


# Chapter 13

## Economic Rise With LNG Model: A Case Study of Qatar

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### ABSTRACT

*The transformation of natural gas that marked the 21st century was realised by transforming it into liquefied natural gas (LNG). Starting in 1971 with the discovery of the Northern Gas Field, Qatar's rise in LNG has heralded an important industrial and economic transformation with the first LNG transfer to Japan in 1997. The Doha administration, which stands out as a reliable partner with its infrastructure investments in the LNG sector, has managed to get the economic return of the cooperation network it has established. In this way, the revenues obtained have been transformed into investments in many areas from infrastructure to industry, health, culture, and education. Modern education cities, a global company in the aviation sector, communication and media investments have formed the basis of the partnership process with important industrial organisations. Moreover, the country has become one of the leading welfare countries in the world with its per capita income. From this point of view, it is the subject of the study that LNG trade is the main dynamo of Qatar's economic rise.*

### INTRODUCTION

There exists a strong relationship between natural resources and human beings, encompassing processes as simple as harnessing a river's flow to those as complex as extracting and refining minerals from beneath the Earth's surface. The position that civilizations have attained today reflects triumph in the struggle against nature, and within this struggle, natural resources play a significant role. Human beings and natural resources have intertwined like partners in the development of civilizations. Just as human beings have managed to harness nature to meet its needs, resources have also become elements that work for the welfare of human beings. In this context, throughout human beings' historical journey, no natural resource has served the advancement of civilizations as profoundly as petroleum, coal, and natural gas.

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Natural resources can, on a smaller scale, serve as a source of identity for nations, much like they do for human beings as a whole. This perspective is particularly evident when examining energy resources. Indeed, there are countries across the world that hold resources as if they hold a sacred treasure, and there are also countries that emerge with these resources. Just like in the case of Qatar, a country with rich natural gas resources in the Persian Gulf.

Exploring Qatar's history also provides an opportunity to observe the dominant powers, in global and regional power struggles. Throughout history, the region has been influenced and governed by forces such as the Portuguese, Abbasids, Ottoman Empire, British, and The United States. The ruptures that shaped Qatar's history are explained by these political powers.

The decolonization process, which was expedited in the latter half of the 20<sup>th</sup> century, marked the independence of Qatar. The natural gas reserves upon which Qatar has laid on have seemingly blessed the country with the gift of independence. The Middle East possesses the world's third-largest natural gas reserves, making it a region blessed with rich resources. It is the effective and efficient utilization of these resources that has transformed Qatar into a nation of energy marvels. The process of managing energy resources initially manifested through a profound understanding of the Liquefied Natural Gas (LNG) model. Subsequently, infrastructure, technology, and a diversified network of bilateral relationships became crucial elements of success. Qatar demonstrates the ability to simultaneously export its energy resources to different continents, and geographies including Germany, Japan, China, India, UK, and Pakistan. While this might initially appear as a simple trade network, it is essential to recognize that in a geography fraught with geopolitical risks and an international system marked by ideological divisions, steering LNG trade requires delicately maintaining a balance. At this point, we see the fact that Qatar is conducting good energy diplomacy. In other words, the LNG trade for Qatar has been supported not only by material elements but also by effective diplomacy.

It is a fact that the world today has an unshakable connection with energy. However, this reality cannot overlook the necessity for the proper management of each energy source. Energy trade evolves within a realm encompassing political power dynamics, geopolitical risks, wars, conflicts, international sensitivities, and numerous diverse contexts. In addition, a civilization trying to get rid of hydrocarbons is on the horizon in the transformation of the world. In this regard, Qatar's ascent through energy resources depends on various elements to ensure its sustainability. Thus far, it is possible to say that Qatar has shown an example of good governance. Moving beyond the successful continuation of energy trade, Qatar is converting resource revenues into investments in various sectors. The aim here is to create a multi-faceted income base from a single-based economy.

At this point, it is valuable to focus on a context in which energy geopolitics is established for Qatar. The tension created by regional geopolitics makes it inevitable for the energy equation to be built on delicate balances. At the same time, this tension reveals the necessity of addressing the LNG issue with multilateral diplomacy. In this study, the power of the LNG model in energy geopolitics and its contribution to Qatar's transformation are discussed.

## **HISTORICAL AND POLITICAL STRUCTURE OF THE COUNTRY**

The region in which the State of Qatar is located dates back to the 5<sup>th</sup> century BC. Due to the strategic geographical positioning of the region, the Canaan Tribes with a seafaring lifestyle became the first inhabitants. In the past, an important port in the Arabian boundaries, Zubara, was known as "Qatra".

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