

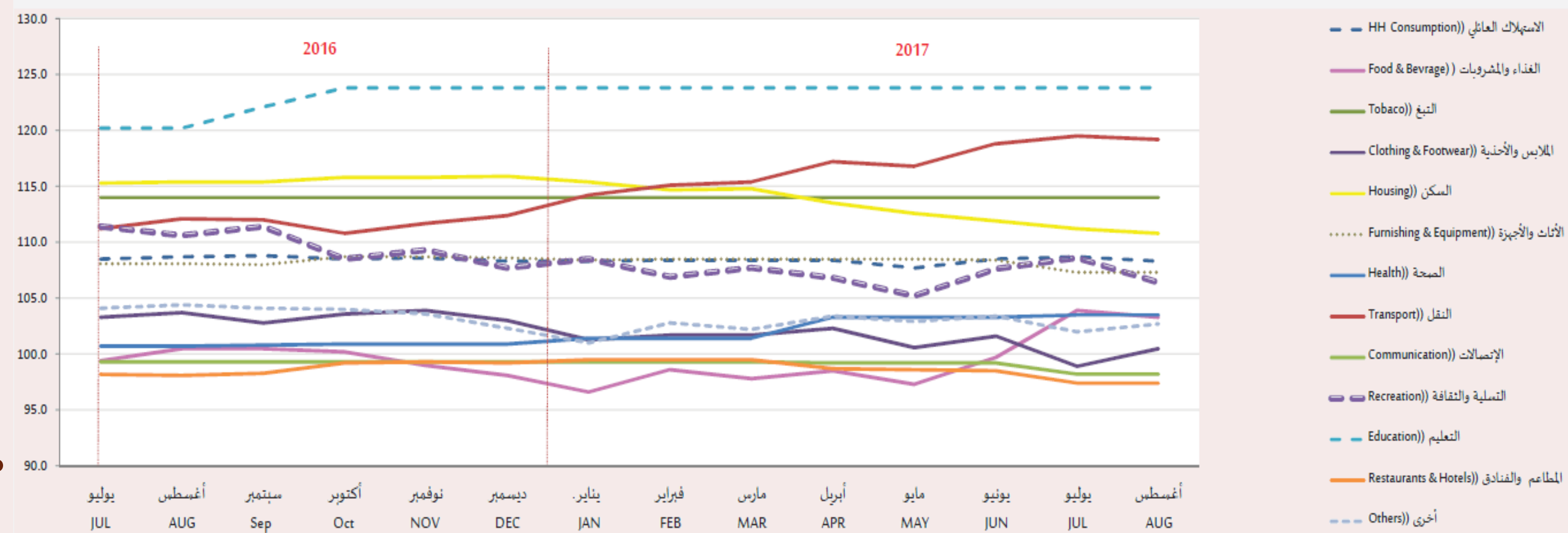
QATAR SIEGE : IMPACT ON CONSUMER BEHAVIOUR

ABSTRACT

- This poster analyses the effect of the siege placed on Qatar by Saudi Arabia, Bahrain, Egypt, and UAE, on consumer behaviour.
- This is done by focusing on the food industry, which was majorly impacted.
- Other sectors that effected consumer behaviour are also explored to understand the overall outcome.

الرقم القياسي لأسعار المستهلك حسب المجموعات الرئيسية للسلع والخدمات، يوليو 2016 - أغسطس 2017

Consumer Price Index by Major Groups of Commodities and Services, Jul 2016 - Aug 2017



FOOD INDUSTRY

- PRICE CAPS SET BY GOVERNMENT DURING RAMADAN.
- PANIC ABOUT SHORTAGE AND LONG QUEUES AT STORES.
- RISE IN PRICES — ADDITIONAL COSTS FOR TRANSPORTATION.
- AUGUST CPI FOOD PRICE INFLATION FELL TO 2.8% FROM 4.5% IN JULY.
- CHANGE IN FOOD PREFERENCES (EQ: ALMARAI HAD 90% SHARE IN THE DAIRY MARKET.)



IMPACT ON QATARI PRODUCE

Had no market share prior to the blockade.

Post blockade- increased demand of its dairy products.

ALMOST 100% INCREASE IN SALES.

Signed an exclusive contract with Ali Bin Ali for distribution.

BALADNA

"A total of 4,000 cows being imported from various countries will reach Doha by mid-September this year taking our milk production to 100 tonnes per day by mid-November 2017. After the import of 4,000 cows, we have plans to import more 10,000 dairy cows which will arrive in Qatar in different phases," said John Joseph Dore, CEO of Baladna while talking to The Peninsula.

Source: the Peninsula Qatar

FARMERS' MARKET

- There are 1,200 farms in Qatar, only 188 are used commercially.
- Previously, the government has tried to promote already existing farmers' markets at Katara, Al Mazrouah and Al Khor.
- Increasing popularity of local produce.
- Sixth season of Qatari Agriculture Product Yards, where 80 farms will be participating.
- These markets specialise in sale of wholesale produce at cheaper rates.



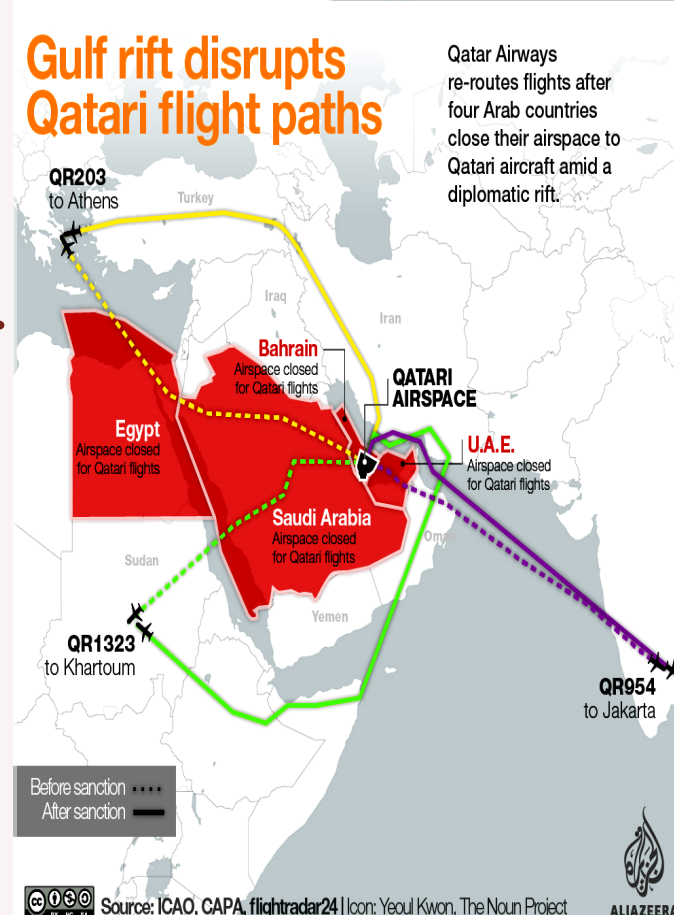
DANDY

- One of the oldest and most popular brands in Qatar.
- Had around 10% market share in dairy products prior to the blockade. Now, there is rise of 70%.
- Government originally used Turkish dairy as substitute, however, with a rise in Dandy production, government is now using this more.
- Extremely popular products include, yogurt, laban, and so on.
- They also introduced new juices, ice creams, and other products to fill in the supply gap.



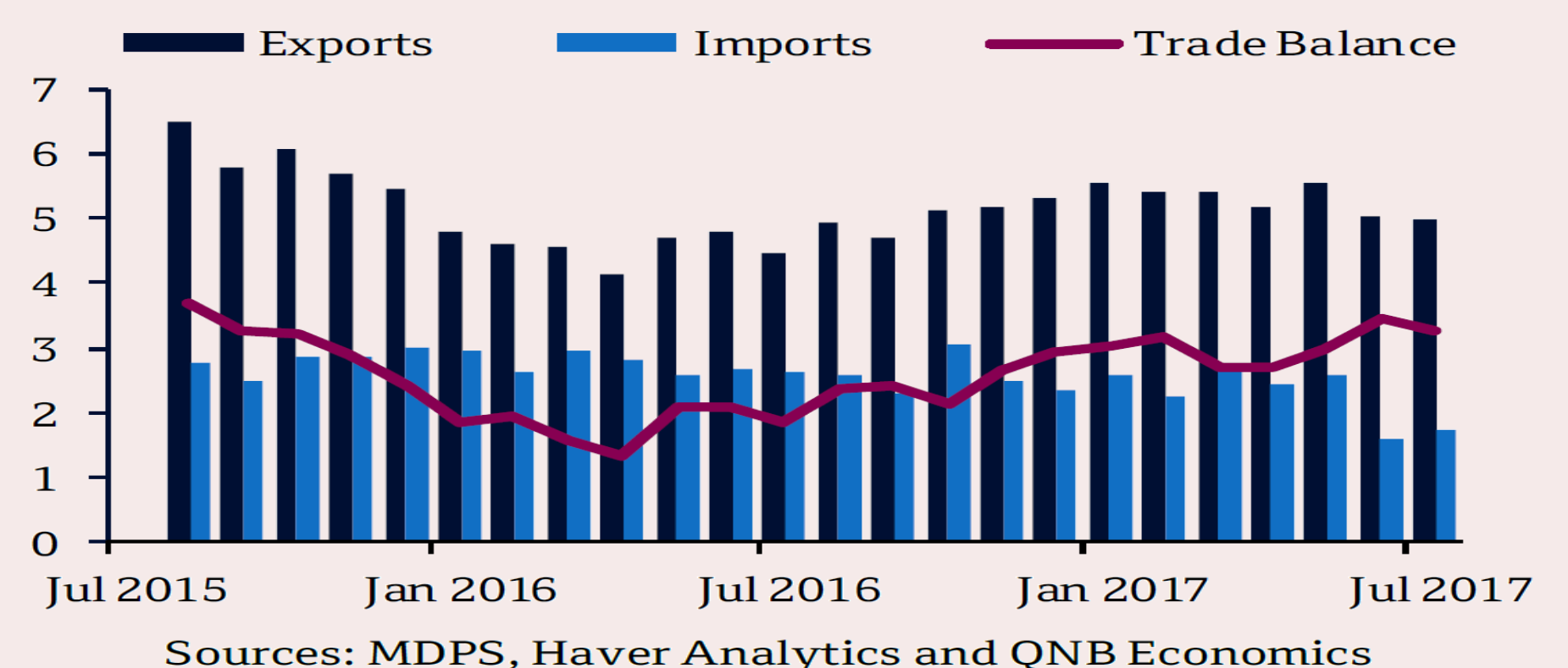
AVIATION SECTOR

- CANCELLATION OF VARIOUS FLIGHTS
- Hike in airfares to the southasian, European and north American continent for a few weeks.
- START OF SUMMER AND PRE-FLIGHT BOOKINGS.
- Reduction in baggage weight limit and increase in fuel burn which further increased the fare rates.



TRADE BALANCE

(bn USD)



Sources: MDPS, Haver Analytics and QNB Economics

- The imports of goods in July 2017 amounted to around QR 6.2 billion, showing decrease of 35.0% over July 2016.
- However, on a month on month (M-o-M) basis the imports increased by 6.3%.
- A massive decline in imports is seen due to the disruptions to trade because of the blockade.

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UNDER THE GUIDANCE OF:
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TELECOMMUNICATION SECTOR:

⇒ VOICE OVER INTERNET PROTOCOL (VOIP) CALLS CANCELLED WITHOUT WARNING.

⇒ HAD TO SHIFT TO DIRECT CALLING SERVICES ABROAD—RELATIVELY MORE EXPENSIVE.