

GOVERNMENT

Qatar faces diplomatic fissure with neighbor nations

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Qatar Airways was forced to cease travel to Saudi Arabia. Image credit: Qatar Airways

By STAFF REPORTS

Five of Qatar's neighbors have cut diplomatic relations with the nation, causing a rift that could impact travel and trade.

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Saudi Arabia, Bahrain, Egypt, the United Arab Emirates and Yemen have made claims that Qatar supports terrorism and has destabilized the region, saying these actions are behind their choice to sever ties. In retaliation, the countries have sought to isolate Qatar via travel restrictions.

Impact and implications

Following the move by the five Arab states on Monday, Qatar's stocks fell.

Qatar's sovereign wealth fund has investments in European interests such as Volkswagen Group and Harrods. Qatari-based Mayhoola for Investments also owns luxury houses Balmain and Valentino.



Harrods' storefront

As part of the split, the other nations have aimed to block off travel to and from Qatar, closing their borders,

airspace and ports. Situated on a peninsula, Qatar's only land border is with Saudi Arabia.

Saudi Arabia, the UAE and Bahrain have also barred their citizens from visiting Qatar and have given Qataris in their countries 14 days to leave.

As a result of this break, Qatar Airways is stopping service to Saudi Arabia, while the UAE's national airline Etihad and the Dubai-based Emirates said they would cease flights to Qatar. Qatar Airways is already hurting from slowed travel tied to the electronics ban enacted by the U.S. and U.K. ([see story](#)) and this development is set to further impact the airline.

Beyond travel and trade, this diplomatic friction could also impact the 2022 FIFA World Cup, which Qatar's capital Doha is currently prepping to host.

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