

QATAR UNIVERSITY  
COLLEGE OF BUSINESS AND ECONOMICS

ROLE OF REGULATIONS IN PROMOTING GROWTH OF  
SMES AND START-UPS IN QATAR

BY  
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A project Submitted to the Faculty of  
Business and Economics  
In Partial Fulfillment  
of the Requirements  
for the Degree of  
Master of Business Administration

June 2016

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## **Abstract**

The third pillar of Qatar National Vision 2030 - Economic Development, set a goal for the non-hydrocarbon sector to raise its contribution to GDP significantly by 2030. In order to accomplish this goal, economic diversification with a focus on enhancing the role of the private sector and maintain its competitiveness is a key priority.

Entrepreneurship plays a major role in shaping and developing a diversified economy in conjunction with the growing role of SME's in the country in line with Qatar National Vision 2030. The diversification role of SMEs and Start-ups becomes more important under current economic conditions where oil and gas prices have dropped significantly. H.E. Sheikh Abdullah bin Nasser bin Khalifa Al Thani, Qatar Prime Minister, at the opening session of the 3rd Entrepreneurship in Economic Development Forum on 7-8 March 2016 in Doha, emphasized the urgency and importance of the Qatar policy makers in supporting the growth of SMEs and Start-ups in Qatar. In line with this message, this research aims to conduct a review of current regulations in supporting the growth of SMEs and Start-ups in Qatar.

To evaluate the most significant issues that are currently facing SMEs and Start-ups, a mixed of qualitative and quantitative methods known as Triangulation method was used. It started with preliminary interviews of nine Economics experts and Researchers, followed by the quantitative descriptive survey collected from 40 respondents, and finally a qualitative in-depth semi-structured interview with eleven selected entrepreneurs. The questionnaire and the interview complemented each other and helped the researcher to understand and gain a deeper insight into the issues that are being faced

by the entrepreneurs relating to the current rules and regulations and how they should help in promoting, starting, growing and sustaining their businesses in Qatar.

This research will contribute considerably towards the pertinent Qatar stakeholders' understanding of the private sector's current landscape. The research result identified several external and internal factors that are still seen as barriers to the growth of SMEs and Start-ups in Qatar. It suggested some restructuring to the current laws and regulations relating to SMEs and Start-ups to make those regulations more accessible, more transparent, more consistently applied and easier to implement. The research study also demonstrates scope for Qatari policy makers to increase the urgency of their efforts in promoting SMEs and Start-ups through the implementation of entrepreneurship education, as well as to increase public awareness campaign of government and quasi-government initiatives supporting SMEs and Start-ups through several media of communications. Research recommendations based on findings will be forwarded to the policy makers in Qatar in order to find proper measures for implementation to support the development of its private sector.

**Keywords:** Small Medium Enterprises, Start-ups, private sector, Qatar

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## **Acknowledgements**

I would first wish to express my sincere thanks to my research supervisor, Professor Marios I Katsioloudes and the Associate Dean for Research & Graduate Studies, Professor Belaid Aouni for giving me a chance to work on this research and to all the advice and support extended to me.

I would like to thank Qatar Financial Center for sponsoring this research, especially to Ms. Aysha Ahmed Al-Ishaq for her advice and support.

I am very grateful to all the participants who kindly provided their time and experiences for the research; needless to say this report would not have been possible without them.

I would like to express gratitude to all my Qatar University MBA colleagues. I would never forget the teamwork and beautiful moments with all my classmates. My close friends I would like to mention here are Fatma Al-Amri and Dhoha Albuhendi, who personally contributed to this thesis, helping me with Arabic translations of the survey and providing me access to the ICT Qatar Incubation Center for interview with some of the entrepreneurs.

A special thank goes to my mentor, who is also my best friend and my inspiration in life, Mr. Chris Arthey, who continuously giving me real support and motivation to pursue my MBA and patiently commented and did the proof reading of my thesis. It is only thanks to him that this thesis acquired an “English shape”.

Finally, my deepest gratitude goes to my family for their unflagging love and unconditional support throughout my life and my studies.

# **ROLE OF REGULATIONS IN PROMOTING GROWTH OF SMEs AND START-UPS IN QATAR**

## **CHAPTER 1. INTRODUCTION**

Researchers around the world recognize the importance of entrepreneurship. The Qatari Government recognized this importance in the area of “Economic Development,” which is one of the essential pillars of the Qatar National Vision 2030, where it was clearly stated that as part of the Suitable Economic Diversification Strategy: “A diversified economy that gradually reduces its dependence on hydrocarbon industries, enhances the role of the private sector and maintains its competitiveness through: A knowledge-based economy characterized by innovation; entrepreneurship; excellence in education; a world-class infrastructural backbone; the efficient delivery of public services; and transparent and accountable government. (Qatar National Vision 2030, 2008)

The role of entrepreneurs is usually represented by Small and Medium-sized Enterprises (SMEs) and Start-ups. However, there has been a lack of entrepreneurship research conducted in Qatar to date. More research is required, especially to understand the Role of Regulations in Promoting Growth of SMEs and Start-ups in Qatar.

Qatar’s Minister of Finance, H E Ali Sherif Al Emadi in his speech on 7 September 2015, at Carnegie Mellon University in Qatar’s Dean’s Lecture Series said that the private sector will drive the economy, as the country moves towards a knowledge-based society. (Global Entrepreneurship Monitoring)

SMEs and Start-ups face a number of challenges during the various stages of their development. Access to finance represents major challenge to their start up and growth. This research aims to understand those challenges and gather opinions on how the Qatari regulations could be evolved towards promoting the growth of SMEs and Start-ups.

Despite of the National Strategy's target to increase the proportion of Qataris in the private sector to 15% by 2016, young Qataris are much more likely to join the public sector for more job security and better pay in today's economy (Khatri, 2015). So why do some people want to venture out on their own? What could be done to encourage more of this attitude in the local population? Khalifa Saleh Al Haroon, the CEO and founder of Haroon United Group and iLoveQatar Network answered the question by saying that "For many ambitious Qataris who want to make a mark, we need a bit of risk in our lives. We want to create. We want something more". To encourage more of a similar attitude, he suggested leading a discussion with the Ministry of Economy and Commerce to help conduct studies on how easy it is to set up a business in Qatar and to encourage more Start-up entrepreneurs by showing more success case studies.

## **1.1 Qatar Overview**

Qatar is an oil and gas-rich peninsula that shares a land border with Saudi Arabia and maritime borders with the United Arab Emirates, Bahrain and Iran. The capital of Qatar is Doha. The economy is dominated by oil and gas revenues, which account for 70% of export income. With a landmass of 11,400 km<sup>2</sup>, this small emirate boasts the world's third largest gas reserves.

Independent since 1971, Qatar is a constitutional monarchy ruled by the Emir, His Highness Sheikh Tamim Bin Hamad Al Thani. Since its independence, the economy of Qatar has grown and diversified, reducing its reliance on pearl diving and currently deriving its wealth from huge oil and gas resources. International Monetary Fund (IMF) reports that, Qatar's GDP rose as high as \$94 billion (US) which equates to US\$ 143.4 per capita in 2014, the highest in the world (IMF, June 2015).

Qatar's population continues to swell every passing year, with an annual average growth rate of 2.6% in the last fifteen years (Statistics, 2014). The total population is 2,559,267 as of 30 April 2016 (not including people with Residence Permits and Qatari nationals that were outside the country at the time). Qatari nationals number only 278,000, representing a mere 11 percent of the total population in the country. Indians at 545,000 and Nepalese at 400,000 actually far surpass them. Qatar's Ministry of Development Planning and Statistics offers a month-to-month update on population numbers, however it does not provide a breakdown per nationality. The total number of people classified as "Economically active population (15 years & above with active income – not including persons seeking work for the first time)" according to the MDPS third quarter 2015 labor force survey is 1,866,846, where non-Qatari female represent 12 percent (222,528 people). (Qatar-MDPS, 2016)

The economy of Qatar is one of the most active in the Middle East and North Africa region. The key to optimism and confidence is the State's commitment to developing a broad-based private sector that will be able to sustain standards of living in Qatar as oil and gas reserves deplete.

By 2030 Qatar aims to achieve its national vision of being an advanced, educated society, capable of sustaining a better standard of living. The Qatar National Vision for the year 2030 provides the framework within which national strategies and implementation plans are being developed. (Qatar Development Bank)

## **1.2 Research Objectives**

This research is conducted to support efforts promoting the growth of the private sectors through SMEs and Start-ups in Qatar. Its objectives are to understand the role of the Qatar regulations, specifically to:

- understand the current landscape of Qatar's private sector (defined as including non-governmental Qatari companies)
- identify external (exogenous to the sector) and internal (endogenous to the sector) factors that impact Qatar's private sector.
- identify measures being adopted by Gulf Cooperation Council (GCC) countries to support the development of their private sectors.
- apply findings by making recommendations for pertinent stakeholders in Qatar to support the development of its private sector by providing proposals for changing or improving regulations.

## **1.3 Overview of Methodology**

This research aims to address the role of Qatar government's regulations in promoting SMEs and Start-ups in Qatar.

Initially the researcher collected information from several Qatar government institutions and from other public sources to summarize the Qatari SMEs landscape. The research was extended to gather secondary data from other countries or regions with a history of hosting successful SMEs and Start-ups for the lessons learned. The research then was progressed to field research using mixed methods of data collection to achieve the research objectives, utilizing two types of interconnected survey tools: questionnaire and interviews.

Since the author has a limited network of suitable respondents for this specific topic, a “snow ball” sampling technique was used based on chain-referral sampling (Goodman, 1961). Daymon & Holloway (2002) pointed out that there is no final answer for the right sample size for qualitative methods. However Kuzel (1999) suggested that in order to achieve a level of depth (i.e. personal experience of the business players) a sample of 4 – 15 will provide sufficient data.

First, preliminary interviews were carried out with nine selected economic experts and researchers representing several Qatar government institutions dealing with regulations (including incubation centers, Qatar enterprises institutes, and Qatar University faculty member experts in entrepreneurship) that promote SMEs and Starts-Ups. The results of these preliminary interviews helped to shape an online questionnaire and setting up the quantitative parameters to determine the significance of the regulations to the business.

The quantitative survey expected to access a larger number of respondents from SMEs and Starts-ups owners or representatives, to provide sufficient data for statistical analysis. In total more than 300 questionnaires were distributed through a ”Survey-Monkey”

online survey as well as hard copy. The survey response rate was around 17%, with respondents representing around 10% of the total 514 SMEs that are clients of Qatar Development Bank as of December 2015 (Qatar Development Bank, 2016).

In-depth interviews were conducted with eleven entrepreneurs, aiming to corroborate and add further commentary on the inferences that could be drawn from the statistical data. The in-depth interviews were conducted face to face with the SME/Start-ups owner or the company's authorized representative in Qatar. The interview objective was to assess their perceptions of current Qatar government regulations in promoting their business by understanding the obstacles, barriers and challenges facing them from starting, growing and sustaining the business and also their opinion on how to improve the efficiency of the applied regulations.

## **1.4 Definitions of terms**

### **1.4.1 Small and Medium-Sized Enterprise (SME)**

Small and medium-sized enterprises (SMEs); sometimes also known as Small and Medium Enterprises) or Small and Medium-sized Businesses (SMBs) are businesses whose personnel numbers fall below certain limits. The abbreviation "SME" is used in the European Union and by international organizations such as the World Bank, the United Nations and the World Trade Organization (WTO). Small enterprises outnumber large companies by a wide margin and also in total employ many more people. SMEs are also said to be responsible for driving innovation and competition in many economic

sectors.

A SME, according to the U.S. Small Business Administration (SBA) is an “independently owned and operated, organized for profit, and not dominant in its field.” SMEs generally sell known products to known customers in known local markets. (SBA, 2016)

#### **1.4.2 Qatar National Definition of Small and Medium Enterprise (SME)**

On November 15th, 2015, Qatar Minister of Information and Communication Technology H E Dr. Hessa Sultan Al Jaber formally announced a national definition for Small and Medium Enterprises (SMEs) for Qatar at the opening of the Global Entrepreneurship Week (GEW) organized by Qatar Development Bank (QDB) in cooperation with a number of institutions, universities and companies in Qatar.

The new definition describes SME as “a company with a workforce that does not exceed 250 employees (except for the creative sector where employees do not exceed 100), and having an annual revenue that does not exceed QR100m (about \$28 million)”. This definition has been adopted for the current research project. (The Peninsula Qatar, 2015)

#### **1.4.3 Start-ups**

Ries (2011) provided a definition of a Startup as a human institution designed to create a new product or service under conditions of extreme uncertainty. While Blank & Dorf (2012) defined a Start-up as a temporary organization designed to search for an acceptable and scalable business model.

Start-ups and SMEs may look similar in that they are both built by entrepreneurs and are small in revenue and staffing, but they are each pursuing radically different business models and with vast differences in intent, function and funding arrangements.

A Start-up is searching for answers to the product it will sell, the customer it will serve and the way it will make money from delivering value to its customers.

#### **1.4.4 Silicon Valley**

**Silicon Valley** is a nickname for the southern portion of the San Francisco Bay Area, which is located in part of the U.S. State of California known as Northern California. It is home to many of the world's largest high-tech corporations, as well as thousands of startup companies. It is a leading hub and Start-up ecosystem for high-tech innovation and development, accounting for one-third of all of the venture capital investment in the United States. It was in the Valley that the silicon-based integrated circuit, the microprocessor, and the microcomputer, among other key technologies, were developed. As of 2013, the region employed about a quarter of a million information technology workers. (Index, Silicon Valley, 2013)

#### **1.4.5 Cambridge Cluster**

Cambridge Cluster (also known as Silicon Fen) is the name given to the region around Cambridge, England, which is home to a large cluster of high-tech businesses focusing on software, electronics and biotechnology. Many of these businesses have connections with Cambridge University, and the area is now one of the most important technology

centers in Europe. It is called "Silicon Fen" by analogy with Silicon Valley in California, because it lies at the southern tip of the English Fenland. The interest in technology in the area started with Acorn Computers.

In answering the question whether Qatar could really become the “Silicon Valley” of the Middle East, Mashood (2013) summarized some obstacles that current entrepreneurs in Doha are still facing while trying to start their online businesses. Those high barriers are the high minimum investment requirement and other company set-up costs, Licenses and other legal requirements, the high required percentage of Qatari ownership and also some issues relating to infrastructure and logistic such as the payment method and the internet advertising model. Despite all these barriers, many young Qatari entrepreneurs dream that Qatar will be able to have its own version of Silicon Valley, which like the California original is not something that was necessarily planned from the start but was rather a result of a group of ambitious people that co-existed in the same area.

#### **1.4.6 Regulation and Regulatory Authority**

“A **regulation** is a law, rule, or other order prescribed by authority, especially to regulate conduct” (Dictionary.com).

“A **regulatory authority** (also known as regulatory agency, regulatory body or regulator) is a governmental agency that regulates businesses in the public interest”.

(Vocabulary.com, 2016) Regulators function in the area of administrative law - regulation or rulemaking. They codify and enforce the rules and regulations and impose supervision for the benefit of the public or to protect the interest of the investors. The

existence of independent regulatory agencies is justified by the complexity of certain regulatory and supervisory tasks that require expertise, the need for rapid implementation of public authority in certain sectors, and the drawbacks of political interference.

## CHAPTER 2. LITERATURE REVIEW

### 2.1 SMEs Definitions

In their paper (Defining SMEs, 2008), Tom Gibson and H. J. Van der Vaart indeed suggest a less imperfect formula of SME as a formal enterprise with annual turnover, in U.S. dollar terms, of between 10 and 1000 times the mean per capita gross national income, at purchasing power parity, of the country in which it operates.

The International Finance Corporation (IFC) under its report title “World Bank and Union of Arab Bank (2010), define SMEs in the Arab world as per Table 1 below:

**Table 1 - Definitions of SMEs According to World Bank and Union of Arab Banks**

|               | World Bank |               | Arab Banks (GCC) |                     |
|---------------|------------|---------------|------------------|---------------------|
|               | Employees  | Sales         | Employees        | Sales               |
| <b>Small</b>  | <50        | <\$3 million  | 3-24             | \$365K– 5.4 million |
| <b>Medium</b> | <300       | <\$15 million | <90              | <\$18 million       |

Source: International Finance Corporation - World Bank and Union of Arab Banks (2010)

Elasrag (2011) conducted a research that aimed to enhance the competitiveness of Arab SMEs. He stated that statistically, SMEs represent 90% of total companies in the vast majority of economies worldwide and provide 40-80% of total job opportunities in addition to contributing significantly to the GDPs of many countries. SMEs constitute more than 99% of all non-agricultural private enterprises in Egypt and account for nearly

three-quarters of new employment generation. In Kuwait, this sector constitutes approximately 90% of the private workforce, including labor with estimated 45% of total labor force imported. In Lebanon; more than 95% of the total enterprises; contribute about 90% of the jobs. In the UAE, SMEs account for about 94.3% of the economic projects in the country, employ about 62% of the workforce and contribute around 75% of the GDP of the state. In addition, they accounted for 96% of the GDP in Yemen in 2005, and about 77%, 59%, 25% in Algeria, Palestine and Saudi Arabia respectively during the same year. It is often argued that Governments should promote SMEs because of their greater economic benefits compared to the large firms in terms of job creation, efficiency and growth. The major driving forces to strengthen SMEs in the Arab countries are: (1) SMEs are an important vehicle in terms of employment and poverty alleviation. SME employ a large share of the labor force in many Arab countries. (2) SMEs make significant contributions to the national economy of the country; and can be a tool to accelerate the growth of exports. (3) SMEs foster an entrepreneurial culture and make the economy more resilient to global fluctuations. The aim of this research is to study enhancing the competitiveness of Arab small and medium enterprises.

Elasrag (2011) defined typical SME industry by sector as:

1. CAPITAL GOODS : contractors, material suppliers/sole agent, consultant, school, education institutions
2. CONSUMER CYCLICAL : furniture, jewelry, audio/video equipment
3. CONSUMER NON-CYCLICAL: office supplies, food processing
4. FINANCIAL : insurance company, ForEx/money senders
5. HEALTHCARE : clinics, pharmacies, medical suppliers

6. SERVICE : retailers, restaurants, car rental, hotel/motel, travel agents/  
recreational activities, transportation/taxis, beauty care, massages

A study by McCargar (2009) investigated the notable differences between Kiev and St. Petersburg in entrepreneurial activity since the fall of communism. The study revealed numerous qualitative elements of trends and patterns such as cultural beliefs, national pride. These qualitative factors led to a strong spirit of entrepreneurship. The number of new business entities continues to grow as leadership traits begin to develop the newly formed free-market system. I agree with the finding of this research and support the argument that not only quantitative elements (financials, infrastructure, etc.) but also qualitative factors will lead to the success or failure of entrepreneurial activities.

## **2.2. The Importance of Entrepreneurship in Qatar**

Qatar through its Qatar National Vision 2030 recognized the importance of entrepreneurship for economic diversification that would reduce Qatar's dependence on hydrocarbon industries. (Ministry of Development Planning and Statistic, 2016)

Qatar and other GCC countries recognized that falling oil prices are eroding public revenues, making the old system of relying on well-paid government jobs unsustainable and therefore cannot be the only source of employment. For this reason, government is looking for new alternatives for employment through the private sector. (Kebaili, 2015)

Khamiri, Aysha A. (2015) in her Qatar University MBA thesis, revealed one important issue of her study result, depicting that participation in entrepreneurship education has no significant relationship to entrepreneurial intentions among Qatari youth. She therefore

suggested that Qatari policy makers should increase public awareness of the importance of entrepreneurship, especially among students at schools through courses and classes that might help influence more Qatari youth to become entrepreneurs.

Understanding that entrepreneurship is a key for economic growth, (Troilo, 2007) examined the relationship between institutions and formation of new firms and tested the impact of trust and rule of law on new firm formation using the Global Entrepreneurship Monitor (GEM) survey data 2001 – 2003. The result of this survey revealed that both trust and rule of law are significant for starting firms that expect to create 20+ new jobs in 5 years. This finding counters prior literature that suggests that rule of law and trust are significant for all forms of entrepreneurial activity. Within the same survey, using data from various points in time for 82 countries, he tested the likelihood of female participation in the labor market and self-employment. He concluded that work values of initiative, achievement, and respect are correlated with entrepreneurship and influenced by culture. Men tend to hold these values to a greater degree than women, and entrepreneurs are also more likely to be male than female.

### **2.3 Entrepreneurial Intentions**

This research need to understand entrepreneurial intentions in order to understand what triggers opportunities and business ventures' source of ideas. Identifying opportunities is an intentional process and is therefore considered as an intentionally planned behavior. (Krueger, 2000)

There are many literature reviews covering the reasons or intentions of entrepreneurs in

starting their own businesses. Templeman (2014) listed 20 reasons to start your own business: having spare time, a story to tell, tax benefit, pride, posterity, job security, networking, doing good, novelty, mentorship, becoming an expert, skills, determination, recognition, financial independence, reinvestment, change the world, create jobs, your brand and your reason. Similar to Mike Templeman, Dahl (2011) also listed his top 10 reasons to run his own business: controlling his own destiny, finding his own work/life balance, choosing the people you work with, taking on the risk – and reaping the rewards, challenging himself, following his passion, getting things done – faster, connecting with his clients, giving back to his community, and feeling pride in building something of his own.

## **2.4 Factors Affecting the Growth of SMEs**

Pielbalgs (2013, p. 21) noted in his report “The Power of the Private Sector”; the importance of the private sector in bringing more than just sizeable economic benefits to development. He listed certain conditions that should be in place to ensure these benefits, such as rule of law, good governance and respect for human rights. These factors are needed for the private sector to play a less obvious but vital role in strengthening democracy and supporting social justice. The private sector play its part in supporting good governance, transparency and accountability.

The barriers and other factors that influence SMEs are typically divided into internal and external factors. The former are those associated with influences in the "corporate

environment of the firm”, while the latter originate in the " firm’s domestic or foreign external environment” (Leonidou, 2004)

According to Wagner (2001) and Harris & Li (2009), the internal factors include human resources and managerial knowledge, technological innovations, information communication and technology capacity, and firm size. In addition Bouzza, Ardjouman & Abada (2015) summarized the internal factors as characteristics of entrepreneurs, managerial capacities, marketing skills, technological capacities, conceptual framework, and local business environment.

Based on the above and some other literature reviews, the researcher reached a working summary of internal factors affecting the growth of SME as follow: production duration, managerial knowledge (management, marketing, quality control, and technical skill), employee motivation and turn-over, cash flow or financial, understanding of the local culture, knowledge of the current regulations, robust business planning and collateral access to capital funds..

Bouzza, Ardjouman & Abada (2015) grouped the external factors affecting the development of SMEs as legal and regulatory framework (including unfair competition from the non-official sector, access to the industry, bureaucracy, corruption, and tax system), access to finance, and human resources capacities. Nkonoki (2010) noted in his thesis that external factors limiting the success and/or growth of small business are corruption, government policy, competition, technological barriers, access to financing, bureaucratic processes and unfavorable economic factors. In analyzing the factors affecting the SMEs in Surabaya, Indonesia, Kristiningsih & Trimarjono (2014) determined the external factors as access to information, legality, business planning,

technology, competition, government regulations, innovation and business permit.

Based on the above and some other literature reviews, the researcher developed a list of external factors affecting growth of SMEs in Qatar, for conclusion in the survey questionnaire: complexity process of setting up new business, capital requirements, access to financing, finding commercial spaces, finding and hiring man power, finding “angel” investors, scarcity of raw materials, public infrastructure and transportation, local competition, global competition, consistency in business regulations and import duties on materials and equipment.

## **2.5 Benchmarking Against GCC Members**

In April 2015, Qatar University represented by the Center for Entrepreneurship and the Ministry of Economy & Commerce awarded a nine month research project titled “Access to Finance for SMEs and Entrepreneurs in the OIC Region” by COMCEC (The Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Cooperation) based in Turkey. The result of this project agreed that access to finance has a significant impact on the growth of Startups, and Small Medium Enterprises (SMEs) in an economy. Access to finance provides credit to both new and existing businesses. In developed countries, new ventures and SMEs have access to a variety of private and public sources, while in many developing countries, these businesses experience limitations and challenges to obtain the required funds for growth and expansion. As many other developing countries, state banks still play a crucial role in providing funds for SMEs in the Gulf Cooperation Council (GCC) countries (Qatar,

Saudi Arabia, UAE, Kuwait, Oman and Bahrain). However, the survey also showed that there is still a shortage of other private and public sources in these countries. (Qatar University Center For Entrepreneurship, 2016)

A report “ (Financial Sector Development for Promoting Investment and Sustainable Growth in Dubai)” issued in 2014 by Dubai Economic Council (DEC) in collaboration with Deloitte Corporation aimed to identify factors that would continue to develop Dubai into a leading global trading and financial hub and attract further investment. Findings and recommendations in this report to promote the growth of SMEs in Dubai include:

- “Further developing Dubai’s capabilities in key areas (i.e. trading capability, support creation and developing financial services industry) could ultimately attract domestic and foreign investment and support economic growth.
- Government initiatives to support innovation by use of latest technologies and education that would be crucial to improve SMEs competitiveness.
- The enhancement of Dubai’s capital market activity could be achieved by improving market confidence and liquidity, raising awareness of the benefits of listing and further developing the market infrastructure.
- Aligning the regulatory framework to international standards with respect to bankruptcy regulation, arbitration processes, issuance of visas and easing foreign ownership restrictions in selected industries could attract further investment.
- Free zones have contributed significantly to the growth of Dubai’s economy as they attract more Foreign Direct Investments through a common set of incentives including a tax-free environment and 100% foreign ownership of business.

- Enhancing the regulatory framework to support protection of intellectual property rights is the key to encourage innovation.
- Tailoring banking products to meet SME needs, improving the national credit bureau and allowing companies' moveable assets, such as equipment to be used as collateral for financing would all strengthen the competitive edge of SMEs in Dubai and facilitate their survival under a changing business environment.”

Table 2 below summarized the benchmarking analysis within several countries.

**Table 2 - 2014 – 2015 Benchmarking Analysis: Financial Sector Development for Promoting Investment and Sustainable Growth**

| <b>Category</b>                            | <b>Saudi Arabia</b> | <b>Qatar</b>   | <b>UAE/Dubai*</b> | <b>Singapore</b> | <b>Hongkong</b> |
|--|---------------------|----------------|-------------------|------------------|-----------------|
| <b>Innovation and technology</b>           |                     |                |                   |                  |                 |
| Availability of latest technologies        | Adequate            | Adequate       | Well developed    | Adequate         | Adequate        |
| Global innovation index                    | Adequate            | Adequate       | Adequate          | Well developed   | Well developed  |
| Patent applications per million population | Adequate            | Adequate       | Adequate          | Adequate         | n/a             |
| Intellectual property rights protection    | Adequate            | Adequate       | Adequate          | Adequate         | Well developed  |
| <b>Trading capability</b>                  |                     |                |                   |                  |                 |
| Domestic and foreign market access         | Underdeveloped      | Underdeveloped | Underdeveloped    | Well developed   | Well developed  |
| Border administration                      | Adequate            | Adequate       | Adequate          | Well developed   | Well developed  |
| Transport and communication infrastructure | Adequate            | Adequate       | Adequate          | Well developed   | Well developed  |
| Regulatory environment                     | Adequate            | Adequate       | Adequate          | Well developed   | Well developed  |
| <b>Financial services industry</b>         |                     |                |                   |                  |                 |
| Availability of financial services index   | Adequate            | Adequate       | Adequate          | Well developed   | Well developed  |
| Affordability of financial services index  | Adequate            | Well developed | Adequate          | Well developed   | Well developed  |
| Soundness of banks index                   | Adequate            | Adequate       | Adequate          | Well developed   | Well developed  |
| <b>Capital markets</b>                     |                     |                |                   |                  |                 |
| Financing through local equity market      | Adequate            | Well developed | Adequate          | Well developed   | Well developed  |
| <b>Regulatory framework</b>                |                     |                |                   |                  |                 |
| Quality of institutions*                   | Adequate            | Underdeveloped | Adequate          | Adequate         | Adequate        |
| Efficiency of institutions*                | Adequate            | Underdeveloped | Adequate          | Well developed   | Well developed  |
| Labour market efficiency                   | Underdeveloped      | Adequate       | Well developed    | Well developed   | Well developed  |

Source : Global Competitiveness Report 2014-2015, WEF and Dubai Competitiveness Report 2011-2012, Dubai Economic Council (DEC)

\*Due to limitation on availability of benchmarking data on Dubai, UAE was used as a close benchmark, with the exception of “quality and efficiency of institutions” indicators.

Julia C. Devlin presented to “The International Conference on Access to Finance for SMEs and Entrepreneurs in the Arab World” conducted by Qatar University on 26-27 October 2015. She summarized the World Bank data of 2013 – 2014 regarding recent reforms in several business aspects of Arab countries that impact promoting SMEs and Start-ups. Her findings are shown on Table 3 below.

**Table 3 - Arab Countries Reformation Initiatives in Promoting SMEs & Start-Ups**

|                             |  |
|-----------------------------|--|
| <b>Starting a business</b>  |  |
| Marocco                     | Eliminated minimum capital requirement for Limited Liability company; reduced company registration fees  |
| United Arab Emirates        | Eliminated requirement to prepare name board in English and Arabic following clearance on use of office premises   |
| Djibouti                    | Simplified registration formalities; eliminated minimum capital requirement for Limited Liability companies  |
| West Bank and Gaza          | Eliminated paid in minimum capital requirement   |
| <b>Registering Property</b> |  |
| Marocco                     | Reduced time required to register deed of transfer   |
| Comoros                     | Reduced property transfer tax  |
| United Arab Emirates        | Increased operating hours at land registry, reduced transfer fees  |
| <b>Getting Credit</b>       |  |
| Bahrain                     | Collected payment information from retailers   |
| Oman                        | Guaranteed borrower’s right to inspect personal data   |
| West Bank & Gaza            | Guaranteed borrower’s right to inspect personal data   |
| Djibouti                    | New commercial code broadens range of movable assets used as collateral  |
| <b>Investor protection</b>  |  |
| Kuwait                      | Minority shareholders can request appointment of auditor to review company’s activities  |
| United Arab Emirates        | Greater disclosure requirements for related party transactions in annual report and to stock exchange; possibility to sue director when such transactions harm                     |
| <b>Enforcing contracts</b>  |  |
| Saudi Arabia                | Expanded computerization of courts; introduced electronic filing system  |
| Djibouti                    | New commercial code allows insolvent debtor to file for preventive settlement, legal redress or liquidation and identifies clear rules, steps and procedures for each alternatives |

Source: World Bank Doing Business 2013 – 2014

In terms of Nationals workforce, Walker (2015) noted in his research report that 70% of young Qataris prefer to work in the public sector, and only 23% prefer private business. This is one of the lowest in the region, just ahead of Kuwait where slightly more than 20% of young Kuwaitis said they would choose to work in the private sector. In contrast, in Bahrain nearly 60% of respondents favored employment in a private business over the public sector. Qatar also has a problem when it comes to its efforts to encourage entrepreneurship: only 11% of Qataris said they felt they were familiar with the legal and regulatory requirements to start their own business, which the report found was the lowest in the region. While more 60% of Bahrainis said they understood the rules, figures for the rest of the GCC states remained relatively low (34% of Emiratis and 17% of Saudis). In overall, only 1 percent of Qatar's private-sector workforce is made up of Nationals (99% is expatriate), which together with UAE, is the lowest figure in the Gulf.

## **CHAPTER 3. METHODOLOGY**

This research has been undertaken to gain a deeper and more specific understanding of the role of regulations in promoting SMEs and Start-ups in Qatar. This methodology chapter outlines a number of research methods available, provides justification for the researcher's chosen method and discussed the context of the research. Matters of sampling, ethics and the collection and analysis of data are also discussed.

### **3.1 Choice of Research Method**

Epistemology defines 'how knowledge can be produced and argued for' (Eriksson & Kovalainen, 2008, p. 14). In reference to this approach, there are two contrasting views on how social science research should be conducted; positivism and interpretivism.

Positivism refers to 'an assumption that the only legitimate knowledge can be found from experience' (Eriksson & Kovalainen, 2008, p. 17), and implies that human beings can be measured as objects. On the other hand, interpretivism is associated with subjectivism which 'views reality as being socially constructed' (Eriksson & Kovalainen, 2008, p. 15).

The interpretivism position applies focus on people's interpretations and rejects the idea of scientific method during social research. This research focuses a great deal on entrepreneurs and managerial experiences within culturally-diverse environments, and it herefore belongs to the interpretivist paradigm.

Qualitative research puts focus on an unstructured form of research with a small number of participants as a way of gaining information (Wilson, 2011). In contrast, quantitative research is a more structured approach using a sample of the population rather than

carefully selected individuals. Qualitative research aims to gain in-depth insights (Cooper & Schindler, 2006) and due to the nature of this research, a qualitative method of data collection is used for preliminary and in-depth interviews.

However, to improve the evaluation and ensure that the limitations of one type of data are balanced by the strengths of another, a combination of qualitative and quantitative data are used in this research. This will ensure that understanding is improved by integrating different ways of knowing. (Carvalho & White, 1997)

It is important to plan in advance how these qualitative and quantitative methods will be combined. Sequential data gathering is used in this research. The sequencing is one way of combining qualitative and quantitative data by alternating between them. It relies on the validity of both qualitative and quantitative data collection options and times the use of each type of tool so that information gathered informs the development of the next set of tools and the overall progress of the research. (Caracelli & Greene, 1997)

The research started with preliminary interviews using a qualitative method. Examining the results of the preliminary interview, the findings from this qualitative work were then complemented using a quantitative survey. Finally, in-depth interviews were conducted using a qualitative approach to identify issues or obtain information on variables not obtained by quantitative surveys.

## 3.2 Methodology Design

The research was designed using the mixed of qualitative and quantitative methods known as the “Triangulation” method. In the social sciences, Triangulation is often used to indicate that two (or more) methods are used in a study in order to check the results of one and the same subject. "The concept of triangulation is borrowed from navigational and land surveying techniques that determine a single point in space with the convergence of measurements taken from two other distinct points." (Rothbauer, 2008, pp. 892-894). Triangulation is a powerful technique that facilitates validation of data through cross verification from two or more sources. In other words, these various notions share the concept that qualitative and quantitative methods should be viewed as complementary rather than rival camps. In fact, most textbooks under-score the desirability of mixing methods given the strengths and weaknesses found in single method designs. In particular, there are references to the application and combination of several research methods in the study of the same phenomenon. (Bogdan & Biklen, 2006)

### 3.2.1 Qualitative Method

The questions used in the interviews were loosely structured allowing the participants to guide the interviewer through their experiences. The interview questions that were created prior to the interviews were connected to a selection of *a priori* themes, ensuring the specific research questions were answered. All the questions were connected with the *a priori* themes guaranteeing the avoidance of irrelevant questions and the loss of valuable interview time in addition to ensuring that the questions were valid and produced reliable results. The purpose of this loose structure of interview was to create an informal experience encouraging the participants to speak openly and honestly about

their experience and observations. This interview structure was also chosen to allow the possibility of the creation of new themes following the data collection for the purpose of data analysis.

It is essential to understand the importance of a pilot study in ensuring that the questions asked could be understood by participants, and allowing the researcher to practise the semi-structured nature of the interview. A pilot study was undertaken with two participants that were not included in the final sample. In preparation for the real interviews, the wording of the questions was adjusted to encourage participants to reflect on personal experiences. This therefore ensure a semi-structured interview with the associated beneficial results.

### **3.2.1 Quantitative Method**

A survey was distributed to around 300 entrepreneurs in Qatar, both in hardcopy paper form and also online “Survey Monkey” form. The survey consisted of 27 questions using English and Arabic language. The distribution list was compiled mainly with assistance of managers at the Qatar incubation centers for entrepreneurs. All the information about the survey was provided in the introductory statement of the questionnaire (first page of the survey). Participants took around 10-15 minutes to complete the survey.

## **3.3 Research Setting**

Interview at the preliminary stage using the qualitative method included Faculty Members of Qatar University dealing with the topic of entrepreneurship or having knowledge of entrepreneurships. They are also included the Director and team members

of Qatar University Center for Entrepreneurship, Managers of Entrepreneurships Incubations Centers in Qatar, and the representative of Qatar Government Institutions supporting the growth of Qatari SMEs and Start-ups.

All participants in the quantitative survey and the in-depth interview were entrepreneurs, CEOs or Managers of private sector SMEs or Owners of the Start-ups companies in Qatar (company with a workforce that does not exceed 250 employees and annual revenue not exceeding QR 100 million), as defined by Qatar national definition.

### **3.4 Sampling**

Sampling is important during both quantitative and qualitative research because the fewer the people involved, the easier it is to manage data gathering and analysis (Saunders, Lewis, & Thornhill, 2003). Purposive sampling allows the researcher to use his judgment to select participants that best assist the research objectives (Saunders, Lewis, & Thornhill, 2003).

Nine Economic experts and/or Researchers were identified and selected for preliminary interview. The preliminary contact method was by an email, where the aim of the research was described and the potential requirements of the participants were explained. Consent forms were then sent to enable them to participate in the research.

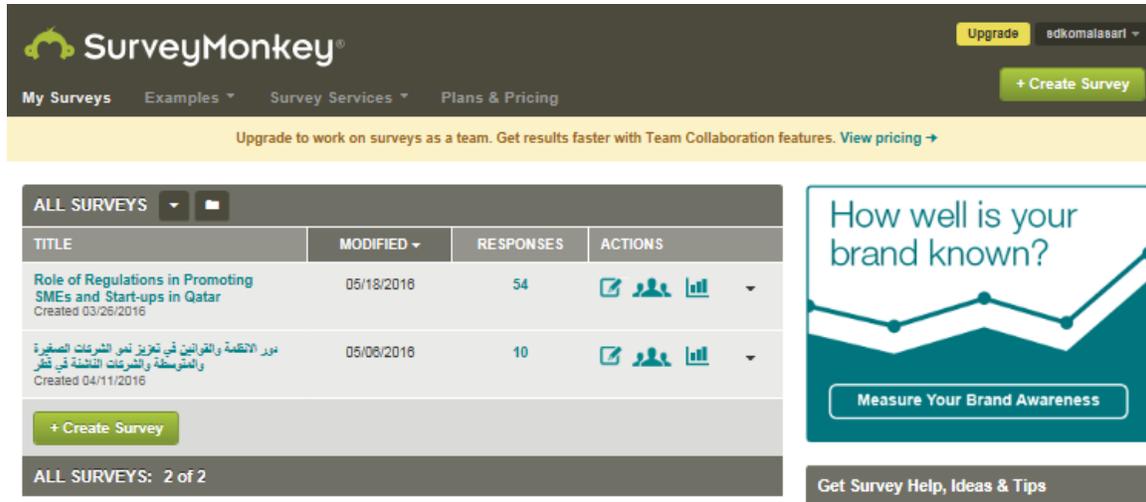
**Table 4 – Preliminary Interview Participant Profiles**

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| <b>Participant</b> | <b>Nationality</b> | <b>Role</b>                                   |
|--------------------|--------------------|---|
| P-1                | American           | Economic Expert, Department of Economic       |
| P-2                | Syrian             | Economic Expert, Department of Economic       |
| P-3                | Qatari             | Incubation Center, Engagement Section Manager |
| P-4                | Egyptian           | Director Center for Entrepreneurship          |
| P-5                | Canadian           | Researcher                                    |
| P-6                | Greek              | Professor, Marketing & Management Department  |
| P-7                | American           | Manager, Business Incubator                   |
| P-8                | Indian             | Director, Strategy & Business Intelligence    |
| P-9                | Qatari             | Manager, Business Incubator                   |

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54 people responded to the English version of the quantitative online survey and 10 people responded to the Arabic version. 4 people completed the hardcopy questionnaires. These input data were combined for the purposes of data analysis: a total of 68 respondents. However, during the data cleaning process, the researcher excluded 28 responders for various data integrity reasons (24 blank responses where respondents began the survey but decided to exit after reading the participant information sheet, and 4 respondents' data were excluded because their company did not fulfil the SME/Start-up criteria of having 250 or fewer employees).



Source : Author’s dedicated survey site accessed through [www.surveymonkey.com](http://www.surveymonkey.com)

**Figure 1 – Summary of Online Survey Monkey Responses**

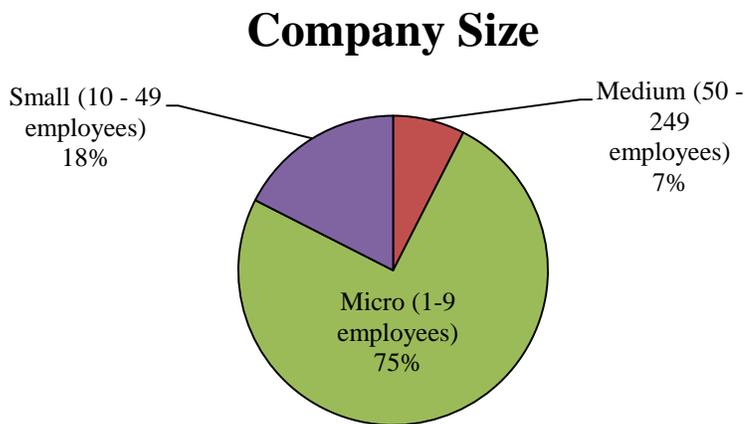
The remaining (“clean”) respondents represent 40 SMEs are shown below.

**Table 5 – Survey Respondent Profile (Clean Data)**

| Respondent Profile                    |           |         |               |                    |
|---------------------------------------|-----------|---------|---------------|--------------------|
|                                       | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid                                 |           |         |               |                    |
| Business Development Manager          | 2         | 5       | 5             | 5                  |
| CEO / Founder                         | 4         | 10      | 10            | 15                 |
| Co-Founder                            | 8         | 20      | 20            | 35                 |
| General Manager                       | 7         | 17.5    | 17.5          | 52.5               |
| Managing Director                     | 3         | 7.5     | 7.5           | 60                 |
| Market and Business Intelligence Mgr. | 1         | 2.5     | 2.5           | 62.5               |
| Marketing Manager                     | 2         | 5       | 5             | 67.5               |
| Operations Manager                    | 1         | 2.5     | 2.5           | 70                 |
| Owner                                 | 5         | 12.5    | 12.5          | 82.5               |
| President                             | 1         | 2.5     | 2.5           | 85                 |
| Production Manager                    | 1         | 2.5     | 2.5           | 87.5               |
| Project Manager                       | 4         | 10      | 10            | 97.5               |
| Supervisor Retail & Trading           | 1         | 2.5     | 2.5           | 100                |
| Total                                 | 40        | 100.0   | 100.0         |                    |

Typical respondent business is Micro Business (75% of respondents) that have been operating for 2 years (35% of respondents).

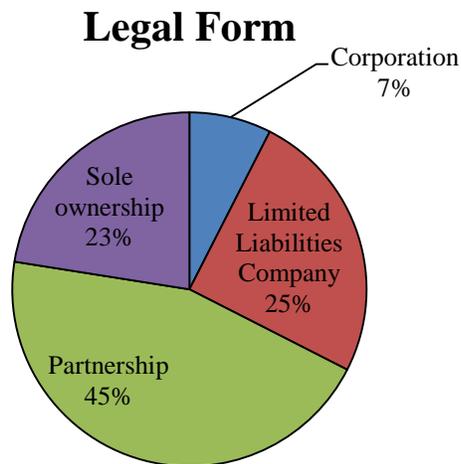
| <b>CompanySize</b> |                                    |                  |                |                      |                           |
|--------------------|------------------------------------|------------------|----------------|----------------------|---------------------------|
|                    |                                    | <b>Frequency</b> | <b>Percent</b> | <b>Valid Percent</b> | <b>Cumulative Percent</b> |
| <b>Valid</b>       | <b>Large (250+ employees)</b>      |                  |                |                      |                           |
|                    | <b>Medium (50 - 249 employees)</b> | 3                | 7.5            | 7.5                  | 7.5                       |
|                    | <b>Micro (1-9 employees)</b>       | 30               | 75.0           | 75.0                 | 82.5                      |
|                    | <b>Small (10 - 49 employees)</b>   | 7                | 17.5           | 17.5                 | 100.0                     |
|                    | <b>Total</b>                       | 40               | 100.0          | 100.0                |                           |



**Figure 2 – Survey Respondent: Company Size**

The typical respondent business is with legal form Partnership (45% of respondents)

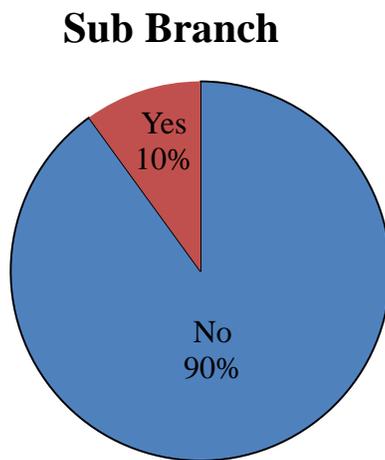
|              |                                    | <b>LegalForm</b> |                |                      | <i>Cumulative</i> |
|--------------|------------------------------------|------------------|----------------|----------------------|-------------------|
| <i>Valid</i> |                                    | <i>Frequency</i> | <i>Percent</i> | <i>Valid Percent</i> | <i>Percent</i>    |
|              | <i>Corporation</i>                 | 3                | 7.5            | 7.5                  | 7.5               |
|              | <i>Limited Liabilities Company</i> | 10               | 25.0           | 25.0                 | 32.5              |
|              | <i>Partnership</i>                 | 18               | 45.0           | 45.0                 | 77.5              |
|              | <i>Sole ownership</i>              | 9                | 22.5           | 22.5                 | 100.0             |
|              | <i>Total</i>                       | 40               | 100.0          | 100.0                |                   |



**Figure 3 – Survey Respondent: Legal Form**

Typical respondent business is not a sub-branch (90% of respondents).

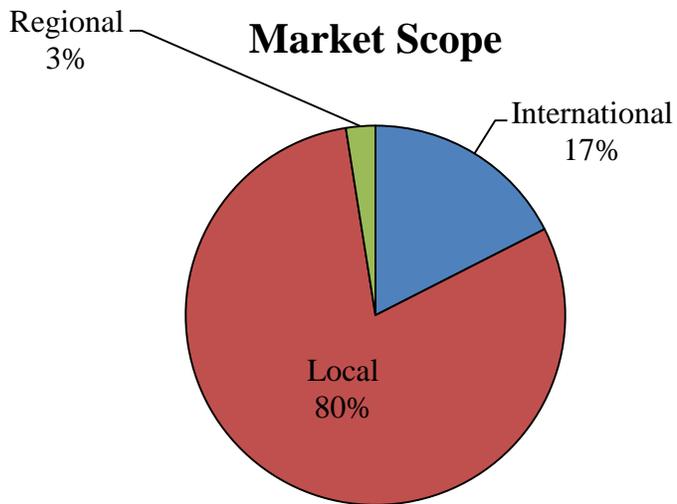
|              |            | <b>Sub_Branch</b> |                |                      |                           |
|--------------|------------|-------------------|----------------|----------------------|---------------------------|
|              |            | <b>Frequency</b>  | <b>Percent</b> | <b>Valid Percent</b> | <b>Cumulative Percent</b> |
| <b>Valid</b> | <b>No</b>  | 36                | 90.0           | 90.0                 | 90.0                      |
|              | <b>Yes</b> | 4                 | 10.0           | 10.0                 | 100.0                     |
| <b>Total</b> |            | 40                | 100.0          | 100.0                |                           |



**Figure 4 – Survey Respondent: Sub-Branch**

Most of the participating companies are locally operated (80%).

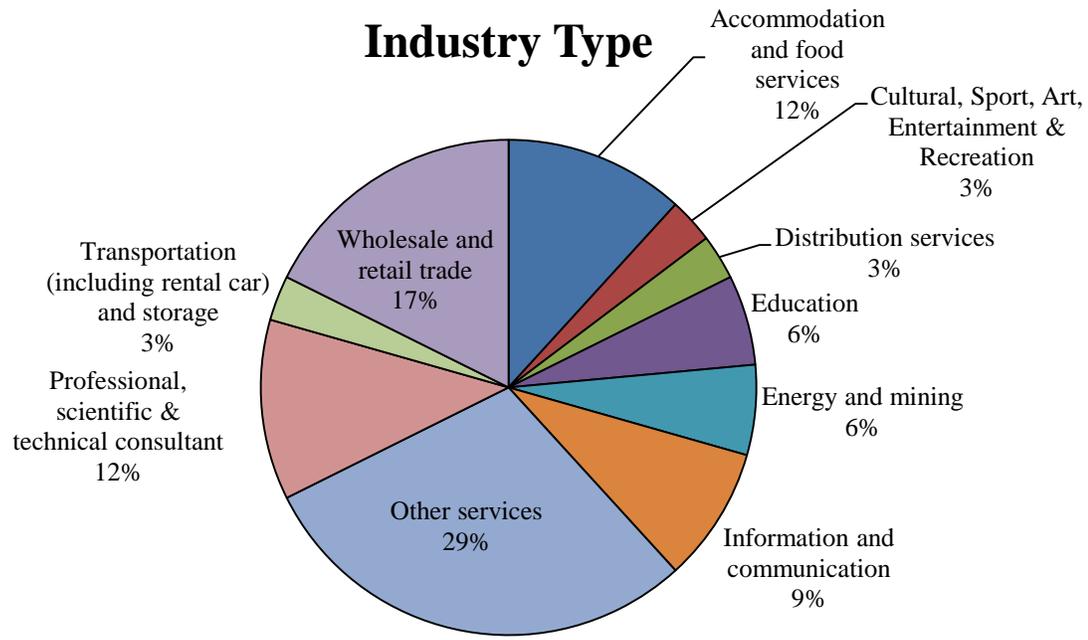
| <b>MarketScope</b> |                      |               |                |                |                   |
|--------------------|----------------------|---------------|----------------|----------------|-------------------|
|                    |                      | <b>Freque</b> |                | <b>Valid</b>   | <b>Cumulative</b> |
|                    |                      | <b>ncy</b>    | <b>Percent</b> | <b>Percent</b> | <b>Percent</b>    |
| <b>Valid</b>       | <b>International</b> | 7             | 17.5           | 17.5           | 17.5              |
|                    | <b>Local</b>         | 32            | 80.0           | 80.0           | 97.5              |
|                    | <b>Regional</b>      | 1             | 2.5            | 2.5            | 100.0             |
|                    | <b>Total</b>         | 40            | 100.0          | 100.0          |                   |



**Figure 5 – Survey Respondent: Market Scope**

Below figures 6 shows the type of industries of the participants' companies

| <b>Industry Type</b>  |                  |                |                      |                           |
|---|------------------|----------------|----------------------|---------------------------|
|   | <b>Frequency</b> | <b>Percent</b> | <b>Valid Percent</b> | <b>Cumulative Percent</b> |
| <b>Valid</b>  | 6                | 15.0           | 15.0                 | 15.0                      |
| <b>Accommodation and food services</b>                      | 4                | 10.0           | 10.0                 | 25.0                      |
| <b>Cultural, Sport, Art, Entertainment &amp; Recreation</b> | 1                | 2.5            | 2.5                  | 27.5                      |
| <b>Distribution services</b>                                | 1                | 2.5            | 2.5                  | 30.0                      |
| <b>Education</b>  | 2                | 5.0            | 5.0                  | 35.0                      |
| <b>Energy and mining</b>                                    | 2                | 5.0            | 5.0                  | 40.0                      |
| <b>Information and communication</b>                        | 3                | 7.5            | 7.5                  | 47.5                      |
| <b>Other services</b>                                       | 10               | 25.0           | 25.0                 | 72.5                      |
| <b>Professional, scientific &amp; technical consultant</b>  | 4                | 10.0           | 10.0                 | 82.5                      |
| <b>Transportation (including rental car) and storage</b>    | 1                | 2.5            | 2.5                  | 85.0                      |
| <b>Wholesale and retail trade</b>                           | 6                | 15.0           | 15.0                 | 100.0                     |
| <b>Total</b>  | 40               | 100.0          | 100.0                |                           |



**Figure 6 – Survey Respondent: Industry Type**

Eleven entrepreneurs, CEOs or Managers of private sector SMES and owners of Start-ups companies in Qatar were identified and interviewed in depth. Each interview took between 20-50 minutes. These interviewees were also contacted by email at the preliminary stage, where the aim of the research was described and the potential requirements of the participants were explained. Consent forms were also sent prior to the interview being scheduled.

**Table 6 – In-depth Interview Participant Profiles**

| <b>Participant</b> | <b>Nationality</b> | <b>Role</b>       | <b>Industry Type</b>         |
|--------------------|--------------------|-------------------|------------------------------|
| E-1                | Pakistani          | Co-founder / CEO  | E-Healthcare                 |
| E-2                | Tunisian           | Co-founder        | IT & E-Commerce              |
| E-3                | Lebanese           | Co-founder        | Entertainment                |
| E-4                | Indian             | CEO               | Manpower Recruitment         |
| E-5                | Palestinian        | General Manager   | Transportation, Car Rental   |
| E-6                | Qatari             | CEO               | Management Training          |
| E-7                | Syrian             | Managing Director | Technical Solutions          |
| E-8                | Syrian             | Project Manager   | Food trading                 |
| E-9                | Egyptian           | Cofounder         | Technology and Advertisement |
| E-10               | Indonesian         | Owner             | Food trading                 |
| E-11               | Qatari             | Cofounder & CEO   | Innovation Technology        |

## **3.5 Ethical Consideration**

‘Ethics are moral principles and values that influence the way a researcher or a group of researchers conducts their research activities’ (Ghauri & Gronhaug, 2005). An ethics application was submitted to the Qatar University – Institutional Review Board (QU-IRB) where ethics approval was granted (see Appendix A). A number of ethical issues were also considered.

### **3.5.1 Informed Consent**

Prior to the research interviews, a consent form was used to gain permission from each participant to undertake the research (see Appendix B). Each of the interviews was voice recorded. The preliminary interview took around 15-25 minutes, while the in-depth interview took around 20-50 minutes. The participants were informed that they would have access to the research results once completed and that they could withdraw from the research at any time without explanation.

The consent form to be signed by the participant was also provided at the first page of the hardcopy based survey questionnaire. The online “Survey Monkey” questionnaire had an option for the participant to continue or exit from the survey after the participant information page.

### **3.5.2 Protection of Participants**

During the interviews, no pressure was put on the participants to answer sensitive questions, in order to avoid exposing participants to mental stress. All participants were informed that they could refuse to answer any question at any time.

### **3.5.3 Confidentiality**

Participants were assured that all information would be treated with anonymity.

Participant names and institutions were not used in the research report. All data gathered from the interviews and questionnaires are stored in locked cabinets or password-protected electronic files with passwords known only by the researcher. All references to individuals or organizations are removed or given pseudonyms where data is included within the submitted study.

### **3.5.4 Honesty**

The research was performed in an honest and professional style ensuring the participants felt at ease during interviews therefore gaining an element of trust. A participant information sheet was provided to all participants prior to the research informing them the purpose of the project (see Appendix C).

## **3.6 Data Collection**

- The preliminary interviews with the economic experts and researchers were undertaken between March 21<sup>st</sup> and March 30<sup>th</sup>, 2016.
- The survey questionnaires were distributed on April 18<sup>th</sup> with responses required by a closing date a month later on May 18<sup>th</sup>, 2016.
- The in-depth interview with the entrepreneurs were undertaken between April 3<sup>rd</sup> and May 4<sup>th</sup>, 2016

### **3.7 Data Analysis**

Saunders et al (2003) described template analysis as categorizing and unitizing data.

After the interviews and during analysis of the data a number of themes were seen to reoccur. The research recognized these and grouped them into several themes. Each interview was transcribed soon after being completed and data was analyzed against the literature review and divided into several themes constructed post-research.

The data collected from the survey questionnaires were fed into a Microsoft Excel spreadsheet for data cleaning and the Statistical Package for Social Sciences (SPSS) 22 software was employed for data analysis.

### **3.8 Limitations**

A number of limitations were noted throughout the collection of data and it is important that these are acknowledged and considered when analyzing the data and considering future research opportunities.

A larger sample size of more than 20 interview participants or more than 40 survey participants could have increased the validity of the results as well as providing a wider range of experiences and therefore a more fruitful study.

# CHAPTER 4. FINDING AND DISCUSSION

## 4.1 Introduction

This chapter reviews the findings derived from desk research as well as the mixed of quantitative and qualitative research described in Chapter 3. The semi-structured interviews performed with nine economic experts and researchers during the preliminary stage, as well as eleven entrepreneurs during the in-depth interview has allowed for an exploratory investigation into their experiences and observations of the role of Qatari regulations in promoting growth SMEs and Start-ups in Qatar. This findings chapter has been split into the five main themes of the study:

- Qatar's private sector landscape (desk research)
- Internal Factors affecting the growth of SMEs
- External Factors affecting the growth of SMEs
- Role of Government Entities and their Support to the Private Sector
- Learnings from other GCC Members

These themes mirror the overall research questions and have arisen from the *a priori* themes used during the research stage. They ensure that both research question and all research objectives are addressed.

## 4.2 Theme 1: Qatar’s Private Sector landscape

### 4.2.1 Market Size and Structure

On 22 May 2016, the researcher visited the Economic Statistics and National Accounts Department at the Ministry of Development Planning and Statistics (MDPS), and was being provided with the results of 2014 Survey conducted by MDPS. The summary of the results in terms of the number of companies and the gross value added in millions of Qatari Riyals are shown on Table 7 and 8 below. The researcher has also been informed that MDPS is currently analyzing the next, 2015 survey. However, note the definition of company in these surveys, MDPS only segregate companies into two categories (“Small Business” for companies with employees between 1 to 9 and “Large Business” for companies with 10 or more employees). These terminologies differ from the current Qatar national definition of SMEs described in section 1.4.2 of this report. In other words, the MDPS survey data will not represent the SME numbers according to the Qatar national definition (company with employees less than 250).

**Table 7 – 2014 MDPS Survey: Number of Private Sector Companies in Qatar**

| Number of companies    | Wholesale & Retail |       |                        |                    |                   |                 |              |                     | Total  |
|------------------------|--------------------|-------|------------------------|--------------------|-------------------|-----------------|--------------|---------------------|--------|
|                        | Industrial         | trade | Sports & communication | Hotel & Restaurant | Business Services | Social Services | Construction | Banking & Insurance |        |
| Small (employees: 1-9) | 1,386              | 7,327 | 189                    | 762                | 1,641             | 2,598           | 1,468        | 19                  | 15,390 |
| Large (employees > 10) | 1,115              | 1,421 | 268                    | 561                | 1,025             | 822             | 931          | 17                  | 6,160  |
|                        | 2,501              | 8,748 | 457                    | 1,323              | 2,666             | 3,420           | 2,399        | 36                  | 21,550 |

Source : MDPS - Economic Statistics and National Accounts Department

From Table 7 above, it can be seen that the total number of private sector companies in Qatar in 2014 was 21,550, with 71% of these companies employing less than 10 people.

Also based on the 2014 MDPS survey, the Qatar private sectors in terms of gross value added is shown on Table 8 below.

**Table 8 – 2014 MDPS Survey: Gross Value Added of Qatar’s Private Sector**

| Gross Value Added in<br>QR Million | Wholesale  | Sports &     | Hotel & | Business   | Social   | Construction | Banking & | Total  |         |
|------------------------------------|------------|--------------|---------|------------|----------|--------------|-----------|--------|---------|
|                                    | & Retail   | communicatio |         |            |          |              | Insurance |        |         |
|                                    | Industrial | trade        | n       | Restaurant | Services | Services     |           |        |         |
| Small (employees: 1-9)             | 691        | 7,677        | 271     | 369        | 2,229    | 1,202        | 4,070     | 28,687 | 45,195  |
| Large (employees > 10)             | 468,647    | 38,865       | 19,782  | 5,912      | 29,433   | 6,618        | 42,906    | 2,439  | 614,602 |
|                                    | 469,339    | 46,541       | 20,053  | 6,280      | 31,662   | 7,820        | 46,976    | 31,127 | 659,798 |

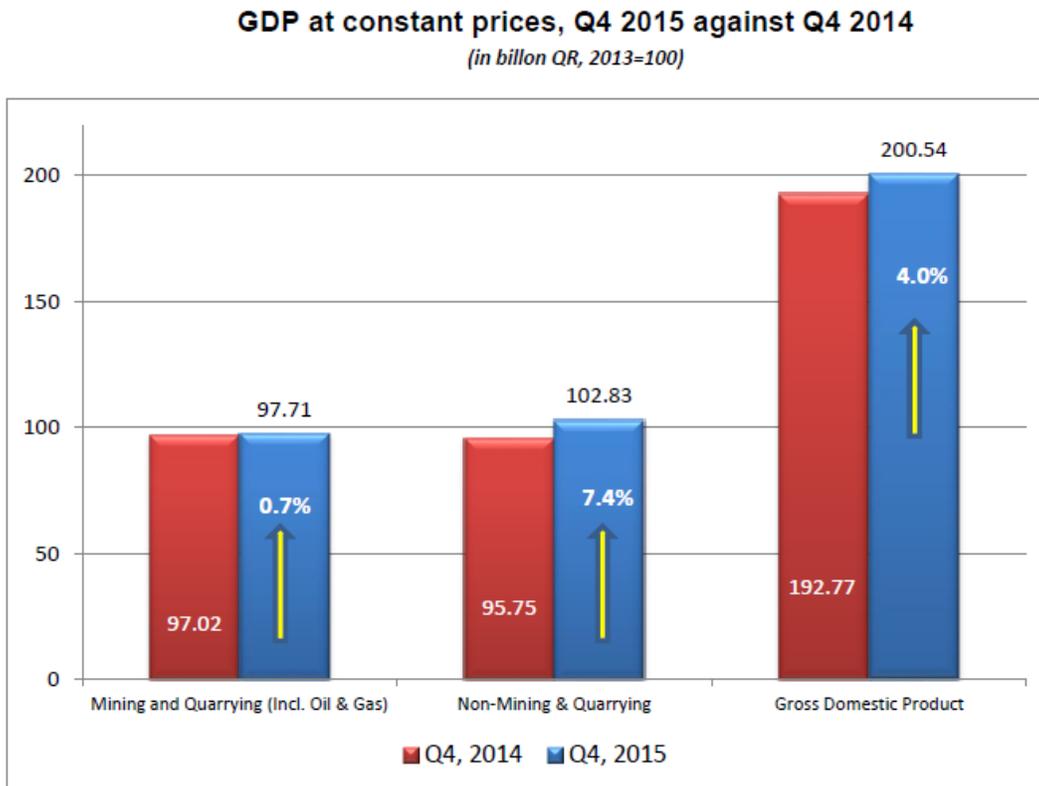
Source : MDPS - Economic Statistics and National Accounts Department

From Table 8, it is can be seen that the total gross value added by Qatar’s private sector in 2014 was QR 659,798 Million (equivalent to US\$180.8 Billion) of which 7% was contributed by companies employing less than 10 people.

#### **4.2.2 Share in Qatar’s GDP**

The Ministry of Development Planning and Statistics (MDPS) released the Quarterly estimate of Gross Domestic Product (GDP) by economic activity and components of expenditure for fourth quarter 2015 [of Qatar Economy] on 6 April 2015. A highlight of the preliminary estimates of GDP at current and contact prices for the fourth quarter (Q4) of 2015, indicated that the Real GDP growth of 4% in the Q4, 2015 over Q4 2014 GDP estimate, where the Non-mining and quarrying activities real growth is 7.4%. A highlight

of this report was that Non-Mining and Quarrying GDP (exclude Oil & Gas activities) grew by 7.4% compared to fourth quarter 2014, where as Mining and Quarrying GDP grew by only 0.7% (see Figure 7 below). This data point indicates a move in the direction of diversification. (Qatar-MDPS, 2016)



Source: MDPS - Qatar Information Exchange accessed through [www.qalm.gov.qa](http://www.qalm.gov.qa)

**Figure 7 – MDPS 4Q/2015 Survey: GDP by Economic Activity and Component of Expenditure**

Ministry of Development Planning and Statistics (MDPS) regularly issues a quarterly update of the Economy - GDP by economic activity. The last five years records from 2010 to 2014 are shown on Table 9 and Table 10 below.

**Table 9 – Qatar Information Exchange: Qatar’s GDP by economic activity  
(2010 – 2014) in Million Qatari Riyal**

|  | 2010    | 2011    | 2012    | 2013    | 2014    |         |         |         | Total   |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|  |         |         |         |         | Q1      | Q2      | Q3      | Q4      |         |
| <b>Agriculture and Fishing</b>                                 | 537     | 590     | 641     | 695     | 188     | 189     | 191     | 192     | 761     |
| <b>Mining and Quarrying (Include Oil &amp; Gas)</b>            | 239,745 | 359,153 | 394,507 | 402,812 | 109,859 | 98,485  | 96,379  | 86,003  | 390,726 |
| <b>Manufacturing</b>   | 40,832  | 57,810  | 71,539  | 73,647  | 18,608  | 19,572  | 20,149  | 19,127  | 77,456  |
| <b>Electricity and Water</b>                                   | 2113    | 2932    | 3360    | 3946    | 799     | 1,118   | 1,304   | 1,087   | 4,308   |
| <b>Building and Construction</b>                               | 27,500  | 28,329  | 30,786  | 38,389  | 11,765  | 11,426  | 11,671  | 12,098  | 46,959  |
| <b>Trade, Restaurants &amp; Hotels</b>                         | 31,500  | 35,601  | 38,946  | 45,458  | 11,834  | 11,555  | 14,043  | 14,794  | 52,226  |
| <b>Transport and Communications</b>                            | 18,069  | 21,229  | 22,311  | 22,327  | 6,117   | 5,966   | 6,534   | 6,391   | 25,008  |
| <b>Finance, Insurance, Real Estate &amp; Business Services</b> | 47,565  | 54,938  | 59,384  | 67,984  | 20,801  | 18,822  | 19,206  | 21,758  | 80,587  |
| <b>Government Services</b>                                     | 37,388  | 46,457  | 60,059  | 67,206  | 17,860  | 18,215  | 18,442  | 18,562  | 73,079  |
| <b>Social Services</b>   | 4,522   | 5,117   | 5,502   | 6,523   | 1,736   | 1,793   | 1,801   | 1,804   | 7,134   |
| <b>Household Services</b>                                      | 1881    | 2012    | 2321    | 2720    | 790     | 814     | 779     | 842     | 3,225   |
| <b>Imports Duties</b>  | 3,793   | 3,921   | 3,299   | 3,156   | 791     | 804     | 826     | 907     | 3,328   |
| <b>Total</b>   | 455,445 | 618,089 | 692,655 | 734,863 | 201,148 | 188,759 | 191,325 | 183,565 | 764,797 |
| <b>Mining and Quarrying</b>                                    | 239,745 | 359,153 | 394,507 | 402,812 | 109,859 | 98,485  | 96,379  | 86,003  | 390,726 |
| <b>Non-Mining and Quarrying</b>                                | 215,700 | 258,936 | 298,148 | 332,050 | 91,289  | 90,274  | 94,946  | 97,562  | 374,071 |

Source: MDPS - Qatar Information Exchange accessed through [www.qalm.gov.qa](http://www.qalm.gov.qa)

Qatar’s GDP in 2014 at current price is QR 764,797 Million, equivalent to US\$ 209.5 Billion.

**Table 10 - Qatar Information Exchange: Qatar's GDP by economic activity  
(2010-2014) at constant price base year 2004**

|  | 2010    | 2011    | 2012    | 2013    | 2014    |        |        |        | Total   |
|--|---------|---------|---------|---------|---------|--------|--------|--------|---------|
|  |         |         |         |         | Revised | Q1     | Q2     | Q3     |         |
| <b>Agriculture and Fishing</b>                                 | 433     | 457     | 477     | 505     | 136     | 138    | 139    | 139    | 552     |
| <b>Mining and Quarrying (Include Oil &amp; Gas)</b>            | 126,100 | 145,805 | 147,726 | 148,059 | 36,902  | 35,871 | 36,485 | 36,884 | 146,142 |
| <b>Manufacturing</b>   | 25,522  | 28,084  | 31,192  | 32,949  | 8,302   | 8,540  | 8,870  | 8,578  | 34,291  |
| <b>Electricity and Water</b>                                   | 2305    | 2487    | 2749    | 2924    | 578     | 892    | 997    | 766    | 3,233   |
| <b>Building and Construction</b>                               | 31,048  | 34,319  | 37,410  | 44,510  | 13,200  | 12,819 | 12,950 | 13,562 | 52,531  |
| <b>Trade, Restaurants &amp; Hotels</b>                         | 21,716  | 24,493  | 26,007  | 29,454  | 7,658   | 7,484  | 9,038  | 9,441  | 33,621  |
| <b>Transport and Communications</b>                            | 18,013  | 20,412  | 21,577  | 21,690  | 5,894   | 5,659  | 6,247  | 6,155  | 23,955  |
| <b>Finance, Insurance, Real Estate &amp; Business Services</b> | 22,429  | 24,515  | 27,891  | 30,339  | 7,878   | 8,132  | 8,443  | 9,798  | 34,251  |
| <b>Government Services</b>                                     | 28,943  | 32,861  | 36,897  | 42,469  | 11,237  | 11,459 | 11,602 | 11,499 | 45,797  |
| <b>Social Services</b>   | 3,508   | 3,614   | 3,891   | 4,232   | 1,123   | 1,158  | 1,164  | 1,152  | 4,597   |
| <b>Household Services</b>                                      | 1469    | 1481    | 1571    | 1733    | 462     | 474    | 476    | 512    | 1,923   |
| <b>Imports Duties</b>  | 2,746   | 2,715   | 3,258   | 3,256   | 864     | 876    | 877    | 863    | 3,480   |
| <b>Total</b>   | 284,232 | 321,243 | 340,646 | 362,120 | 94,234  | 93,502 | 97,288 | 99,349 | 384,373 |
| <b>Mining and Quarrying</b>                                    | 126,100 | 145,805 | 147,726 | 148,059 | 36,902  | 35,871 | 36,485 | 36,884 | 146,142 |
| <b>Non-Mining and Quarrying</b>                                | 158,132 | 175,437 | 192,919 | 214,061 | 57,333  | 57,630 | 60,803 | 62,465 | 238,231 |

Source: MDPS - Qatar Information Exchange accessed through [www.qalm.gov.qa](http://www.qalm.gov.qa)

Based on the data, it can be calculated that the last 5 years-span (2010-2015) annual average growth rate of Mining and Quarrying activity was gradually slowing down at 3% while the Non-Mining and Quarrying growth rate was relatively steady at 10%.

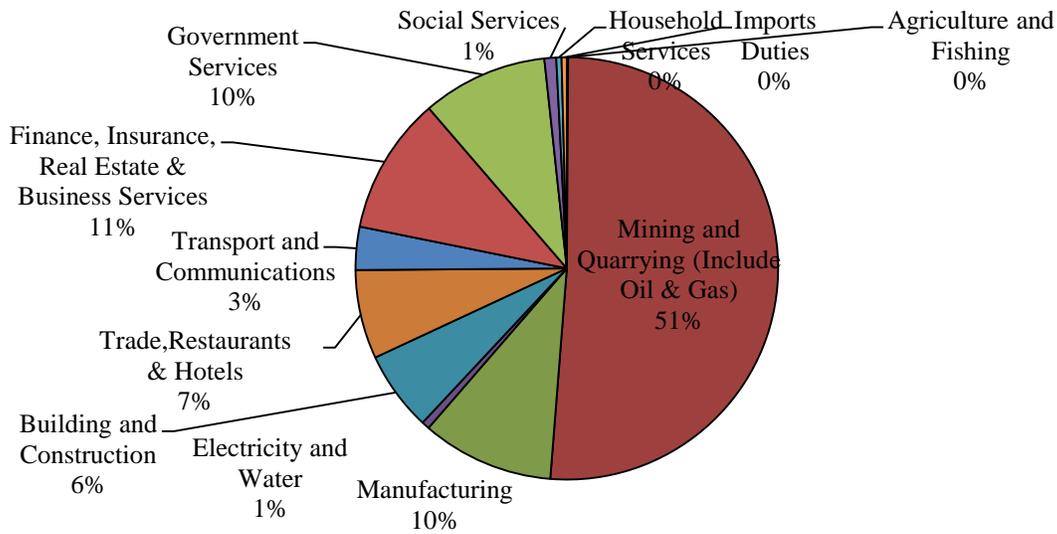
### 4.2.3 Largest Five Investment Sectors in the Private Sector

**Table 11 – Qatar’s GDP by economic activity in Percentage Distribution**

|   | 2010 | 2011 | 2012 | 2013 | 2014 |      |      |      | Total |
|---|------|------|------|------|------|------|------|------|-------|
|   |      |      |      |      | Q1   | Q2   | Q3   | Q4   |       |
| Agriculture and Fishing                             | 0.1  | 0.1  | 0.1  | 0.1  | 0.1  | 0.1  | 0.1  | 0.1  | 0.1   |
| Mining and Quarrying (Include Oil & Gas)            | 52.6 | 58.1 | 57.0 | 54.8 | 54.6 | 52.2 | 50.4 | 46.9 | 51.1  |
| Manufacturing                                       | 9.0  | 9.4  | 10.3 | 10.0 | 9.3  | 10.4 | 10.5 | 10.4 | 10.1  |
| Electricity and Water                               | 0.5  | 0.5  | 0.5  | 0.5  | 0.4  | 0.6  | 0.7  | 0.6  | 0.6   |
| Building and Construction                           | 6.0  | 4.6  | 4.4  | 5.2  | 5.8  | 6.1  | 6.1  | 6.6  | 6.1   |
| Trade, Restaurants & Hotels                         | 6.9  | 5.8  | 5.6  | 6.2  | 5.9  | 6.1  | 7.3  | 8.1  | 6.8   |
| Transport and Communications                        | 4.0  | 3.4  | 3.2  | 3.0  | 3    | 3.2  | 3.4  | 3.5  | 3.3   |
| Finance, Insurance, Real Estate & Business Services | 10.4 | 8.9  | 8.6  | 9.3  | 10.3 | 10   | 10   | 11.9 | 10.5  |
| Government Services                                 | 8.2  | 7.5  | 8.7  | 9.1  | 8.9  | 9.6  | 9.6  | 10.1 | 9.6   |
| Social Services                                     | 1.0  | 0.8  | 0.8  | 0.9  | 0.9  | 0.9  | 0.9  | 1    | 0.9   |
| Household Services                                  | 0.4  | 0.3  | 0.3  | 0.4  | 0.4  | 0.4  | 0.4  | 0.5  | 0.4   |
| Imports Duties                                      | 0.8  | 0.6  | 0.5  | 0.4  | 0.4  | 0.4  | 0.4  | 0.5  | 0.4   |
| Total   | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100   |
| Mining and Quarrying                                | 52.6 | 58.1 | 57.0 | 54.8 | 54.6 | 52.2 | 50.4 | 46.9 | 51.1  |
| Non-Mining and Quarrying                            | 47.4 | 41.9 | 43.0 | 45.2 | 45.4 | 47.8 | 49.6 | 53.1 | 48.9  |

Source: MDPS - Qatar Information Exchange accessed through [www.qalm.gov.qa](http://www.qalm.gov.qa)

In 2014, Mining and Quarrying is still dominating the economic activity by 51.1%. The second biggest activity is Finance, Insurance, Real Estate & Business Services by 10.5%, followed by Manufacturing (10.1%), Government Services (9.6%), Trade, Restaurant & Hotels (6.8%) and Building and Construction (6.1%).



Source: MDPS - Qatar Information Exchange accessed through [www.qalm.gov.qa](http://www.qalm.gov.qa)

**Figure 8 – Percentage Distribution of Qatar 2014 GDP by Economic Activity**

From the available data, the researcher has been unable to deduce contribution of SMEs to the Qatar GDP.

The following brief explanations regarding the government and semi-government institutions and their activities in promoting and supporting the growth of Qatari SMEs and Start-ups are provided based on desk research conducted by the researcher using data available publicly and also by visiting some of the institutions' offices.

#### **4.2.4 Government and Quasi-Government bodies involved in promoting SMEs and Start-ups in Qatar**

##### **4.2.4.1 Ministry of Finance**

The Ministry of Finance was created on November 5<sup>th</sup>, 1960 according to the Emiri Decree. HH Sheikh Khalifa bin Hamad Al Thani was appointed Minister of Finance according to the Emiri Decree. (Qatar Ministry of Finance)

##### **4.2.4.2 Ministry of Economy and Commerce**

“Since his appointment as Minister of Economy and Commerce in 2013, his Excellency Sheikh Ahmed bin Jassim Al Thani has planned and overseen the implementation of economic policies aimed at promoting sustainable development at the national level in line with the National Development Strategy 2011-2016 and the Qatar National Vision 2030.” (Qatar Ministry of Economy and Commerce)

The Ministry of Economy and Commerce has made many efforts in supporting SMEs in Qatar. The recent international forum and workshop on access to financing of SMEs in the GCC region conducted last January 11, 2016 is one of the examples of the initiatives undertaken by this institution.

In order to provide information and guidance on access to financing of SMEs in the GCC region, Qatar Minister of Economy and Commerce H.E. Sheikh Ahmed bin Jassim bin Mohammed Al Thani inaugurated the workshop on “Financing Small and Medium Enterprises and Entrepreneurs in the GCC Countries”. The workshop was organized and

hosted by the Center for Entrepreneurship (CFE) at Qatar University College of Business and Economics (QU-CBE) in collaboration with the Business Development and Investment Promotion (BDIP) department of the Ministry of Economy and Commerce. (ME, 2016)

#### **4.2.4.3 Qatar Financial Centre (QFC)**

QFC was established in March 2005 by the Government of Qatar and is located in Doha. The QFC was originally intended to provide an environment solely to attract international and domestic financial services institutions and service providers in support of those institutions to encourage participation in the growing market for financial services in Qatar and elsewhere in the region. However, the QFC is now willing to accept applications for business registration from other types of service providers which are not associated with the financial services sector, for example, in the fields of management consultancy, recruitment, sports and entertainment, engineering, and claims services. However, depending on the sector, certain licensing requirements applying in Qatar may still need to be complied with.

The QFC aims to operate to international standards and provides a legal and business infrastructure for those doing business within the center. The QFC is operated by the Qatar Financial Centre Authority (“QFCA”), which is responsible for the commercial strategy and business development for the center and provides its administrative functions. The QFC Regulatory Authority (“QFCRA”) is the independent regulatory body that has powers to authorize, supervise and discipline QFC firms and individuals. Finally, there is a QFC Companies Registration Office (“CRO”) which can register

limited liability companies and limited liability partnerships within the QFC, and branches of foreign companies operating within the QFC. (Wingfield, Norman, & Depierreffe, 2015)

#### **4.2.4.4 Qatar Chamber**

Qatar Chamber was established on February 16<sup>th</sup>, 1963 by Law no 4 of 1963 It used to function within the structure of Government agencies until the promulgation of law no. (11) Of 1990 which empowered the Chamber to operate independently. This enabled the Qatar Chamber to engage in a wide range of activities in connection with national, regional and international developments and to serve the commercial, industrial and agricultural interests of its participants in the private sector.

Foreign investment in Qatar is governed by Law 13 of the Year 2000 on the Organization of Foreign Capital Investment in Economic Activity, as amended (the Foreign Investment Law). It allows non- Qatari investors to invest in all sectors of the Qatar economy, subject to the requirement that 51% of the share capital in the venture be held by a Qatari person, legal or natural. Foreign investment is generally not permitted in banking and insurance activities (unless by Ministerial Resolution or if such activities fall under an applicable Free Zone) nor commercial agency or real estate activities. There are, however, certain exceptions with respect to real estate which allow for the provision of land necessary for government approved investment projects. A concession is made when the foreign component of the ownership in the new venture is made up of a GCC national or wholly-owned GCC legal entity. In this case, the GCC national or legal entity may own up to 50 percent of the share capital in the new Qatar venture with a Qatari

counterpart holding the remaining share capital. For the purpose of this law, a Qatari legal person is restricted to an entity owned wholly by a Qatari national. An exception to the foreign ownership rules may be granted to foreign companies or individuals who obtain a decision from the Minister of Business and Trade for carrying on business in Qatar as a 100 percent foreign-owned entity.

The exception may be granted provided that the field of business falls within one of 10 sectors of the economy considered as “ priority sectors (Agriculture, Industry, Health, Education, Tourism, Development and exploitation of natural resources, Businesses of technical and information consultancy, Cultural, sports and entertainment services, Distribution services, and Energy and mining, provided that such projects match the development plan of the State of Qatar).

Preference will be given to projects that may potentially achieve optimum utilization of local raw materials, industries set up for export of products, for introducing new products or employing new technologies, as well as projects aiming to localize worldwide leaders in industry or those who will train and qualify Qatari nationals.

“In August of 2004, Law No. 25 of 2004 on the Combat of Covering up Illegal Practices Carried out by Non-Qataris (commonly called the “Proxy Law” in Qatar) was enacted. The Proxy Law prohibits non-Qatari nationals from exercising “any commercial, economic or vocational business except in sectors where they are permitted to do so in accordance with applicable laws and makes it unlawful for legal or natural Qatari persons to “cover up” the business activities of any non-Qatari person thus enabling the non-Qatari person to carry on “any commercial, economic or vocational business in violation

of applicable laws. “Covering up” is deemed to include any assistance afforded to the non-Qatari by the Qatari party by allowing the non-Qatari to unlawfully use the “name, license, commercial registration or otherwise” of the Qatari for the benefit of the non-Qatari, the Qatari or both. Heavy penalties may result from the breach of the Proxy Law including imprisonment and/or a fine in addition to the confiscation of any monies generated by the “covered up” business for third parties’ rights satisfaction. Penalties may also involve suspension or revocation of business licenses, commercial registration annulments and closing of business premises. To lawfully conduct business in Qatar on a regular basis, foreign investors are required to establish a legal presence in the State through one of the available options.” (Qatar Chamber)

#### **4.2.4.5 Qatar Development Bank (QDB)**

QDB is a financial entity fully owned by the government, set up by an Emiri Decree to invest in and develop local industries by supporting SMEs in Qatar. QDB aligned its strategy to correspond with the Qatar National Vision for the year 2030, to promote and facilitate development and growth of SMES in core economic realms, resulting in long-term socioeconomic benefits to the people of Qatar.

As part of Qatar’s ambitious economic diversification plans, the state-owned QDB has been providing direct project finance and raw material loans to Start-ups and existing businesses at competitive interest rates.

In addition to providing financial aid, the bank also offers advisory support and guidance to SMEs regarding start up, growth and expansion of their activities, aiming to establish a sustainable economic system.

“QDB strategy is to diversify Qatar’s economy by shifting the economic focus away from the hydrocarbon industry by stimulating a robust and diversified private sector that will benefit the economy.” (Qatar Development Bank, 2016)

QDB has been very successful in recent years, driving growth in diverse sectors of the economy, from providing finance for projects of national interest, to supporting the private sector with value-added services.

QDB has been shifting its focus from a purely industrial manufacturing mandate to becoming a fully-fledged development bank, resulting in the State of Qatar increasing the Bank’s capital from QR 200 million to QR10 billion. The country is in commercial overdrive in preparation for the World Cup 2022 and there is ambition amongst all Qataris to maximize this unique opportunity.

QDB launched the “Tasdeer” program , offering export financing services, business development services and support for promotion of private sector exporters based in Qatar.

“QDB Strategic Objectives are to provide financing solutions and value-added services through direct and indirect financing, large scale investments in strategic sectors and advisory services, to ensure access to new markets through export promotion & development and export financing; to create new knowledge-based industry verticals

through investments and to deliver development-related services for the government through Qatar Development fund, housing loans and engineering projects.” (Qatar Development Bank)

#### **4.2.4.6 Qatar Business Incubation Centre (QBIC)**

QBIC is the largest mixed business incubation center in the Middle East, providing business support services to help entrepreneurs and companies who either have an idea to start a business, or want to grow an existing business. QBIC was founded in 2013 by two of Qatar’s leading government institutions supporting local entrepreneurs: Qatar Development Bank (QDB) and the Social Development Center (SDC), a member of Qatar Foundation. QBIC’ goal is to develop the next 100 Million QR companies in Qatar. QBIC empowers entrepreneurs to start and grow companies by incubating, developing, connecting and investing. LeanStartup, QBIC’s flagship initiative, is a ten-week entrepreneurial program that provides real world, hands-on learning experience on how to successfully start a company.

“QBIC approach emphasizes rapid, lean implementation, providing entrepreneurs with a range of globally-benchmarked services designed in partnership with leading local and international experts. These include training, office space and industrial workshops, as well as administrative, technical and financial assistance.” (Qatar Business Incubation Centre)

On 4 May 2016, the researcher visited QBIC's office at the new industrial area and interviewed Ms. Eman Al-Sulaiti, the Director of their Business Development department. This department currently supports 54 incubate companies.

#### **4.2.4.7 Digital Incubation Center (DIC) Qatar**

Digital Incubation Center (DIC), a six years non-profit organization established by the Ministry of Information and Communication Qatar (ictQATAR) to provide incubation programs that help young Qatari Entrepreneurs to grow their new business, transforming their innovative ideas into viable businesses, by offering expertise, professional guidance, and supporting services.

As the first Digital Incubation Center established in Qatar, the center has very ambitious objectives to find the young entrepreneurs capable of harnessing technologies to create innovative products, solutions, or services that will contribute to Qatar's digital economy.

There are currently 21 incubate companies being supported by DIC. The researcher visited DIC on 23 March 2016 and met the Incubation Center Engagement Section Manager, Ms. Duha Al-Buhendi, who then provided access to interview four entrepreneurs at the 6th floor office of Ministry of Information and Communication.

#### **4.2.4.8 Qatar University – Centre for Entrepreneurship (QU-CFE)**

Aiming to contribute to the community through focusing on the needs of the people and the government of Qatar, Qatar University approved the College of Business and Economics' (CBE) proposal to establish the Center for Entrepreneurship in June 2012.

A modern center to deliver professional entrepreneurial services to Qatari people and residents has been built since that date. “The QU-CFE provides services to society by delivering training courses and certifications, business incubation services, carrying out academic research in the area of entrepreneurial activities and providing consulting services to the government sector, business communities and the private sector inside and outside Qatar.” (QU-Center for Entrepreneurship, 2016) By May 2016, 121 entrepreneurs have been listed to receive support from this institution.

#### **4.2.4.9 Silatech**

Founded in 2008 by Her Highness Sheikha Moza bint Nasser, Silatech as a dynamic social initiative aims to create jobs and expand economic opportunities for young people throughout the Arab world by promoting large-scale job creation, entrepreneurship, access to capital and markets, and the participation and engagement of young people in economic and social development.

In Arabic, “Silatech” means “your connection.” However, they are not a job finding service, but they take seriously their role as a vital connection linking young Arabs to employment opportunities. As a small but agile and results-driven organization, they bring NGOs and civil society, governments and the private sector together to address youth unemployment issues from every angle. (Silatech, 2016)

#### **4.2.4.10 Bedaya Center**

In 2011, Qatar Development Bank (QDB) and Silatech established the Bedaya Center. It aims to provide Qatari youth with access to a wide range of services including career

guidance, self-assessment, employability skills development, employability and entrepreneurship, mentoring opportunities, volunteering, practical training, networking activities, and lecturers programs.

With its office located at Katara Cultural Village of Doha, Bedaya Center also aims to provide Qatari youth with career development and entrepreneurship services by organizing several basic skills training workshops which will help entrepreneurs start their career in the Qatari labor market, or launch their own businesses. The Center holds several monthly activities and annual conferences which all aim to help the youth reach their professional and entrepreneurial goals by developing their skills and abilities and setting goals and work plans. (Bedaya Center Qatar, 2016)

#### **4.2.4.11 Qatar Science and Technology Park (QSTP)**

QSTP is part of Qatar Foundation Research and Development (QF R&D), is Qatar's primary incubator for technology development, fostering the environment required for accelerating commercialization of research and supporting innovation and entrepreneurship. It is located in Qatar Foundation's Education City and has access to the resources of its cluster of leading research universities. QSTP focuses on four themes consistent with Qatar National Research Strategy (QNRS) announced in 2012; Energy, Environment, Health Sciences and Information & Communication Technologies. (QSTP, 2016)

With its slogan "Where Research Goes to Work", QSTP is stoking innovation and prepared to be the "Silicon Valley of the Middle East". The Qatar government has

prepared an ICT plan that it is part of the economic transformation taking place in the country for this purpose.

By helping entrepreneurs launch their technology businesses and encouraging companies from around the world to develop and commercialize in Qatar, QSTP aims to grow Qatar's "post-hydrocarbon economy".

#### **4.2.3.12 Roudha Center for Entrepreneurship and Innovation**

Roudha Center sponsored by Sheikha Hanadi Bint Naser Al-Thani, Silatech and Al-Ansari & Associates, is a one-stop shop for women entrepreneurs established since 2010. Roudha Center, located at Al-Reem Tower, provides innovative and effective programs and advocacy efforts for women looking to open their own business or grow their existing ones. The Center delivers business, financial, legal and training/programming services, and mentoring and coaching; as well as incubational assistance to empower women towards entrepreneurship and economic self-sufficiency

Having a mission to promote Entrepreneurship amongst Qatari women, paving their way to success, Roudha Center recognized the struggle that women in Qatar are facing in setting up and growing a business which is harder for women at this stage, especially those who do not have existing family business setups to rely on. Therefore, Roudha Center saw the niche and potential in helping women in Qatar in fostering their passion to open a business. (Roudha Center, 2016)

At least once a month, the researcher listens to the spoke person of Roudha Center at the Qatar Foundation radio at 91.7 FM describing their activities, encouraging women

entrepreneurs in Qatar and sharing the latest information about government initiatives in supporting women entrepreneurs in Qatar.

## **4.3 Theme 2: Internal factors affecting the growth of SMEs**

### **4.3.1 Entrepreneurial Intention of Qatari Entrepreneurs**

From survey responses of the 40 entrepreneurs in Qatar, the top three intentions or main reasons for building their own company are as follow:

- Pursue your passion; reach your dream (19.3%)
- Flexibility (14%)
- Financial Independence (13.2%)

Excerpt from respondent E-6 interview transcript, referring to intention is as below:

*Passion is when you search for something to break and try to do business to find where your passion is. So, it is not only about making money. It is more about something you feel you can contribute to the society and to Qatar. So... it is kind of paying back for society. I started the company because I have the passion for development. I have a huge passion of learning, ... it's kind of having a free course also for myself....(E-6)*

The other entrepreneur echoed the message

*And when the time was right, I decided to hop on the entrepreneurship wagon and take my own journey. So ....I really feel that I really need to make something to show case the potential ....(E-11)*

From the research conducted it was found that, to support the development of SMEs and Start-ups, the top priority is to change the culture in favour of the entrepreneur mindset. This can be done through education, ideally as early as possible from a very young age. Entrepreneurship education defined as a method whereby students (of all types) practise creating, finding, and acting on opportunities of creating value. (Greene, Brush, Eisenman, Neck, & Perkins, 2016)

The majority of the respondents echoed this idea of “Culture Change” in responding to the research interview question: “What policy measures are needed to encourage the youth of the country to seriously consider taking up entrepreneurship as their career option?”

*I strongly believe that if the government set a program in schools at all education embedded ... even starting from kindergarten, all the way to the universities about entrepreneurs courses. I think we are going to have .. at the end... the very well educated population that would be eager and willing to really be engaged in entrepreneurship and not really depend on the public sector for employment (R-1)*

*I think the core thing is “Culture”... and culture gets created mainly, not everything but mainly through education. So, I think we need to recognize the culture of “Trial and Error: through our education system and teach people how to unleash their potential rather than satisfying the job’s market demand. (E-11)*

Many governments around the world are recognizing that entrepreneurship education as the future, and seek to create the means to enable their populations to become entrepreneurs. To that ends, some governments are mandating that entrepreneurship be taught at various, if not all, levels of education. Governmental mandates are easy to

make, but the implementation can prove challenging. To enable implementation in Qatar, I believe that a future research to focus on ways to achieve that goal locally would be of interest and benefit to society.

### **4.3.3 Internal Factors Affecting the Growth of Qatari Entrepreneurs**

From survey response of the 40 entrepreneurs in Qatar, the top internal challenges or factors that become the barrier for expanding or growing their business are as follow:

- Limited knowledge of current regulation (75%)
- Lack of collateral (65%)
- Lack of robust business plan (60%)
- Lack of good marketing skills (50%)
- Lack of good management skills (47.5%)

Internal challenges are factors within the entrepreneur's firm that influence the firm's performance and it is important that we understand those factors.

*All challenges go back to the entrepreneurs. Psychologically understand that they can make it, and if I don't make it ... it's okay, regardless of all the social pressures. Just reaching a peaceful stage with one. Knowing that ... okay... I did all my calculations, ...I know what I know, .. I know what I don't know... and there is also a part of I don't know what I don't know ... which is the name of "faith", that I am taking ... but I am willing to take, because it's worth, even if I don't know, the worst case scenario... it's okay! (E-11)*

The internal factors faced by one of the respondents is somewhat related to lack of an education framework for entrepreneurs.

*.....We don't have a very solid educational system as far as entrepreneurship concerned. Also ... emmm... the policies that really promote sustainability of the small business are not there. And ... there are too many entities in the government and semi-government sectors that deal with entrepreneurship that really make people to be somewhat confused is where to go and ask for information, for funding ... or guidance in general.(P-6)*

#### **4.4 Theme 3: External factors affecting the growth of SMEs**

From survey responses of the 40 entrepreneurs in Qatar, the top seven external challenges or factors that become the barrier for expanding or growing their business are:

1. Not easy to find commercial spaces/offices with reasonable cost (87.5%)
2. Finance – Difficult to get access to financing/investment (80%)
3. High capital requirement for new startup company (80%)
4. Complexity of processes to set up new business (72.5%)
5. Not easy to find manpower (70%)
6. Difficult to find angel investors or venture capitalists (70%)
7. Inconsistency of business regulations (keep changing) (65%)

Item number 2,3 and 6 are closely linked to access to capital (financing) theme and item 4 and 7 are related to regulatory environment theme.

One entrepreneur explained the competition challenges facing by her company during

start-up:

*I can divide the challenges into three. **First** is the cost for the place or location is really high. So, wherever you want to do, your revenue is not cover the minimum cost of the office rent, even half of the cost that you have. **Second** challenge is actually being able to prove for a company that you are still in establishing that you have the quality and the knowledge to really provide the services in a good quality. So, it always challenging when you come and compete with international organizations that has been in the market for more than three or five years and try to prove yourself while you are still in the first month or second month. And the **third** component is actually finding the skills and manpower in Doha, if you avoid to bring people from outside. (E-6)*

Related to the above comment, another entrepreneur stated:

*First at the beginning, we had an issue of finding a partner, a local partner. I was fortune enough that I found my friends back in university and joined them. But, I am sure many people in Qatar do face this problem because in Qatar we need a local partner, and a lot of expat coming to the country they don't know someone that they can make as partner... so that would be a challenge .... (E-1)*

Over half of the respondents commented on the ineffectiveness, in their view, of the current regulations in promoting SMEs.

*All these information about regulation is still not that clear. It is very ambiguity at the moment. People will tell you different things and regulation is keep changing every now and then. So .. there are a lot of ambiguity on what people*

*need to do, what they don't need to do. So I think if this could change, it would help a lot.(E-1)*

*Law is ambiguous...lot of inefficiency. There are too many red tapes. If you going to get anything approve .... It will just take you forever. So it slows down business a lot. If you need to go to MEC to get your trade license or adding business activity, it will take weeks or even sometimes months for getting it approved and it cost a lot of money on that. Theoretically it should be done within one day, but in reality it's not. So my point is ... there is red tape in efficiency that can be improved a lot..(E-1)*

An other entrepreneur echoed the previous statement about unclear government regulation.

*Clear regulation... there wasn't that much of clear regulation of who is giving the permission of what and the approval of what. Especially when you are starting a business that relating to the other ministry of commerce and trade. So... it wasn't that clear and the timeline for approval also wasn't clear. Or giving the approval for space .. because for educational institute, we need a permission from minister of education regarding the place. So there wasn't a clarity of what guidelines for you to look for, and a....the place you want to rent. Actually they don't give a clear clarification. So...it's kind of a chats, you asked them to visit a place and then we will say "yes" or "no" ... The clear guidance they make it more simpler... may be graphical or visual for people to understand what is there. Even if it's written and published on their website. It will be good (such as where to go, how long it takes, also what they need for approval, the requirement for central place*

*to have. So they give you permission for it..)(E-6)*

Regarding elapsed time for a new start-up company to set up their business, the 40 survey responses show that most of the companies took up to 3 months to set up their businesses (40%) and to find the manpower (62.5%), and 3 to 6 months to find their commercial spaces or offices (62.5%).

The elapsed time in preparing to open the company varies depending on the entrepreneur's knowledge of the regulation, his previous experience, and also the type of business. One respondent with a food factory business found it more difficult and more time-consuming to process all the paperwork (licenses) and other preparation.

*Everything is challenge from A to Z .... It's not easy to open a factory in Doha. You need license, civil defense approval, everything is hard ... not easy... Like now, ... end of this month, we have been one year trying to prepare for opening of the company. One year ... just for the opening preparation. For the industry license ... it takes four months...it's not easy! For environmental permit, it's like you come and go ... and come and go ... they are asking many things. For Immigration, there is something they called "temporary computer card". And you can not get your temporary computer card if your factory is not ready. You can not bring anything, any machine from outside if you don't have computer card... it's very difficult .... So, I made the temporary computer card ... it takes for me .... 2 months ... just going, coming next day, and coming back ... it's crazy... this is the problem ... everything is take time.(E-8)*

Despite the challenges and obstacles which are still faced the entrepreneurs, they do

highlight some positive factors in Qatar that help support the growth of their business expansions. Which are:

- Low (almost no) taxes (92.5%)
- Qatar growing economic conditions (90%)
- Qatar population growth (87.5%)
- Development of modern infrastructure (75%)
- Lower utilities cost (electricity, telephone, water, etc.) (72.5%)
- Qatar leadership vision – programs benefiting private sector (70%)

## **4.5 Theme 4: Role of Government Entities and their Support to the Private Sector**

From survey responses of the 40 entrepreneurs in Qatar, it was deduced that the bodies most involved body in promoting Qatar’s private sector are Qatar Development Bank with Qatar Business Incubation Center (76.2%) and Ministry of ICT Qatar with Doha Incubation Center (66.7%), while the least involved body is Qatar Central Bank (33.3%).

The entrepreneurs have a good confidence level that the following government institutions are supporting the growth of SMEs and Start-ups in Qatar:

- Qatar Development Bank (90%)
- Ministry of ICT Qatar with Doha Incubation Center (85%)
- Qatar Chamber (77.5%)
- Qatar Financial Center (75%)
- Ministry of Economy and Commerce (57.5%)

Fifty-five percent (55%) of the entrepreneurs believe that Qatar regulators do not provided enough support in assisting entrepreneurs in their endeavors.

Given the many efforts and initiatives undertaken by Qatari policy makers, this fact is quite surprising.

The above opinion from the entrepreneurs about the role of Qatari regulators support to the SMEs could be the result of the information gap between the Qatari regulators, the coordinators of the event activities, the available incubations centers and the entrepreneurs themselves. It suggests scope for more transparency and effective face to face communication between the involved parties and the importance of good coordination between them.

*I think for starter that should be a face to face communication between policy makers, decision makers, practitioners to sit together in a round table. They should discuss all the issues on the table, have transparency. This is what we have to do as far as entrepreneur is concerned. Right now is this country, this is what we would like to go and be and this is what we want to get there. In other words, we should have a very-very concrete realistic strategy that part of national strategy that focus more on entrepreneurship and to me honestly this face to face communication to begin with is very important to take place....Then once we identify who is going to be the spoke person from each institution. I know that Qatar University spoke person will be this person ... QDB will be this person, ...the ministry this person, ... Silatech this person ... Bedaya center one person .... We have five entities ... and five people are the coordinators, instead of so*

*many people get lost in the loop or so many people doing the same thing... so they don't communicate with each other... (P-6)*

There is also scope to bridge the information gap by using broader information tools to spread entrepreneurship ideas and information, for example using media technology and public education campaign.

Judging from the 30 entrepreneurs' responses, the initiative could effectively be promoted via media public education campaign such as:

- Using the internet (not only from corporate website, but also other social medias such as Facebook, Instagram, Twitter, Line, etc.) (85%)
- Using outdoor media (advertisement on public transport, billboards, banners, posters) (82.5%)
- Using electronic media print-ad (advertisement on TV, Radio or infotainment) (80%)
- Promotion event (sticker, brochure, notebook, postcard, etc.) (62.5%)

In terms of regulations, the entrepreneurs are aware (60%) that the new Commercial Companies Law (No 11 of 2015 effected August 2015) has removed the previous minimum capital requirement to provide of QR 200,000 to open a business in Qatar. However, some entrepreneurs still see capital requirements as a challenge.

*I think the Ministry of Economic and Commerce, they are going to a good direction. They have made restriction a lot easier for people to start a company.*

*For instance, a year ago, we should have two hundred thousand real as a minimum capital. Now is no longer a requirement. But now ... banks have their own restriction. So now MEC is not asking for the two hundred thousands but bank is asking for a minimum requirement deposit. So QNB might ask you thirty thousand, Masreq Rayyan might ask you twenty thousand, so they have their own. So standardization would help. (E-1)*

The majority of the entrepreneurs (70%) are not aware that the Ministry of Economy and Commerce (under Law no 13 of 2000 as amended by Law no 1 of 2010) may permit foreign investors to have more than 49% up to 100% foreign investment for specified “priority sectors”. Those who are aware of this regulation report, that the exemption is very difficult to secure and that it only applies to large corporations.

*Yes, I heard about it but it's for a very special case. It's extremely hard to get to that. Like it's not as easy as you guess you go to ministry of Economy and Commerce and say that I am an IT company and they will say that you don't need a Qatari partner. I mean, ... you need to put some strings on something like that... it's extremely hard to do that.(E-1)*

This high level of unawareness of the Law no 13 of 2000, leads to a suggestion that Qatar policy maker (MEC) provide more awareness sessions on this particular law and also to simplify and ease the requirements for SMEs and Start-ups.

## 4.6 Theme 5: Learning from other GCC Members

The survey benchmarking by the World Bank concluded that Qatar near neighbor Dubai, is much more effective in developing and supporting the growth of their SMEs and Start-ups in many ways, for example innovation and technology, trading capability, financial services, capital market and regulatory framework (See Table 2). Using the list of initiatives undertaken by Dubai for promoting investment and sustainable growth of their SMEs (Refer to section 2.5 - Lessons Learned from GCC members), the following summary is derived from the 40 entrepreneurs' responses to describe their perception of the effectiveness of each initiative.

According to the survey, the activities most effective in promoting the private sector are:

- Enhancing the regulatory framework to support protection of intellectual property rights (100%)
- Enhancement of Qatar's capital market activities by improving market confidence and liquidity (62.5%)
- Tailoring banking products to meet SME needs (55.6%)
- Aligning the regulatory framework to international standards in bankruptcy regulation, arbitration processes and issuance of visas (50%)

The activity judged by the respondents to be least important in promoting the private sector is Raising awareness of the benefits of listing and further development of market infrastructure (33.3%)

The researcher found an interesting example from the interview participants regarding an

initiative that has been undertaken by Kuwait to encourage the youth of the country to seriously consider taking up entrepreneurship as a career option. The idea is to help minimize the risks to the new entrepreneurs (Nationals only) by providing them the same salary as if they were still working with the government institutions during the initial stages of the business.

*There is a good case in Kuwait actually and I think this is a good example. Kuwait government, what they are doing to encourage people to be entrepreneur. They gave them equivalent amount of their salary if they are employed by the government. So if you have a job in the government and you are going to quit your job to be entrepreneur, you will keep getting or maintain to receive your salary. It is for National only. I think it will solve the issue we have here ... that a lot of people just go to work in the government to get their salary and they are not interested to be entrepreneurs. But if you ensure that you will be entrepreneurs and you will get your salary at least in the initial phases.... You know that there is a high risk, high level of failure ... so I think people will do something. (P-4)*

Similar to the above example, another entrepreneur also discussed about government help to minimize the risk to the Qatari youth entrepreneur.

*I think if government seriously want to have people joining more entrepreneurship is to find a kind of a compromising between both of having the security... at least for the first two years for youth and then let them fly their business. Kind of discounted salary for example because they are taking entrepreneurship and they are doing their own business... or just started their*

*business. To make it more attractive for them as a solution. Because they don't want to start a business and at the end ...end up with debt and have to go back to the full time job to pay their debt. Minimizing the risk they are taking. (E-6)*

However, the researcher opinion of the idea of providing National entrepreneurs with government salaries while they get their business underway, could effect to a another particular risk because the new businesses are less exposed to the normal rigours of risk and failure. This will attract a higher proportion of half-baked schemes, charlatans and incompetents that would normally be weeded out by market forces. All this may be a price worth paying to catapult the nation beyond a hydrocarbon economy. A deeper investigation to answer the question of whether or not Qatar needs to implement this idea could become a topic of new research.

The growth of SMEs and Start-ups in Qatar can effectively be promoted by using the media for public education campaigns such as:

- Using electronic media print-ad (advertisement on TV, Radio or infotainment) (80%)
- Using outdoor media (advertisement on public transportations, billboards, banners, posters) (82.5%)
- Using internet (not only from corporate website, but also other social medias such as Facebook, Instagram, Twitter, Line, etc.) (85%)
- Promotion event (sticker, brochure, notebook, postcard, etc.) (62.5%)

## 4.7 Summary of Findings

The desk research summary based on MDPS' survey data relating to the '**Theme 1: Qatar's Private Sector Landscape**' shown a significant degree of small business numbers compare to the overall company numbers in Qatar (71%). However, its contribution in terms of gross value added is still considered very low (7%).

There is an encouraging trend in the annual average real growth rate of the non-mining and quarrying activities relatively steady at 10% in the last five-year-span (2010 – 2015). This percentage is higher compare to the mining and quarrying average annual growth rate which was slowing down at 3%.

The Ministry of Development Planning and Statistics (MDPS) does not use the terminology of SME according to the Qatar national definition into their surveys. So, there are no data available that show the number of SMEs and their contribution to Qatar's GDP or employment rate.

The discussion in "**Theme 2: Internal factors affecting the growth of SMEs**" highlights the importance of a continuing culture change towards an entrepreneurial mindset. This can be fostered through education to encourage more Qatari youth to choose entrepreneurship as their career option. The urgency of starting entrepreneurship education at an early age was also discussed.

Implementation of entrepreneurship education at various level of education could be challenging in Qatar.

Internal factors affecting the growth of SMEs are also related to education: there is often

insufficient knowledge of the current regulations, and there are some skills shortfalls in management, marketing and development of business plan.

The discussion in “**Theme 3 – External factors affecting the growth of SMEs**” shows that finding commercial spaces or offices with reasonable cost is still the main concern facing entrepreneurs in Qatar. The second main concern is access to financing including securing the services of “angel investors”, followed by the complexity and inconsistency of processes for setting up new businesses, difficulties in finding manpower and angel investors, as well as the inconsistency of business regulations.

Even though the majority of the Qatar’s entrepreneurs are aware that the minimum capital requirement to provide QR 200,000 is no longer applicable, but are still faced by new requirements introduced by the banks in Qatar.

Ineffectiveness and ambiguity of the current regulations are also considered as a challenge for Qatar’s SMEs. This is evidenced by the significant time expended by entrepreneurs in completing all the licenses, paper work and other administrative requirements in preparation for setting up new businesses, hiring manpower and finding commercial of office space.

The positive factors that Qatar provides which support the growth of the SMEs, include low taxes, growing economic conditions, populations growth, development of modern infrastructure, low utilities costs and the Qatar leadership visions.

The majority of entrepreneurs are not aware that under law no 1 of 2010, they can actually have more than 49% foreign investment for specified ‘priority sectors’.

However those who are aware of this regulation reports that it is very difficult to get this

exemption and that it only applies to large corporations. There is scope for government to provide more awareness sessions about this particular law and to make it more applicable to SMEs by minimizing or reducing the exemption requirements.

## **CHAPTER 5. CONCLUSION**

### **5.1 Reviewing the Research Objectives and Questions**

The aim of this research was to investigate the role of regulations in promoting SMEs and Start-ups companies in Qatar by understanding the entrepreneurs internal and external challenge in growing their businesses. The aim was achieved through the use of mixing triangular qualitative semi structured interviews and a quantitative survey questionnaire. This use of mixing qualitative interviews and a quantitative survey allowed for an exploratory study providing detailed insights into the economic experts' / researchers' observations and entrepreneurs' experiences. This research has provided insights into the experiences of Qatari entrepreneurs and has contributed knowledge to the literature of entrepreneurship and understanding of the current role of Qatar's regulations.

### **5.2 Implications for Future Research**

The study results provide insights into the economic experts' / researchers' observations and entrepreneurs' experiences regarding Qatar's current regulations and their role in fostering SMEs and Start-ups. These findings can be a starting point for future in- depth research into the specifics of Qatar's laws and regulations and the effectiveness of their implementation.

Moreover, the results highlight the importance and the urgency of entrepreneurship education in changing the business culture and mindset of people in Qatar towards entrepreneurship. This finding can be a starting point for future in-depth research to help select the most effective ways of coordinating and implementing this effort in Qatar.

### **5.3 Limitations of Research**

The characteristic of this research have certain limitations which may impair the applicability of the findings. First, the empirical evidence was limited only to a relatively small number of entrepreneurs having registered companies in Qatar to gain access to their real experiences on current role of regulations when developing and growing their business. Significant numbers of unregistered entrepreneurs who are incubating ideas or have started their business from home are excluded from this research. Secondly, the new Qatar national definition of SME is relatively recent. As a result, the researcher was unable to find any Qatari literature and data available publicly that matches this new definition. Finally, a larger sample size and a more detailed questionnaire with more specific questions could have provided a deeper exploration into the topic and therefore richer research study overall.

### **5.4 Implication for Policy Makers**

There is no doubt that policy makers in Qatar recognized the importance of entrepreneurship for the economic development of this country. Many initiatives and efforts have been made by Qatari policy makers to support entrepreneurs in Qatar. Good examples of those initiatives are the development of several business incubations centers that have been performing well. However an important finding of this research is that the majority of the entrepreneurs interviewed believe that Qatar regulators do not provide enough support in assisting entrepreneurs to go on their own. There is scope for Qatar policy makers to invest more in changing Qatar's culture and mindset towards enhancing

entrepreneurship. This could be done through education, particularly from an early age, selecting a suitable body to coordinate and assess the initiatives' effectiveness, and increasing entrepreneurship awareness through public media campaigns.

## **5.5 Final Conclusion and Recommendations**

This research study demonstrates scope for Qatari policy makers to increase the urgency of their efforts in promoting SMEs and Start-ups through the following suggested activities:

- Implementation of entrepreneurship education through government mandate to various levels of education in Qatar. This effort could be initiated through a face-to-face discussion among the involved parties through effective coordination by a single selected institution to discuss the best alternative ways of implementation.
- Restructuring the current laws and regulations relating to SMEs and Start-ups to make those regulations more accessible, more transparent, more consistently applied, and easier to implement. The main concerns that are still seen as barriers to the growth of SMEs and Start-ups in Qatar are:
  - the requirement of having certain office space;
  - the high cost rent and difficulty of finding offices;
  - access to financing especially for non-Qatari entrepreneurs;
  - the complexity and ambiguity of the current processes and regulations for setting up new businesses;
  - the difficulties of finding manpower given immigration processes and visa

availability for certain nationalities;

- the difficulties in finding angel investors or venture capitalists;
  - the inconsistency of business regulations, that are continually changing or inconsistently applied.
- 
- Increasing public awareness of government and quasi-government initiatives supporting SMEs using media communications for public education campaigns such as internet (website and social medias), outdoor media (public transport, billboards, posters), electronic media print-ad (TV, radio, infotainment) and promotion event (sticker, brochure, post card, etc.)

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## Appendices

### Appendix A – QU IRB Research Ethics Review Exemption



Qatar University Institutional Review Board  
QU-IRB

April 17, 2016

Ms. Shinta Dewi Komalasari  
MBA Student Project  
College of Business and Economics  
Qatar University  
Tel.: 66854593  
Email: [sk1401613@qu.edu.qa](mailto:sk1401613@qu.edu.qa)

Dear Ms. Shinta Dewi Komalasari,

**Sub.: Research Ethics Review Exemption / MBA Student Project**  
**Ref.: Project titled, "Role of Regulations in Promoting Growth of SMEs and Start-ups in Qatar"**

We would like to inform you that your application along with the supporting documents provided for the above proposal, is reviewed and having met all the requirements, has been exempted from the full ethics review.

Please note that any changes/modification or additions to the original submitted protocol should be reported to the committee to seek approval prior to continuation.

Your Research Ethics Approval No. is: **QU-IRB 578-E/16**

Kindly refer to this number in all your future correspondence pertaining to this project.

Best wishes,

*K. Alali*

Dr. Khalid Al-Ali  
Chairperson, QU-IRB



## Appendix B – Interview Consent Form



### Qatar University MBA Applied Research Project

#### Interview Consent Form

Research Title :

#### **Role of Regulations in Promoting Growth of SMEs and Start-ups in Qatar**

Name of researcher : Shinta Dewi Komalasari

Name of department: College of Business and Economics

- I confirm that I have read and understood the information sheet for the above project and the researcher has answered any queries to my satisfaction.
- I understand that my participation is voluntary and that I am free to withdraw from the project at any time, without having to give a reason and without any consequences.
- I understand that I can withdraw my data from the study at any time.
- I understand that any information recorded in the investigation will remain confidential and no information that identifies me will be made publicly available.
- I consent to being a participant in the project.
- I consent to being audio recorded as part of the project

|                           |  |
|---------------------------|--|
| I<br><br>(PRINT NAME)     | Hereby agree to take part in the above project |
| Signature of Participant: | Date   |

## Appendix C – Interview Participant Information Sheet



### Applied Research Project title:

### Role of Regulations in Promoting Growth of SMEs and Start-Ups in Qatar

#### Research Overview

My name is Shinta Dewi Komalasari and I am a Master of Business and Administration (MBA) student at Qatar University. This is my applied research project and it is sponsored by Qatar Financial Centre (QFC). Findings and recommendations from this research will be discussed with policy makers in Qatar in order to find proper measures for implementation.

I would like to invite you to take part in this research. Please take the time to read the following information carefully before deciding if you would like to take part and feel free to ask any questions if you are still unsure about any aspects of the research.

#### Research Purpose

In the effort of promoting the growth of the private sectors through its SMEs and Start-ups by understanding the role of the Qatari regulations, this research is conducted with the objectives to:

- Identify measures being adopted by GCC countries to support the development of their private sector.
- Identify external and internal factors that impact Qatar's private sector.
- Apply findings towards making recommendations for pertinent stakeholders in Qatar to support the development of its private sectors by providing proposal for changing or improving the available regulations.

#### Who should participate in this interview?

The Faculty Members of Qatar University dealing with entrepreneurship's subject or having knowledge of entrepreneurs, Director and team member of Qatar University Center for Entrepreneurship, Managers of Entrepreneurships Incubation Centers in Qatar, and the representative of Qatar Government Institutions supporting the growth of SMEs and Start-ups in Qatar.

The entrepreneur, CEO or Manager of the Private sector companies, including Small Medium Enterprises and Owner of the Start-ups companies (company with a workforce that does not exceed 250 employees and its annual revenue doesn't exceed QR100m (*Qatar Minister of Information and Communication Technology*))

### **What will you do in this research?**

You will be required to attend one interview session either face-to-face or with the use of a telephone and it will be approximately 30 minutes long.

Prior to the interview, you will be provided with a Consent Form that will require your signature as your agreement to participate in this research. You can withdraw from the research at any time without explanation and you will have access to the research results once completed. The interview will be recorded and hand written notes will be taken. All personal identifier will be kept strictly confidential and the Prime Investigator (PI) / Researcher take responsibility that no personal identifier will be leaked or published and no one other than the PI will have access to it.

**Complete and accurate information are critical for this research. We appreciate your collaboration and participation. The result will be shared with you. Confidentiality of the information obtained from this interview will be treated as strictly confidential. This information will not be shared to any other parties without your consent.**

### **Research Ethics**

This investigation was granted ethical approval by the University of Qatar University – Institutional Review Board - Ethics committee.

If you have any questions/concerns, during or after the investigation, or wish to contact an independent person to whom any questions may be directed or from whom further information may be sought please contact:

### **Qatar University, College of Business and Economics**

#### **Researcher Contact Details:**

Name: Shinta Dewi Komalasari

Telephone: +974 66854593

Email: [sk1401613@qu.edu.qa](mailto:sk1401613@qu.edu.qa) or [Shinta dewi komalasari@yahoo.com](mailto:Shinta_dewi_komalasari@yahoo.com)

#### **Supervisor Details:**

Name : Marios I. Katsioloudes, PhD

Email: [mariosk@qu.edu.qa](mailto:mariosk@qu.edu.qa)

Professor of Management

Dept. of Management and Marketing

Phone: + 974 4403 5046

## Appendix D – Preliminary Interview Questions

Questions for the Faculty Members of Qatar University dealing with entrepreneurship's subject or having knowledge of entrepreneurships, Director and team members of Qatar University Center for Entrepreneurship, Managers of Entrepreneurships Incubation Centers in Qatar, and the representative of Qatar Government Institutions supporting the growth of SMEs and Start-ups in Qatar.

### GENERAL INFORMATION (About Respondent)

Institution name\*:

Name\*:

Position Title\*:

Address:

Telephone Number\*:

Email Address (formal)\*:

Website Address (if exist):

- 1) Given that the economy is largely hydrocarbon-driven, in your opinion, what policy measures are needed to encourage the youth of the country to seriously consider taking up entrepreneurship as a career option?
- 2) For starting up the business, what do you think the factors (Internal and External) that become barriers for people in Qatar to become an entrepreneur (Internal and External factors)?
- 3) For the ongoing business, what do you think the obstacles or challenges for growing the SMEs and Start-ups companies in Qatar (Internal and External)?
- 4) What do you think the positive factors that could promote the growth of SMEs and Start-ups in Qatar?
- 5) As far as you know, which government institutions or independent bodies that involve in promoting growth of Qatar's private sector?

- 6) If you could mention three institutions that are most committed in promoting the growth of the SMEs and Start-ups in Qatar, who are they?
- 7) Based on the above answer, please explain what activities that they have done?
- 8) In your opinion, do you think currently the Qatar regulators play enough in assisting entrepreneurs to go on their own? What exactly do you think they should be doing that they are currently not doing?
- 9) In regards to the public educative campaign of the activities in promoting SMEs and Start-Ups in Qatar, from which media communications you know/hear about those activities? Which one do you think is the most effective media?
- 10) In your opinion, what can Qatar learn from the other Gulf Cooperation Council (GCC) countries to support the development of their private sector?
- 11) If you were to make any recommendations to the policy maker in Qatar for the growth of entrepreneurships, what would they be?

# Appendix E – Survey Questionnaire (English Version)



## Role of Regulations in Promoting SMEs and Start-ups in Qatar

### Research Overview

My name is Shinta Dewi Komalasari and I am a Master of Business and Administration (MBA) student at Qatar University. This is my applied research project and it is sponsored by Qatar Financial Centre (QFC). Findings and recommendations from this research will be discussed with policy makers in Qatar in order to find proper measures for implementation.

I would like to invite you to take part in this research. Please take the time to read the following information carefully before deciding if you would like to take part and feel free to ask any questions if you are still unsure about any aspects of the research.

#### Research Purpose

In the effort of promoting the growth of the private sectors through its SMEs and Start-ups in Qatar by understanding the role of the Qatari regulations, this research is conducted with the objectives to:

- Identify external and internal factors that impact Qatar's private sector.
- Apply findings towards making recommendations for pertinent stakeholders in Qatar to support the development of its private sectors by providing proposal for changing or improving the available regulations.

#### Who should participate in this survey?

The entrepreneur, CEO or Manager of the Private sector companies, including Small Medium Enterprises and Owner of the Start-ups companies in Qatar (company with a workforce that does not exceed 250 employees and its annual revenue doesn't exceed QR 100M).

Complete and accurate information are critical for this research. We appreciate your collaboration and participation. Confidentiality of the information obtained from this interview will be treated as strictly confidential. This information will not be shared to any other parties without your consent.

Next



## Role of Regulations in Promoting SMEs and Start-ups in Qatar

### General Information (About Respondent)

#### 2. Address

|                 |                      |
|-----------------|----------------------|
| Name            | <input type="text"/> |
| Company         | <input type="text"/> |
| Position title  | <input type="text"/> |
| Address         | <input type="text"/> |
| City/Town       | <input type="text"/> |
| ZIP/Postal Code | <input type="text"/> |
| Country         | <input type="text"/> |
| Email Address   | <input type="text"/> |
| Phone Number    | <input type="text"/> |

Prev

Next

## Role of Regulations in Promoting SMEs and Start-ups in Qatar

### Business Information

\* 3. Business age (in Year/s):

\* 4. Please indicate the size of your company (choose from the list):

5. Head office location:

\* 6. Legal form (choose from the list):

7. Is your enterprise subsidiary/branch of another enterprise?

Yes

No

8. Company's market scope (choose from the list):

9. Type of Industry or primary product/services (choose from the list):

## Role of Regulations in Promoting SMEs and Start-ups in Qatar

### Factors Impacting Private Sectors

**10. What are your original intentions or main reasons for building your own company (you can choose more than one reasons)**

- Flexibility (work your own hours and from anywhere you want, more time for yourself and family)
- Financial independence
- Create new jobs and help people
- Make more money
- Pursue your passion, reach your dream
- Create your own rules, environment and deadlines
- Gain entrepreneurial experience (create something from scratch, learn new skills, become a mentor to someone else, become an expert through first-hand experience)
- Have more job stability, never worry about being laid off or fired
- Build a team, meet new people, get exposed to new cultures
- Get recognized and build reputation, find pride and fulfillment
- Improve your industry, push it forward with new innovation and ideas
- Resources are plentiful. With the dominance of Internet, it's easier than ever to find resources you need, including start-ups capital, loans, grants and even mentors
- Inspire others, have a great story to tell

Other (please specify)

**11. How long it takes to set up your business (from the first application until first operations)?**

**12. Choose numbers which best your company current INTERNAL challenges or factors that become the barriers for expanding or growing your business (1-Strongly Disagree, 2-Disagree, 3-Not Sure, 4-Agree, 5-Strongly Agree)**

|   | 1-Strongly Disagree   | 2-Disagree            | 3-Not Sure            | 4-Agree               | 5-Strongly Agree      |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Long production duration                | <input type="radio"/> |
| Lack of good management skills          | <input type="radio"/> |
| Lack of good marketing skills           | <input type="radio"/> |
| Lack of good quality control resources  | <input type="radio"/> |
| Lack of technical skills                | <input type="radio"/> |
| High employee's turn over               | <input type="radio"/> |
| Low employee's motivation               | <input type="radio"/> |
| Cash flow issues                        | <input type="radio"/> |
| Lack of understanding local culture     | <input type="radio"/> |
| Limited knowledge of current regulation | <input type="radio"/> |
| Lack of robust business plan            | <input type="radio"/> |
| Lack of collateral                      | <input type="radio"/> |

Other (please specify)

**13. Choose numbers which best your company current EXTERNAL challenges or factors become the barriers for expanding or growing your business (1-Strongly Disagree, 2-Disagree, 3-Not Sure, 4-Agree, 5-Strongly Agree)**

|   | 1-Strongly Disagree   | 2-Disagree            | 3-Not sure            | 4-Agree               | 5-Strongly Agree      |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Complexity process of setting up new business                     | <input type="radio"/> |
| High capital requirement for new Start-ups company                | <input type="radio"/> |
| Finance - difficult to get access to financing / investment       | <input type="radio"/> |
| Not easy to find commercial spaces / offices with reasonable cost | <input type="radio"/> |
| Not easy to find manpower   | <input type="radio"/> |
| Long Process of hiring new employee                               | <input type="radio"/> |
| Difficult to find angel investors or venture capitalists          | <input type="radio"/> |
| Scarcity of raw materials   | <input type="radio"/> |
| Public infrastructure and transportation                          | <input type="radio"/> |
| High competition locally  | <input type="radio"/> |
| High competition from other countries                             | <input type="radio"/> |
| Limited SMEs product special market                               | <input type="radio"/> |
| Product not welcome by people                                     | <input type="radio"/> |
| Inconsistency of business regulations (keep changing)             | <input type="radio"/> |
| High import duties of materials and equipment                     | <input type="radio"/> |

Other (please specify)

**14. Choose the number which in your opinion are the POSITIVE factors available in this country that can promote your business expansion or growth (1-Strongly Disagree, 2-Disagree, 3-Not Sure, 4-Agree, 5-Strongly Agree).**

|  | 1-Strongly Disagree   | 2-Disagree            | 3-Not sure            | 4-Agree               | 5-Strongly Agree      |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Low (almost no) taxes                                      | <input type="radio"/> |
| Qatar growing economic conditions                          | <input type="radio"/> |
| Development of modernization infrastructure                | <input type="radio"/> |
| Qatar population growth                                    | <input type="radio"/> |
| Lower utilities cost (electricity, telephone, water, etc.) | <input type="radio"/> |

Qatar leadership vision -  
programs benefiting private  
sector

Ease of access information

Other (please specify)

15. How long it takes you to find your current commercial spaces/offices?

16. How long it takes you to find your manpower (from sorting the candidates until mobilization)?

## Role of Regulations in Promoting SMEs and Start-ups in Qatar

### Improvement Recommendations to the Current Regulations

17. In General, in scale of 1 to 7 (with 7 as the most significant) to what extent the Qatar regulators play enough support in assisting entrepreneurs to go on their own?

|   | 1-No support at<br>all | 2                     | 3                     | 4-Support about<br>half | 5                     | 6                     | 7-Support all         |
|---|------------------------|-----------------------|-----------------------|-------------------------|-----------------------|-----------------------|-----------------------|
| Qatar regulator's significance<br>in supporting entrepreneurs | <input type="radio"/>  | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

18. Are you aware that a new Commercial Companies Law (No 11 of 2015) came into effect in August 2015 has REMOVED the previous requirement that a Qatar incorporated limited liability company had to have a minimum paid up share capital on incorporation of QAR 200,000?

- Yes, I am aware  
 No, I am not aware

19. Are you aware that the Ministry of Economy and Commerce (Under Law no 13 of 2000 as amended by Law no 1 of 2010) MAY PERMIT foreign investors to own more than 49% and up to 100% of a company in specified sectors called "Priority Sectors", namely business consulting, technical services, information technology, cultural, sports and leisure services, distribution services, agriculture, manufacturing, health, tourism, development and exploitation of natural resources, and energy & mining?

- Yes, I am aware  
 No, I am not aware

20. Which Qatar regulators or independent bodies below that you know are actively involved in promoting Qatar's private sector? (Choose the most three)

|  | Not involved at all   |                       | Involved about half   |                       | Most involved         |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Ministry of Finance                                | <input type="radio"/> |
| Ministry of Economy and Commerce                   | <input type="radio"/> |
| Qatar Financial Center                             | <input type="radio"/> |
| Qatar Chamber                                      | <input type="radio"/> |
| Qatar Central Bank                                 | <input type="radio"/> |
| Qatar Development Bank                             | <input type="radio"/> |
| Enterprise Qatar                                   | <input type="radio"/> |
| Ministry of Information & Communication Technology | <input type="radio"/> |
| Qatar University - Centers For Entrepreneurship    | <input type="radio"/> |

Other (please specify)

21. What is your level of confidence that the above government institutions are supporting the growth and Start-ups in Qatar. Rank your answer on a scale of 1 to 7 (with 7 as the most confident). Circle the number which best represent your know-how

|  | 1-Least Confident     | 2                     | 3                     | 4                     | 5                     | 6                     | 7-Very Confident      |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Ministry of Finance                                | <input type="radio"/> |
| Ministry of Economy and Commerce                   | <input type="radio"/> |
| Qatar Financial Center                             | <input type="radio"/> |
| Qatar Chamber                                      | <input type="radio"/> |
| Qatar Development Bank                             | <input type="radio"/> |
| Enterprise Qatar                                   | <input type="radio"/> |
| Ministry of Information & Communication Technology | <input type="radio"/> |
| Qatar University - Centers For Entrepreneurship    | <input type="radio"/> |

Other (please specify)

22. Based on your above answers, why do you think so? Which of following activities that you think most affected in promoting the private sector? (Choose the most three)

|  | Not affected at all   |                       | Affected about half   |                       | Most affected         |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Further developing Qatar's capabilities in key areas (i.e. trading, support creation and developing financial services industry) | <input type="radio"/> |
| Government initiatives to support innovation by use of latest technologies and education   | <input type="radio"/> |
| Enhancement of Qatar's capital market activities by improving market confidence and liquidity                                    | <input type="radio"/> |

|   |                       |                       |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Raising awareness of the benefits of listing and further developing of market infrastructure  | <input type="radio"/> |
| Aligning the regulatory framework to international standards in bankruptcy regulation, arbitration processes, and issuance of visas | <input type="radio"/> |
| Easing foreign ownership restriction in selection industries  | <input type="radio"/> |
| Enhancing the regulatory framework to support protection of intellectual property rights.   | <input type="radio"/> |
| Tailoring banking products to meet SME needs  | <input type="radio"/> |
| Improving the national credit bureau  | <input type="radio"/> |

23. From the above, HOW IMPORTANT you think those initiatives in promoting the growth of SMEs and Start-ups in Qatar? Rank your answer on a scale of 1 to 7 (with 7 as the most important). Choose the number which best represent your know-how

|   | 1-Least Important     | 2                     | 3                     | 4                     | 5                     | 6                     | 7-Most Important      |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Further developing Qatar's capabilities in key areas (i.e. trading, support creation, and developing financial services industry)   | <input type="radio"/> |
| Government initiatives to support innovation by use of latest technologies and education  | <input type="radio"/> |
| Enhancement of Qatar's capital market activities by improving market confidence and liquidity                                       | <input type="radio"/> |
| Raising awareness of the benefits of listing and further developing of market infrastructure  | <input type="radio"/> |
| Aligning the regulatory framework to international standards in bankruptcy regulation, arbitration processes, and issuance of visas | <input type="radio"/> |
| Easing foreign ownership restriction in selected industries   | <input type="radio"/> |
| Enhancing the regulatory framework to support protection of intellectual property rights  | <input type="radio"/> |

|  |                       |                       |                       |                       |                       |                       |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Tailoring banking products to meet SME needs | <input type="radio"/> |
| Improving the national credit bureau         | <input type="radio"/> |

Other (please specify)

**24. From where you know / hear about the public educative programs of the above activities? (you can choose more than one answers)**

- Public educative campaign using electronic media print-ad (advertisement on TV, Radio or infotainment)
- Public educative campaign using outdoor media (advertisement on public transportations, billboard, banner, poster)
- Public educative campaign using internet (not only from corporate website, but also others social medias such as Facebook, Instagram, Twitter, Line, etc.)
- Workshops, seminars or business club discussions
- Newspapers, magazines, articles, etc.
- Promotion event (sticker, brochure, notebook, postcard, etc.
- Other (please specify)

**25. From the above, HOW EFFECTIVE you think those media communications in promoting the growth of SMEs and Start-ups in Qatar? Rank your answer on a scale of 1 to 7 (with 7 as the most important). Circle the number which best represent your know-how**

|  | 1-Least Effective     | 2                     | 3                     | 4                     | 5                     | 6                     | 7-Most Effective      |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Public educative campaign using electronic media print-ad (advertisement on TV, Radio or infotainment)   | <input type="radio"/> |
| Public educative campaign using outdoor media (advertisement on public transportations, billboard, banner, poster)   | <input type="radio"/> |
| Public educative campaign using internet (not only from corporate website, but also others social medias such as Facebook, Instagram, Twitter, Line, etc.) | <input type="radio"/> |
| Workshops, seminars or business club discussions   | <input type="radio"/> |
| Newspapers, Magazine, Articles, etc.   | <input type="radio"/> |
| Promotion event (sticker, brochure, notebook, postcard, etc.)  | <input type="radio"/> |

Other (please specify)

26. What do you think the activities that Qatar regulators should be doing in promoting the growth of SMEs and Start-ups in Qatar that they are currently not doing (please specify)

27. If you were to make any recommendations to the policy maker in Qatar for the growth of entrepreneurship, what would they be (please specify)?

[+ Add a new question](#)

Or simply click or drag a new question from the Builder.

Prev

Done

## Appendix F – Survey Questionnaire (Arabic Version)



### دور الأنظمة والقوانين في تعزيز نمو الشركات الصغيرة والمتوسطة والشركات الناشئة في قطر

#### نظرة عامة على البحث

اسمي شينتا ديوي كومالاساري طالبة ماجستير إدارة أعمال في جامعة قطر. هذا هو مشروعني للتخرج وهو برعاية مركز قطر للمال. سنكم مناقشة نتائج وتوصيات هذا البحث مع واضعي السياسات في قطر من أجل إيجاد التدابير المناسبة للتنفيذ.

أود أن أذكركم للمشاركة في هذا البحث. أرجو منك أخذ الوقت الكافي لقراءة المعلومات التالية بعناية قبل أن تقرر ما إذا كنت ترغب في المشاركة، ولا تتردد في طرح أي سؤال إذا كنت لا تزال غير متأكد حول أي جانب من جوانب البحث.

#### أغراض البحث

يتم إعداد هذا البحث في إطار جهود تعزيز نمو القطاع الخاص من خلال الشركات الصغيرة والمتوسطة والشركات المبتدئة في قطر، وبشكل أساسي فهم دور الأنظمة والقوانين التطورية في ذلك.

#### تحديد العوامل الخارجية والداخلية التي تؤثر القطاع الخاص في قطر

تطبيق النتائج نحو تقديم التوصيات للجهات المعنية ذات الصلة في قطر لدعم تطوير القطاع الخاص من خلال تقديم اقتراحات لتغيير أو تحسين الأنظمة المتاحة.

#### من الذي يجب أن يشارك في هذا الاستبيان

أصحاب المشاريع ورواد الأعمال، الرؤساء التنفيذيون أو مديرو شركات القطاع الخاص، بما في ذلك الصغيرة والمتوسطة والمشاريع الناشئة ممن لديهم معرفة وافية عن المؤسسة ورؤيتها الاستراتيجية.

#### الأهداف:

- جمع المعلومات من أصحاب المشاريع الصغيرة والمتوسطة والمشاريع الجديدة في قطر.
- ينبغي أن يشمل المسح البيانات الأساسية للمؤسسة أو الشركة الناشئة لتقسيمها عينات.
- يهدف المسح إلى استخراج القضايا والتحديات التي تواجه الشركات الصغيرة والمتوسطة والمؤسسات الناشئة (العوامل الداخلية والخارجية).
- يهدف المسح لجمع الأفكار والتوصيات لتحسين الأنظمة الحالية المتعلقة بزيادة الأعمال.

أن المعلومات الكاملة والدقيقة ذات أهمية كبيرة لهذا البحث. ونحن نقدر تعاونكم ومشارككم معنا وسنمالم مع المعلومات المقدمة من قبلكم بسرية تامة ولن يتم تقاسم هذه المعلومات لأية أطراف أخرى دون موافقتك.

شكرا لكم على قراءة هذه المعلومات - يرجى طرح أي أسئلة إذا لم تكن متأكدًا من ما هو مكتوب هنا.

#### أخلاقيات البحث:

أن هذا البحث حاصل على موافقة واعتماد لجنة الموافقة المؤسسية للجنة الأخلاقية، إذا كان لديك أي أسئلة أو اهتمامات أثناء أو بعد انتهاء المسح، أو ترغب في الاتصال بشخص مستقل بخصوص هذا البحث يرجى الاتصال ب:

جامعة قطر

#### كلية الإدارة والاقتصاد

تفاصيل الاتصال بالباحث:

الاسم: شينتا كومالاساري

هاتف: 66854593

البريد الإلكتروني: sk1401613@qu.edu.qa أو Shinta\_dewi\_komalasari@yahoo.com

#### تفاصيل الاتصال بالمشرف:

الاسم: الدكتور ماريوس

البريد الإلكتروني: mariosk@qu.edu.qa

أستاذ الإدارة

قسم الإدارة والتسويق

هاتف: 44035046

من خلال توقيع هذا النموذج، تؤكد أنني قد قرأت وفهمت المعلومات الواردة أعلاه. وأنا أفهم أن مشاركتني طوعية وأنا حر في الانسحاب من البحث في أي وقت، دون الحاجة إلى إعطاء سبب. ودون أية عواقب. وأنا أفهم أن أي المعلومات المسجلة ستبقى سرية ولن تكون أية معلومات تُحدد هويتي متاحة للجمهور.

بالانتقال للصفحة التالية، فأتنا أفهم تماما المعلومات المقدمة وأوافق على المشاركة.

نعم

لا

دور الأنظمة والقوانين في تعزيز نمو الشركات الصغيرة والمتوسطة والشركات الناشئة في قطر

معلومات عامة

2.

العنوان

الاسم

الشركة

الوظيفة

العنوان

المدينة/البلدة

الرمز البريدي

الدولة

عنوان البريد الإلكتروني

رقم الهاتف

دور الأنظمة والقوانين في تعزيز نمو الشركات الصغيرة والمتوسطة والشركات الناشئة في قطر

معلومات الشركة

\* 3. عمر الشركة/ النشاط التجاري (سنة)

\* 4. حجم الشركة/ النشاط

5. موقع المكتب الرئيسي للشركة

\* 6. الشكل القانوني للشركة

7. هل مشروعك شركة تابعة أو فرع من شركة أخرى؟

نعم

لا

## 8. نطاق عمل الشركة

## 9. نوع النشاط التجاري للشركة\* (الرجاء الإختيار من القائمة)

## دور الأنظمة والقوانين في تعزيز نمو الشركات الصغيرة والمتوسطة والشركات الناشئة في قطر

### العوامل المؤثرة على التنافح الخاص

## 10. الرجاء اختيار وترتيب ثلاثة من الأسباب التالية التي دفعتك لبناء شركتك الخاصة. (you can choose more than one reasons)

- المرونة (العمل لساعات تحددها بنفسك ومن أي مكان تريد، مزيد من الوقت لنفسك والأسرة)
- الاستقلال المالي
- خلق فرص عمل جديدة ومساعدة الناس
- جني المال
- تحقيق شغفك، والوصول إلى حلمك
- انشاء قواعد وبيئة ومواعيد تسليم خاصة بك
- اكتساب الخبرة في الأعمال الحرة (خلق شيء من لا شيء، وتعلم مهارات جديدة، مرشدا لشخص آخر، أصبح خبيراً من خلال التجربة المباشرة)
- المزيد من الاستقرار الوظيفي، عدم القلق من احتمال فقد الوظيفة
- بناء فريق، التعرف على أشخاص جدد، والاحتكاك بثقافات جديدة
- الشهرة وبناء السمعة وتحقيق الفخر والوفاء
- تحسين الصناعة الخاصة بك، والشغح بها إلى الأمام بالابتكار والأفكار الجديدة
- موارد وفيرة. مع هيمنة الإنترنت، إيجاد الوارد التي تحتاج إليها أصبح أسهل من أي وقت مضى بما في ذلك رأس المال للشركات المبتدئة والقروض والمنح وكذلك المرشدين والموجهين
- إلهام الآخرين، لديك قصة رائعة لمشاركتها مع الآخرين

أسباب أخرى (الرجاء نكرها)



14. الرجاء اختيار الرقم الذي يوضحك رأيك في العوامل الإيجابية التي من شأنها تعزيز توسيع الأعمال التجارية الخاصة بك (1-لا أوافق بشدة، 2-لا أوافق، 3- محايد، 4-موافق، 5- موافق بشدة)

|   | لا أوافق بشدة-1       | لا أوافق-2            | محايد-3               | أوافق-4               | أوافق-5               |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| انخفاض أو عدم وجود ضرائب                                    | <input type="radio"/> |
| الأوضاع الاقتصادية المتساهلة في دولة قطر                    | <input type="radio"/> |
| البنية التحتية الحديثة                                      | <input type="radio"/> |
| النمو السكاني في قطر  | <input type="radio"/> |
| انخفاض تكلفة الخدمات العامة (الكهرباء والهاتف والمياه، الخ) | <input type="radio"/> |
| رؤية قيادة قطر - برامج يستفيد منها القطاع الخاص             | <input type="radio"/> |
| سهولة الحصول على المعلومات                                  | <input type="radio"/> |

أخرى (الرجاء تحديدها)

15. كم من الوقت استغرقت للمغور على المساحات التجارية / مكاتبك التجارية الحالية؟

16. كم من الوقت استغرقت للحصول على القوى العاملة الخاص بك (منذ اختيار المرشحين وحتى وصولهم)؟

دور الأنظمة والقوانين في تعزيز نمو الشركات الصغيرة والمتوسطة والشركات الناشئة في قطر

توصيات لتحسين اللوائح والأنظمة الحالية

17. بشكل عام، إلى أي مدى تقدم الجهات التنظيمية في قطر الدعم الكافي لرائدي الأعمال لإحجاج أعمالهم؟

|                   | لا يوجد دعم على الإطلاق-1 | 2                     | 3                     | حوالي النصف-4         | 5                     | 6                     | الدعم الكامل-7        |
|-------------------|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| (الرجاء الاختيار) | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

18. هل أنت على علم بأن قانون الشركات التجارية الجديدة (رقم 11 لسنة 2015) دخل حيز التنفيذ في أغسطس 2015 والذي يلغي المتطلب السابق بتوفير 200000 ريال قطري كحد أدنى من رأس المال لإنشاء شركة ذات مسؤولية محدودة؟

- نعم ، أنا على علم بهذا
- لا، أنا لست على علم بهذا

19. هل أنت على علم بأن وزارة الاقتصاد والتجارة (تحت القانون رقم 13 لسنة 2000 المعدل بالقانون رقم 1 لسنة 2010) تسمح للمستثمرين الأجانب بتملك أكثر من 49% وحتى 100% من شركة في قطاعات محددة تسمى "القطاعات ذات الأولوية"، وهي استشارات الأعمال، والخدمات الفنية، وتكنولوجيا المعلومات، الثقافية والرياضية والخدمات الترفيهية وخدمات التوزيع، والزراعة، والصناعة التحويلية والصحة والسياحة والتنمية واستغلال الموارد الطبيعية والطاقة والتعدين؟

- نعم ، أنا على علم بهذا
- لا، أنا لست على علم بهذا

20. الرجاء ترتيب الخيارات التالية (من 1 إلى 3)، بحسب اعتقادك، من هي أكثر الجهات التنظيمية في قطر دعماً لقطاع الخاص؟

|  | لا يوجد دعم على الإطلاق-1 | 2                     | حوالي النصف-3         | 4                     | الدعم الكامل-5        |
|--|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| وزارة المالية                            | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| وزارة الاقتصاد والتجارة                  | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| مركز قطر للمال                           | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| غرفة قطر                                 | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| بنك قطر المركزي                          | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| بنك قطر للتنمية                          | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| جهاز قطر لدعم المشاريع الصغيرة والمتوسطة | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| وزارة الاتصالات وتكنولوجيا المعلومات     | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| وزارة الاتصالات وتكنولوجيا المعلومات     | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

أخرى (الرجاء ذكرها)

21. ما هو مستوى ثققت في أن المؤسسات الحكومية المذكورة أعلاه تدعم نمو الشركات الصغيرة والمتوسطة والشركات المبتدئة في قطر. رتب إجابته على مقياس من 1-7 (حيث 7 هي الأكثر ثقة). ضع دائرة حول الرقم الذي يمثل رأيك.

|  | أقل ثقة-1             | 2                     | 3                     | 4                     | 5                     | 6                     | أقل ثقة-7             |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| وزارة المالية                            | <input type="radio"/> |
| وزارة الاقتصاد والتجارة                  | <input type="radio"/> |
| مركز قطر للمال                           | <input type="radio"/> |
| غرفة قطر                                 | <input type="radio"/> |
| بنك قطر المركزي                          | <input type="radio"/> |
| بنك قطر للتنمية                          | <input type="radio"/> |
| جهاز قطر لدعم المشاريع الصغيرة والمتوسطة | <input type="radio"/> |
| وزارة الاتصالات وتكنولوجيا المعلومات     | <input type="radio"/> |

أخرى (الرجاء ذكرها)

22. بناء على الإجابات أعلاه، لماذا تعتقد ذلك؟ أي من الأخطئة التالية تعتقد أنها الأكثر تأثيراً في تشييط القطاع الخاص؟ رتب ثلاثة أخطئة (ضع 1 أو 2 أو 3 داخل المربع).

|  | لا يوجد دعم على الإطلاق-1 | 2                     | حوالي النصف-3         | 4                     | الدعم الكامل-5        |
|--|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| مواصلة تطوير قرارات قطر في المجالات الرئيسية (التجارة، خلق ودعم وتطوير قطاع الخدمات المالية) | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| المبادرات الحكومية لدعم الابتكار من خلال استخدام أحدث التقنيات والتطبيقات                    | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| تعزيز أنشطة الأسواق المالية في دولة قطر من خلال تحسين الثقة في السوق والسيولة.               | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| رفع الوعي بفرص الإبداع وتطوير البنية الأساسية للسوق.   | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| مواءمة الإطار القانوني مع المعايير الدولية المتعلقة بالإفلاس والتحكيم وإصدار التأمينات       | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| التقليل من القيود المفروضة على نظام ملكية الأجانب في صناعات معينة                            | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

|   |                       |                       |                       |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| تعزيز الإطار القانوني لدعم حماية حقوق الملكية الفكرية       | <input type="radio"/> |
| تصميم منتجات مصرفية تلبى احتياجات الشركات الصغيرة والمتوسطة | <input type="radio"/> |
| تطوير مكاتب المعلومات الائتمانية الوطنية                    | <input type="radio"/> |

23. من ما سبق، باعتقادك ما هي أهمية هذه المبادرات في تعزيز نمو الشركات الصغيرة والمتوسطة والشركات الناشئة في قطر؟ رتب إجابته على مقياس من 1-7 (حيث 7 هي الأكثر أهمية). ضع دائرة حول الرقم الذي يمثل رأيك.

|   | أقل أهمية 1           | 2                     | 3                     | 4                     | 5                     | 6                     | أكثر أهمية 7          |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| مواصلة تطوير قدرات قطر في المجالات الرئيسية (التجارة، خلق ودمج وتطوير قطاع الخدمات المالية) | <input type="radio"/> |
| المبادرات الحكومية لدعم الابتكار من خلال استخدام أحدث التقنيات والتعليم                     | <input type="radio"/> |
| تعزيز أنشطة الأسواق المالية في دولة قطر من خلال تحسين الثقة في السوق والسيولة.              | <input type="radio"/> |
| رفع الوعي بفوائد الإدراج وتطوير البنية الأساسية لتسويق                                      | <input type="radio"/> |
| مواكبة الإطار القانوني مع المعايير الدولية المتعلقة بالإفلاس والتحكيم وإصدار التشريعات      | <input type="radio"/> |
| التقليل من القيود المفروضة على نظام ملكية الأجانب في صناعات معينة                           | <input type="radio"/> |
| تعزيز الإطار القانوني لدعم حماية حقوق الملكية الفكرية                                       | <input type="radio"/> |
| تصميم منتجات مصرفية تلبى احتياجات الشركات الصغيرة والمتوسطة                                 | <input type="radio"/> |
| تطوير مكاتب المعلومات الائتمانية الوطنية  | <input type="radio"/> |

أخرى (الرجاء ذكرها)

24. كيف علمت/ سمعت عن البرامج التوعوية للأنشطة أعلاه؟

- المصحات التوعوية العامة باستخدام وسائل الإعلام الإلكترونية (الإعلان على شاشة التلفزيون، الراديو)
- حملة توعية عامة باستخدام وسائل الإعلام الخارجية (الإعلان على وسائل المواصلات العامة، لوحة، لافتة، ملصق)
- تعزيز أنشطة الأسواق المالية في دولة قطر من خلال تحسين الثقة عامة باستخدام الإنترنت (ليس فقط من موقع الشركة، ولكن أيضا الوسائل الأخرى مثل الفيسبوك و الاستجرام و...الخ)
- ورش العمل والتدوات أو مناقشات في نادي الأعمال
- صحف، مجلات، مقالات، الخ
- الوسائل الترويجية (بوستر لاصق، كتيب بروشور، دفتر، بطاقة بريدية، الخ)
- أخرى (الرجاء ذكرها)

25. من ما سبق، باعتقادك ما مدى فعالية تلك الاتصالات ووسائل الإعلام في تعزيز نمو الشركات الصغيرة والمتوسطة والشركات الناشئة في قطر؟ رتب إجابته على مقياس من 1-7 (حيث 7 هي الأكثر أهمية). ضع دائرة حول الرقم الذي يمثل رأيك.

|  | أقل أهمية 1           | 2                     | 3                     | 4                     | 5                     | 6                     | أكثر أهمية 7          |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| المصحات التوعوية العامة باستخدام وسائل الإعلام الإلكترونية (الإعلان على شاشة التلفزيون، الراديو) | <input type="radio"/> |

|   |                       |                       |                       |                       |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| حملة توعية عامة باستخدام وسائل الإعلام الخارجية (الإعلان على وسائل التواصل العامة، لوحة، لافتة، ملصق) | <input type="radio"/> |
| حملة توعية عامة باستخدام الإنترنت (ليس فقط من موقع الشركة، ولكن أيضا الوسائل الأخرى مثل الفيسبوك)     | <input type="radio"/> |
| ورش العمل والتعاونيات أو مناقشات في نادي الأعمال  | <input type="radio"/> |
| صحف، مجلات، مقالات، الخ   | <input type="radio"/> |
| الوسائل الترويجية (بوستر لاصق، كتيب بروشور، نفث، بطاقة بريدية، الخ)                                   | <input type="radio"/> |

أخرى (الرجاء لكتوبها)

26. في رأيك ، ما هي الأنشطة التي يجب أن تقوم بها الجهات المنظمة في قطر من أجل تعزيز نمو الشركات الصغيرة والمتوسطة والشركات المبتدئة (برجى التحديد) ؟

27. لو كان بإمكانك تقديم توصيات لصانعي القرار في قطر لتعزيز نمو ريادة الأعمال، ما ستكون هذه التوصيات (برجى التحديد) .

## Appendix G – In-depth Interview Questions

Questions for the Entrepreneur, CEO or Manager of the Private sector companies, including Small Medium Enterprises and Owner of the Start-ups companies with thorough knowledge of the enterprise and its strategic vision.

### GENERAL INFORMATION (About Respondent)

Company name\*:

Name\*:

Position Title\*:

Address:

Telephone Number\*:

Email Address (formal)\*:

Website Address (if exist):

### BUSINESS INFORMATION

Business Age\*:  Year/s

Size\*:

- Micro (1-9 employees)*
- Small (10-49 employees)*
- Medium (50-249 employees)*
- Large (250 + employees)*

Head Office Location\*:

Legal form\*:

- Sole Ownership*
- Partnership*
- Corporation*

*Limited Liabilities Company*

*Non-profit organization*

Is your enterprise subsidiary/branch of another enterprise?

*Yes*

*No*

Enterprise's head office location:

Company's market scope\*:

*Local*

*Regional*

*International*

Type of Industry (primary product/services)\* *(Choose from the list):*

*Accommodation and food services*

*Agriculture, forestry & fishing*

*Construction*

*Cultural, Sports, Art, entertainment & recreation*

*Development and Exploitation of Natural resource*

*Distribution services*

*Education*

*Energy and mining*

*Financial (including ForEx/Money services) and Insurance*

- Healthcare (clinics, pharmacies, medical suppliers)*
- Information and communication*
- Manufacturing*
- Professional, Scientific & Technical Consultant*
- Real Estate*
- Tourism*
- Transportation (incl. Rental car) and storage*
- Wholesale and retail trade*
- Other Services*

- 1) Tell me more about your company?
- 2) Why did you start this company?
- 3) Given that the economy is largely hydrocarbon-driven, in your opinion, what policy measures are needed to encourage the youth of the country to seriously consider taking up entrepreneurship as a career option?
- 4) What are the challenges did you face when building your company for the first time (Internal and External)?
- 5) What challenges do you foresee for expanding your company's operations (Internal and External factors)?
- 6) Tell me about the success stories of your business (Positive Factors).
- 12) What are the future plans of your company? What is your target?
- 13) As far as you know, which government institutions or independent bodies that involve in promoting growth of Qatar's private sector?
- 14) If you could mention three institutions that are most committed in promoting the growth of the SMEs and Start-ups in Qatar, who are they?
- 15) Based on the above answer, please explain what activities that they have done?

- 16) Are you aware that a new Commercial Companies Law (No 11 of 2015) came into effect in August 2015 has **REMOVED** the previous requirement that a Qatar incorporated limited liability company had to have a minimum paid up share capital on incorporation of QAR 200,000?
- 17) Are you aware that the Ministry of Economy and Commerce (Under Law no 13 of 2000 as amended by Law no 1 of 2010) **MAY PERMIT** foreign investors to own more than 49% and up to 100% of a company in specified sectors called “**Priority Sectors**”, namely business consulting, technical services, information technology, cultural, sports and leisure services, distribution services, agriculture, manufacturing, health, tourism, development and exploitation of natural resources, and energy & mining?
- 18) In your opinion, do you think currently the Qatar regulators play enough in assisting entrepreneurs to go on their own? What exactly do you think they should be doing that they are currently not doing?
- 19) In regards to the public educative campaign of the activities in promoting SMEs and Start-Ups in Qatar, from which media communications you know/hear about those activities? Which one do you think is the most effective media?
- 20) In your opinion, what can Qatar learn from the other Gulf Cooperation Council (GCC) countries to support the development of their private sector?
- 21) If you were to make any recommendations to the policy maker in Qatar for the growth of entrepreneurships, what would they be?

## **Appendix H – Example of Preliminary Interview Transcript**

Prelim Interview Participant (P-6)

Interview Date: 23/03/2016

Interviewer: Shinta Dewi Komalasari

Interview type: Face to Face

Interview Duration: 16 minutes and 47 seconds

*Given that the economy is largely hydrocarbon-driven, in your opinion, what policy measures are needed to encourage the youth of the country to seriously consider taking up entrepreneurship as a career option?*

I strongly believe that if the government set a program in schools at all education embedded ... even starting from kindergarten, all the way to the universities about entrepreneurs courses. I think we are going to have .. at the end ... the very well educated population that would be eager and willing to really be engaged in entrepreneurship and not really depend on the public sector for employment.

*What do you think are the challenges facing by the entrepreneurs e when building their company for starting their business at the first time?*

Well, I think it has a lot to do with my first answer, that we don't have a very solid educational system as far as entrepreneurship concerned. Also ... emmm... the policies that really promote sustainability of the small business are not there. And ... there are too many entities in the government and semi-government sectors that deal with entrepreneurship that really make people to be somewhat confuse is where to go and ask for information, for funding ... or guidance in general.

*So for the business that has been on going, what do you think the barriers facing the entrepreneurs in expanding their company's operations?*

Again it has a lot to do with coaching and mentoring all these start-ups entrepreneurs in giving, providing them the correct advise how to really stay in business and also maybe ... maybe to offer them opportunities for growth outside of Qatar, and I mean really helping them to export, if they are manufacturing something, to export to other countries. And I think that's not easy... but I don't think we have the mechanism to really encourage all these start-ups entrepreneurs to export their product to other countries. Emmm... the other thing that we don't still have or yet, ... we don't have an entrepreneurship culture to really enable people to think alike. Another obstacle, not necessarily for the Qatari but for the expatriate is getting funding. Only the Qataris are eligible for funding, securing funding from the Qatar Development Bank, and not the expat. And we know that the majority of the expat the one who are going to engage in entrepreneurship. Why ? ... because the Qatari, they are majority are being absorbed by the public sectors. For me ... that's a very big obstacle for the entrepreneurship in general.

*What do you think the positive factors that Qatar has that could promote the growth of SMEs and startups in Qatar?*

I think if we take one institution which is Qatar Development Bank. I think they already start in really getting involved more aggressively in entrepreneurship and having Qatar Development Bank, I think the funding is there .... I don't think there is issue for funding and again funding for the Qatari is there... but for the expat is not. Then there could be partnership between Qatari and non-Qatari. The Qatari will secure the funding and the expat, the non-Qatari will basically pursue the dream of really opening their business.

*As far as you know, which government institutions or independent bodies that involve in promoting growth the Qatar's private sector?*

One is QDB for sure ... and we know that Enterprise Qatar has been absorbed by QDB last year or so... We have Silatech which really promote entrepreneurship among the youth, not only in Qatar but in Middle East, North Africa and GCC region. We also have Bedaya center which really promote entrepreneurs among the youth. I could easily say Qatar University through the Center for Entrepreneurship, even though it is young, but I think it's a good start. And maybe some other universities, maybe College of North Atlantic has something about entrepreneurship. Cornege Mellon university... all really make up the ecosystem of entrepreneurship in Qatar.

*In your opinion, do you think the Qatar regulator play enough in assisting entrepreneurs to go on their own? What exactly do you think they should be doing that they are currently not doing?*

I think I am going to summarize what I said ... It is a good start. I have been here for four – five years. I have seen some improvements. We are moving forward and that is good. I think the government should definitely put more and more educational programs for entrepreneurship at all levels. We don't have a major in entrepreneurship. We don't have a master in entrepreneurship and these are something that the government should promote. The other thing they should really come up with policies that encourage FEMALE entrepreneurs to pursue their dream... because for female is more difficult. They have more responsibilities, ... being a mother, being a student, being a full time employee some where... so there are more responsibilities at the shoulders of female. And I think if there are a clear cut law for female entrepreneurs would encourage female entrepreneurs to flourish more and more in Qatar.

I know that some other GCC countries are doing more ... and they are less wealthy than Qatar. For example Bahrain .... Bahrain has a very-very well established infrastructure for SMEs. They don't depend on oil and gas because they don't have much or at all ... and we have seen Uni Emirates, both Abudhabi and Dubai are really encourage more and more female entrepreneurs to being involved in entrepreneurship.

*So what exactly they do which is not available in Qatar ? ... I mean with Bahrain?*

Well...the Centers for Entrepreneurship that run by female ... we have one here only ... I forgot the name ... Center for ....*Roudha* ... yes Roudha. So ...or they have programs in universities that really focus on entrepreneurship. Also what we have here in Qatar ... They provide more incentive for female to really open their own business, financially they are more favorable as far as funding is concerned. And they encourage them to register their business, even though some of their business are run from home ... and that is fine, ... there is nothing wrong. So we have many-many business that was run by female here in Qatar, but most of them are not registered ... *Illegal?* Yah ... in a way you could say that they are illegal. So they (government) have to do something to encourage the female entrepreneurs to register and give them more favorable financial incentives and everything.

*We know that these efforts by Qatar government in promoting SMEs and start-ups have been started since the year 2000 till now at 2016 through the Qatar Development Strategy. But I feel that it is still not reach to the lower level of the entrepreneurs in Qatar. Do you think there are issues in the media of communication on how to communicate all these initiatives?*

I think there are too many entities involved. Maybe there is miscommunication or ... no communication at all or what so ever, make between the ministries, QDB, Silatech, Bedaya center or Qatar University. They are sometimes involved in activities that we are not aware of.

*So we need to synergize the activities?*

Well Exactly. So there must be a mechanism to coordinate the activities of these. So that we don't see a duplication of the same activities. I don't want to do the same training program here at QU and QDB is also doing the same or Bedaya is doing the same. That's what I think.

*So what media communication is most effective to synergizes the activities or to communicate the activities to public?*

I think for starter that should be a face to face communication between policy makers, decision makers, practitioners to sit together in a round table. They should discuss all the issues on the table, have transparency. This is what we have to do as far as entrepreneur is concerned. Right now is this country, this is what we would like to go and be and this is what we want to get there. In other words, we should have a very-very concrete realistic strategy that part of national strategy that focus more on entrepreneurship and to me honestly this face to face communication to begin with is very important to take place....Then once we identify who is going to be the spoke person from each institution. I know that Qatar University spoke person will be this person ... QDB will be this person, ...the ministry this person, ... Silatech this person ... Bedaya center one person .... We have five entities ... and five people are the coordinators, instead of so many

people get lost in the loop or so many people doing the same thing... so they don't communicate with each other...

So you know social media to promote the decision and the policies through the entrepreneurs...sure... but it has to come from some where. If I were the government of Qatar, I would have put together the National Committee for Entrepreneurship, consisting of 10-12 people, key people in the country, Qatari and non-Qatari who are really involved in entrepreneurship. Make decisions... at the National level and really disseminate all the information to the entrepreneurs. I mean social media is one .... Emmm...I would have a campaign on TV, in Arabic and English. I could have whole campaign on the newspaper with also English and Arabic for example .... Yah!

*Well, I've asked everything that I wanted to ask so thank you very much for participating.*

You are most welcome and I would like to repeat what I said in Sheraton at the Entrepreneurship forum and I want to say the same thing .... that I really believe that education is going to solve the problem, starting from the early age would do it. You would need many-many years to bring about changing the culture.

## **Appendix I – Example of In-depth Interview Transcript**

In-depth Interview Participant (E-1)

Interview Date: 03/04/2016

Interviewer: Shinta Dewi Komalasari

Interview type: Face to Face

Interview Duration: 14 minutes and 7 seconds

*(The first question about the details of the company and what they are doing and providing are intentionally not scripted here to maintain the confidentiality of the respondent)*

*Why did you start the company?*

Which mostly based on my personal problems... So I have been living in Qatar all my lives. We used to struggle finding a good doctor, may be because we don't know much about the doctor as much as we would like to know. For instant you go to one person and you ask him how much he know about the doctor. Her would answer that he is a specialist doctor in this...but he doesn't know anything about anything else. He doesn't know about other languages that he speaks, where did he go to school, whether he has American credentials, etc. The second thing is because I were in the university, and this was actually my university project at ..... University. And then we launched it as a student project and then we got a lot of intention from press and then we launched it as a company. So, it is not intended to be a company, we just started it as a course project and then our professor and faculty encourage us to launch it as a company.

*Given that the economy is largely hydrocarbon-driven, in your opinion, what policy measures are needed to encourage the youth of the country to seriously consider taking up entrepreneurship as a career option?*

I think, in terms of regulations, Qatar still need to do a lot of things. I think the Ministry of Economic and Commerce, they are going to a good direction. They have made restriction a lot easier for people to start a company. For instance, a year ago, we should have two hundred thousand real as a minimum capital. Now is no longer a requirement. But now ... banks have their own restriction. So now MEC is not asking for the two hundred thousands but bank is asking for a minimum requirement deposit. So QNB might ask you thirty thousand, Masreq Rayyan might ask you twenty thousand, so they have their own. So standardization would help.

All these information about regulation is still not that clear. It is very ambiguity at the moment. People will tell you different things and regulation is keep changing every now and then. So .. there are a lot of ambiguity on what people need to do, what they don't need to do. So I think if this could change, it would help a lot.

The other requirement is like having a trade license. In order to have the trade license, you need to have an office space and then you need at least a year long lease of that. Which is a huge pain ... because it's really expensive for start-up company to get at lease and office space. So incubator in this country are helping us with that. But I think it would make it easier if we could get away of actually having a problem with office space... or at least not a year-long lease item. If this is a start-up company, you don't have so much capital in the beginning, you are struggling to get your revenue, and you struggling to earn money... so that would help a lot.

So to summarize the point...from ministry point of view, you making the regulation are easy would help! And actually making the information more accessible, so people will

know what need to be done. Because everything is quite ambiguite at the moment. You don't's know if this low still applicable or not.

*What are the challenges did you face when building your company at the beginning?*

First at the beginning, we had an issue of finding a partner, a local partner. I was fortune enough that I found my friends back in university and joined them. But, I am sure many people in Qatar do face this problem because in Qatar we need a local partner, and a lot of expat coming to the country they don't know someone that they can make as partner... so that would be a challenge

*Are you aware that the Ministry of Economy and Commerce (Under Law no 13 of 2000 as amended by Law no 1 of 2010) MAY PERMIT foreign investors to own more than 49% and up to 100% of a company in specified sectors called "Priority Sectors", namely business consulting, technical services, information technology, cultural, sports and leisure services, distribution services, agriculture, manufacturing, health, tourism, development and exploitation of natural resources, and energy & mining?*

Yes, I heard about it but it's for a very special case. It's extremely hard to get to that. Like it's not as easy as you guess you go to ministry of Economy and Commerce and say that I am an IT company and they will say that you don't need a Qatari partner. I mean,... you need to put some strings on something like that... it's extremely hard to do that.

*And how about the challenges now ... to grow your business?*

Immigration is another issue. Getting people into the country, getting new visas and

everything ... especially for new company. Finding talent locally is hard. So you need to get people from abroad, but to getting abroad is like these issues with their visas. So ... it's another challenge.

Law is ambiguous...lot of inefficiency. There are too many red tapes. If you gonna get anything approve .... It will just take you forever. So it slows down business a lot. If you need to go to MEC to get your trade license or adding business activity, it will take weeks or even sometimes months for getting it approved and it cost a lot of money on that.

*Theoretically it should be done within one day, but in reality it's not.* So my point is ... there is red tape in efficiency that can be improved a lot.

*...The respondent is also tell the success stories of his business and the long term plan of the company ....(not written in this transcript for confidentiality reason).*

*Okay .... Thank you so much (respondent's name) for participating... I think I have asked everything that I need to ask you. I will switch of the recording device now.*