

QATAR IS GEARING UP LNG PRODUCTION



Qatar's hydrocarbon production is expected to grow by over 2% this year

According to several top analysts at some of the world's largest rating agencies and market insight providers. As a result, 2024 will witness a significant milestone for the Qatar economy with rising oil and gas projects providing considerable growth in the energy sector.

This ramp-up in production has been underpinned by supply agreements signed in November 2022, most notably with Total Energies - France, Royal Dutch Shell - Netherlands, along with the first Qatar-German LNG supply contract and a record-breaking deal with China. This Landmark \$60bn agreement for purchases of LNG will see Qatar supply Sinopec with four million tons of the gas per year starting in 2026.

These multi-jurisdictional contracts are set to last for 27 years, further reinforcing that hydrocarbons will continue to be the leading driver of economic growth in Qatar for decades to come. So, despite the government's concerted diversification efforts under Vision 2030, Qatar's hydrocarbon sector earnings will still account for nearly 60% of all government revenue.

The real catalyst for the above undertakings dates back to 2021 when the Qatar government lifted a self-imposed 12-year moratorium on further developing LNG extraction from the North Field Expansion project. However, news of this significant development failed to make the headlines as the global focus in Qatar at the time, remained firmly fixed on the pandemic and preparations for the fast-approaching FIFA World Cup. Come February 2024, with COVID-19 in Qatar under control and the World Cup 2022 a distant memory, the North Field Expansion project has once again taken centre stage.

The North Field was discovered in 1971 and is estimated to contain over 900 trillion cubic feet of recoverable natural gas. The field covers an area of more than 6,000 km².

- **Qatar-German LNG Supply contract with China**

Agreement Amount

\$60bn

- **Qatar's hydrocarbon sector earning will still account for nearly**

60%

of all government revenue

- **North Field was discovered in 1971 with 900 trillion cubic feet of recoverable natural gas**

Area of this field

6000km²

The first phase of the North Field Expansion project is expected to increase capacity by 43% from 77 million tons per annum (mtpa) to 110 mtpa by 2025. The second phase, called the North Field South Project, will further increase the production capacity from 110 mtpa to 126 mtpa, a total 64% increase by 2027 (equivalent to approximately 3.1 million barrels of oil per day). This project also includes the development of six LNG mega trains, creating significant opportunities for foreign energy companies looking to enter the Qatar market.

Notable sub-sector areas with strong market potential in upstream, midstream, and downstream are ample, some of which include:

- » Drilling
- » Heat Exchangers
- » Valves
- » Pumps
- » Engine Controls
- » Instrumentation and testing equipment
- » Well-servicing and maintenance contractors
- » Refinement



However, due to recent changes in the permitted activities available to non-Qatari investors, market entry for energy companies that offer business solutions in these areas can sometimes present challenges.

In conclusion, establishing a company in Qatar can be an extremely promising venture, and Fusion Middle East serves as your gateway to success in this dynamic market. With a comprehensive understanding of local regulations, cultural nuances, and business fundamentals, Fusion Middle East can guide you through every step of the process, allowing you to harness the immense potential that Qatar's energy sector has to offer. From legal compliance to strategic market positioning, Fusion Middle East is your trusted partner on the road to establishing a thriving business in Qatar.

For further information on market entry and establishment, please click the link below and register for a free consultation with one of our expert advisers

[CLICK HERE](#)