pharmaceutical-drug-manufacturers.com/articles/top-10-pharmaceutical-companies-in-india.html
- http://www.qatarchamber.com/qatar-india-bilateral-trade-jumps-to-14-billion-in-2012/
- http://www.qatarhelplinegroup.com/offshore-company-formation/business-setup-in-qatar.php#India.
- http://www.pharmaq.co.za/profiles/company-profile.php
- shttp://www.prlog.org/11386207-recently-released-market-study-qatar-pharmaceuticals-healthcare-report-q2-2011.html
- http://www.sanofi.qa/l/servlet/CPDispatcher
- http://static.mubasher.info/File.Story_File/GCC_Pharmaceuticals_Industry_Report_2013_31_March_2013_Final.pd

- http://thepeninsulaqatar.com/qatar-business/231387-qatar%E2%80%99s-pharmaceuticalmarket-to-remain-import-dependent.html
- http:/www.thepeninsulaqatar.com/qatar/55152-qatars-pharmaceutical-market-set-for-growth.html
- Shttp://www.naukrihub.com/india/pharmaceutical/overview/swot-analysis/
- http://www.mbaskool.com/brandguide/industrial-products-and-chemicals/2613-industries-qatar.html
- http://en.wikipedia.org/wiki/Pharmaceutical_industry_in_India
- http://www.pharmaceutical-drug-manufacturers.com/articles/top-10-pharmaceutical-companies-in-india.html
- http://www.qatarchamber.com/qatar-india-bilateral-trade-jumps-to-14-billion-in-2012/

- http://www.qatarhelplinegroup.com/offshore-company-formation/business-setup-in-qatar.php#India.
- http://www.telecomindiaonline.com/cmai-association-of-india-announced-the-prestigious-6th-national-telecom-awards-2012.html
- ¾ http://www.marketresearch.com/Business-Monitor-International-v304/Qatar-Telecommunications-Q4-7150215/
- ¾ http://analysis.businessmonitor.com/intelligence/middle-east/qatar/telecoms-industry
- ¾ http://www.newdevtprojects.com/ilo/iloPdf/telecommunication.pdf
- ¾ http://www.slideshare.net/jontymohta444/report-on-telecom-sector#btnNext
- ¾ http://www.slideshare.net/rahulkalra0001/swot-analysis-indian-telecom-industry-ppt
- ¾ http://www.pwc.com/m1/en/careers/experienced/jobs/qatar/09-adv-0019.jhtml
- ¾ http://www.slideshare.net/domsr/telecom-industry-27-28-63
- ¾ http://www.scribd.com/doc/127773491/telecommunicationsector2-
- 091120083645-phpapp02
- ¾ http://theviewspaper.net/boom-in-the-indian-telecom-sector-here-to-stay/
- ¾ http://articles.economictimes.indiatimes.com/2009-12-04/news/27640701_1_3g-
- telecom-sector-mobile-operators
- ¾ http://shodhganga.inflibnet.ac.in/bitstream/10603/3869/9/09_chapter%201.pdf
- ¾ http://www.studymode.com/essays/Marketing-Communication-Telecom-Sector-
- Qatar-180158.html
- ¾ http://www.ibef.org/industry/telecommunications.aspx
- ¾ http://www.reportlinker.com/ci02081/Telecommunication-Services.html
- ¾ http://www.businessteacher.org.uk/free-finance-essays/indian-telecom-sector.php
- ¾ http://info.shine.com/Industry-Information/Telecom/183.aspx
- ¾ http://www.scribd.com/doc/27121254/Pest-Analysis-Indian-Telecom-Industry
- ¾ http://www.bbc.co.uk/news/business-22393372
- ¾ http://timesofindia.indiatimes.com/business/india-business/Qatar-group-to-buy-
- 5-in-Airtel-for-Rs-6-8k-crore/articleshow/19875927.cms
- ¾ http://www.lightreading.in/lightreadingindia/news-wire-feed/156412/tata-communications-inks-deal-ooredoo-qatar
- ¾ http://www.qatarisbooming.com/2012/07/02/qtel-and-tata-communications-strengthen-ongoing-partnership/
- ¾ http://www.slideshare.net/arpit754/pestle-analysis-telecom-sector
- ¾ http://theviewspaper.net/consumer-awareness/
- ¾ http://theviewspaper.net/a-case-for-the-democracy-in-india/
- ¾ http://theviewspaper.net/bigpage/3g-mobile/

- ¾ http://www.pwc.com/m1/en/careers/experienced/jobs/qatar/09-adv-0019.jhtml
- ¾ http://www.pwc.com/m1/en/careers/experienced/jobs/qatar/9-asu-0009-manager-
- ras-telrevassu.jhtml
- ¾ http://www.pwc.com/m1/en/careers/experienced/jobs/qatar/9-asu-0008-manager-
- ras-telnwk.jhtml
- ¾ http://www.pwc.com/m1/en/careers/experienced/jobs/qatar/9-asu-0011-manager-
- ras-regulatory.jhtml
- ¾ http://www.pwc.com/m1/en/careers/experienced/jobs/qatar/09-asu-0012-ias.jhtml
- ¾ http://www.pwc.com/m1/en/careers/experienced/jobs/qatar/9-adv-0012-director-
- value.careers.jhtml
- ¾ http://www.pwc.com/m1/en/careers/experienced/jobs/qatar/09-adv-21-.jhtml
- ¾ http://www.pwc.com/m1/en/careers/experienced/jobs/qatar/09-adv-20.jhtml
- ¾ http://www.pwc.com/m1/en/careers/experienced/jobs/qatar/9-asu-
- 0006smmanagertelecom.jhtml
- ¾ http://www.pwc.com/m1/en/careers/experienced/jobs/qatar/09-asu-0014xml.jhtml
- http://www.mia.org.qa/landing/index.php/en/
- http://www.mathaf.org.qa/
- http://www.qataropen.org/
- http://www.dohagolfclub.com/
- http://www.qatarolympics.org/
- http://www.qatar2011.com/
- http://managementfunda.com/wp-content/uploads/2010/07/Managementfunda3.jpg
- http://www.indianembassy.gov.qa/indqat.html
- http://www.indianembassy.gov.qa/indarab.html
- http://www.daoonline.info/public/foto/BACCI%20-%20IKA%20-%20Qatar%20And%20IndiaMar%202012.pdf-
- http://export.gov/middleeast/country_information/qatar/considerqatarguide.pdf
- http://www.ficci.com/international/75184/Project_docs/India-Qatar-Economic--Relations.pdf
- http://www.onlineqatar.com/living/
- http://www.chillibreeze.com/articles/planning-trip-to-Qatar.asp
- http://www.indianembassyqatar.org/qatarlinks.html
- http://www.indianembassyqatar.org/bilateralrelations.html
- http://www.chillibreeze.com/articles/planning-trip-to-Qatar.asp
- http://www.indianembassyqatar.org/bilateralrelations.html
- http://www.onlineqatar.com/living/
- http://www.asa.in/pdfs/surveys-reports/Tourism-in-India.pdf
- http://www.ukessays.com/essays/english-language/pestle-analysis-of-indian-tourism-industry.php
- http://tourism.gov.in/writereaddata/Uploaded/Tender/051720121254577.pdf

- http://qatar.angloinfo.com/r.asp?http://www.dohafilminstitute.com/filmfestival
- http://www.pharmaq.co.za/profiles/company-profile.php
- http://www.prlog.org/11386207-recently-released-market-study-qatar-pharmaceuticals-healthcare-report-q2-2011.html
- http://www.sanofi.qa/l/servlet/CPDispatcher
- http://static.mubasher.info/File.Story_File/GCC_Pharmaceuticals_Industry_Report_2013_31_March_2013_Final.pdf
- http://www.tajpharma.com/newsroom-pharmaceuticals.html
- http://thepeninsulaqatar.com/qatar-business/231387-qatar%E2%80%99s-pharmaceutical-market-to-remain-import-dependent.html
- http://www.thepeninsulaqatar.com/qatar/55152-qatars-pharmaceutical-market-set-for-growth.html
- http://www.naukrihub.com/india/pharmaceutical/overview/swot-analysis/
- http://www.mbaskool.com/brandguide/industrial-products-and-chemicals/2613-industries-qatar.html
- http://en.wikipedia.org/wiki/Pharmaceutical_industry_in_India
- http://www.pharmaceutical-drug-manufacturers.com/articles/top-10-pharmaceutical-companies-in-india.html
- http://www.qatarchamber.com/qatar-india-bilateral-trade-jumps-to-14-billion-in-2012/
- http://www.qatarhelplinegroup.com/offshore-company-formation/business-setup-in-qatar.php#India
- http://www.wto.org/english/res_e/booksp_e/anrep_e/world_trade_report09_e.pdf
- http://www.arabianbusiness.com/trade-unions-reject-qatar-labour-proposals-456573.html
- http://www.yourmiddleeast.com/columns/article/qatar-agrees-to-trade-unions-amid-regions-call-for-greater-freedom_11467
- http://www.qatarpharmacyest.com/agencies_list.asp
- http://www.medilexicon.com/pharmaceuticalcompanies.php
- http://www.behzadmedical.com.bh/aboutus.html
- http://www.ebnsina.com/page/profile.html
- http://www.scitecharabia.com/profile.html
- http://themanagmentguru.blogspot.in/2010/12/pest-trend-analysis-of-tourism-in-india.html

- http://www.gourkanjilal.com/tourism-s-w-o-t-analysis-india/
- http://www.gourkanjilal.com/india-tourism-scene/tourism-challenges.htm
- http://www.ukessays.com/essays/english-language/pestle-analysis-of-indian-tourism-industry.php
- http://www.indianembassy.gov.qa/indqat.htm
- http://traveltips.usatoday.com/procedures-qatar-india-104889.html
- http://distancebetween.info/india/qatar
-
- http://tourism.gov.in/writereaddata/CMSPagePicture/file/marketresearch/FTA/Press%20Note%20FTAs%20Mar%2012.pdf
-
- http://tourism.gov.in/writereaddata/Uploaded/Tender/051720121254577.pdf
- http://www.pharmaq.co.za/profiles/company-profile.php
- shttp://www.prlog.org/11386207-recently-released-market-study-qatar-pharmaceuticals-healthcare-report-q2-2011.html
- http://www.sanofi.qa/l/servlet/CPDispatcher
- http://static.mubasher.info/File.Story_File/GCC_Pharmaceuticals_Industry_Report_2013_31_March_2013_Final.pd
- http://thepeninsulaqatar.com/qatar-business/231387-qatar%E2%80%99s-pharmaceuticalmarket-to-remain-import-dependent.html
- http:/www.thepeninsulaqatar.com/qatar/55152-qatars-pharmaceutical-market-set-for-growth.html
- Shttp://www.naukrihub.com/india/pharmaceutical/overview/swot-analysis/
- http://www.mbaskool.com/brandguide/industrial-products-and-chemicals/2613-industries-qatar.html
- http://en.wikipedia.org/wiki/Pharmaceutical_industry_in_India
- http://www.pharmaceutical-drug-manufacturers.com/articles/top-10-pharmaceutical-companies-in-india.html
- http://www.qatarchamber.com/qatar-india-bilateral-trade-jumps-to-14-billion-in-2012/
- http://www.qatarhelplinegroup.com/offshore-company-formation/business-setup-in-qatar.php#India.
- www.indexmundi.com/qatar/population.html

- www.qahttp://en.qpsphoto.com/web
- tartourism.gov.qa/pillars/index/1/culture/225
- http://www.heritageofqatar.org/history/
- http://www.qatarliving.com/node/299656
- http://www.everyculture.com/No-Sa/Qatar.html
- http://www.middleeasthub.com/qatar/parks-gardens-in-qatar.html
- http://www.middleeasthub.com/qatar/tourism-in-qatar.html
- http://www.qatartourism.gov.qa/press/index/1/130http://www.qatarqlick.com/local-news/item/1553-fuel-may-get-costlier-to-save-environment.html
- http://www.indexmundi.com/qatar/demographics_profile.html
- http://www.nbks.com/
- http://www.ameinfo.com/porsche-launches-cayenne-turbo-qatar-315415
- http://www.bmw-me.com/me/en/insights/news/news_2011.htmlhttp://www.theedge.me/qatar%E2%80%99s-accelerating-automotive-sector/
- http://automotivehorizon.sulekha.com/firm-set-to-put-qatar-on-auto-industry-map_newsitem_1166
- http://www.marketresearch.com/Business-Monitor-International-v304/Qatar-Autos-Q2-6855265/
- http://www.expat-careers-international.com/Left+Menu/For+Job+Seekers/Destinations/Qatar.html
- http://www.autonews.com/article/20120127/BLOG15/301279997
- http://www.auctionexport.com/Things-to-Remember-While-You-Import-Cars-to-Qatar-from-the-US.html
- http://www.autonews.com/article/20120127/BLOG15/301279997#ixzz2EHHRwKWy
- http://www.indexuae.com/qatar/qatarcat.php?keytext=Auto_Dealers
- **http://www.aionline.com/Adv/Previous/show_issue.php?id=4736#sthash.SazdSl5x.dps**
- http://www.tradearabia.com/news/mtr_211673.html
- **http://info.shine.com/Industry-Information/Automobiles/783.aspx**
- http://www.slideshare.net/sandyskadam/automobile-sector-in-india
- http://www.slideshare.net/sandyskadam/automobile-sector-in-india

- http://www.plastindia.org/upload%5Cinternationalconference%5Cday2%5CMr.%20S.Maitra,%20Maruti%20Suzuki.pdf
- http://www.idconline.com/technical_references/pdfs/mechanical_engineering/Indian%20Automobile.pdf
- http://www.qatarauto.com/top-10-cars-to-buy-when-you-win-the-lottery/
- http://www.bqdoha.com/2013/04/business-opportunity-in-qatar-scrap-tyres
- http://www.researchandmarkets.com/reports/2201004/qatar_autos_report_q3_2012
- http://www.qatarhelplinegroup.com/business-services/business-opportunities-in-qatar.php
- http://automotivehorizon.sulekha.com/wipro-enters-into-strategic-alliance-with-qatar-airways_newsitem_5253
- http://www.hyundai.com/qa/en/NewsEvents/News/GlobalNews/DF_QA_LNDOC_073.html
- http://www.qatarag.com/media/press-releases/
- http://www.thehindubusinessline.com/industry-and-economy/india-seeks-more-oil-gas-from-qatar/article3273541.ece
- http://www.business-standard.com/article/economy-policy/pm-asks-auto-industry-to-adopt-electric-technology-fast-113010900271_1.html
- https://www.kpmg.de/docs/Auto_survey.pdf
- http://automotivehorizon.sulekha.com/india-is-key-gas-market-for-qatar-says-seetharaman_newsitem_3711
- http://timesofindia.indiatimes.com/business/india-business/India-request-for-extra-Qatar-LNG-to-boost-bilateral-trade/articleshow/12556449.cms
- http://www.economywatch.com/indian-automobile-industry/government-policies.html
- http://www.tuhh.de/tim/downloads/arbeitspapiere/Working_Paper_57.pdf
- http://www.isca.in/IJMS/Archive/v2i2/4.ISCA-RJMS-2012-03.pdf
- http://wiki.answers.com/Q/Effect_of_globalisation_in_Indian_Automobile_industries
- http://lcm.csa.iisc.ernet.in/TDM/auto.html
- http://www.commodityonline.com/news/india-budget-2013-14-to-have-minimal-impact-on-automobile-sector-india-ratings-53184-3-53185.html
- http://automotivehorizon.sulekha.com/india-qatar-differ-on-pricing-of-lng_newsitem_3404
- http://thepeninsulaqatar.com/qatar-business/229951-qatar-imported-more-cars-in-q4-last-year.html
- http://useconomy.about.com/od/businesses/p/Tata.htm

✓ http://www.telecomindiaonline.com/cmai-association-of-india-announced-the-prestigious-6th-national-telecom-awards-2012.html

- ✓ http://www.marketresearch.com/Business-Monitor-International-v304/Qatar-Telecommunications-Q4-7150215/
- ✓ http://analysis.businessmonitor.com/intelligence/middle-east/qatar/telecoms-industry
- ✓ http://www.newdevtprojects.com/ilo/iloPdf/telecommunication.pdf
- ✓ http://www.slideshare.net/jontymohta444/report-on-telecom-sector#btnNext
- ✓ http://www.slideshare.net/rahulkalra0001/swot-analysis-indian-telecom-industry-ppt
- ✓ http://www.slideshare.net/domsr/telecom-industry-27-28-63
- ✓ http://www.scribd.com/doc/127773491/telecommunicationsector2-091120083645-phpapp02
- ✓ http://theviewspaper.net/boom-in-the-indian-telecom-sector-here-to-stay/
- ✓ http://articles.economictimes.indiatimes.com/2009-12-04/news/27640701_1_3g-telecom-sector-mobile-operators
- ✓ http://shodhganga.inflibnet.ac.in/bitstream/10603/3869/9/09_chapter%201.pdf
- ✓ http://www.studymode.com/essays/Marketing-Communication-Telecom-Sector-Qatar-180158.html
- ✓ http://www.ibef.org/industry/telecommunications.aspx
- ✓ http://www.reportlinker.com/ci02081/Telecommunication-Services.html
- ✓ http://www.businessteacher.org.uk/free-finance-essays/indian-telecom-sector.php
- ✓ http://info.shine.com/Industry-Information/Telecom/183.aspx
- ✓ http://www.scribd.com/doc/27121254/Pest-Analysis-Indian-Telecom-Industry
- ✓ http://www.bbc.co.uk/news/business-22393372
- ✓ http://timesofindia.indiatimes.com/business/india-business/Qatar-group-to-buy-5-in-Airtel-for-Rs-6-8k-crore/articleshow/19875927.cms
- ✓ http://www.lightreading.in/lightreadingindia/news-wire-feed/156412/tata-communications-inks-deal-ooredoo-qatar
- ✓ http://www.qatarisbooming.com/2012/07/02/qtel-and-tata-communications-strengthen-ongoing-partnership/
- ✓ http://www.slideshare.net/arpit754/pestle-analysis-telecom-sector
- ✓ http://www.qatarembassy.net/environment.asp
- ✓ http://www.theedge.me/high-rates-slow-connections/

- ✓ http://www.nawras.om/pdf/IR/prospectus.pdf
- ✓ http://www.martindale.com/members/Article_Atachment.aspx?od=1830535&id=943278&filename=asr-943318.pdf
- ✓ http://www.budde.com.au/Research/Qatar-Telecoms-Mobile-Broadband-and-Forecasts.html
- ✓ http://www.extensia-ltd.com/documents/telecom-industry-in-qatar/9470/
- ✓ http://www.qatarmark.com/companies/telecommunications.html
- ✓ http://kmdqatar.com/qatar_company_formation.html
- ✓ http://en.wikipedia.org/wiki/IctQATAR
- ✓ http://www.disabilitynewsasia.com/home-mainmenu-1/556-telecom-industry-in-qatar-plan-to-help-people-with-disabilities.html
- ✓ http://www.arabianbusiness.com/companies/qatar-telecom-66511.html

- http://en.wikipedia.org/wiki/Vodafone
- http://www.pro-partnership.com/pages/starting-a-business-in-qatar.aspx
- http://www.pea.com/blog/posts/qatar-aviation-industry-.html
- http://www.theedge.me/qatar%E2%80%99s-accelerating-automotive-sector/
- http://automotivehorizon.sulekha.com/firm-set-to-put-qatar-on-auto-industry-map_newsitem_1166
- http://www.marketresearch.com/Business-Monitor-International-v304/Qatar-Autos-Q2-6855265/
- http://www.expat-careers-international.com/Left+Menu/For+Job+Seekers/Destinations/Qatar.html
- http://www.autonews.com/article/20120127/BLOG15/301279997#ixzz2EHBhtvVz
- http://www.autonews.com/article/20120127/BLOG15/301279997
- http://www.auctionexport.com/Things-to-Remember-While-You-Import-Cars-to-Qatar-from-the-US.html
- http://www.autonews.com/article/20120127/BLOG15/301279997#ixzz2EHHRwKWy
- http://www.qatarqlick.com/local-news/item/1553-fuel-may-get-costlier-to-save-environment.html
- http://www.britannica.com/EBchecked/topic/485603/Qatar/256432/Justice
- http://www.nyulawglobal.org/globalex/Qatar.htm

- http://www.placesonline.com/asia/qatar/doha/photo_detail.asp?filename=18915_doha_new_city_center
- http://www.arabianbusiness.com/qatar-s-pharmaceutical-market-set-for-12-growth-2015-405445.html
- http://www.qatarliving.com/node/4873631
- http://fanack.com/countries/qatar/economy/agriculture-industry-services/
- http://fanack.com/en/countries/qatar/economy/infrastructure-and-transport/
- http://www.qnfsp.gov.qa/programme/agriculture/fisheries
- http://www.mbt.gov.qa/English/ForeignInvestor/Documents/MOBT-Brochure%20englo.pdf
- http://www.mbt.gov.qa/English/Businessmen/Pages/ServicesSector.aspx
- http://www.english.globalarabnetwork.com/2012080212470/Real-Estate/qatar-real-estate-sector-appears-set-for-steady-growth.html
- http://www.thepeninsulaqatar.com/business-news/193700-qatar-to-invest-17bn-in-hospitality-sector.html
- http://fanack.com/en/countries/qatar/economy/tourism/
- http://www.google.co.in/url?sa=t&rct=j&q=&esrc=s&frm=1&source=web&cd=1&cad=rja&ved=0CC8QFjAA&url=http%3A%2F%2Fwww.wto.org%2Fenglish%2Ftratop_e%2Ftpr_e%2Fs144-4_e.doc&ei=Gsq8UMylJcXLrQeGjoD4Aw&usg=AFQjCNGeWkszNvni0HJAbHzpl0SVjwQVXg&sig2=G8ro20C82chlHZdM-CBSPQ
- http://www.qatarembassy.net/insurance.asp
- http://www.qatarembassy.net/banking.asp
- http://mec.biz/term/uploads/DHBK-15-06-2011.pdf
- http://www.qsa.gov.qa/eng/publication/economic_publication/2012/Qatar%20Economic%20Statistics%20at%20Glance.pdf
- http://www.plastindia.org/upload%5Cinternationalconference%5Cday2%5CMr.%20S.Maitra,%20Maruti%20Suzuki.pdf
- http://www.idconline.com/technical_references/pdfs/mechanical_engineering/Indian%20Automobile.pdf

- http://www.qatarauto.com/top-10-cars-to-buy-when-you-win-the-lottery/
- http://www.bqdoha.com/2013/04/business-opportunity-in-qatar-scrap-tyres
- http://www.researchandmarkets.com/reports/2201004/qatar_autos_report_q3_2012
- http://www.qatarhelplinegroup.com/business-services/business-opportunities-in-qatar.php
- http://automotivehorizon.sulekha.com/wipro-enters-into-strategic-alliance-with-qatar-airways_newsitem_5253
- http://www.hyundai.com/qa/en/NewsEvents/News/GlobalNews/DF_QA_LNDOC_073.html
- http://www.qatarag.com/media/press-releases/
- http://www.thehindubusinessline.com/industry-and-economy/india-seeks-more-oil-gas-from-qatar/article3273541.ece
- http://www.business-standard.com/article/economy-policy/pm-asks-auto-industry-to-adopt-electric-technology-fast-113010900271_1.html
- https://www.kpmg.de/docs/Auto_survey.pdf
- http://www.indiainfoline.com/Markets/News/Automobile-Sector-Outlook-2013-Dun-and-Bradstreet/5572570465
- http://automotivehorizon.sulekha.com/india-is-key-gas-market-for-qatar-says-seetharaman_newsitem_3711
- http://timesofindia.indiatimes.com/business/india-business/India-request-for-extra-Qatar-LNG-to-boost-bilateral-trade/articleshow/12556449.cms
- http://www.economywatch.com/indian-automobile-industry/government-policies.html
- http://www.tuhh.de/tim/downloads/arbeitspapiere/Working_Paper_57.pdf
- http://www.isca.in/IJMS/Archive/v2i2/4.ISCA-RJMS-2012-03.pdf
- http://wiki.answers.com/Q/Effect_of_globalisation_in_Indian_Automobile_industries
- http://lcm.csa.iisc.ernet.in/TDM/auto.html
- http://www.commodityonline.com/news/india-budget-2013-14-to-have-minimal-impact-on-automobile-sector-india-ratings-53184-3-53185.html
- http://automotivehorizon.sulekha.com/india-qatar-differ-on-pricing-of-lng_newsitem_3404

- http://thepeninsulaqatar.com/qatar-business/229951-qatar-imported-more-cars-in-q4-last-year.html
- http://useconomy.about.com/od/businesses/p/Tata.htm
- http://media2.intoday.in/btmt/images/stories//January2013/tata-nano2_012813030733.jpg
- http://www.icmis.net/ictbm/ictbm13/proceedings/pdf/D3176-done.pdf
- http://www.bilcare.com/media/press_releases_sept_1_2008.htm