

## Cabinet reshuffle indicates growing confidence in Qatar

- The cabinet was reshuffled on November 4th, in the first changes since 2016.
- The most notable changes involved drafting corporate executives into government, including two from Qatar National Bank, and one each from Qatar Rail and Qatar Petroleum. This should support reforms to improve government efficiency and enhance the business environment.
- The boards of QP and Qatar Investment Authority (QIA), whose membership is partly linked to the cabinet, were also restructured.
- The changes include promotions for a new generation of royals, continuing the leadership transition which began when Sheikh Tamim became Emir in 2013.
- The breadth of the changes also suggests a renewed confidence, 18 months after the start of the regional blockade. This fits with an address by Sheikh Tamim in which he said the impact of the blockade has been largely overcome.

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## Confident changes

On November 4th, the Emir, Sheikh Tamim bin Hamad al-Thani, issued a decree which made extensive changes to his cabinet and to the boards of the state's two main sources of wealth, Qatar Petroleum (QP) and Qatar Investment Authority (QIA). These were the first major changes to the government since a reshuffle and consolidation of ministries made in January 2016, when oil prices were at their weakest. The earlier reshuffle, which was the first since Sheikh Tamim became Emir and appointed his first cabinet in 2013, had been focused largely on efficiency and cost cutting, such as merging the Transport and Communications ministries and eliminating superfluous government agencies.

The current reshuffle, by contrast, comes at a time when energy prices have rebounded, returning the budget to a surplus, and after the economy has largely shrugged off the impacts of the 18-month blockade led by Saudi Arabia and the UAE. This was the [message from Sheikh Tamim](#) on November 6th at the annual opening of the Advisory Council, which is when he traditionally gives his perspective on the country's economic performance and policy. The reshuffle had been planned for some time according to some sources, but was delayed as a consequence of the blockade. The decision to press ahead with the reshuffle now is an indication of Qatar's rising confidence in its own stability.

The timing of the reshuffle and the specific changes are indicative of confidence and specific positive policy objectives, rather than changes imposed on Qatar as a result of external circumstances. Common themes include the appointments of individuals with proven corporate expertise and also a younger generation of royals, continuing the process of leadership transition begun in 2013.

### **Economic ministries**

Changes were made to five ministries, with four newcomers, three departures and one sideways move. The most senior appointment was Ali al-Kuwari as Minister of Commerce and Industry, replacing Sheikh Ahmed bin Jassim Al Thani. Kuwari has had a long career at Qatar National Bank (QNB), the largest bank in the Middle East and Africa which is half-owned by the state, most recently as its CEO since 2013. The bank's previous CEO, Ali Shareef al-Emadi, was appointed Minister of Finance in Sheikh Tamim's first cabinet in 2013, a post he retains. Kuwari had served as Chief Business Officer at QNB under Emadi and the two have also worked closely together over the past five years given that Emadi also serves as chairman of QNB. This should provide a strong base for cooperation between the two most important ministries for economic development. Kuwari will also be able to apply his corporate expertise and managerial skills to the ministry, which has greatly expanded over the past two years to support diversification and self-reliance efforts.

The change in name of the ministry, from "Economy and Commerce" to "Commerce and Industry", suggests a functional change as well. Prior to 2013, the ministry was called "Business and Trade", when the Economy function was attached to the Ministry of Finance. The latest change may be more than just nominal, as the industry function has long been attached to the Ministry of Energy, because historically most industry in the country has been heavy downstream plants utilising hydrocarbon feedstock or large-scale energy generation. The new name could indicate a growing focus on lighter industry, including in new special economic zones, as the country looks to diversify and also become more self-reliant (a trend partly motivated by the

blockade). It is not yet entirely clear whether the responsibilities and personnel related to oversight of heavy industry will also shift over.

(Abdulla Mubarak al-Khalifa, who was previously Chief Business Officer at QNB, was promoted to Acting CEO, following the same path that Kuwari did when Emadi joined the cabinet in 2013).

There is some confusion regarding the appointment of Saad Sherida al-Kaabi, who has been CEO of QP since 2014, as Minister of State for Energy Affairs. It appears that he has replaced Mohamad al-Sada, who had been Minister of Energy and Industry since 2011 and was one of the last remaining senior ministers from the pre-Tamim era, although there has been no formal comment on this barring an unnamed official from the ministry who [told S&P Global Platts](#) that the position no longer exists. His name has also been removed from QP's board, which is strong confirmation of this. It appears that Kaabi will retain his role as QP's CEO, at least for the time being. Before Kaabi's appointment as CEO in 2014, QP was managed directly by the minister, so the changes seem to constitute a return to this previous system. Meanwhile, the Deputy Emir, Sheikh Abdullah bin Hamad al-Thani, one of the Emir's younger half-brothers, was appointed as Chairman of QP. The personnel and administrative changes are unlikely to have a substantive impact on energy sector policy, which remains focused on the addition of four new LNG trains by 2024.

### **Social ministries**

Another QNB executive, Yousef al-Othman, was appointed as Minister of Administrative Development, Labour and Social Affairs. He was previously the head of Human Capital at QNB and so is well suited for the new position, with experience in both training Qatari nationals and effectively managing expatriate workers. The public sector is less skilled and merit-based than QNB, given the longstanding social contract under which most Qatari nationals are able to secure well-paid and undemanding jobs for life, resulting in high levels of overstaffing and inefficiency. Othman's major challenge, therefore, is to draw on his experience at QNB to improve skills, work-ethics and merit-based promotions across the public sector. At the same time, he will be responsible for ongoing reforms that improve conditions for expatriate workers, particularly the most vulnerable, and improve the flexibility of the labour market. Recent measures that he will be implementing include abolishing most exit permits, creating a workers' insurance fund and granting permanent residence to a limited number of expatriates.

The outgoing Minister of Administrative Development, Labour and Social Affairs, Issa al-Nuaimi, moves over to the Ministry of Justice (replacing Hassan al-Mohannadi) and also takes on the duties of the Minister of State for Cabinet Affairs (from Ahmad al-Mahmoud).

Another corporate executive, Abdullah al-Subaie, was appointed Minister of Municipality and Environment. He was previously CEO of Qatar Rail and, before that, of Barwa, the largest private real estate developer. This provides him with a good understanding of all aspects of urban development, which should support more efficient planning. He replaces Sheikh Abdul Rahman bin Khalifa Al Thani, one of the Emir's uncles.

### **Board reshuffles**

Alongside the cabinet reshuffles were changes to key boards of directors. The [QP board](#) was significantly changed. Aside from the appointment of Sheikh Abdullah al-Thani as its Chair, Saad al-Kaabi was promoted to vice-chair and Kuwari replaced his predecessor, maintaining the link between the board and the key economic ministries. The two other new members are Sheikh Khalid bin Khalifa bin Jassim Al-Thani, the CEO of Qatargas, and Saeed Mubarak Al Muhannadi, a

former Operations Director at QP and the Chairman of Gulf Helicopters. They replace Ibrahim Al-Ibrahim, the longtime economic advisor to the Emir and his father, and Hamad Rashid Al-Mohannadi, who was CEO of Rasgas before it was merged into Qatargas.

There were also significant changes made to [QIA's board](#). This followed the appointment of a new CEO in September, Mansoor bin Ebrahim al-Mahmoud, who replaced Sheikh Abdulla bin Mohammed bin Saud al-Thani. As follows recent convention, both the chair and vice-chair are members of the ruling family, although both have been changed. The new chair is Sheikh Mohammed bin Abdulrahman bin Jassim al-Thani, the foreign minister and deputy prime minister. This somewhat replicates the era under 2013 when Hamad bin Jassim al-Thani ("HBJ") headed QIA and was also foreign minister and prime minister, and there are significant parallels between the rise of the two men and their relationships with their respective emirs. He replaces, Sheikh Abdullah bin Hamad bin Khalifa al-Thani, one of the Emir's half-brothers. The vice chair had been Sheikh Ahmed, the Minister of Economy and Commerce, but he has been replaced by another of the Emir's full brothers, Sheikh Mohamed bin Hamad bin Khalifa Al-Thani, who chaired the 2022 World Cup bid and oversees its implementation as the managing director of the Supreme Committee for Delivery and Legacy. Meanwhile, Kuwari joins the board given his new role as Minister of Commerce and Industry. Kaabi, Emadi and three other veteran members retained their existing positions on QIA's board, providing significant continuity.

There were other changes too, Sheikh Mohammed bin Hamad al-Thani, the Deputy Governor of Qatar Central Bank (QCB), was appointed as chairman of Qatar Financial Markets Authority. That role was previously held by QCB's governor, Sheikh Abdullah bin Saoud al-Thani. Sheikh Mohammed is another of the new generation of leaders, having only joined QCB in February.