The Optimal Qatar-India Trade Agreement

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EXECUTIVE SUMMARY

This report identifies the optimal trade agreement model between Qatar and India, in particular considering a balance between economic objectives, legal constraints, and political and regulatory feasibility. In today's global trade environment, traditional tariff-focused trade agreements are insufficient for modern economic integration. This is especially evident when addressing a structurally asymmetric bilateral relationship such as that between Qatar and India. An ideal trade agreement between these two countries should reconcile Qatar's small, high-income, hydrocarbon-dependent, centralized system with India's large, diversified, emerging economy with a complex federal structure. In this case, the asymmetry is the central design challenge, and the optimal agreement must therefore pursue economic integration while also being specifically designed to manage and accommodate the specificities of Qatar's and India's economies. As results from detailed economic and legal analyses, a Comprehensive Economic Partnership Agreement (CEPA) with a modular and phased structure best reconciles economic ambition, legal constraints, and asymmetrical realities in the case of Qatar and India.

This conclusion is reached through a detailed economic analysis that guides the choice of agreement, and a thorough legal analysis that identifies and presents remedies for potential constraints that advise the structure and limits of the suggested agreement. As shown through economic analysis, the Qatar-India relationship is structurally complementary but imbalanced, with Qatar's economy dominated by low-tariff hydrocarbon exports, and India's lead by exported goods, services, and labor. The result of these divergences is that a tariff-focused FTA would disproportionately benefit India, and would fail to facilitate progress toward Qatar's diversification objectives.

Economic logic therefore suggests more emphasis on areas such as services, investment, and regulatory cooperation. Such focus is particularly important for Qatar's smaller economy that relies on better trade, rather than simply more trade. Legal analysis confirms that, in this case, legal constraints are amplified by asymmetry. India's federal structure creates risk of fragmented implementation, while Qatar's smaller system is vulnerable to more exposure to external commitments. WTO rules further limit flexibility by requiring sufficient coverage while restricting discriminatory design. The solution is therefore an economically driven but legally calibrated

CEPA, tailored to target high-value sectors, limit exposure in sensitive areas, and accommodate uneven capacity between Qatar and India.

Temporal factors are also considered. An ideal Qatar-India agreement is focused on future factors but shaped by past vulnerabilities and present constraints. Qatar's long-term strategy centers on diversification into services, technology, and high-value sectors. India's trajectory predicts further expansion in its industrial and services capacity. The agreement must therefore be carefully planned to avoid asymmetry becoming locked in over time. An optimal agreement must allow for gradual economic convergence and allow Qatar to upgrade its economic position in the future. The present constraints posed by economic and legal asymmetry are addressed by including phased commitments, modular structure and sector prioritization. Past considerations include Qatar's smaller and import-dependent economy, which is more vulnerable to external shocks. This has informed recommendations for risk-mitigation mechanisms such as safeguards and flexibility clauses, as well as diversification incentives.

Finally, Qatar's readiness to negotiate is assessed relationally. Its strong fiscal position, centralized decision-making, and established energy and investment ties with India create space for negotiations despite size differences. Its smaller domestic market makes it more exposed to import competition, and its limited experience with deep agreements, especially when compared with India's broader trade network, creates some imbalance at the negotiating table. The proposed model addresses this reality through its modular design, phased commitments, and sector prioritization. Proposed governance mechanisms further facilitate monitoring and flexibility.

The recommended CEPA is a structurally adaptive model that is designed for the Qatar-India relationship. It reconciles asymmetry and considers the particularities of each economy by allowing for deep integration where interests align, and preserving flexibility where risks are uneven. It provides for gradual convergence over time. The diverging economies and legal systems are therefore not an obstacle to cooperation, but are the primary reason for adopting a modular, phased CEPA structure.

I. INTRODUCTION & POLICY PROBLEM

This memorandum outlines the optimal trade agreement with India to maximize long-term economic cooperation that aligns with Qatar's development goals. Trade ties between Qatar and India are strong, reflecting a robust bilateral partnership in the Gulf-Asia corridor.[1] Trade between the two nations is characterized by complementarity in energy trade, goods exchange, and labor mobility.[2] Qatar supplies liquefied natural gas (LNG) and petroleum products, while India exports a diversified basket of manufactured goods, pharmaceuticals and services.[3] The economic partnership between the two nations bolsters investment flows and infrastructure development. Moreover, the Indian expat workforce boosts Qatar's domestic economy.[4] Effective trade agreements should not merely reduce tariffs but also foster economic integration and structural cooperation.[5] India's demand for energy is driven by industrialization and urbanization. To secure its energy needs, India views Qatar as a crucial trade partner.[6]

India imports Qatari LNG to meet its growing energy demands.[7] India, is one of two leading emerging Asian economies to have imported over 280 billion kg of LNG from Qatar.[8] India has emerged as a key destination for Qatar's LNG exports, totaling approximately 10.90 billion kg, according to recent estimates.[9] Overall, the scale and consistency of LNG exports position Qatar as a critical partner in supporting India's energy diversification strategies.[10] At the Qatar- India Joint Communique, both countries committed to deepen cooperation across trade, investment,

[1] Pratik Kute, '50 Years of India-Qatar Relations (1973-2022): Achievements, Opportunities And Challenges' [2022] Voice of Research Working papers 172–173.
[2] Ibid., 172.
[3] Abdul Vajid and Krishn A Goyal, *'A Study of India's Economic Relations with Qatar'* (2021) Global Review of Business and Technology https://www.researchgate.net/publication/351109044_A_STUDY_OF_INDIA%27S_ECONOMIC_RELATIONS_WITH_QATAR accessed 3rd March 2026.
[4] Muhammad Azhar, 'Indian Migrant Workers in GCC Countries' (2016) 9 Diaspora studies 100, 103.
[5] Krishn Awatar Goyal and Abdul Vajid, 'An Analysis of India's Trade Intensity with UAE' (2018) 13 Journal of Commerce and Trade 27, 28.
[6] P R Kumaraswamy, *India and the Persian Gulf: India's Relations with the Region* (Sage Publications 2013)
[7] Yakubu Abdul-Salam and Farouk Abdul-Salam, 'Qatar's LNG Exports: Advancing Efficiency in Electricity Generation and Reducing Carbon Emissions in the Global Energy Transition' (2025) 62 Energy Strategy Reviews 1, 7.
[8] ibid.
[9] ibid.
[10] ibid.

energy, security, health, technology & innovation, food security & protection of supply chains, culture, education, and people-to-people ties.[11]

Qatar and India are fast emerging as a major bilateral relationship; therefore, any proposed agreement will have to be carefully considered. Trade agreements can be analytically distinguished across three dimensions: legal form, substantive coverage, and depth of integration. Legal form involves assessing whether the agreement is bilateral, plurilateral or multilateral, while substantive coverage concerns the sectors included such as goods, services, investment and even digital trade. Depth of integration refers to the extent to which agreements impose regulatory control beyond standard measures including commitment on domestic monitoring, competition policy and investment protection. Such dimensions directly affect state policies as they pursue economic and industrial strategies. Against this backdrop, the central policy challenge is how to structure such an integration within a set of overall legal, economic, and regulatory constraints.

The first constraint arises from the multilateral trading system. Any bilateral agreement between the two nations must comply with the World Trade Organization (WTO) framework, especially Articles XXIV of the GATT 1994 and V of the GATS. These articles regulate regional trade agreements (RTAs) to substantially cover all forms of trade without raising barriers for third countries. Such requirements impose legal constraints on agreements and limit the extent to which countries can liberalize trade.

Beyond the legal limits, a second challenge concerns the economic design of the agreement. It is difficult to balance the immediate benefits of tariff liberalization with long-term structural change. Conventional trade agreements restrict economic diversification and lower tariffs to increase efficiency. More comprehensive agreements to promote services, investment, and regulatory cooperation facilitate long-term growth of sectors such as technology and finance and include legally binding, invasive obligations. Therefore, Qatar can benefit from a strategic trade-off between tighter integration and incremental liberalization to meet development goals.

[11] Ministry of Foreign Affairs, *Qatar, India issue Joint Communique on Occasion of HH the Amir's Visit (*Ministry of Foreign Affairs, 18 February 2025), < https://mofa.gov.qa/en/latest-articles/statements/qatar--india-issue-joint-communique-on-occasion-of-hh-the-amir's-visit> accessed 17 April 2025

Lastly, even where legal and economic considerations align, deeper integration raises internal regulatory tensions. To improve investor confidence, trade and investment agreements earlier included investment protection clauses such as fair and equitable treatment and investor-state dispute settlement (ISDS) procedures. The trend is now to move away from these types of provisions. However, risks associated with arbitration may cause a regulatory chill by deterring the government from enacting legislation in public interest. Given Qatar's efforts to reform regulatory measures for industries like finance, infrastructure, and technology to mark a shift to innovation, such agreements are particularly important for Qatar. Bilateral agreements can protect investors and foster indirect integration.

This report demarcates how to design a trade agreement based on these factors so as to promote policy flexibility, legal clarity, and economic integration. In 3 main sections, the memo critically evaluates the optimal trade agreement between India and Qatar. It first examines Qatar's economic relationship with India and Qatar's strategic objectives in Section II. Section III then evaluates the appropriate type of agreement by balancing economic priorities with legal constraints and then provides the design features for the recommended model. Lastly, Section IV assesses Qatar's readiness to negotiate such an agreement in practice before the Conclusion.

II. QATAR-INDIA ECONOMIC RELATIONSHIP & OBJECTIVES

A. Economic Relationship

Macroeconomic Scale and Structural Asymmetry

The Qatar-India economic relationship is large in magnitude but remains structurally asymmetric. Statistically, total cumulative bilateral trade amounted to USD 753.9 billion, where Qatar's exports to India totaled USD 659.7 billion and India's exports to Qatar reached USD 94.2 billion, allowing Qatar to maintain a trade surplus of USD 565.5 billion.[12]

Despite this trade imbalance appearing problematic initially, it reflects a structural difference between both economies, which does not directly imply weakness or instability. Qatar's economic

[12] National Planning Council (Qatar), *Foreign Trade Reports* https://www.npc.qa/en/statistics/Pages/ft/reports.aspx accessed 23 February 2026.

structure is heavily oriented towards hydrocarbon exports, with the two key products being LNG and petroleum products. On the other hand, India's economic structure is stimulated by industrial expansion, rapid urbanization, and large population growth. In addition to being one of the fastest-growing large economies, these factors create a high demand for energy.[13]

These structural differences allow for trade specialization where both economies export their specialized sector goods and services. Qatar would export energy resources, and India would focus on exporting manufactured goods, agricultural products, and intermediate industrial inputs.[14] This imbalance reflects the economic complementarity resulting in a comparative advantage, like a trading incentive, and a mutual benefit contributing to India's gain in reliable access to a critical energy supply, and Qatar to gain a large and stable export market.[15]

The large asymmetry in market size may also create negotiating advantages for Qatar. Given the scale of India's domestic economy, expanded market access for Qatari non-hydrocarbon exports is unlikely to generate disruptive competitive pressure within India, making selective liberalization politically easier for Indian policymakers.

Energy Interdependence

Energy is the core pillar of the Qatar-India economic relationship. Hydrocarbon exports dominate the bilateral trade, statistically, petroleum gases and other gaseous hydrocarbons equate to USD 471.4 billion (71% of Qatar's exports to India), crude petroleum to USD 108.5 billion, resulting in over 85% of combined hydrocarbon exports from Qatar to India. Energy trade depends on long-term contracts and large infrastructure investments, such as LNG liquefaction facilities, specialized LNG transport vessels, and regasification terminals in importing countries. These physical systems create long-term commitments between trading partners. This energy trade results in a more stable, less volatile structure to short-term market fluctuations that is influenced by tariffs.[16]

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[13] ibid.
[14] Rutuja Mane, *India–Qatar FTA in Focus: Implications for Regional Trade Diversification* (12 December 2025) https://www.globaltrademag.com/india-qatar-fta-in-focus-implications-for-regional-trade-diversification/ accessed 23 February 2026.
[15] Ibid
[16] National Planning Council (Qatar), *Foreign Trade Reports* https://www.npc.qa/en/statistics/Pages/ft/reports.aspx accessed 23 February 2026.

Strategic interdependence creates mutual dependence. India relies on stable Gulf energy supplies and LNG imports for its energy security. Qatar, in turn, benefits from India as a large and consistent buyer of hydrocarbon exports. This shared reliance gives both economies a strong incentive to maintain stable relations.

Indian Export Composition and Economic Complementarity

India's industrial base complements Qatar's capital-intensive development strategy and aligns with Qatar's National Vision 2030, which prioritizes infrastructure expansion, economic diversification, and urban development, as Indian firms supply essential categories, which include:

- Cereals - approximately USD 6.96 billion
- Motor vehicles
- Electrical machinery
- Telecommunications equipment
- Construction materials: cement, iron, and steel structure.
- Chemicals
- Polymers
- Jewelry products[17]

India's large and diversified industrial economy gives it the ability to export multiple categories of goods. Qatar benefits from India as a large, consistent buyer.

Yet this dependence carries risk. Over four-fifths of bilateral trade is energy-based. Trade volumes are therefore vulnerable to price fluctuations. Shifting demand patterns and energy transition policies add further uncertainty. Qatar must diversify its economic cooperation beyond hydrocarbons.[18]

[17] National Planning Council (Qatar), *Foreign Trade Reports* https://www.npc.qa/en/statistics/Pages/ft/reports.aspx accessed 23 February 2026.

[18] Rutuja Mane, *India–Qatar FTA in Focus: Implications for Regional Trade Diversification* (12 December 2025) https://www.globaltrademag.com/india-qatar-fta-in-focus-implications-for-regional-trade-diversification/ accessed 23 February 2026.

Another emerging dimension involves industrial inputs such as chemicals and polymers, sectors that illustrate further economic integration. Hydrocarbon resources produced in Qatar can serve as feedstock for industrial production and downstream manufacturing processes in India.[19]

Thus, economically, hydrocarbons dominate the total trade value; however, trade must gradually become more diversified. Additionally, the presence of multiple export categories suggests that the relationship is evolving into a broader economic partnership that involves more sectors beyond energy.

Investment Flows and Capital Integration

Trade alone cannot fully address the Qatar-India economic relationship; investment flows are becoming increasingly important. The number of investments that have been mentioned in the 2025 Qatar - India joint statement introduced a strong ground for cooperation, which included the key measures:

- USD 10 billion Qatari investment commitment in India
- Expansion of Qatar Investment Authority's presence in India
- Revision of the Double Taxation Avoidance Agreement
- Acceleration of negotiations toward a Bilateral Investment Treaty (BIT)[20]

These developments indicate a shift from a transactional trade towards a long-term capital integration, where Qatar's sovereign wealth investment supports several sectors in India including infrastructure, renewable energy, technology, and financial services. These investments can create long-term economic embeddedness where areas of benefit can be in the form of logistics corridors, energy transition projects, and digital infrastructure, thus strengthening structural ties beyond simple commodity trade.[21]

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[19] Rutuja Mane, *India–Qatar FTA in Focus: Implications for Regional Trade Diversification* (12 December 2025) https://www.globaltrademag.com/india-qatar-fta-in-focus-implications-for-regional-trade-diversification/ accessed 23 February 2026.
[20] Ministry of External Affairs (India), *India–Qatar Joint Statement (18 February 2025)* https://www.mea.gov.in/bilateral-documents.htm?dtl/39083/India++Qatar+Joint+Statement+February+18+2025 accessed 23 February 2026.
[21] Ibid.

India increasingly views Qatar as a regional hub for goods and services. Qatar serves as an entry point for Indian firms operating in West Asia. This opens opportunities across regional trade networks and cross-border business activity. Financial and digital integration can include the operationalization of India's Unified Payments Interface in Qatar. Such adoption can improve digital payment interoperability, cross-border commercial transactions, and efficiency for businesses and consumers.[22]

Labor Mobility and Human Linkages

The human element is a strong dimension of this potential agreement as the Indian expatriate community/diaspora plays a major economic role by contributing to multiple sectors, including:

- Construction
- Services
- Healthcare
- Professional and technical sectors

The economic importance of labor mobility adds another aspect to bilateral relations beyond trade in goods and capital investments, as it lies in remittance flows, skill transfer, and human capital exchange, resulting in reinforcing economic and social stability in the relationship. Additionally, labor mobility can foster services trade, where policies that improve mobility can provide smoother migration procedures and professional recognition frameworks.[23]

Regional Strategy and Geographic Importance

Additionally, the Qatar-India trade corridor is strategically located as it connects the Indian Ocean region with the Gulf region. Infrastructure development for logistics, taking into account digital customs systems and coordinated port improvements, can transform the corridor into a high-efficiency trade route, with a major commercial connection between South Asia and the Gulf.[24]

Two major multilateral frameworks further shape the regional strategic context. The India Middle East Europe Economic Corridor (IMEC), announced at the G20 Summit in New Delhi in

[22] Ibid.
[23] Ibid.
[24] Rutuja Mane, *India–Qatar FTA in Focus: Implications for Regional Trade Diversification* (12 December 2025) https://www.globaltrademag.com/india-qatar-fta-in-focus-implications-for-regional-trade-diversification/ accessed 23 February 2026.

September 2023, envisions a ship to rail transit network linking India to Europe through the UAE, Saudi Arabia, Jordan, and Israel.[25] Notably, Qatar is excluded from this corridor, with Saudi Arabia and the UAE positioned as the primary Gulf hubs. This exclusion presents a strategic challenge for Qatar, as IMEC directs regional infrastructure investment and connectivity away from Doha. The corridor has nonetheless faced significant delays due to the ongoing conflict in Gaza, which has stalled Saudi-Israeli normalization, a political precondition for the route's viability.[26] Separately, the Indo-Pacific Economic Framework for Prosperity (IPEF), launched by the United States in May 2022, includes India among its fourteen member economies, collectively representing 40% of global GDP. While Qatar is not an IPEF member, India's participation signals its growing orientation toward Indo-Pacific trade architecture, supply chain resilience, and clean economy frameworks, priorities that will increasingly shape how India structures its broader economic partnerships, including with Gulf states.

B. Qatar's Strategic Objectives

While considering the nuances of the Qatar-India relationship, Qatar's approach to a trade agreement should primarily reflect future - oriented objectives, while accounting for the past shocks and present constraints. The optimal agreement would be a forward-looking instrument that anticipates geopolitical uncertainty and economic transformation.

The agreement should be closely linked to the goals set out in the Qatar National Vision 2030 and the Third National Development Strategy (2024–2030). These frameworks show that Qatar aims to move toward a diverse, sustainable, knowledge- and innovation-based economy rather than one heavily dependent on oil and gas. This shift can be achieved through trade agreements that reduce barriers to trade, enhance market access, and promote economic cooperation among participating countries, thereby safeguarding Qatar's long-term interests.[27] This can be reflected through

[25] Institute for National Security Studies (INSS), *'The IMEC Initiative: Economic Potential Contingent on Political Considerations'*, INSS, 2025. https://www.inss.org.il/publication/imec/
[26] German Marshall Fund of the United States, *'IMEC's Comeback'*, GMF, 11 April 2025. https://www.gmfus.org/news/imecs-comeback
[27] Barnty Williams and others, *International Trade: Examining trade agreements, tariffs, and the effects of globalization on economies* (January 2025) < https://www.researchgate.net/publication/388315481_International_Trade_Examining_trade_agreements_tariffs_and_the_effects_of_globalization_on_economies> accessed 20 February 2026

measurable outcomes such as increasing the share of non-hydrocarbon sectors in GDP and expanding exports of high-value services.

Past experiences, such as the 2017 blockade, COVID-19, and the Iranian and Israeli strikes, emphasize economic and geopolitical resilience.[28] The present defines the limits of negotiation, such as Qatar's continued dependence on hydrocarbons and its limited experience in complex CEPA negotiations, which shape what is realistically achievable.

Within these constraints, the objectives that Qatar should consider for this agreement are not of equal weight. Economic diversification and upgrading technology emerge as primary priorities, with legal certainty and geopolitical positioning acting as enabling conditions. This prioritization helps shape the optimal design of a trade agreement by determining the appropriate depth of integration, as shown in the following sections.

Economic Objectives

From a future-oriented perspective, a key economic objective of a trade agreement for Qatar is economic diversification. Qatar seeks to diversify its economy by reducing dependence on hydrocarbons, strengthening the private sector, expanding competitive industries, and building a knowledge-based, innovation-driven economy.[29] It also aims to manage its oil and gas resources responsibly by balancing production with long-term sustainability, maintaining strategic reserves, and using the sector to drive technological innovation and human capital development.[30] As per the Third National Development Strategy, Qatar wants to economically diversify in the three 'growth clusters' of manufacturing, logistics and tourism.[31] Furthermore, as part of its 'Resilience Cluster', Qatar aims to establish mechanisms to diversify trade under the food and agriculture cluster. Trade agreements can help Qatar diversify its economy by opening foreign markets,

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[28] Hessa Saad Al-Muhannadi and Abdel-Samad M. Ali, *Tourism in Qatar between Crises and Opportunities: From the Blockade through the FIFA World Cup (2017 -2025),* (Journal of Cultural Analysis and Social Change, December 3, 2025) https://doi.org/10.64753/jcasc.v10i3.2744

[29] General Secretariat for Development Planning, *Qatar National Vision 2030,* (July 2008) < https://www.npc.qa/en/QNV/Documents/QNV2030_English_v2.pdf> accessed 20 February 2026

[30] Ibid, 28

[31] Planning and Statistics Authority, State of Qatar, *Third National Development Strategy 2024-2030* (National Planning Council, 2024) <https://www.npc.qa/en/planning/nds3/Documents/QNDS3_EN.pdf> accessed 20 February 2026

supporting Qatari businesses abroad, and allowing the country to focus on its strengths for sustainable growth.[32]

Another key economic objective is ensuring sound economic management through sustained growth, financial stability, and low inflation to secure long-term prosperity.[33] The aim is also to create an attractive business environment that attracts foreign investment and technology, supports domestic investment, and strengthens regional trade and financial cooperation, particularly within the GCC.[34]

With an international trade agreement, there would also be greater market access, reduced trade barriers, increased foreign direct investment, and stronger investor confidence, an enhanced competitive environment, and a transfer of technology and innovation.[35] This would help Qatar attract foreign capital and technology, support sustainable growth, and strengthen Qatar's regional and global economic integration. This is also in line with the Third National Development Strategy which includes sustainable economic growth and fiscal sustainability as two of the seven key strategic national outcomes.[36]

Qatar's main economic objective is therefore diversification into services, logistics, and high-value industries, which favors negotiations for a deeper, more comprehensive trade agreement. The agreement should not only discuss tariff reduction but also include liberalization of trade in services, investment-related provisions, and regulatory cooperation. At the outset, this objective

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[32] Preeti Kalra, *The role of international trade agreements in shaping the global business environment,* (International Journal of Finance and Commerce, 3 July 2023) < https://www.commercejournals.com/assets/archives/2023/vol5issue3/5040-1688377596755.pdf> accessed 20 February 2026

[33] General Secretariat for Development Planning, *Qatar National Vision 2030,* (July 2008) < https://www.npc.qa/en/QNV/Documents/QNV2030_English_v2.pdf> accessed 20 February 2026

[34] ibid, 27

[35] Preeti Kalra, *The role of international trade agreements in shaping the global business environment,* (International Journal of Finance and Commerce, 3 July 2023) < https://www.commercejournals.com/assets/archives/2023/vol5issue3/5040-1688377596755.pdf> accessed 20 February 2026

[36] Planning and Statistics Authority, State of Qatar, *Third National Development Strategy 2024-2030* (National Planning Council, 2024) <https://www.npc.qa/en/planning/nds3/Documents/QNDS3_EN.pdf> accessed 20 February 2026

supports the adoption of a comprehensive CEPA because it would include both services and investment liberalization, which will support diversification.

A further economic benefit of a CEPA with India would be improved consumer welfare within Qatar through access to competitively priced imported goods. Lower-cost imports can reduce inflationary pressure, increase product variety, and particularly benefit low- and middle-income households whose welfare gains are often overlooked in trade policy debates. In parallel, many imports from India would likely serve as intermediate goods for firms operating in Qatar, helping reduce production costs, improve profit margins, and strengthen the competitiveness of domestic SMEs.

Industrial & Development Objectives

A strategic industrial development and competitiveness objective from a trade agreement for Qatar would be the rise of new and advanced sectors. Industrial development goals in the QNV include developing a knowledge-based economy and expanding industries and services, leveraging competitive advantages derived from the hydrocarbon sector.[37] The Qatar NDS3 envisions a sustainable growth model which includes one element of strengthening Qatar's role as a global energy leader and building a position in low carbon energy fields and the second element of developing specialized economic clusters called diversification clusters.[38]

For future competitiveness, another objective for Qatar would be technological advancement and innovation. To achieve this, liberalizing trade in services through a well-designed trade agreement would be particularly important. Modern trade agreements usually include rules on digital trade, cross-border data flows, and technical cooperation. For Qatar, these rules can help grow sectors such as technology and e-commerce. E-commerce/digital trade chapters cover key aspects of digital trade governance by reinforcing WTO rules and introducing new provisions on trade

[37] Planning and Statistics Authority, State of Qatar, *Third National Development Strategy 2024-2030* (National Planning Council, 2024) <https://www.npc.qa/en/planning/nds3/Documents/QNDS3_EN.pdf> accessed 20 February 2026

[38] Planning and Statistics Authority, State of Qatar, *Third National Development Strategy 2024-2030* (National Planning Council, 2024) <https://www.npc.qa/en/planning/nds3/Documents/QNDS3_EN.pdf> accessed 20 February 2026

facilitation, cross-border data, and emerging digital issues.[39] Expanding cooperation in areas such as digital services, engineering, fintech, and health services would strengthen innovation, enhance productivity, and would also accelerate private sector development within Qatar.

A third industrial and development objective from a trade agreement would be developing a skilled and specialized workforce or enhancing human capital. As per the QNV, Qatar aims to have an educated population that can meet the needs of the country and a capable and motivated workforce for the growing, diversifying and technologically sophisticated economy.[40] A trade agreement can support Qatar's human development goals by allowing easier access to skilled professionals, training programs, and cooperation in science and technology. To fill in skill gaps in Qatar's workforce and strengthen a knowledge-based economy, more cooperation in IT, research, and healthcare is needed. This supports both the Human Development and Economic Development pillars of the Qatar National Vision 2030 and helps Qatar move to a more industrially developed and competitive economy.

This objective supports the adoption of deep integration through a e-commerce chapter because it facilitates transfer of skills, digital capacity building and innovation led growth across sectors that are critical to Qatar's goal of a knowledge-based economy. The industrial and development objectives strongly support the adoption of a CEPA but with carefully balanced safeguards in areas such as cybersecurity and data protection.

Political & Geostrategic Objectives

The optimal trade agreement between Qatar and India should deepen the existing strategic partnership previously described to benefit both countries. A primary objective for Qatar from a trade agreement would be to diversify international partnerships and national resilience. Despite Qatar's small size and being one of the least populated countries in the Gulf, its geostrategic position makes it a leading player in the Arab Gulf and so, one of Qatar's priorities is to maintain

[39] Mirra Burri, *Towards a new treaty on digital trade,* (Journal of World Trade Volume 55, Issue 1, 2021), < https://digitaltradelaw.ch/wp-content/uploads/2022/08/Burri_Towards-a-New-Treaty-on-Digital-Trade.pdf> accessed 20 February 2026

[40] General Secretariat for Development Planning, *Qatar National Vision 2030,* (July 2008) < https://www.npc.qa/en/QNV/Documents/QNV2030_English_v2.pdf> accessed 20 February 2026

stability in the region.[41] The 2017 blockade demonstrated the need to diversify import sources by "geographically diversifying trade partners".[42]

Qatar should consider the geopolitical implications of a trade agreement, especially in strategic sectors such as technology, security, and intellectual property, as geopolitical tension influences priorities and the dynamics of the trade negotiation.[43] A trade agreement will build political ties, which is in line with the QNV, which aims for international cooperation and NDS-3 which focuses on economic diplomacy and varied partners.

Drawing on the past, regional geopolitical disruptions also need to be considered. After the Israel attack on Iran in June 2025, oil price increased by 17% to $80 per barrel.[44] In March 2026, Iranian attacks on Qatar reduced 17% of Qatar's LNG export capacity.[45] Based on this, a trade agreement with India should include clauses on Force Majeure and other safeguards to protect Qatar's trade interests in the event of regional tensions. Qatar's geopolitical objectives suggest that it prefers a trade agreement with a flexible design. The agreement should not have rigid binding commitments for all sectors but instead should prioritize deeper integration in particular sectors such as energy, logistics, and digital trade, and have regulatory flexibility in other sectors that are sensitive. This will help Qatar strengthen the bilateral partnership with India while being flexible to adapt and evolve based on geopolitical conditions.

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[41] Ignacio Alvarez- Ossorio & Leticia Rodriguez, *The foreign policy of Qatar: From a mediating role to an active one,* (Revista Española de Ciencia Política, July 2021), <https://www.researchgate.net/publication/353464387_The_foreign_policy_of_Qatar_From_a_mediating_role_to_an_active_one> accessed 26 February 2026

[42] Sharique Umar & Salem Ghurab, *The 2017 Gulf Crisis and Changes in Qatar's Economic Landscape* in *Social Change in the Gulf Region (*2023), <https://www.researchgate.net/publication/369544327_The_2017_Gulf_Crisis_and_Changes_in_Qatar's_Economic_Landscape> accessed 26 February 2026

[43]Preeti Kalra, *The role of international trade agreements in shaping the global business environment,* (International Journal of Finance and Commerce, 3 July 2023) < https://www.commercejournals.com/assets/archives/2023/vol5issue3/5040-1688377596755.pdf> accessed 23 February 2026

[44] Frédéric Schneider, *After the Shock: The Israel- Iran War's economic impact on the Gulf,* (Middles East Council on Global Affairs, July 2025), <https://mecouncil.org/wp-content/uploads/2025/07/PN-11_25-The-Israel-Iran-Wars-Economic-Impact_edited.pdf> accessed 12 April 2026

[45] Maha El Dahan, Andrew Mills and Yousef Saba, *Exclusive: iran attacks wipe out 17% of Qatar's LNG capacity for up to five years, QatarEnergy CEO says* (Reuters, March 19 2026), <https://www.reuters.com/business/energy/iran-attack-damage-wipes-out-17-qatars-lng-capacity-three-five-years-qatarenergy-2026-03-19/> accessed 11 April 2026

Legal & Sovereignty Objectives

A primary legal objective for Qatar in negotiating a trade agreement would be to establish a framework that is clear, modern and balanced to govern trade and investment, while preserving sufficient regulatory autonomy or policy space to pursue domestic development goals. As a member of the World Trade Organization, Qatar already operates within a system of global rules of trade that ensures "trade flows smoothly, predictably and freely as possible".[46] However, deeper bilateral or regional agreements would introduce more extensive commitments, which may place pressure on regulatory flexibility domestically.

Given current constraints, the central legal challenge would be to balance legal certainty with policy space. Clear dispute resolution systems will reduce political risks and give predictability for long-term investment, along with trust being built. However, it is also worth noting that excessive legal commitments may limit Qatar's ability to regulate its key areas. Qatar needs to negotiate carefully as the challenges of an international trade agreement include complex negotiations, dispute resolution, regulatory constraints and sovereignty concerns, specifically policy space or regulatory autonomy trade - off.[47]

A final key objective would be the protection of Qatari investments and assets. The trade agreement should carefully manage openness and control to lower risks for investors and provide clear legal rules, which would attract foreign direct investment from businesses that are seeking opportunities in a new market, like Qatar.[48] This aligns with the QNV, which aims for sound economic management which includes financial and economic stability caused by low inflation rates, sound financial policy and a financial system that is secure and efficient.[49] It also aligns with

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[46] World Trade Organization, *WTO in Brief,* <https://www.wto.org/english/thewto_e/whatis_e/inbrief_e/inbr_e.htm> accessed 23 February 2026

[47] Preeti Kalra, *The role of international trade agreements in shaping the global business environment,* (International Journal of Finance and Commerce, 3 July 2023) < https://www.commercejournals.com/assets/archives/2023/vol5issue3/5040-1688377596755.pdf> accessed 23 February 2026

[48] Preeti Kalra, *The role of international trade agreements in shaping the global business environment,* (International Journal of Finance and Commerce, 3 July 2023) < https://www.commercejournals.com/assets/archives/2023/vol5issue3/5040-1688377596755.pdf> accessed 23 February 2026

[49]General Secretariat for Development Planning, *Qatar National Vision 2030,* (July 2008) < https://www.npc.qa/en/QNV/Documents/QNV2030_English_v2.pdf> accessed 23 February 2026

the NDS-3, which states that there would be more emphasis on strengthening supportive partnerships by investment protection agreements as well as double taxation agreements.[50]

Lastly, any trade agreement should allow Qatar to preserve sovereignty and regulatory autonomy while it seeks a deeper economic integration via the trade agreement. By joining trade agreements, states limit some of their policy choices but gain clearer rules and more predictable international economic relations.[51]

Overall, these objectives, temporal considerations and specific sector priorities as well as the nature of the existing Qatar-India relationship, point towards a trade agreement model which will combine deep integration in particular sectors of priority such as energy, labor, investment, defense, and security with flexibility and regulatory autonomy in sensitive areas.

III. DETERMINING THE OPTIMAL TRADE AGREEMENT

Evaluating Agreement Models (Typology and Feasibility)

Before entering a more detailed discussion of the ideal form of trade agreement, the following section provides an overview of the available typologies, as well as a critical analysis of the applicability of each.

Trade agreements, though under the same general umbrella, can vary significantly in terms of structure, scope, depth, and level of economic integration. Some trade agreements are tailored to address border measures, specifically tariffs, while others are designed with a focus on behind-the-border issues. Others still contain provisions for the entire lifecycle of the trade. International law and economics therefore classify trade agreements based on levels of integration. Common classifications include preferential trade agreements such as free trade agreements, customs unions, and common markets.[52] These models are reflective of an industrial-era mode of

[50] Planning and Statistics Authority, State of Qatar, *Third National Development Strategy 2024-2030* (National Planning Council, 2024) <https://www.npc.qa/en/planning/nds3/Documents/QNDS3_EN.pdf> accessed 23 February 2026

[51] Chris Cochis, *The role of trade agreements in preserving national sovereignty,* (10 January 2026), <https://papers.ssrn.com/sol3/papers.cfm?abstract_id=6058834> accessed 26 February 2026

[52] Aaditya Mattoo, Nadia Rocha and Michele Ruta (eds), Introduction in *Handbook of Deep Trade Agreements* (World Bank 2020) 3-6.

integration that focuses largely on tariff liberalization. Certain more recent agreements go beyond the trade of goods to include services, investments, digital trade and regulatory cooperation, such as the Comprehensive Economic Partnership agreement (CEPA).[53] Many contemporary economic relationships also follow a more flexible and modular approach, especially when the agreement is between asymmetrical economies like Qatar and India.

For a potential Qatar-India agreement, the relevant question, in addition to structure, is which model aligns with Qatar's economic profile and objectives, India's trade policy, the existing relationship between the two, WTO constraints, and the political feasibility of deeper integration.

1. Impractical Models

Certain models can be excluded at the outset, such as a customs union, which would require Qatar and India to adopt an external tariff and would be incompatible with Qatar's obligations under the GCC Customs Union.[54] A common market would go even further and would require both countries to make sovereignty concessions over immigration, investment regulation, and domestic policy.[55] Neither Qatar nor India is likely to accept these concessions.

This then leaves as the relevant spectrum of choices: FTAs, CEPAs, and modular or sector-specific agreements.

2. Traditional FTAs

A free trade agreement, falling under the umbrella of a 'preferential trade agreement', can be a bilateral or regional trade agreement in which several countries agree to certain trade conditions such as reduced or removed tariffs and other restrictions, and may also address other points such as areas of cooperation, for example environment, procurement, and other strategic areas. Members of an FTA reduce or eliminate internal trade restrictions, while each country can decide its tariffs toward non-members, which presents a low-to-moderate level of constraints upon each

[53] Jo-Ann Crawford and Roberto V Fiorentino, *The Changing Landscape of Regional Trade Agreements* (WTO Discussion Paper No 8, World Trade Organization 2005) 3.
[54] Federation of GCC Chambers, 'GCC Customs Union' (n.d.) https://fgccc.org/en/
[55] Jo-Ann Crawford and Roberto V Fiorentino, *The Changing Landscape of Regional Trade Agreements* (WTO Discussion Paper No 8, World Trade Organization 2005) 3.

party's sovereignty, mostly related to tariff commitments, often rules of origin, and dispute settlement.

However, in the Qatar-India context, an FTA focused on goods may not be sufficient. Many FTAs do go beyond trade in goods and also include 'WTO+' provisions, which deepen existing WTO disciplines such as trade in services under the WTO framework. Some FTAs also include WTO-X provisions, which extend into areas that are not fully covered by WTO law, such as investment, competition policy, and regulatory cooperation. As such, FTAs can be tailored to address broader economic integration measures beyond tariff reductions, however they do still remain structurally focused on tariff liberalization. In this context, Qatar's exports are largely hydrocarbon, which already has low tariffs, and India's exports are focused on services, labor, and manufacturing. An FTA could result in imbalanced gains and may not address important areas of mutual interest such as services and investment.

3. CEPA

A CEPA goes beyond tariff reduction and covers various aspects of economic cooperation and typically regulates goods, services, investments, and policy cooperation. It brings moderate but targeted constraints in areas like services market access and investment protection.[56] This type of agreement is used when states wish to pursue deeper integration, but do not wish to go as far as to create a customs union or common market. CEPAs therefore typically require less extensive negotiations and are generally easier to conclude.[57]

CEPAs have become more common in contemporary international trade relations because they address the fact that trade in today's markets involves more than goods, and that WTO negotiations can be limited. They incorporate provisions related to services and investments to create more comprehensive frameworks without imposing restrictions on external trade relations with non-

[56] Dita Liliansa, 'Explaining the Driver Factors Behind Indonesia's Decision on the Indonesia–Canada Comprehensive Economic Partnership Agreement' (2026) *Journal of International Studies on Social and Humanities*. I am sure you can find much better literature than this. Focus on legal, economic and policy scholarship.

[57] Saman Kelegama, *The Impact of the India–Sri Lanka FTA: Prospects for a Comprehensive Economic Partnership Agreement* (Institute of Policy Studies of Sri Lanka 2009). I am sure you can find much better literature than this.

members, but do not require the free movement of labor and capital, meaning they do not provide for the same deep level of economic and political integration as other types of agreements.[58]

A relevant example of a CEPA is the India-United Arab Emirates CEPA, which came into force in 2022 and creates a free trade area between the two countries and eliminates or reduces tariffs on various goods, and includes provisions related to services trade, investment, intellectual property, customs cooperation, and regulatory matters. The agreement allows for deeper economic integration within a broad framework, but does not require a certain external tariff coordination, and does not provide for the free movement of labor.[59]

As another example, the India-Japan CEPA (2011), which is also similarly broad, but focuses more on investment, IP and industrial cooperation, making it more production and investment oriented, and includes deeper and more binding commitments.[60] India also has a CEPA with Korea which is less extensive than that with Japan and more services-focused, particularly on information technology and professional services.[61] The UAE has also adopted CEPAs with both Indonesia and Turkiye which are both broad in form, but prioritize certain sectors like logistics, digital trade, and manufacturing, and are relatively flexible and provide for phased commitments, with certain areas being more cooperation-based rather than strict legal obligations.[62]

Although flexible and tailorable to nuanced economic relationships, CEPAs still reflect a comprehensive approach to trade and typically cover a broad range of sectors within a single agreement. This may not always be ideal in contexts where economic structures are asymmetrical, such as between Qatar and India, however if the intended approach is for the agreement to cover several sectors and to be generally comprehensive, then a CEPA may be appropriate.

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[58] Ibid.
[59] Comprehensive Economic Partnership Agreement between the Government of the Republic of India and the Government of the United Arab Emirates (signed 18 February 2022, entered into force 1 May 2022).
[60] Comprehensive Economic Partnership Agreement between the Republic of India and Japan (signed 16 February 2011, entered into force 1 August 2011).
[61] Comprehensive Economic Partnership Agreement between the Republic of India and the Republic of Korea (signed 7 August 2009, entered into force 1 January 2010).
[62] Comprehensive Economic Partnership Agreement between the Government of the Republic of Indonesia and the Government of the United Arab Emirates (signed 1 July 2022, entered into force 1 September 2023).; Comprehensive Economic Partnership Agreement between the Government of the United Arab Emirates and the Government of the Republic of Türkiye (signed 3 March 2023, entered into force 1 September 2023).

4. Modular Agreements

Recent practice shows a preference for modular or sector-specific agreements or 'targeted trade deals' that focus on a particular sector or issue area (for example digital trade, climate, information technology, etc.), rather than the economy as a whole. These agreements may also be structured in modules that can be implemented at the desire of the parties, individually or incrementally, as opposed to adopting a single, comprehensive agreement.[63] Rather than focusing on tariffs, this type of agreement places more emphasis on rules, standards, and cooperation.[64]

Although often implemented on a plurilateral basis, this type of agreement can be equally advantageous on a bilateral scale and would allow the development of individual modules and the expansion of specific areas of focus over time.[65] For example, Singapore and Australia have entered into the Singapore -Australia Digital Economy Agreement that is a sector-specific and modular agreement that focuses on the high-growth sector of the digital economy. It allows for the free movement of data but does not include data localization requirements and also establishes cooperation in cybersecurity and artificial intelligence. There are also digital economy and digital trade agreements between Singapore, Chile and New Zealand (plurilateral), and the United States and Japan, each of which cover data flows.[66] The EU-Singapore Investment Protection Agreement covers investment protection such as investor-state dispute settlement, investor rights, and standards such as fair & equitable treatment.[67] The investment protection is focused only on the pillar of investment and is separate from the broader FTA between the EU and Singapore.

These types of agreements take the form of digital trade agreements, investment facilitation agreements, energy cooperation agreements, and services-specific liberalization agreements,

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[63] Georgios Dimitropoulos, Richard C Chen and Julien Chaisse, 'Plurilateralism: A New Form of International Economic Ordering?' (2025) 26 *Journal of World Investment & Trade* 1.
[64] Georgios Dimitropoulos, 'Digital Plurilateralism in International Economic Law: Towards Unilateral Multilateralism?' (2025) 26 *Journal of World Investment & Trade* 116
[65] Geneviève Dufour and others, 'Targeted Trade Deals as a New Form of Global Value Chain Governance' in *Global Value Chain Development Report 2025* (WTO and others 2025).
[66] *Digital Economy Partnership Agreement* (Chile, New Zealand and Singapore) (signed 12 June 2020).; *Agreement between the United States of America and Japan concerning Digital Trade* (United States and Japan) (signed 7 October 2019).
[67] *Investment Protection Agreement between the European Union and its Member States, of the one part, and the Republic of Singapore, of the other part* (signed 19 October 2018).

among others. States are thereby targeting specific high-value sectors without undertaking broad cross-economy commitments. They are also able to make limited and specifically defined sovereignty concessions. This approach has certain advantages for Qatar and India. Since the relationship will likely focus on energy trade, India's services and labor exports, and Qatar's interest in economic and investment diversification, a modular approach would facilitate the prioritization of these sectors without requiring agreement on less aligned areas like agriculture or full tariff liberalization.

Agreement Type	**Integration**	**Economic Gains**	**Legal Commi-tments**	**Sovereignty Constraints**	**Typical Use**	**Applicability**
Free Trade Agreement	Low to Moderate	Increased trade through tariff eliminatio n	Limited to tariffs and rules of origin	Low	When state want trade liberaliza tion but retained autonom y	Low – High focus on tariffs
Customs Union	Moderate	More efficient trade, no internal tariffs, and common external tariffs	Require s commo n external trade policy	Moderate	When states want deeper integrati on and coordina ted trade policy	Low – requires external trade policy in violation of GCC commitments
Common Market	High	Free movement	Extensi ve legal	High	When states	Low – same as above and

		of goods, services, capital, labor	harmonization		seek strong economic integration	requires complete harmonization
CEPA	Variable	Broad gains from trade, services, investment, cooperation	Wide commitments across multiple sectors	Variable	When states want flexible but comprehensive integration	Moderate / High – allows for flexibility within a comprehensive commitment scheme
Modular / Sector-Specific Agreement	Low / Variable	Tailored to parties' areas of focus, flexible as to depth and breadth	Commitments are focused on high-value sectors and can be tailored in sectors that require less	Low / Variable	When states want to enter binding commitments in certain high value sectors but do are not necessarily looking	Moderate / High – allows parties to tailor the agreement to focus on specific strategic sectors or areas of cooperation and / or adopt a modular approach that incorporates staggered or

			emphasis		for complete integration or comprehensive trade cooperation	delayed implementation of certain obligations

Recommended Model

The optimal agreement for Qatar is a Comprehensive Economic Partnership Agreement (CEPA) structured through a modular design, with commitments negotiated and implemented in phases to reflect the economic asymmetry and differing capacities of Qatar and India. This will help combine deep integration in strategic sectors with flexible commitments in sensitive areas. Rather than a traditional tariff-focused FTA, a CEPA would reflect the already advanced and strategic nature of Qatar- India relations. It would not only build on existing cooperation in trade, energy and investment by institutionalizing and deepening it, but also expand it into new areas such as services and digital trade.

This agreement should be structured based on binding chapters which will act as the core, such as covering goods, services, investment, and dispute settlement, and will be complemented by phased modules such as digital trade, skills and services mobility, and SME development. This modular design would allow the negotiators to tailor and separate specific components while keeping them aligned within the overall agreement.[68] This implies that Qatar can adopt and implement different components at varying speeds based on its readiness and constraints to enable deeper rule - making.[69]

[68] Giridharan Ramasubramanian, *Building on the modular design of DEPA,* (East Asia Forum, 10 July 2020), < https://eastasiaforum.org/2020/07/10/building-on-the-modular-design-of-depa/> accessed 17 April 2026
[69] Giridharan Ramasubramanian, *Building on the modular design of DEPA,* (East Asia Forum, 10 July 2020), < https://eastasiaforum.org/2020/07/10/building-on-the-modular-design-of-depa/> accessed 17 April 2026

The following sections will enter into economic and legal analyses of the benefits of the proposed model. They will also address potential considerations and challenges, and corresponding solutions or risk mitigation strategies designed to target those challenges. An optimal dispute settlement framework is then presented in consideration of the potential tensions and nuances of a Qatar-India trade agreement. Based on this analysis, specific design features are recommended that take into account the observations made in the course of economic and legal analysis, together with the strategic objectives being pursued by Qatar in considering this agreement with India.

A. Economic Rationale for a Qatar-India CEPA

This section provides an in-depth look at the economic considerations relevant to the development of a CEPA between Qatar and India, assessing potential gains from deeper integration along with the associated risks and the policy design required to maximize net welfare outcomes.

1. Economic Integration Pillars

i. Trade in Goods

A CEPA between Qatar and India that incorporates modular characteristics and phased liberalization across sectors, highlighting specific high-value areas, is strongly supported by empirical economic data indicating that deeper policy commitments result in stronger economic integration. Trade agreements with deeper, more focused modules have demonstrated an ability to increase goods trade by approximately 25 % and enhance services trade with estimated elasticities of about 30%.[70] A key source of these benefits lies in the reduction of non-tariff barriers such as licensing restrictions, regulatory approvals, and standards compliance, which often impose significant costs on trade.[71]

[70]Swati Dhingra, Rebecca Freeman and Hanwei Huang, 'The Impact of Non-Tariff Barriers on Trade and Welfare' (2021) <https://cep.lse.ac.uk/pubs/download/dp1742.pdf>.

[71]tradebarriers.org, 'Non-Tariff Barriers' (*Tradebarriers.org*2019) <https://www.tradebarriers.org/ntb/non_tariff_barriers>.

In this context, reducing regulatory divergence through mechanisms such as mutual recognition and harmonized standards would further decrease compliance costs and shorten time to market.[72] In addition, improvements in customs procedures would reduce delays and logistics costs, enhancing the competitiveness of exporters. These effects lead to lower trade costs and increased bilateral trade flows, ultimately achieving the envisioned economic integration between Qatar and India.[73] Moreover, improved trade facilitation and market access would support the expansion of logistics and trade-related sectors, aligning with Qatar's identified growth clusters.

It is important to note that a CEPA could present a trade-off between consumer welfare gains from import competition and adjustment costs for domestic producers. Increased imports from India are expected to lower prices, expand product variety, and improve quality, particularly in price-sensitive and import-dependent sectors, reinforced by empirical evidence from the National Bureau of Economic Research.[74] However, these benefits are not evenly distributed across the economy, as gains in consumer surplus are often accompanied by declines in producer surplus and adjustment costs for domestic firms and workers exposed to increased import competition. Research highlighted by the World Bank demonstrates that import competition can lead to firm exit, job displacement, and persistent wage declines in exposed sectors, particularly where labor mobility is limited. [75]

In Qatar's context, adjustment effects are likely to be concentrated in SMEs and import-competing activities, where increased competition from Indian firms may compress margins and accelerate firm exit. Large-scale unemployment effects may be partially mitigated by the structure of Qatar's expatriate labor market; however, for workers in sectors with limited cross-industry mobility, wage pressures and prolonged adjustment periods remain a material concern.

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[72] Henk LM Kox and Arjan Lejour, 'Regulatory Heterogeneity as Non-Tariff Barrier in Services Trade' [2006] SSRN Electronic Journal.

[73] WTO, 'WORLD TRADE REPORT 2015 Speeding up Trade: Benefits and Challenges of Implementing the WTO Trade Facilitation Agreement' (2015) <https://www.wto.org/english/res_e/booksp_e/world_trade_report15_e.pdf>.

[74] Giuseppe Berlingieri, Holger Breinlich and Swati Dhingra, 'DP11148 the Impact of Trade Agreements on Consumer Welfare' (*CEPR*2 March 2016) <https://cepr.org/publications/dp11148> accessed 24 April 2026.

[75] Claire Hollweg and others, 'Sticky Feet How Labor Market Frictions Shape the Impact of International Trade on Jobs and Wages' (2014) <https://documents1.worldbank.org/curated/en/820801468156898298/pdf/Sticky-feet-how-labor-market-frictions-shape-the-impact-of-international-trade-on-jobs-and-wages.pdf>.

Moreover, the extent of pass-through is likely to depend on the structure of key import and distribution markets, which are often characterized by high concentration and reliance on a limited number of importers and distributors.[76] In such settings, firms may retain part of the cost savings from tariff reductions as markups, rather than fully transmitting them to consumers[77]. As a result, the expected gains in consumer surplus from a CEPA may be partially diluted unless accompanied by policies that enhance market competition and price transparency, specifically in essential goods sectors.

Thus, it is imperative to consider how the modular structure of a CEPA could provide a framework through which these policy objectives can be implemented in a targeted manner. In order to maximize net welfare, Qatar can use this structure to adopt a phased liberalization strategy, prioritizing sectors where consumer gains are high and domestic production capacity is limited, while allowing gradual adjustment in sensitive or emerging industries. Additionally, modular commitments allow for the incorporation of competition-enhancing measures, ensuring that reductions in trade costs are effectively transmitted to consumers. In parallel, the flexibility inherent in a modular design supports the implementation of targeted labor market policies, notably transition support, to mitigate distributional impacts across sectors.

ii. Trade in Services

Service liberalization is an essential aspect of a CEPA between Qatar and India, given the structural complementarities between the two economies. India has a well-established competitive advantage in information technology, financial services, engineering, healthcare, and education, whereas Qatar is a significant importer of professional and technical services. [78] This alignment would allow Qatari firms to access lower-cost and higher-quality services in key sectors and enable Indian

[76] U.S. Department of Commerce / International Trade Administration, 'Qatar - Distribution and Sales Channels' (*www.trade.gov*2024) <https://www.trade.gov/country-commercial-guides/qatar-distribution-and-sales-channels>.
[77] Mary Amiti, Stephen J Redding and David E Weinstein, 'The Impact of the 2018 Tariffs on Prices and Welfare' (2019) 33 Journal of Economic Perspectives 187.
[78]Embassy of India Doha, 'India Qatar Bilateral Relations' (*Indianembassyqatar.gov.in*2017) <https://indianembassyqatar.gov.in/eoidhpages?id=Nw%2C%2C&subid=MjQ%2C> accessed 11 April 2026.

service providers to expand into a stable and high-income market, leading to increasing trade in services. Thus, a CEPA that is tailored to open service markets would enhance these linkages and generate mutual gains.

Empirical studies show that reducing barriers in services generates larger and more widespread economic gains, specifically through increased foreign direct investment and competition, which produce welfare gains exceeding 5% of initial consumption. These gains are driven by the opening of essential sectors, which reduce production costs and stimulate economic activity across both the goods and services sectors.[79]

In essential sectors, increased market access would enable Indian firms to establish operations within Qatar, facilitating knowledge and technology transfer. Liberalization commitments would be organized around the GATS modes of supply, including cross-border delivery, commercial presence, and the movement of natural persons, the last of which is particularly salient given the scale of Indian professional participation in Qatar's labor market. In high-skill sectors, the agreement would support market entry by offering investor protections, easing foreign ownership restrictions, and ensuring national treatment for service providers.[80] Regulatory transparency commitments would provide predictability for firms operating across both markets, directly supporting Qatar's Vision 2030 diversification objectives.[81]

However, these aggregate gains are accompanied by important distributional and structural considerations. Increased market access for competitive foreign firms may lead to market concentration and the crowding out of domestic service providers, particularly in high-skill sectors.[82] Qatar's small domestic market and limited pool of local service providers make it

[79]Denise Eby Konan and Keith E Maskus, 'Quantifying the Impact of Services Liberalization in a Developing Country' (World Bank Policy Research Working Paper No 3193, 2004) <http://hdl.handle.net/10986/17425> accessed 11 April 2026.

[80] World Trade Organization , 'WTO | Services - CBT - Basic Purpose and Concepts - Definition of Services Trade and Modes of Supply - Page 1' (*www.wto.org*1995) <https://www.wto.org/english/tratop_e/serv_e/cbt_course_e/c1s3p1_e.htm>.

[81] National Planning Council, 'Qatar National Vision 2030' (*Www.npc.qa*2019) <https://www.npc.qa/en/QNV/pages/default.aspx>.

[82] Laura Alfaro, 'Gains from Foreign Direct Investment: Macro and Micro Approaches World Bank's ABCDE Conference' (2016) 30 The World Bank Economic Review.

difficult for SMEs to compete with large, established Indian firms on scale or specialized expertise. The gains from liberalization may therefore be disproportionately distributed, favoring large firms and consumers while placing smaller domestic enterprises under significant competitive pressure.[83]

Beyond market structure concerns, increased reliance on foreign providers may slow domestic human capital development and result in profit repatriation, limiting local value capture and the broader economic spillovers that underpin Qatar's diversification agenda.[84] This is relevant in knowledge-intensive sectors, where long-term growth depends on service provisions, domestic capacity building and skill accumulation.

Within the framework of a modular CEPA, these risks can be mitigated through phased and sector-specific liberalization schedules, allowing sensitive high-skill service sectors additional time to adjust before full market opening. In addition, the agreement can include provisions that encourage commercial presence through joint ventures or partnerships, facilitate knowledge transfer, and support the development of domestic capabilities. Regulatory autonomy can also be preserved, ensuring Qatar retains control over licensing and quality assurance, which helps prevent excessive market concentration.

To further address risks related to limited value capture, the agreement may also promote local participation requirements and training commitments, ensuring that foreign firms contribute to domestic skill development. Finally, the inclusion of safeguard clauses and review mechanisms would allow Qatar to temporarily adjust commitments in response to significant market disruptions.

[83] Marc J Melitz and Stephen J Redding, 'Heterogeneous Firms and Trade' (2014) 4 Handbook of International Economics 1 <https://scholar.harvard.edu/files/melitz/files/finalproofs.pdf>.
[84] Christof Parnreiter, Laszlo Steinwärder and Klara Kolhoff, 'Uneven Development through Profit Repatriation: How Capitalism's Class and Geographical Antagonisms Intertwine' (2024) 56 Antipode.

iii. Investment and supply chain integration

The third pillar of deeper economic integration under a CEPA framework is investment. Investment provisions represent a key component of deeper economic integration, complementing trade in goods and services while raising similar trade-offs between liberalization and regulatory control. Implementing investment provisions within a CEPA could massively support economic relationships between the two countries. This is evident as there are over 20,000 Indian businesses that are currently operating in Qatar. These companies are seeking cooperation in multiple departments, such as communications, energy, technology, and infrastructure, in specific places in Qatar. In addition, having these cooperations already offers a strong base to allow both countries to expand their investment in the future and help Qatar accomplish its 2030 vision goal. The Qatar Chamber Second Vice-Chairman, H.E. Rashid bin Hamad Al-Athba, claimed that India is one of Qatar's main trading partners, with trade reaching QAR 47 billion in 2024.[85] Therefore, using a CEPA trade agreement would be able to protect investors, support new investment (either from India or other countries), and encourage diversification. Moreover, it can allow for easier technology transfer, offer clear investment rules, and legal protections.

A major problem Qatar has concerning India is not tariffs; however, it is the difference in regulations and procedures. The laws on import customs clearance, labeling, and production certification in Qatar will have to be met by all Indian product imports. These additional regulatory requirements make a company's shipment time longer and costs higher. As such, the shipment process becomes less attractive to the companies. The key problem is that even when tariffs are low, differences in laws and procedures can build trade barriers. However, there are some regulatory collaborations between Qatar and India, for instance, both countries signed agreements mentioning "customs matters" and the "development and recognition of qualifications."[86] Therefore, executing a CEPA trade agreement would allow both Qatar and India to acknowledge each other's procedures, allowing companies to not repeat the same steps, limiting any costs and delays.

[85] Qatar Chamber, 'Qatar Chamber, Indian Delegation Review Investment Opportunities' (Qatar Chamber, 28 January 2026) accessed 3 March 2026.
[86] Embassy of India, Doha, India–Qatar Bilateral Economic Relations (September 2021) 1.

Executing a CEPA trade agreement would allow both countries to strengthen their supply chain system. For example, Qatar imports several manufactured goods, and several of those come from other countries (such as China). Nonetheless, India can diversify its supply in specific areas and not substitute China across all manufacturing, as it mainly exports machinery, technology, textiles, metal, vegetables, and industrial equipment. Also, India already produces several of these products and could therefore supply more sectors instead of depending heavily in China. This is because in the event of supply disruptions affecting Chinese manufacturing, Qatar would become too dependent on one supplier. Consequently, Qatari companies would depend heavily on Indian suppliers for crucial imports, limiting the dependence on a small number of countries.[87] Additionally, China is the world's largest manufacturing exporter, whereas India's sector is growing, but it is smaller. India is also more competitive in mid-technology goods than in high-technology production. Geographically, India is closer than East Asia, meaning that there will be shorter shipping routes, which reduces any transport risks, and faster delivery times would enhance supply reliability. India can replace China in pharmaceuticals, textiles, basic machinery, and chemicals, but not necessarily in advanced electronics or heavy industrial equipment.

These expected gains are supported by simulation evidence. A tariff elimination scenario was conducted using the ESCAP Trade Intelligence and Negotiation Advisor (TINA) partial equilibrium model to evaluate the possible effects of a Qatar-India CEPA agreement. The simulation conducted presumes that Qatar decreases applied tariffs on imports from India to zero across all product categories, while holding other policy variables constant. The results showed that removing tariffs may increase bilateral trade between Qatar and India by around US$421.22 million, meaning that Indian products would become cheaper, allowing Qatar to purchase more from India. The simulation estimates trade diversion of US$65.5 million from other trading partners toward Indian exports, which supports efforts to diversify Qatar's import sources and decrease dependence on existing suppliers such as China. Moreover, imports from India are seen to increase by 31.17%. From a sector-level perspective, the results indicate a strong trade increase

[87] Qatar Chamber, 'Blockade helps Qatar reduce dependence on imports: Al-Sharqi' (Qatar Chamber, 5 July 2017) accessed 27 February 2026.

in industrial materials such as steel pipes and iron (US$68.7 million), ceramic flags and paving materials (US$64.5 million), and aluminum oxide (US$17.5 million), implying possible advantages for infrastructure in Qatar.[88] Although the TINA simulation assesses complete tariff elimination across product categories and the model uses a partial-equilibrium framework, this indicates that it only focuses on goods trade, and not the entire economy. It does not include service liberalization, non-tariff measures (such as regulations, licensing, standards), productivity changes, or efficiency earnings. The investment between the two countries is not mentioned, and the employment shifts across sectors are excluded. Due to these restrictions, the findings show potential trade changes only, rather than the full economic impact of the trade agreement.

Export Diversification Potential

Beyond import gains, a CEPA could encourage the growth of Qatari exports into new sectors. India already imports massive amounts of chemical inputs, ammonia, and urea for agriculture, and Qatar produces these through firms like QAFCO. Since India's agriculture relies massively on fertilizer imports, a CEPA could decrease these trade barriers and increase exports of methanol, ammonia, and plastic inputs.[89] Therefore, allowing these exports to support Qatar's objective to extend its downstream energy departments. Furthermore, Qatar manufactures aluminum through a company called Qatalum. Since India's construction industry is increasing quickly due to transport systems, housing demand, and aluminum is used in buildings and vehicles, a CEPA could make Qatari aluminum more competitive in the Indian market. [90] Lastly, the Qatar Investment Authority (QIA) already invests in international infrastructure projects; therefore, CEPA investment protections could support more Qatari investment in Indian energy projects, digital economy cooperation, and logistics infrastructure partnerships. This would reinforce the economic relations beyond goods trade.

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[88] United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), Trade Intelligence and Negotiation Adviser (TINA), tariff simulation module (partial-equilibrium trade policy simulation using bilateral trade flows, tariffs, and import demand elasticities), accessed April 17, 2026

[89] Sayantan Bera, "Mint Explainer | Slipping Atmanirbharta in Fertilizers?," mint, January 19, 2026.

[90] IBEF, "Infrastructure Development in India: Market Size, Investments, Govt Initiatives | IBEF," www.ibef.org, 2025.

2. Adjustment Architecture

i. Safeguard mechanisms

From an economic perspective, a modular CEPA allows for the incorporation of adjustment mechanisms that smooth the impact of import competition. Qatar can identify a limited set of sensitive sectors and apply phased tariff reductions over a 3–6 year period, allowing domestic firms time to adjust. In addition, trigger-based safeguards can be introduced, permitting temporary tariff reintroduction in response to import surges or significant declines in domestic output or employment. The use of tariff-rate quotas in highly sensitive sectors would further balance market access with protection. Crucially, all safeguard measures should be time-bound and subject to periodic review through a joint CEPA mechanism, ensuring that they remain temporary and consistent with long-term liberalization commitments. These adjustment mechanisms can be translated into specific, rule-based safeguard instruments, as summarized in the table below.

Some industries in Qatar may need tariffs to be decreased steadily or protected with safeguard measures to avoid adaptation pressures. Qatar has expanded its dairy production after it faced the 2017 Gulf blockade to enhance its food security. [91] There were multiple companies like Baladna that invested heavily in these local productions. Indian dairy goods are usually more affordable due to lower labor costs and production. Any tariff removals can decrease the competition of local dairy producers. Therefore, protecting this industry can encourage Qatar's food security strategy. Moreover, Qatar has enhanced its poultry production after the blockade to reduce dependence on imports. Having cheaper poultry imports from India would be able to decrease the market share for domestic producers. Thus, this sector is strategically essential for supply stability during these specific crises.

Design of Safeguard Mechanisms under a Qatar–India CEPA

Mechanism	Design Feature	Specific Parameters	Policy Objective

[91] Government Communications Office, GCC Crisis, (Government Communications Office, September 6, 2017)

Tariff Phase-In	Gradual reduction of tariffs over time	0–1 year: limited reduction (or short grace period) 2–4 years: progressive cuts (e.g. 5%-10%) 5–6 years: full or near-full liberalization	Allow adjustment and maintaining momentum of liberalization
Sensitive Sector Targeting	Apply protection only to selected sectors	Food processing, SME-intensive light manufacturing	Protect vulnerable sectors without broad distortions
Trigger-Based Safeguards	Activate protection based on measurable shocks	Import surge > 25% Domestic output/employment decline > 10%	Respond quickly to market disruption
Temporary Tariff Reintroduction	Reapply tariffs when safeguards are triggered	Duration: up to 1–2 years	Short-term stabilization, not long-term protection
Tariff-Rate Quotas (TRQs)	Allow limited imports at lower tariffs	Example: threshold volume at reduced tariff, higher tariffs beyond	Balance access and protection
Time Limits (Sunset Clauses)	Ensure safeguards are temporary	Maximum 2–3 years, strictly limited renewal	Preserve credibility of CEPA
Review Mechanism	Monitor safeguard use	Annual review by joint CEPA committee	Ensure transparency and accountability

The design of the safeguard mechanisms includes phased tariff reductions to allow domestic firms time to adapt to increased import competition, reducing the risk of abrupt firm exit. Trigger-based safeguards are designed to respond to unexpected shocks, such as import surges, ensuring that

intervention occurs only when there is measurable economic disruption. The use of tariff-rate quotas balances market access with protection, sustaining competitive pressure while preventing excessive import penetration. Whereas, time limits and review mechanisms ensure that these measures remain temporary and do not distort long-term resource allocation**,** preserving the efficiency gains associated with trade.

ii. Sequencing of Economic Gains under a phased Qatar–India CEPA

Phases	**Key focus**	**Expected economic gains (Qatar)**
Phase 1: Immediate Liberalization	Tariff reduction on goods	- Lower import costs - Improved supply chain stability - Increased access to Indian labor/services
Phase 2: Services & Investment Expansion	Liberalizing services (finance, IT, education, healthcare) and investment flows	- Diversification beyond oil & gas - Growth in finance, logistics, and education sectors - More Indian investment in infrastructure
Phase 3: Regulatory Integration	Harmonizing standards, reducing non-tariff barriers	- More efficient trade processes - Increased competitiveness of local industries - Growth in re-export hub role
Phase 4: Strategic Partnership	Significant economic integration (sectors include: energy, tech, innovation)	- Stronger energy partnerships (LNG deals) - Knowledge economy development - Innovation & tech collaboration

3. Strategic Synthesis

Furthermore, these link to Qatar's National Vision 2030. Qatar wants to limit its use of hydrocarbons and expand its sectors into technology, tourism, and logistics. A CEPA would be beneficial as Indian companies could invest in these sectors. Having cheaper imports of specific products would be able to support new industries. Additionally, Qatar has a high-income

population, meaning that consumers would demand devices and food products. A CEPA would help because when there are more suppliers, it will offer more product variety and potentially reduce costs.[92]

Qatar is located in the Gulf, and India is a major manufacturing economy in the Indian Ocean region, which would combine markets in Europe, Asia, and the Middle East. Direct shipping circuits already connect Indian ports with Hamad Port in Qatar, permitting products to move freely between both countries.[93] Therefore, a CEPA would allow for new rules to be set, such as quicker processing at ports and simpler documentation systems (for trusted countries), which would limit delays for importing companies. As time goes on, these adjustments could make trade flows between Qatar and India more efficient and support Qatari businesses to depend more on Indian suppliers.

Overall, while the economic case for Qatar-India is compelling, these benefits depend on a carefully calibrated design that maximizes gains from trade and investment while managing distributional risks and preserving policy flexibility. These considerations underscore that the economic benefits of a CEPA are not automatic but contingent on its legal structure and the depth of its integration, which are examined in the following section.

B. Legal Constraints and Feasibility of a CEPA

The following section discusses the legal constraints and the justification for a potential trade agreement between Qatar and India, including legal and policy considerations relevant to the negotiation process. Diverging legal systems and domestic implementation pathways are key legal considerations while governance systems and administrative capacity also affect the implementation of a CEPA.

1. WTO Compatibility

As members of the World Trade Organization, Qatar and India are both subject to the corresponding set of rules. The global multilateral trading system is based on the principle of equal

[92] Qatar News Agency, 'Qatar Reinforces LNG Leadership, Reshapes Global Energy Landscape' (10 August 2025) accessed 2 March 2026.
[93] Embassy of India, Doha, India–Qatar Bilateral Economic Relations (September 2021) 5

treatment. WTO rules promote this principle as outlined in the General Agreement on Tariffs and Trade (GATT), the General Agreement on Trade in Services (GATS) and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).[94] WTO members have an obligation not to discriminate between trading partners and, in particular, to comply with the Most Favored Nation (MFN) principle, which means that any preference granted to one WTO member must also be granted to all other members and thus cannot be selective.[95] However, there is a contradiction between the MFN principle and preferential trade agreements. The practical application of these principles also differs between Qatar and India due to variations in their domestic regulatory frameworks. Qatar generally applies low and uniform tariffs within a centralized system, whereas India maintains higher tariffs in sensitive sectors and operates a more complex, multi-layered regulatory structure, which is relevant in assessing how WTO obligations are implemented in practice.[96]

i. Legal Basis for Preferential Agreements Under the GATT

In order to deviate from standard WTO law, exceptions to free trade must be employed. Such exceptions are outlined in GATT Article XXIV, the Enabling Clause, and in GATS Article V. The intent behind these exceptions is to allow for the conclusion of preferential agreements where such cooperation contributes to trade liberalisation rather than to protectionism and fulfills specific requirements.

The agreement must meet the following criteria [97]:

- eliminate tariffs on "substantially all trade";
- not raise barriers to third countries;
- be deliverable and be implemented within a reasonable period of time.
- be notified to the WTO.

[94] General Agreement on Tariffs and Trade 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1A, 1867 UNTS 187 (GATT 1994) art I.
[95] Ibid.
[96] WTO, *World Tariff Profiles 2025* (WTO, ITC and UNCTAD 2025); WTO, *Tariff Profile: Qatar* (2025).
[97] General Agreement on Tariffs and Trade 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1A, 1867 UNTS 187 (GATT 1994) art XXIV.

The "Enabling Clause" also provides for a more flexible basis for general most-favored-nation treatment for developing countries; however, given its restricted use, it is unlikely to feature in any analysis of trade relations between Qatar and India.[98]

In the context of a potential Qatar-India CEPA, compliance with WTO requirements may be affected by how each state administers its domestic trade measures. Differences in tariff structures and regulatory practices may influence whether the agreement is perceived as facilitating genuine trade liberalization or as maintaining indirect barriers.

ii. Trade in Services under GATS Article V

In the area of trade in services, WTO rules are set forth in the General Agreement on Trade in Services (GATS). The GATS Article V provisions permit economic integration agreements involving services if they contain significant sectoral coverage and provide for substantial elimination of discriminatory treatment between the parties.[99]

Modern trade agreements that combine goods and services compliance requirements exist both under GATT Article XXIV and GATS Article V. For preferential treatment to be permitted, it must contribute to trade liberalization.

This is a particularly relevant consideration for India, where services regulation is often sector-specific and may involve both central and state-level authorities, potentially affecting the uniform application of commitments. By contrast, Qatar's centralized system may allow for more consistent implementation.

iii. Friction Points

In addition to formal compliance, WTO consistency requires considerations of how regulatory differences between Qatar and India may create practical barriers to trade. Divergent technical

[98] Nicolas JS Lockhart and Andrew D Mitchell, 'Regional Trade Agreements under GATT 1994: An Exception and Its Limits' in Andrew D Mitchell (ed), *Challenges and Prospects for the WTO* (Cameron May 2005) 221.
[99] General Agreement on Trade in Services 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1B, 1869 UNTS 183 art V.

standards and sanitary and phytosanitary measures may operate as non-tariff barriers, increasing compliance costs and delaying market access. Administrative licensing procedures and approval processes, particularly in India, may further function as indirect restrictions on trade. Moreover, India's federal governance structure introduces a risk of inconsistent implementation across states, which may affect the transparency and predictability required under WTO principles.

While such measures may not amount to explicit violations, they may give rise to de facto discrimination or be challenged as unnecessarily trade restrictive. These friction points are significant from Qatar's perspective, as they may limit the practice benefits of preferential liberalization under a CEPA despite formal compliance with WTO requirements.

iv. Application to CEPA and Modular Agreements

The WTO rules have direct implications on the appropriate design of both a CEPA and a modular-style trade agreement for Qatar and India.

In principle, a CEPA is compatible with the WTO rules provided that it is structured to meet the requirements of GATT Article XXIV and GATS Article V. However, the requirement for tariffs to be eliminated on "substantially all trade" means that there will be a minimum threshold requirement for trade liberalization that may affect the parties' ability to exclude large sectors of trade from the agreement. This is an important consideration for Qatar and India as it will, to some extent, limit the flexibility of the agreement, especially since the economic relationship is asymmetrical and an agreement that provides broad access risks granting disproportionate benefit to the party with more competitive sectors.

On the other hand, modular or sector-specific agreements present more of a challenge to WTO compliance since they, by nature, do not cover "substantially all trade". This type of agreement is designed to provide preferential treatment in a limited number of selected sectors, which inherently fails to satisfy the WTO requirements.

Certain strategic choices can be made during drafting to remedy this issue, should a modular approach be preferred. For example, if the agreement were to focus on regulatory cooperation (for example in areas like investment facilitation or energy cooperation) rather than market access, this

may allow it to fall outside the scope of Article XXIV and instead by subject to general WTO principles, which would apply fewer constraints as long as the agreement not provide for discriminatory treatment that would violate the MFN principle. The Singapore-Australia Digital Economy Agreement is an example of this type of agreement as it does not address tariffs and does not provide preferential market access in the classic sense but focuses on data flows and digital standards such that GATT Article XXIV does not apply.

If this is not an option for the drafters, another way forward may be to adopt a CEPA-style modular agreement that technically covers "substantially all trade" to satisfy the GATT and "substantial sectoral coverage" to satisfy the GATS, but that in practice prioritizes certain sectors. Other sectors that the parties do not wish to focus on would be phased in slowly with delayed liberalization terms or the related commitments would be weaker than those for the prioritized sectors. The India-UAE CEPA is an example of this type of agreement as it formally covers goods, services and investment while in practice it focuses the weight of its benefits on priority sectors like energy and petrochemicals, gems and jewelry, manufacturing and industrial goods, and services.[100] The India-Japan CEPA is also presented as a broad agreement but is uneven in depth as it strongly emphasizes investment and industrial cooperation, while providing for long, extended timelines for gradual tariff reduction.[101]

In general, modular agreements, while more flexible for parties, are more likely to risk non-compliance if they are seen as too narrow. A broad agreement with selective implementation, presenting a hybrid CEPA-modular approach, that allows for phasing and strategic exclusions, could be used to satisfy WTO rules but also offer maximum flexibility to tailor the agreement so that it is suitable for countries with asymmetrical economies.

[100] *Digital Economy Partnership Agreement* (Chile, New Zealand and Singapore) (signed 12 June 2020).; *Agreement between the United States of America and Japan concerning Digital Trade* (United States and Japan) (signed 7 October 2019).

[101] Comprehensive Economic Partnership Agreement between the Republic of India and Japan (signed 16 February 2011, entered into force 1 August 2011).

2. Diverging Legal Systems

Legal systems diverge yet do not prevent treaty formation between states under international law.[102] However, this disparity affects the interpretation and application of treaty obligations within jurisdictions.[103] India follows a common law tradition that emphasizes judicial precedent and purposive reasoning.[104] Indian courts rely heavily on doctrines such as proportionality, reasonableness, and legitimate expectations during adjudication, meaning that they may interpret obligations more flexibly.[105] Qatar has a civil law system prioritizing codified statutes and textual interpretation.[106] Judicial reasoning per the legal system in Qatar focuses on legislative intent and statutory clarity within codified frameworks, likely leading the courts to apply stricter textual interpretation principles.[107] This divergence reflects interpretative methodology rather than fundamental incompatibility between legal systems at a structural level.[108]

However, although this incompatibility does not prevent cooperation, it could create inconsistent application of the same treaty between the two systems. Factors that are likely to be emphasized in an agreement between Qatar and India, identified by the analysis of the foregoing sections, would include energy commitments, as well as diversifying characteristics such as services liberalization, investment protections, and regulatory obligations. In these areas, vaguely drafted clauses could present a risk of being interpreted differently in each system. This would create an undesirable legal uncertainty that results in risk for investors and the participating states themselves.

The agreement between Qatar and India must therefore make provisions that serve to remedy this risk of diverging legal interpretation. Although the drafters should endeavor to reduce ambiguity at the source as a first line of defense through detailed drafting and clarification clauses, a strong

[102] Jackson (n 91) 312.
[103] Ibid.
[104] S M Naveen, 'An Analysis of the Relationship between Common Law and Civil Law in India' (2023) 5(2) *Indian Journal of Law and Legal Research* 1, 1.
[105]Ibid.
[106] Abdelnaser Zeyad Hayajneh, 'Critical Review of Conflict of Laws Rules in the Qatari Civil Law' [2019] Int'l Rev. L. 142, 142.
[107] Ibid.
[108] Pauwelyn (n 92) 66.

dispute settlement and interpretation provision designed to address this issue is important for a well-drafted agreement.

3. Governance Structures

Governance structures influence negotiation and implementation outcomes of international trade agreements.[109] Qatar follows a centralized executive system where treaty-making powers rest with the institutional authorities.[110] Concentration of power ensures efficient negotiation, ratification, and implementation within governmental structures.[111] India operates a federal parliamentary system with power divisions between central and state authorities.[112] Trade policy is centralized, but implementation responsibilities extend across multiple subnational jurisdictions domestically.[113] States retain competence over labor regulation, infrastructure development, and certain taxation matters constitutionally.[114] This creates fragmentation risks in implementing international trade obligations consistently across jurisdictions nationally.[115] This issue is not merely procedural but also involves substantive legal compliance risks.[116] These include inconsistent implementation, delays in applying obligations, partial compliance and, again, legal uncertainty for businesses. Areas where these issues may be highlighted are labor standards, regulation of services, and infrastructure and licensing. Essentially, whereas the diverging legal systems discussed above create potential issues with interpretation, the diverging governance approach creates a risk of implementation issues. Specifically, where there are promises made by India's central government that are in practice only able to be effected by state governments, that mismatch between commitment and control may create risk for Qatar that India may struggle to comply with its obligations.

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[109] B V Yarbrough and R M Yarbrough, *Cooperation and Governance in International Trade: The Strategic Organizational Approach* (Princeton University Press 2014), 86.
[110] L Bahry, 'Qatar: Democratic Reforms and Global Status' in *Governance in the Middle East and North Africa* (Routledge 2013) 250.
[111] Ibid.
[112] WG Werner, F Johns and T Skouteris, 'India and International Law' (2010) 23 Leiden Journal of International law 1, 1–3.
[113] Ibid.
[114] Ibid.
[115] A Portanskiy, 'The Risk of the Global Economy Fragmentation is Growing' (2024) 19(2) *International Organisations Research Journal* 7, 7..
[116] Ibid.

This is a consideration that can likely be effectively addressed by taking advantage of the recommended CEPA agreement typology with modular characteristics. This approach will allow the parties the flexibility to tailor commitments to protect Qatar from unenforceable obligations, as well as phased implementation that allows Qatar to condition its concessions on India's actual implementation, creating reciprocity over time. This may be particularly applicable to areas that are subjected to fragmented control such as labor. The sector-specific nature of the proposed typology would also allow for the prioritization of sectors that are centrally controlled such as energy and investment. The focus should be on minimizing Qatar's exposure to risks arising from India's fragmented governance structure, and where it is unavoidable, including provisions that offer ultimate protection for Qatar against uneven implementation.

4. Domestic Implementation Pathways

Domestic implementation is beset by legal constraints affecting the execution of international trade agreements.[117] Nations incorporating treaty obligations within domestic legal systems differ, structurally and procedurally.[118] India has a dualist system requiring legislative initiative for establishing treaty obligations domestically.[119] Such a system has practical implications for the implementation of the Qatar-India CEPA. India operationalized its CEPAs, such as the UAE (2022), Japan (2011), and Korea (2010) agreements, by combining executive notifications, amendments to customs tariffs, and regulatory adjustments. Although such modifications allow tariff implementation, they create fragmentation in segments such as services and investment based on sector-specific regulation and, often, state cooperation. Legal commitments may then be unevenly realized. The Qatar-India CEPA must include clear implementation timelines and transparency obligations. Coordination mechanisms must be embedded in legal terminology to mitigate delays and permit consistent domestic application.

Treaties lack direct effect without enabling domestic legislation that formally implements provisions. Qatar adopts a centralized implementation model relying primarily on executive

[117] Jackson (n 91) 315-316.
[118] Ibid.
[119] Aparna Chandra, 'India and International Law: Formal Dualism, Functional Monism' (2017) 57 Indian Journal of International Law 25, 25.

authority institutionally.[120] However, regulatory reforms must be in place so that treaty obligations are met.[121] A CEPA necessitates reforms in customs procedures governing trade facilitation measures.[122] Such an agreement between Qatar and India may progressively promote the liberalization of service regulations in key economic sectors.[123] Investment provisions must align with international standards governing investor protection frameworks.[124] A CEPA should contain an implementation clause detailing the adoption of domestic measures for cooperation.[125] This operationalizes treaty commitments within domestic legal systems effectively and consistently.[126]

5. Administrative Capacity

Administrative capacity is critical for meeting obligations within complex trade agreements.[127] Such agreements require a strong institutional infrastructure, such as customized administration and regulatory coordination mechanisms.[128] India has formed many complex trade agreements within multilateral and regional frameworks historically.[129] Qatar is also forming treaties through WTO participation over time progressively.[130] However, disparities in administrative capacity may create asymmetrical enforcement outcomes between the two nations.[131] A CEPA between Qatar and India must cover capacity-building provisions supporting institutional development and technical cooperation. It should also include dispute settlement mechanisms ensuring enforceability of obligations between clashing states.[132] Despite strict enforcement, institutional design cannot substitute necessary domestic legal reforms within participating states.[133]

Both Qatar and India must ensure that institutions can carry out their obligations effectively. Clear administrative procedures reduce delays and improve compliance. Coordination between

[120] Bahry (n 61) 250.
[121] Ibid.
[122] Wang (n73) 647.
[123] Ibid.
[124] Rudolf Dolzer and Christoph Schreuer, *Principles of International Investment Law* (2nd edn, OUP 2012) 156.
[125] Wang (n73) 647.
[126] Ibid.
[127]HL Walls, RD Smith and P Drahos, 'Improving Regulatory Capacity to Manage Risks Associated with Trade Agreements' (2015) 11(1) *Globalization and Health* 14, 14.
[128] Ibid.
[129] Van den Bossche and Zdouc (n 95) 89–92.
[130] Ibid.
[131] Walls (n92) 14.
[132] Van den Bossche and Zdouc (n 95) 180–183.
[133]Rodrik (n 90) 272.

ministries and regulatory bodies is also necessary. Without this, implementation may become inconsistent.

Differences in capacity can lead to unequal enforcement. India has broader experience with trade agreements. Qatar has a more centralized system but may require further regulatory alignment. This gap must be addressed through legal design. The agreement should include technical assistance and cooperation mechanisms. These can support training, data sharing, and institutional strengthening.

6. Regulatory Alignment and Services Framework

Differences in regulatory systems may act as indirect barriers to trade between India and Qatar. Diverging standards in areas such as food, pharmaceuticals, and industrial goods can slow approvals and increase compliance costs. The agreement should include mechanisms for mutual recognition and equivalence where feasible. A joint regulatory body would help manage coordination and reduce friction over time. Labor should not be treated as a tradable good, and mobility should be limited to service providers under GATS Mode 4. The focus should remain on skills and professional services rather than general labor flows. Mutual recognition of qualifications will support trust and effective service delivery.

Regulatory Area	Challenge Identified	Proposed Mechanism	Practical Effect
Technical Standards (TBT)	Different product requirements	Mutual recognition agreements	Lower compliance costs
SPS Measures	Slow approval processes	Equivalence frameworks	Faster entry into market
Regulatory Systems	Institutional divergence	Joint regulatory committee	Continuous coordination
Services Mobility	Risk of misclassification	GATS Mode 4 application	Legal clarity
Professional Standards	Lack of recognition	Qualification agreements	Skilled labor mobility

7. Asymmetry and Domestic Protection

There is a clear imbalance between the size and capacity of the Indian and Qatari economies. This affects both negotiation outcomes and implementation ability. Without adjustment, the agreement may disproportionately benefit India. Legal design should therefore reflect asymmetry through differentiated commitments and phased liberalization. Domestic industries in Qatar, particularly SMEs, may face pressure from increased imports. Protective tools should be built into the agreement to manage this transition. Gradual tariff reduction and safeguards will help maintain stability.

Risk Factor	Impact on Qatar	Legal Response	Expected Result
Economic asymmetry	Uneven distribution of gains	Differentiated obligations	Balanced outcomes
Import surges	Pressure on local firms	Safeguard measures	Temporary protection
SME limitations	Low competitiveness	Tariff phase-in	Adjustment period
Sensitive sectors	Exposure to competition	Temporary exclusions	Sector stability
Capacity gaps	Implementation challenges	Phased commitments	Realistic compliance

8. Dispute Resolution Framework

Adopting a dispute settlement mechanism in this agreement is necessary to address disputes regarding the interpretation and application of the agreement. This section addresses different dispute settlement mechanisms that could be used in the Qatar-India agreement, starting with recommending the most suitable approach that best suits Qatar's and India's perspectives, then discussing the structure of this approach and why it is most suitable for Qatar. Then, moving on to considering other available dispute settlement options.

Trade agreements usually model their dispute settlement framework based on the system developed under the World Trade Organization (WTO),[134] especially when focusing on consultations followed by adjudication through panels. A common model that reflects a structure used in many trade agreements, including the Australia-India Economic Cooperation and Trade Agreement[135], the Comprehensive and Progressive Agreement for Trans-Pacific Partnership,[136] the India-United Arab Emirates Comprehensive Economic Partnership Agreement [137], and many other agreements, is the approach of using a state-to-state dispute settlement mechanism based on consultations followed by ad hoc arbitration panels.

This approach aims to solve disputes through cooperation between parties. Instead of moving immediately to formal proceedings, states are expected to resolve disputes through dialogue and engagement.[138] The scope of this approach applies to disputes concerning the interpretation, application, or implementation of the agreement. This includes situations where one party believes that the other has adopted a measure that is inconsistent with its obligations or has otherwise failed to comply with the agreement.[139]

As has been discussed in previous sections, the relationship between Qatar and India, together with the asymmetries between their economies, legal and governance structures, the dispute settlement framework included in the agreement must be reliable and capable of addressing issues such as misaligned interpretation and failure or delay implementing obligations.

[134] Marrakesh Agreement Establishing the World Trade Organization, Annex 2, Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU).
[135] Australia-India Economic Cooperation and Trade Agreement, ch 13 'Dispute Settlement' (Australian Government, Department of Foreign Affairs and Trade) https://www.dfat.gov.au/trade/agreements/in-force/australia-india-ecta/australia-india-ecta-official-text/chapter-13-dispute-settlement.
[136] Comprehensive and Progressive Agreement for Trans-Pacific Partnership (signed 8 March 2018, entered into force 30 December 2018) ch 28.
[137] Comprehensive Economic Partnership Agreement between the Government of the Republic of India and the Government of the United Arab Emirates (signed 18 February 2022, entered into force 1 May 2022) ch 17 (Dispute Settlement).
[138] India-UAE Comprehensive Economic Partnership Agreement.
[139] Australia-India Economic Cooperation and Trade Agreement, ch 13 'Dispute Settlement'.

Stage 1: Consultations

This is where the agreement requires the parties to attempt to resolve disputes through formal consultations before initiating arbitration.[140] This stage provides the parties with an opportunity to clarify the legal and factual issues and attempt to reach a mutually satisfactory solution. In practice, a party would initiate consultations in good faith by submitting a written request identifying the measure at issue and outlining the legal basis of its complaint.

The consultations would then take place within a defined timeframe and remain confidential without prejudice to the rights of any party, and even if consultations do not resolve the dispute, the parties should retain the possibility of reaching a mutually agreed solution at any later stage. This stage limits escalation. Starting the settlement with consultations often allows disputes to be resolved without proceeding further, which is important in maintaining stable economic relations between the parties.

Stage 2: Mediation or Good Offices

If consultations fail to resolve the dispute within a defined period, the parties should have the option to resort to mediation, conciliation, or good offices.[141] These procedures allow the parties to involve a neutral third party who assists them in reaching a mutually acceptable solution. Unlike arbitration, mediation remains flexible and non-binding, which makes it useful in sensitive or politically complex disputes. It can be initiated at any time and may even continue alongside later stages of the process if both parties agree.[142]

Stage 3: Establishment of an Arbitration Panel

Where no resolution is reached through consultations or mediation, the dispute may proceed to arbitration. At this stage, either party may request the establishment of an independent arbitration panel,[143] constituted in line with procedures developed by the United Nations Commission on International Trade Law.

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[140] Understanding on Rules and Procedures Governing the Settlement of Disputes art 4.
[141] ibid art 5.
[142] Ibid.
[143] Ibid art 6.

The panel would typically consist of three members: one appointed by each party and a chairperson jointly selected by both parties.[144] The panel members must be independent from the governments involved and should possess expertise in relevant areas such as international trade law.[145] Their role is to assess the dispute objectively and determine whether the contested measure is consistent with the agreement. The outcome of this stage is a written report, which should be binding on the parties.[146]

This stage introduces a formal element to ensure that disputes can be resolved through an impartial legal process if necessary.

Stage 4: Compliance and Enforcement

The final stage focuses on implementation. Once the arbitration panel has issued its decision, the responding party is expected to comply within a reasonable period. If compliance is not achieved, the mechanism allows for further steps. The parties may first attempt to agree on compensation as a temporary solution. If this is not possible, the complaining party may be permitted to suspend concessions or other obligations under the agreement.[147]

While these enforcement measures are necessary to ensure effectiveness, they are generally considered a last resort. In practice, the emphasis remains on achieving compliance through negotiation rather than immediate retaliation, which is particularly important in agreements between economically asymmetric partners.

In addition to this basic structure, there are several elements that should be taken into consideration when designing the dispute settlement framework. First, the agreement should set specific deadlines for each stage of the process, including consultations, the establishment of panels, and the issuance of reports.[148] Otherwise, disputes can remain unresolved for long periods. The agreement should further provide for the publication of decisions and reports, as making outcomes

[144] ibid art 8.5.
[145] India-UAE Comprehensive Economic Partnership Agreement art 8, An Introduction to International Arbitration ch 3 para 3.1, 3.2.
[146] Australia-India Economic Cooperation and Trade Agreement, ch 13
[147] Understanding on Rules and Procedures Governing the Settlement of Disputes art 21,22.
[148] India-UAE Comprehensive Economic Partnership Agreement art 4, 12.

publicly available helps clarify how the agreement is interpreted and applied, thereby improving predictability.[149] Finally, the mechanism should allow some flexibility in sectors of particular economic importance.[150] Such as energy trade, given the role of energy in the relationship between Qatar and India, it is important to leave room for negotiated solutions before moving to formal proceedings.

Benefits of this approach to Qatar

A state-to-state dispute settlement mechanism based on consultations followed by ad hoc arbitration panels is the most appropriate approach for Qatar in the context of a bilateral trade agreement with India for several reasons. First, this approach preserves state control over the dispute process, as it ensures that only governments can initiate proceedings and determine key aspects of the procedure. This allows states to retain control over whether and how disputes are pursued.

Second, a consultations-first structure supports early resolution of disputes through dialogue, which aligns with Qatar's diplomacy-first foreign policy.[151] It gives the parties space to discuss the origins of a disagreement, including differences in interpretation or implementation of the agreement, before escalating to formal adjudication. Allowing issues to be addressed at this stage helps prevent unnecessary escalation and supports stable economic relations, which is important in long-term partnerships.[152]

Third, the use of ad hoc arbitration panels provides a credible enforcement mechanism without creating unnecessary institutional complexity. Panels offer an impartial forum for resolving disputes, while their ad hoc nature allows flexibility in the selection of panelists and procedures, which can be adapted to the specific characteristics of each dispute.[153] This also enables Qatar to appoint arbitrators with relevant sector-specific expertise, such as in energy markets.

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[149] India-UAE Comprehensive Economic Partnership Agreement arts 12.9, 16. An Introduction to International Arbitration ch 4 para 4.2.
[150] India-UAE Comprehensive Economic Partnership Agreement arts 4, 5.
[151] International Media Office, 'Foreign Policy' (State of Qatar) https://imo.gov.qa/priorities/foreign-policy/.
[152] Marc L. Busch & Eric Reinhardt, "Testing International Trade Law: Empirical Studies of WTO Dispute Settlement."
[153] Ilias Bantekas, An Introduction to International Arbitration (Cambridge University Press 2015)

Fourth, ad hoc arbitration can allow the parties to maintain a degree of confidentiality in the proceedings, which is important given the sensitivity of sectors such as energy. Confidentiality helps prevent market disruptions and protects commercially sensitive information, while still ensuring binding dispute resolution.[154]

Finally, this model is also well-suited to the economic relationship between Qatar and India. Given the asymmetries in market size and regulatory structures, a mechanism that emphasizes dialogue before enforcement helps manage potential tensions and reduces the risk of escalation. By allowing time for negotiated solutions, the system accommodates differences in domestic implementation and governance without immediately resorting to retaliatory measures.

Overall, this approach provides a predictable and rules-based system for resolving disputes; it strikes an appropriate balance between enforceability and flexibility, while also remaining politically feasible by aligning with India's treaty preferences.

Investment Dispute Settlement

Parties could introduce an investor-state dispute settlement (ISDS) mechanism within their dispute settlement framework for investment disputes, separate from the mechanism used for trade disputes. But this approach might raise different challenges. From Qatar's perspective, ISDS is important to certain foreign investors as it would protect their legal rights and encourage them to invest in the state. Although it plays an important role in increasing investments and developing the country's economy, it could still expose it to high risks that cannot be ignored. Including an ISDS would expose Qatar to high-value claims by foreign investors, especially since major sectors in Qatar involve strategic assets and long-term contracts, so the government should have regulatory flexibility for economic diversification.

Consequently, India has adopted a restrictive approach to investor-state arbitration in recent years, particularly through its Model Bilateral Investment Treaty[155], which limits access to arbitration

[154] ibid ch 3, para 3.11.
[155] Government of India, Model Text for the Indian Bilateral Investment Treaty (2016) arts 15–16.

and places greater emphasis on the use of domestic remedies.[156] The India-United Arab Emirates Comprehensive Economic Partnership Agreement is an example of India's current treaty practice, which relies on state-to-state dispute settlement mechanisms for trade-related disputes, without incorporating an ISDS system.[157]But the UAE and India handled investor disputes through a separate bilateral investment treaty, which allowed arbitration after certain conditions were met.[158] As a result, insisting on a broad ISDS mechanism could complicate or delay negotiations with India.

In this context, the best approach would be to exclude ISDS from the trade agreement itself, while providing investment protection in a separate instrument or through a more limited mechanism. This allows Qatar to preserve its interest in investor protection, while protecting its regulatory autonomy, considering India's preferences, and increasing the likelihood of reaching an agreement.

Parties could also agree to adopt a limited ISDS approach for investment disputes. For example, ISDS could be restricted by requiring exhaustion of local remedies, limiting the types of claims allowed, or using appellate or review mechanisms. This represents a potential middle-ground solution that balances Qatar's and India's interests, although it may still be difficult to negotiate in practice.

Other Dispute Settlement Options:

While the proposed consultation-based state-to-state arbitration mechanism represents the most suitable approach, it is important to briefly consider alternative models that could be adopted in a Qatar-India agreement. These alternatives are not proposed as preferred options, but rather to assess whether they offer advantages that would justify departing from the recommended model or whether specific elements could be integrated into it.

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[156] Georgios Dimitropoulos, National Sovereignty and International Investment Law: Sovereignty Reassertion and Prospects of Reform (2020) 21 Journal of World Investment & Trade 71–103.
[157] India-UAE Comprehensive Economic Partnership Agreement arts 17.4–17.8.
[158] Norton Rose Fulbright, 'The India/UAE Bilateral Investment Treaty: Novel Features in the Next Generation of BITs' (July 2025) https://www.isds.bilaterals.org/?the-india-uae-bilateral-investment accessed 18 April 2026.

i. Full reliance on the WTO Dispute Settlement System

Parties could agree to rely entirely on the WTO dispute settlement system (The Understanding on Rules and Procedures Governing the Settlement of Disputes).[159] Although this could provide a well-established mechanism with detailed procedures, it still has clear limitations, as it only applies to WTO-covered agreements and would not address obligations specific to a Qatar-India trade agreement.

The proposed framework draws on key elements of the WTO system while adapting them to the specific needs of a bilateral agreement, suggesting that this system is best used as a supplement, but not as the main mechanism.

ii. Permanent Tribunal

Parties could choose to establish a permanent tribunal with pre-appointed judges instead of ad hoc panels. This system helps keep the decision-making procedure consistent and predictable, as the same adjudicators would hear multiple disputes.[160] However, this approach risks creating a more rigid and formalized system than is needed for such an agreement.

iii. Chapter-Specific Dispute Settlement

Parties could adopt a differentiated approach by applying different dispute settlement mechanisms to different chapters of the agreement, rather than only relying on one single system throughout, as not all obligations require the same level of enforcement.

For example, disputes relating to trade in goods and services typically involve clear legal obligations and may therefore be best suited to binding state-to-state arbitration. In contrast, areas such as environmental standards are often more sensitive and policy-oriented, and are therefore commonly subject to softer mechanisms focused on consultations and cooperation rather than sanctions. While this approach increases the complexity of the agreement and requires careful drafting, it offers a high degree of flexibility in the design of the dispute settlement system.

[159] Marrakesh Agreement Establishing the World Trade Organization, Annex 2, Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU).
[160] Ilias Bantekas, An Introduction to International Arbitration (Cambridge University Press 2015)

iv. Political / Diplomatic Resolution

This mechanism is used where there is a high level of political trust between parties and a shared preference for informal resolution of disputes. Parties here rely on negotiation, mediation and political dialogue rather than formal adjudication, which is either optional or rarely used in practice. This model is reflected in regional frameworks such as the Association of Southeast Asian Nations,[161] where dispute settlement mechanisms place strong emphasis on consensus-building and non-confrontational processes, but it may not be appropriate for the Qatar-India agreement, as it would not provide sufficient legal certainty or enforceability.

Overall, while these alternatives offer certain advantages, they do not achieve the same balance between flexibility, enforceability, and practical feasibility as the recommended consultation-based state-to-state arbitration mechanism. For this reason, they should not be preferred in the design of the dispute settlement chapter.

In light of the above analysis, a dispute settlement mechanism based on consultations followed by ad hoc arbitration panels represents the most appropriate approach for this agreement as it offers a balanced and realistic solution that reflects both the legal and political dimensions of the Qatar-India relationship. By adopting such an approach, the parties can establish a clear and reliable framework for resolving disputes, while preserving the space for cooperative engagement in managing their economic partnership.

C. Design Features

This memorandum proposes a modular, phased CEPA as the optimal agreement between Qatar and India. Drawing on the foregoing economic and legal analysis, including the proposed dispute settlement framework, this section sets out the structural design and operational components of the agreement. The CEPA would have two interlinked layers of the general design features that govern the architecture and legal functioning of the agreement and substantive modules that require cooperation across specific policy areas. This dual structure allows the agreement to remain WTO-

[161] Association of Southeast Asian Nations (ASEAN), ASEAN Charter (adopted 20 November 2007, entered into force 15 December 2008).

compliant, flexible, and responsive to the asymmetry while continuing to advance Qatar's strategic objectives.

1. General Design Architecture of the CEPA

i. Layered CEPA Structure

The CEPA should adopt a layered structure consisting of a binding core agreement and a flexible modular framework.

As discussed in prior sections, this agreement must satisfy WTO requirements, including the requirement that the agreement cover "substantially all trade". Integrating modular aspects alone increases the risk of non-compliance with this requirement, so including core binding chapters, together with optional and evolving modules, should address the tension with the WTO framework. High-value and strategic sectors, such as energy and services (IT, finance, healthcare), should be given deeper commitments, faster timelines, and stronger protections, particularly as they serve one of Qatar's most important and timely objectives of economic diversification. The evolving modules, such as digital trade and labor mobility, among others, which will be further discussed under Part B. Modules in this section, could even be framed as non-binding, or 'best endeavor'-style encouragement for the parties to engage in cooperation in select, less strategic areas like innovation or energy transition.

ii. Conditional Phased Liberalization

Another feature supported by a modular CEPA and that would also serve Qatar's interests and contribute to risk management is the phased implementation of commitments. Here, each later phase would be conditional upon the implementation on the previous, or on such other conditions as the parties may agree upon. Qatar could thereby condition deeper concessions on demonstrated implementation by India at both central and state levels.

iii. Asymmetry-Sensitive Commitments

Given the structural imbalance between Qatar and India, certain obligations can be assigned different depths and speeds; for example, Qatar can take on slower tariff reductions in sensitive sections, while India takes on stronger commitments in services, investment, and market access. Such an approach would serve to mitigate the risk that India would disproportionately benefit from broad liberalization that is typical of a traditional CEPA. This asymmetry also allows the agreement to incorporate a gradual phasing of liberalization to allow domestic industries time to adjust, embedding safeguard mechanisms to manage import surge or the sudden market disruption, and incorporate strategic exception clauses to protect sensitive sectors while still securing deeper access to India's large consumer market.

iv. Domestic Adjustment Framework

Qatar's manufacturing, food processing, and small-scale industrial sectors may require protection during liberalization. The agreement should clearly identify these sensitive sectors in dedicated annexes. Tariff phase-ins and safeguard measures can support gradual adjustment to increased competition. Highly competitive sectors can liberalize faster, while vulnerable sectors receive temporary protection. This targeted approach ensures balanced development without unnecessary protection.

Sector Type	Tool Used	Objective
Emerging industries	Tariff phase-in	Gradual exposure
Vulnerable sectors	Safeguards	Prevent damage
Competitive sectors	Liberalization	Growth
SMEs	Support measures	Sustainability

v. Regulatory Cooperation

Issues flagged throughout this report include legal system and governance framework divergence and sovereignty concerns. A focus on regulatory cooperation, rather than full harmonization, would help to reduce the negative impact of potential interpretation issues and regulatory

autonomy concerns. Regulatory cooperation can be pursued through mechanisms such as mutual recognition agreements, equivalence frameworks, and cooperation clauses, each of which would bring Qatar's and India's regulatory frameworks closer together without mandating complete alignment and thus significant loss of autonomy.

vi. Investment Cooperation and Protection Model

Given the structural significance in bilateral relations, investment provisions must also be taken into account.[162] India's international corporate expansion and Qatar's sovereign wealth investments are mutually beneficial.[163] Facilitating investment should take precedence over investor rights under the CEPA.[164] Transparency, administrative collaboration, and expedited regulation should be the main priorities.[165] Outbound Qatari investments might not be adequately protected by facilitation alone, however.[166] Limited substantive rights, such as fair and equitable treatment criteria, must also be sought by Qatar.[167]

Protections for investors should be reflected in the agreement, however they should be kept at a basic level. The agreement should not provide for any unfair expropriation, legal and regulatory transparency should be maintained, and treatment in general should be fair. However, Qatar would not benefit from an investor protection framework that incorporated ISDS provisions that allowed it to be directly litigated against by investors. Instead, the recommended dispute resolution model suggested in this report is ideal as it maintains state-to-state dispute settlement procedures. This type of approach would protect investors and keep Qatar as an attractive investment opportunity but would not limit Qatar's ability to regulate by making the choice to litigate against it on grounds of regulatory changes one that must also consider diplomacy and politics, and would be brought by India itself which would inherently be more selective than individual investors.

vii. Implementation & Monitoring Mechanism

[162] Rudolf Dolzer and Christoph Schreuer, *Principles of International Investment Law* (2nd edn, OUP 2012) 87–89.
[163] Qatar Investment Authority, *Annual Report* (QIA 2022) 10–13.
[164] UNCTAD, *Investment Policy Framework for Sustainable Development* (UN 2015) 25–27.
[165] ibid 28–30.
[166] Dolzer and Schreuer (n 287) 90–92.
[167] Ibid.

This report has previously highlighted concerns about India's federal system and the potential for incomplete implementation. A system, such as a joint committee or sector-specific committees, should be established to ensure that each party complies with its obligations under the agreement. This could be a permanent body comprising Qatari and Indian representatives that oversees the agreement and meets regularly to address problems before they escalate into disputes, thereby triggering the dispute settlement framework.
Alternatively, rather than one general committee, sectoral committees could be created for certain areas such as services, investment, and labor mobility. These committees could also undertake a formal review process to periodically assess compliance, effectiveness, and the presence of any delays under the agreement that have gone unaddressed.

Mandatory reporting and review obligations should also be included, whereby each country must submit regular reports on any new laws and regulations, progress must be shown and updates given on agreement-related obligations. This would facilitate transparency, along with other requirements such as notification, publication and information sharing with the other party regarding regulations and changes.

Layer	**Responsibility**	**Outcome**
Joint committee	Overall oversight	Coordination
Sector committees	Technical monitoring	Efficiency
Reporting system	Progress tracking	Transparency
Review mechanism	Periodic evaluation	Adaptability

viii. Flexibility Clauses, Safeguards and Emergency Clauses

As mentioned, the context in which Qatar is operating is characterized in part by regional instability, energy market volatility, a history of disruption, such as the 2017 blockade, and the physical vulnerability of its infrastructure and export capacity. Contractual flexibility is therefore important to avoid Qatar becoming locked into obligations even when circumstances change.

Clauses such as safeguard clauses that allow temporary restrictions on trade nights can be considered, to be triggered if a country is being harmed. For example, if imports from India surge such that a Qatari industry is harmed, a clause allowing a temporary increase on tariffs or restricted imports may be beneficial for Qatar. This is particularly relevant for new sectors in Qatar's economy, which are expected to emerge, considering its intention to diversify its economy.

Emergency measures, which would ideally be broader than safeguard clauses, should also be considered for inclusion in the agreement to be used in crisis situations and would allow for trade restrictions and prioritization of domestic supply in certain circumstances like a blockade, regional conflict, or other situations where food and security concerns may arise and Qatar would need to act quickly without violating the agreement.

Another clause the importance of which has been highlighted in recent months and weeks is the Force Majeure Clause, which would excuse a country from obligations if something outside its control prevents it from being able to fulfil its responsibilities. Examples of applicable situations may be war, conflict, natural disasters, or infrastructure damage. We have seen the implementation of this type of clause recently in certain LNG contracts as a result of the war in Iran, which has resulted in damage to Qatar's LNG facilities. The increased threat of regional attacks makes it vital to include a robust, clear and actionable Force Majeure clause in this contract.

ix. Tariff Liberalization Schedule

Tariff liberalization, to the extent that it will be prioritized, must be structured progressively and not focused on immediate reductions.[168] India has relatively higher tariffs in politically sensitive sectors, such as agriculture.[169] Qatar applies low tariffs generally but maintains strategic control over essential goods.[170] Consequently, uniform tariff elimination is economically unrealistic and legally imprudent.[171]

[168] Razeen Sally, 'Thai Trade Policy: From Non-Discriminatory Liberalisation to FTAs' (2007) 30(10) *World Economy* 1594, 1594.
[169] Petros C Mavroidis, *Trade in Goods* (OUP 2012) 68-87.
[170] World Trade Organization, 'Tariff Profiles: Qatar' (WTO 2023) 2–4.
[171] Rodrik (n90) 104–106.

Introducing gradual liberalization over five to ten years ensures adjustment capacity.[172] The WTO supports phased liberalization provided commitments are met.[173] Sensitive sectors may be excluded temporarily. However, this exclusion must not undermine overall coverage.[174] In *Turkey–Textiles*, insufficient sectoral coverage rendered WTO measures inconsistent.[175] Therefore, exclusions should be limited and justified per the economic necessity criteria.[176]

In order to address import surges that impact the domestic industry, safeguards should be implemented.[177] Such actions are consistent with WTO safeguard jurisprudence and GATT Article XIX.[178] However, if this strategy is not strictly regulated by law, it could put countries at risk of protectionist abuse.[179] Consequently, stringent procedural and temporal restrictions must be included in CEPA rules.[180]

x. Review Mechanism

To ensure flexibility over time, a CEPA between Qatar and India must have a systematic review process. Periodic reevaluation is essential since trade agreements function in dynamic, ever-changing economic situations.[181] Agreements would become outdated and legally inflexible without review clauses.[182]

[172] Mattoo, Rocha and Ruta (n97) 48–50
[173] Van den Bossche and Zdouc (n 95) 695–697.
[174] ibid 688–690.
[175] Appellate Body Report, *Turkey – Restrictions on Imports of Textile and Clothing Products* WT/DS34/AB/R (22 October 1999) [48]–[54]
[176] Pauwelyn (n92) 301–303.
[177] Van den Bossche and Zdouc (n 95) 720–722.
[178] General Agreement on Tariffs and Trade 1994, art XIX.
[179] Mavroidis (n 263) 89–91.
[180] Van den Bossche and Zdouc (n 95) 721–723.
[181] F Shahid and S Ahmed, 'India–Korea CEPA: A Multi-Method Assessment of Trade in Articles of Iron and Steel' (2026) 1(1) The Research Frontline-Journal 46, 46.
[182] Ibid.

2. Modular Structure of the CEPA

The proposed Qatar – India CEPA should adopt a modular structure to address the complexity and asymmetry of the bilateral relationship while maintaining flexibility in negotiation and implementation. A modular design allows Qatar to prioritize strategic sectors, manage sensitivities and phase commitments over time, rather than pursue a rigid agreement. The following modules should be included in the agreement because they enable targeted cooperation with India while balancing policy space and regulatory control, thus increasing the likelihood of an efficient and mutually beneficial outcome.

i. Supply Chain Resilience

The Economic Analysis Section shows that Qatar heavily relies on imports from China for electrical and industrial machinery and telecommunication equipment. Qatar should diversify the supply chain through India for these imports and expand into pharmaceuticals. Similar to the Indo-Pacific Economic Framework for Prosperity (IPEF), we recommend that there be a separate chapter on Supply Chain Resilience. This would help address concentrations in critical supply chains and accelerate the diversification of imports and exports in Qatar.[183]

Focus Area	Current Issue	Proposed Action	Outcome
Import concentration	Heavy reliance on China	Diversify toward India	Reduced dependency
Critical goods	Machinery, telecom, pharma	Sector prioritization	Supply security
Disruptions	Limited preparedness	Early warning systems	Faster response
Coordination	Weak integration	Information sharing	Stability

[183] Australian Government Department of Foreign Affairs and Trade, *Indo-Pacific Economic Framework,* <https://www.dfat.gov.au/trade/organisations/wto-g20-oecd-apec/indo-pacific-economic-framework/ipef-supply-chain-agreement> accessed 12 April 2026

a. Institutional Trade Facilitation Tool: Marketing Board

Although not a module in itself, but potentially pivotal to a successful supply chain resilience module, a Qatari - Indian agricultural marketing coordination board could be established within the Supply Chain Resilience Module. Marketing boards are state-sanctioned entities that are legally granted control over the purchase or sale of agricultural commodities, through which governments could set prices for the produce, and farmers were provided with a guaranteed market to absorb all the marketed surplus.[184] The establishment of a Qatari marketing board in India would be a strategic instrument to manage risks caused by the asymmetry. The marketing board would help stabilize prices, which would otherwise fluctuate unpredictably.[185] Moreover, some food products have higher prices due to margins added along the supply chain, which can be reduced with a marketing board.[186] India may consider a Qatari-controlled marketing board a loss of policy sovereignty or a risk of distorting domestic markets. It could be negotiated to have a Qatar -India joint agricultural marketing board for coordinating, contracting and stabilizing prices.

ii. E-commerce/ digital trade

For Qatar's objective of technological advancement and innovation, we recommend that the trade agreement include a chapter on e-commerce/ digital trade. E-commerce chapters in PTAs contain the most comprehensive and often binding digital trade rules, which can significantly influence domestic regulation of digital technologies and their development. [187] There are several PTAs that do not contain a dedicated provision on consumer protection in their electronic commerce chapters, and most PTAs do not mention cybersecurity in their electronic commerce chapters, despite the significance of cybersecurity protection in digital trade.[188] It is recommended that Qatar negotiate to include provisions on consumer protection and cybersecurity in the e-commerce chapter.

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[184] Christopher B. Barett and Emelly Mutambatsere, *Marketing Boards* in *The New Palgrave Dictionary of Economics (2nd Edition)(June 2005)*
[185] Vikkram Singh, *Contribution of Marketing Boards,* (University of Regina), < https://uregina.ca/~sauchyn/socialcohesion/marketing_boards.html> accessed 22 April 2026
[186] Vikkram Singh, *Contribution of Marketing Boards,* (University of Regina), < https://uregina.ca/~sauchyn/socialcohesion/marketing_boards.html> accessed 22 April 2026
[187] Mira Burri & Rodrigo Polanco, *Digital trade provisions in preferential trade agreements: Introducing a new dataset,* (Journal of International Economic Law, 2020), pg. 10
[188] Andrew D. Mitchell & Neha Mishra, *Digital trade integration in preferential trade agreements,* (ARTNeT Working Paper Series (No. 191), 2020), <

It should also be considered that India does not participate in the e-commerce Joint Statement Initiative (JSI) at the WTO and has argued that the JSI negotiations undermine the WTO's consensus-based approach to rule-making.[189] Whereas Qatar is a co-sponsor of the JSI on Electronic Commerce.[190] This may cause some tension, but there is a dedicated chapter on digital trade in the UAE-India CEPA, which includes articles on online consumer protection, cybersecurity, personal data protection, and customs duties.[191] Another preferential trade agreement with a dedicated digital trade chapter is the India- Singapore Comprehensive Economic Cooperation Agreement, which contains a provision on the incorporation of a bilateral customs duty moratorium on electronic transmissions, and a provision on nondiscrimination obligations to digital products.[192] Qatar should balance its obligations under the WTO and prioritize its e-commerce-related constraints in the negotiations with India.

iii. Skills and Services Mobility

As has been established in this report, trade in services is an important strategic aspect of the economic relationship between Qatar and India. A trade agreement would therefore benefit from a dedicated chapter that would focus on facilitating the provision of services through skilled professionals. India has a comparative advantage in skilled services sectors such as IT, healthcare, engineering and finance. As we know, Qatar is pursuing economic diversification toward high-value, knowledge-based sectors under Qatar National Vision 2030 and NDS-3. For Qatar, facilitating access to skilled professionals would support human capital development and would

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https://www.researchgate.net/publication/341634977_Digital_Trade_Integration_in_Preferential_Trade_Agreements > accessed 3 March 2026

[189] Andrew D. Mitchell & Elizabeth Chin, *The WTO Joint Statement Initiative on E-commerce: Navigating digital trade rules in a fragmented world,* (Journal of World Trade, August 2023), <https://www.researchgate.net/publication/373265768_THE_WTO_JOINT_STATEMENT_INITIATIVE_ON_E-COMMERCE_NAVIGATING_DIGITAL_TRADE_RULES_IN_A_FRAGMENTED_WORLD> accessed 1 March 2026

[190] World Trade Organization, *Electronic Commerce and Digital Technologies,* < *https://www.wto.org/english/tratop_e/ecom_e/joint_statement_e.htm*> accessed 22 April 2026

[191] UAE Ministry of Economy and Tourism, *Comprehensive Economic Partnership Agreement between the Government of the Republic of India and the Government of the UAE* (2021) < https://www.moet.gov.ae/documents/20121/1347101/Final+Agreement_UAE+India+CEPA.pdf> accessed 21 April 2026

[192] Kholofelo Kugler, *The great disconnect in India's digital trade policy,* (Council on Foreign Relations, 10 February 2025), < https://www.cfr.org/articles/great-disconnect-indias-digital-trade-policy> accessed 21 April 2026

reduce reliance on low-skilled labor inflows. It would also support long-term structural transformation for Qatar.

This chapter should be framed under GATS Mode 4 which regulates the movement of natural persons supplying services. This framing would allow for consistency with WTO rules and would avoid the classification of labor as a 'good'. The focus here would be on temporary, category-based entry and service provision rather than migration.[193] This module could also include Mutual Recognition Agreements (MRAs) that would cover strategic factors such as professional qualifications, education credentials, technical certifications, and relevant experience. The purpose of the MRAs would be to reduce regulatory barriers and avoid duplication of licensing procedures that significantly slows approval processes and creates hindrances to trade. In effect, these agreements would speed up market entry for service providers and would serve to directly address previously mentioned non-tariff barriers that may arise from regulatory divergence between Qatar and India.[194]

For efficiency, this focus on trade in services should be strategically sector-specific and aligned with Qatar's diversification strategy. It should therefore focus on areas such as information technology and digital services, healthcare and medical services, financial and professional services, engineering and logistics, as already identified. This framing would match India's export strengths as well as Qatar's diversification clusters set forth in NDS-3. It would also help to avoid broad labor market exposure and instead supports targeted economic benefit. This approach is seen in the UAE-India CEPA which includes services liberalization and incorporates GATS Mode 4-type commitments by using category-based entry in categories such as professionals and intra-corporate transferees, among others. As suggested in the present report, the UAE-India CEPA avoids full labor mobility and is focused on strategically selected sectors.

A chapter facilitating the trade in services through a tailored skills and services mobility framework would allow for targeting economic integration and support for economic

[193] World Trade Organization, *General Agreement on Trade in Services* (adopted 15 April 1994, entered into force 1 January 1995) 1869 UNTS 183, art I:2(d).
[194] Anushree Chaudhuri and Suparna Karmakar, 'Trade in Services in India: Prospects and Challenges' (2009) 44(12) *Economic and Political Weekly* 157, 160–162.

diversification in non-hydrocarbon sectors, which has already been established as a significant area of focus for Qatar. It would allow for the development of Qatar's knowledge economy and upgrade its human capital while also presenting an opportunity for India to access Qatar's high-income market.

iv. SME Development

Qatari SMEs face structural limits due to small domestic demand. The agreement should support their expansion into the Indian market and ensure that smaller firms also benefit. To allow Qatari SMEs to gain from CEPA liberalization, certain measures must be taken to enhance their competitiveness and export ability. Several SMEs lack experience exporting to massive firms such as India. The Qatar Development Bank would be able to offer export training programs that would help SMEs in meeting labeling requirements, acknowledge Indian certification standards, export finance or insurance, and comply with customs protocols. This decreases barriers that usually limit SMEs from entering foreign industries. In addition, SMEs often face challenges when it comes to increasing their production for export firms. Having financing choices may help support equipment upgrades and logistics preparation for exporting. Also, the Qatar Development Bank can offer low-cost loans to Qatari firms that want to sell their goods and services in India.[195] Therefore, working with Indian firms can encourage Qatari companies to become part of a much larger supply chain. SMEs can work with firms in India rather than competing against them, allowing them to enter new markets more quickly and share advanced knowledge or expertise, which would decrease any potential harm of expanding internationally into other countries.

v. Regulatory Cooperation (TBT/SPS)

Differences in standards may create barriers to trade. Full harmonization is not necessary, but alignment should be practical. Mutual recognition and equivalence should be used where possible. This is especially important in food, health, and industrial goods. Joint committees should oversee implementation and resolve issues.

[195] INTERNATIONAL PRODUCT CERTIFICATION PROGRAM," Qatar Exports, 2024.

Area	Tool Used	Purpose
TBT	Mutual recognition	Reduce compliance cost
SPS	Equivalence	Faster approvals
Standards	Alignment mechanisms	Market access
Governance	Joint committees	Coordination
Transparency	Notification systems	Predictability

vi. Risk and Safeguards

Economic and geopolitical risks should be explicitly embedded into the design of the CEPA. Given that the Qatar–India relationship remains heavily linked to hydrocarbons, disruptions in energy markets, shipping routes, or regional security can quickly affect trade flows. The agreement should therefore include safeguard clauses allowing temporary protection against sudden import surges that may harm vulnerable domestic industries, particularly emerging SMEs and selected manufacturing sectors.

In addition, emergency action clauses should permit rapid regulatory responses during crises such as war, sanctions, maritime disruption, pandemics, or severe supply shortages. Force majeure provisions should also be clearly drafted to protect both parties from legal penalties when obligations cannot be fulfilled due to events beyond their control.

A joint resilience committee should be established under the agreement to coordinate crisis responses, exchange market information, and recommend temporary measures during periods of instability. This would preserve confidence in the agreement while ensuring flexibility under exceptional circumstances.

Risk → Tool → Effect
Import surge → Safeguards → Industry protection
Crisis → Emergency clause → Rapid response
Disruption → Force majeure → Legal relief
Volatility → Flexibility clauses → Stability

vii. Geopolitics and Trade Routes

Trade flows between Qatar and India are shaped not only by market demand, but also by geography and regional security conditions. A significant share of Qatar's hydrocarbon exports transit through the Strait of Hormuz, making maritime security a strategic economic concern rather than simply a logistics issue. Any military escalation, blockade risk, or disruption to commercial shipping in this corridor could delay exports, raise transport and insurance costs, and weaken the reliability of supply to major buyers such as India. Since hydrocarbon revenues remain an important source of state income, prolonged disruption could also affect fiscal planning, public investment, and broader economic confidence.

For India, secure access to Gulf energy remains essential given rising demand and continued import dependence. For Qatar, India represents a large and growing long-term market that supports export stability. This mutual dependence gives both parties a strong incentive to embed resilience mechanisms within the CEPA. In this sense, the agreement should not be viewed solely as a tariff-reduction instrument, but also as a framework for managing strategic vulnerabilities in a volatile region.

The wider geopolitical environment also matters. Competing connectivity initiatives such as the India-Middle East-Europe Economic Corridor (IMEC), changing Gulf logistics networks, and disruptions in surrounding maritime routes may gradually reshape regional trade patterns. Qatar should therefore use the CEPA to reinforce its position as a reliable Gulf gateway for Indian trade, investment, and energy cooperation. Strengthening bilateral economic ties with India can also help diversify Qatar's external partnerships at a time of increasing geopolitical fragmentation.

Practical mechanisms within the agreement could include consultation procedures during supply disruptions, coordination between ports and customs authorities, digital trade facilitation measures, and review clauses for emergency adaptation. Cooperation on logistics planning and alternative routing options would further improve resilience during periods of tension. By broadening trade into services, investment, and logistics, the CEPA can also help Qatar reduce excessive fiscal dependence on uninterrupted hydrocarbon flows through the Strait of Hormuz.

Economic diversification, therefore, becomes not only a growth objective but also a hedge against the risk of geopolitical chokepoints.

Factor	Risk	Response
Trade routes	Disruption	Diversification
Regional tension	Supply instability	Contingency planning
Infrastructure risk	Delays	Coordination mechanisms
External shocks	Trade interruption	Emergency response

Thus, the modular, phased CEPA design would be most effective as it reflects for the asymmetry, strategic importance, and evolving nature of the bilateral relationship. Rather than relying on a rigid, one-size-fits-all framework, a modular design would allow both sides to deepen cooperation in areas where gains are immediate and substantial, while phasing commitments in more sensitive sectors over time. This approach is particularly suitable for Qatar, as it balances market-opening opportunities with the need to preserve regulatory autonomy, policy flexibility, and long-term development objectives.

IV. QATAR'S READINESS TO NEGOTIATE A CEPA

Having identified a modular, phased CEPA as the optimal agreement, Qatar is prepared to achieve a successful negotiation with India, but not without constraints. A successful negotiation would conclude with a balanced CEPA that reflects Qatar's strategic policies while remaining economically and legally feasible. Qatar's readiness to engage in such a negotiation will be shaped by enabling factors and key constraints.

Qatar benefits from strong institutions, data-driven decision-making, and a clear economic strategy through the Qatar National Vision and the Third National Development Strategy. These frameworks prioritize diversification into sectors such as logistics, trade hubs, and technology, which strengthen Qatar's negotiating position in these areas beyond hydrocarbons.[196] Its legal and

[196] Planning and Statistics Authority, State of Qatar, *Third National Development Strategy 2024-2030* (National Planning Council, 2024) <https://www.npc.qa/en/planning/nds3/Documents/QNDS3_EN.pdf> accessed 20 February 2026

regulatory environment is also relatively advanced, with reforms to enhance its investment environment, such as the Foreign Investment Law (Law No. 1 of 2019), which allows for 100% foreign ownership. [197] Qatar has strengthened its role as a regional and global investment hub by creating strong legal frameworks, joining international trade bodies, and signing over 109 agreements to protect and encourage foreign investment.[198]

Qatar's administrative capacity, supported by data-driven governance, is a relative strength. The National Planning Council supports the Qatar National Vision 2030 by using reliable data to guide development policies and coordinating implementation across government stakeholders.[199] It also manages the Open Data Portal (data.gov.qa), which provides accessible government data in partnership with ministries and agencies. [200] Qatar has taken steps to strengthen its national data infrastructure with the launch of the National Data and Statistics Strategy, which aims to position the National Statistics Center as one of the leading statistics institutions in the world. [201] Nonetheless, these strengths do not cover the gaps of a highly technical trade agreement, which would require operational coordination between several authorities as well as alignment between domestic regulation and international commitments.

At the same time, Qatar faces structural and capacity-related constraints that need to be filled for a CEPA level negotiation. Qatar's economy is still heavily dependent on hydrocarbons in exports and government revenue, which limits its leverage in goods-based negotiations and exposes it to external volatility.[202] Institutionally, while there is a strong regulatory environment, enforcement

[197] Government Communications Office, *Economic Policy,* <https://www.gco.gov.qa/en/media-centre/in-focus/economic-policy/> accessed 26 February 2026

[198] Qatar Tribune, *Qatar strengthens global investment hub status by robust legal reforms,* (28 January 2026), <https://www.qatar-tribune.com/article/216516/front/qatar-strengthens-global-investment-hub-status-by-robust-legal-reforms> accessed 26 February 2026

[199] National Planning Council, *Address by His Excellency Dr. Abdulaziz bin Nasser bin Mubarak Al Khalifa,* <*https://www.npc.qa/en/aboutus/Pages/generalsecretariat.aspx*> accessed 26 February 2026

[200] Open Data, *About the Portal,* <https://www.data.gov.qa/pages/about/> accessed 26 February 2026

[201] Government Communications Office, *National Planning Council launches National Data and Statistics Strategy* (4 May 2025) <https://www.gco.gov.qa/en/media-centre/top-news/national-planning-council-launches-national-data-and-statistics-strategy/> accessed 26 February 2026

[202] Chandana Kularatne, Ken Miyajima and Dirk V Muir, *From HydroCarbon to Hightech: Mapping the Economic transformation of Qatar,* (International Monetary Fund, 2024), <https://doi.org/10.5089/9798400267314.018> accessed 17 April 2026

mechanisms are developing, with the recent enactment of the Judicial Enforcement Law (Law No. 4 of 2024) and the Enforcement Court.[203]

In addition, CEPA level negotiation requires negotiators who are sufficiently familiar with the substance and the negotiation modalities of issues such as technical barriers, investment measures, services trade, and e-commerce.[204] These requirements expose several specific capacity gaps. Qatar has a relatively small pool of specialized trade negotiators. In 2024, a national workshop on commercial negotiations took place with one of the aims being to build and improve the negotiation skills of commercial negotiators and specialists in Qatar.[205] This is relevant as negotiation skills and technical expertise is important for Qatar to be able to negotiate on complex areas such as services and digital trade, as it prioritizes economic diversification.

Another capacity gap is that Qatar's experience in international negotiation, although significant, is indirect, which affects its negotiation ability. Qatar joined the World Trade Organization (WTO) in 1996, becoming part of the multilateral trading system and participating in negotiations, dispute settlement, and monitoring processes.[206] This membership has helped Qatar build experience in key trade areas such as services, intellectual property, trade facilitation, and dispute settlement.[207] Qatar has also concluded multiple bilateral agreements covering areas such as customs cooperation, double tax, and investment protection.[208] However, Qatar has negotiated trade agreements as part of the Gulf Cooperation Council (GCC), and independently only once.[209] Qatar has a Trade and Economic Partnership Agreement with the Republic of Türkiye, signed in

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[203] Ghanim Law Firm, *The New Judicial Enforcement Law 2024: Revolutionizaing Judgemnt Enforcement in Qatar,* (Ghanim Law Firm, 15 February 2026), < https://ghanimlawfirm.qa/the-new-judicial-enforcement-law-2024-revolutionizing-judgment-enforcement-in-qatar/> accessed 17 April 2026

[204] ESCAP, *Online Course on Negotiation of Comprehensive Economic Partnership Agreements,* < *https://www.unescap.org/our-work/trade-investment-innovation/cepa*> accessed 17 April 2026

[205] Ministry of Commerce and Industry, *The Ministry of Commerce and Industry organizes a National Workshop on Commercial Negotiations,* (MOCI, April 29 2024), < https://www.moci.gov.qa/en/mec_news/the-ministry-of-commerce-and-industry-organizes-a-national-workshop-on-commercial-negotiations/> accessed 17 April 2026

[206] World Trade Organization, *Qatar and the WTO,* <https://www.wto.org/english/thewto_e/countries_e/qatar_e.htm> accessed 26 February 2026

[207] World Trade Organization, *WTO in Brief,* <https://www.wto.org/english/thewto_e/whatis_e/inbrief_e/inbr_e.htm> accessed 26 February 2026

[208] Qatar Free Zone, *Trade Agreements,* <https://qfz.gov.qa/resource/trade-agreements/> accessed 1 March 2026

[209] Frédéric Schneider, *The GCC's Evolving Trade Networks: Navigating Fragmentation and Diversification,* (Middle East Council on Global Affairs, January 2026), <https://mecouncil.org/publication/the-gccs-evolving-trade-networks-navigating-fragmentation-and-diversification/> accessed 1 March 2026

November 2018 and entered into force in August 2025.[210] Furthermore, Qatar and the EU have only recently launched negotiations on a Strategic Partnership Agreement.[211] These agreements show that Qatar has experience in negotiating trade agreements, but highlight the limitation that the country has little experience conducting fully independent bilateral trade negotiations.

Lastly, the negotiation with India will be shaped by significant economic asymmetry. India's larger economic size and bargaining power may influence the negotiation dynamics and require Qatar to strategize and be selective in its commitments. While Qatar is an attractive option due to its wealth, competitive regulatory environments, and well-established infrastructure, its domestic considerations and regional-level pressures constrain its ability to engage in a highly complex, resource-intensive negotiation.[212] The risks from this asymmetry further include competitive Indian goods undercutting small-scale Qatari industries or a rise in supply vulnerabilities with over-reliance on Indian imports/ services.

However, the economic size difference or asymmetry can also be beneficial to Qatar. The Indian market would not be flooded by Qatar's goods and services and so, it can be negotiated for India to grant further access or concessions. Moreover, the scale of the Indian market would enable Qatari companies to expand exports without being constrained by limited domestic demand. The India-UAE CEPA boosted non-oil trade by 20.5% and UAE exports by 75% within three years.[213] Accordingly, Qatar can turn the asymmetry into an advantage if it adopts a sequential liberalization, negotiates an effective safeguard mechanism, and embeds strategic flexibility to manage adjustment costs while maximizing access to the Indian market

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[210] Republic of Türkiye, *Qatar* (Ministry of Trade) < https://www.trade.gov.tr/free-trade-agreements/qatar> accessed 17 April 2026

[211] European Union, *Qatar-EU Joint Statement: Launch of Negotiations for a Qatar-EU Strategic Partnership Agreement (SPA),* (European Union External Action The Diplomatic Service of the European Union, 6 December 2025) < https://www.eeas.europa.eu/eeas/qatar%E2%80%93eu-joint-statement-launch-negotiations-qatar%E2%80%93eu-strategic-partnership-agreement-spa_en> accessed 17 April 2026

[212] Mohammed Al-Hajri and Jonathan Fulton, *Navigating asymmetry in the Indian Ocean region: Oman in the US - India - China strategic triangle,* (Journal of the Indian Ocean Region, September 2023), <https://www.researchgate.net/publication/374177332_Navigating_asymmetry_in_the_Indian_Ocean_region_Oman_in_the_US-India-China_strategic_triangle> accessed 12 April 2026

[213] Clyde & Co, *Strategic advantages of investment in the UAE: How UAE businesses leverage CEPA, BITs and DTTs in times of changing key market players role,* (Clyde & Co, 20 October 2025) < https://www.clydeco.com/en/insights/2025/10/strategic-advantages-of-investment-in-the-uae> accessed 22 April 2026

Overall, Qatar is reasonably well-positioned to negotiate a CEPA with India. While it has a clear strategic direction and solid institutions, Qatar also has capacity constraints, limited bilateral trade agreement negotiation experience, and structural asymmetries with India. These capacity gaps do not undermine Qatar's readiness to negotiate the CEPA but indicate that a successful negotiation would depend on careful prioritization and targeted capacity-building aligned with its economic strategy, legal obligations, and phased commitments.

V. CONCLUSION

The optimal agreement for Qatar and India is a modular, phased CEPA, which will allow Qatar and India to balance ambition with flexibility, while accommodating structural asymmetries in their economic size, institutional capacity, and regulatory systems. A carefully designed CEPA presents an opportunity to further strengthen the economic relationship between the two countries.

The analysis in this memorandum demonstrates that while they currently mainly trade energy, significant sustainable gains can be achieved with deeper integration in services, investment, and regulatory cooperation. However, the feasibility of this agreement depends on careful design. The WTO constraints, asymmetrical institutions, and differences in legal systems require a fair and balanced agreement. At the same time, Qatar's priority objective of economic diversification requires an agreement that goes beyond reducing tariffs.

The optimal trade agreement would then be a CEPA model with a modular design. The commitments would be separated into functional modules, which allows phased implementation and enables Qatar to pursue deeper integration in priority sectors while retaining the flexibility in sensitive areas. The inclusion of adjustment tools, including safeguard mechanisms and phased tariff reductions, further ensures that domestic industries can adapt gradually to increased competition.

The Qatar-India CEPA will go beyond just a trade instrument and act as a strategic tool. It offers Qatar the opportunity to focus on its objectives from the Qatar National Vision 2030 and the Third National Development Strategy by facilitating economic diversification, enhancing human capital development, attracting foreign investment, and strengthening its role as a regional trade and

logistics hub. At the same time, the CEPA allows India to secure stable energy access, expand its services exports and deepen its economic presence in Qatar.

The agreement also has geopolitical significance. A Qatar-India CEPA would strengthen bilateral resilience, diversify trade partnerships, and position both countries more strategically in the trade corridors. The CEPA provides Qatar with a means to mitigate external vulnerabilities caused by regional tension.

Ultimately, the success of a Qatar – India CEPA depends on the formal structure, quality of negotiations, and implementation. The agreement should be based on Qatar's strategic objectives, economic evidence and legal constraints, in order to transform an already strong bilateral trade relationship into a future-oriented partnership that goes beyond trade of hydrocarbons and delivers shared gains.