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Race for the future: How GCC states are diversifying their economies

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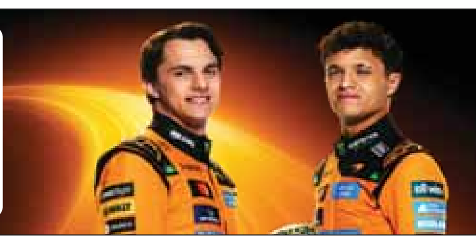
Nvidia earnings, Jackson Hole to test pillars of Wall Street rally



Non-banking segment grows as QCB widens fintech supervision

By Peter Alagos
Business Editor

A sharp surge in retail payment processing, digital-first merchant onboarding, and alternative consumer credit models is accelerating the expansion of Qatar's non-bank financial services market, according to a Qatar Central Bank (QCB) report.

The growth of digital financial solutions across the country has prompted the QCB to widen its supervisory perimeter, bringing a total of 14 licensed fintech companies under direct regulatory oversight by the end of 2025.

According to figures from the QCB's 2025 Annual Report, merchant acquiring platforms constitute the bulk of regulated non-bank operators. Nine licensed entities currently serve the segment: Pay2M, Noqoody, SkipCash, MyFatoorah, Dibsy, Sadad, 7, Tess Payments, and Tap.

The remaining regulated roster includes three e-money issuers: iPay, Ooredoo Money, and CWallet, alongside two newly licensed Buy Now, Pay Later (BNPL) platforms, PayLater and Tamanna, which entered the market during the year under review.

The report stated, "In 2025, Qatar witnessed significant growth in fintech activities, with an increasing number of fintech players entering the market to offer innovative solutions.

"This growth was supported by the issuance of multiple new licenses by the QCB, alongside a noticeable rise in collaboration between banks, fintech firms, and technology providers."

While commercial adoption is picking up, the report noted that emerging operating models require close oversight to prevent systemic vulnerabilities. Financial institutions are increasingly adopting cloud technologies, negotiating outsourcing arrangements, and discussing Embedded Finance or Banking-as-a-Service (BaaS) frameworks.

To address data confidentiality and operational risks within this connected network, the QCB issued its Data Handling and Protection Regulation. The framework establishes mandatory requirements for data classification, handling, foreign data storage, security protocols, third-party access, and breach notification procedures.

Alongside policy implementation, the QCB intensified direct oversight during 2025. The regulator carried out six targeted off-site inspections, introduced over 10 new data collection templates, developed dedicated supervisory dashboards, and issued prompt corrective action plans for entities facing compliance or operational challenges, the report stated.

The QCB reported that market demand for regulatory clearances remained strong throughout the year. The report stated that the QCB processed more than 50 requests for new or modified services and supported over five new licensing applications covering payment solutions, BNPL credit, and loan-based crowdfunding.

"In view of the evolving, innovative, and increasingly technical nature of fintech activities, and in recognition of emerging supervisory risks, the QCB continued to further enhance its supervisory capacity. Efforts were focused on strengthening the human resource and expanding skill sets through targeted recruitment during the period under review," the report stated.

The growth of digital financial solutions across the country has prompted the QCB to widen its supervisory perimeter, bringing a total of 14 licensed fintech companies under direct regulatory oversight by end-2025

Chamber session focuses on entrepreneurship

Qatar Chamber recently hosted a session on 'Global Entrepreneurship Day: From Establishment to Expansion and Investment' to mark Global Entrepreneurship Day.

Held in collaboration with the Young Entrepreneurs Centre, the session brought together a group of entrepreneurs, experts, and representatives of institutions supporting Qatar's entrepreneurship ecosystem.

The session highlighted the entrepreneurial journey from establishing a business and navigating its early stages to achieving growth, expansion, and investment. It also explored key challenges and opportunities facing entrepreneurs, while providing a platform for participants to exchange experiences, practical insights, and lessons learned to support the establishment, development, and growth of their businesses.

Moderated by Hind al-Kuwari, executive leader and strategic advisor, the panel featured Abdullah al-Khunji, general partner at Finjan Investment and co-founder of Flair Business Centre; Haifa al-Abdulla, director of Programmes at Qatar Science & Technology Park (QSTP); and lawyer Abdullah al-Ajmi.

Discussions covered several topics related to the entrepreneurship ecosystem, including how to transform ideas into viable, scalable businesses; the importance of developing sustainable business models; market research and opportunity identification; and the challenges startups faced during the establishment and expansion stages. It also addressed access to financing and investment and the importance of building strategic partnerships.

During the session, speakers shared insights from their professional experiences.

Fatima al-Kuwari, head of Training and Development at Qatar Chamber, said hosting the session reflects the chamber's commitment to supporting entrepreneurs and business owners and strengthening their capabilities by providing platforms that bring them together with experts and institutions supporting entrepreneurship.

Moderated by Hind al-Kuwari, executive leader and strategic advisor, the panel featured Abdullah al-Khunji, general partner at Finjan Investment and co-founder of Flair Business Centre; Haifa al-Abdulla, director of Programmes at QSTP; and lawyer Abdullah al-Ajmi.

Msheireb Properties is partnering with Inc Arabia to drive business innovation

Msheireb Properties has signed a strategic partnership agreement with Inc Arabia to bring a series of business and innovation events to Msheireb Downtown Doha, further strengthening the district's position as a destination for entrepreneurship, leadership, and business engagement in Qatar.

The agreement reflects Msheireb Properties' ongoing commitment to supporting the country's business landscape by creating opportunities for entrepreneurs, investors, and industry leaders to connect, exchange knowledge, and engage with the regional business landscape.

Inc Arabia is published in the MENA by 7awi Media Group, a digital platform for media and advertising solutions targeting the region.

Under the partnership, Msheireb Properties will organise an enhanced and regional second edition of the Downtown Tech Summit on November 17, building on the success of its inaugural edition in 2025. The collaboration will also introduce the inaugural Best in Business Awards, which will take place on November 18, recognising outstanding businesses and leaders from across the region. Following the success of its editions in the UAE and Saudi Arabia, the awards will debut in Qatar, recognising the country's diverse and resilient business landscape.

Together, these initiatives form part of a growing programme of business events at Msheireb Downtown Doha and reflect the district's increasing role as a venue for conversations and collaborations that support private sector growth. They also align with Msheireb Properties' resilience framework, which focuses on strengthening the district's long-term economic value through strategic partnerships, business engagement and knowledge-sharing initiatives.

The deal reflects Msheireb Properties' ongoing commitment to supporting Qatar's business landscape by creating opportunities for entrepreneurs, investors, and industry leaders to connect, exchange knowledge, and engage with the regional business landscape.

Ali Mohammed al-Kuwari, CEO of Msheireb Properties, said: "At Msheireb Properties, we believe that thriving cities are built on thriving business communities. The partnership with Inc Arabia reflects our commitment to positioning Msheireb Downtown Doha as a platform where entrepreneurs, innovators and business leaders connect, collaborate and grow.

"Through initiatives such as the Downtown Tech Summit and the Best in Business Awards, we are continuing to strengthen Msheireb Downtown Doha's position as a destination that supports enterprise, encourages innovation and contributes to Qatar's long-term economic ambitions."

Anas Abbar, co-founder and Group CEO, 7awi Media Group, added: "Qatar is home to an ambitious and increasingly diverse business community, and we are excited to create platforms that bring its entrepreneurs, innovators, and business leaders into the spotlight.

"Through this partnership, we hope to celebrate the people and companies driving the next chapter of Qatar's economic growth, while creating meaningful opportunities for dialogue and exchange."

Beyond the events, the collaboration will include business-focused reports highlighting the people, companies and ideas driving Qatar's economy.

As one of the region's leading smart and sustainable mixed-use districts, Msheireb Downtown Doha has become a natural setting for business events, leadership forums and industry gatherings.

BUSINESS

Nvidia has become a proxy for the broader AI ecosystem spanning chip makers and companies financing the rapid expansion of data center capacity. Its results could offer new insight into the demand underpinning that sector

Nvidia earnings and Jackson Hole to test pillars of stock rally

Reuters
New York

Nvidia's earnings report and the Federal Reserve's Jackson Hole symposium will test the assumptions behind this year's stock market rally, offering clues on whether the AI-driven surge in equities can withstand rising uncertainty over growth and interest rates.

Global bond yields surged last week, sending the 30-year Treasury yield to its highest level since 2007, pressuring stocks and raising concerns about borrowing costs for households and companies investing heavily in AI infrastructure. The Treasury Department's efforts to calm markets by doubling buybacks for long-dated debt offered only brief relief, with yields rebounding on Thursday, sharpening focus on the August 27 to August 29 event in Jackson Hole to see how Fed Chair Kevin Warsh communicates policy in an environment where guidance has been dropped.

"All eyes are going to be pointed towards Jackson Hole… because there's still not a whole lot of clarity. You see that with the bond market today," said David Wagner, head of equities at Aptus Capital Advisors.

The S&P 500 was down last week and about 2% below its record high, as rising Treasury yields fuel worries about borrowing costs, weighing on semiconductor stocks and dragging the Philadelphia chips index down some 5% for the week.

Nvidia, whose chips underpin much of the AI infrastructure buildout, reports second-quarter results on August 26. The company has become a proxy for the broader AI ecosystem spanning chip makers and companies financing the rapid expansion of data center capacity. Its results could offer new insight into the demand underpinning that sector.

"The market is so reliant on the AI trade today, and Nvidia is obviously the big boy in the room," said Erik Kratz, chief investment officer at Arena Private Wealth. "It's got implications across everything. We've had so many deals from Nvidia and financing (tied to) this buildout."

Nvidia recently teamed up with six major financial institutions on financing platforms targeting more than $500bn for AI infrastructure, highlighting the massive capital required as companies and governments race to build data centers for AI workloads.

At the same time, investors will be looking to Jackson Hole for clues about the policy environment in which that expansion will take place. It will be Warsh's first Jackson Hole appearance since taking office in May 2026.

With Warsh stepping back from traditional forward guidance, investors see the event as another opportunity for him to show eager markets how he intends to approach monetary policy and articulate the framework that will define his long-term strategy. He rattled markets after the July meeting provided few hints about how policymakers might respond if inflation remains stubbornly elevated.

"The tape risk is real here," said Will Sterling, chief investment officer at TritonPoint Wealth. "My base case is he's going to be reinforcing his data-dependent framework and saying, 'watch the numbers! I think he's OK with the market should figure it out a little bit."

With July's personal consumption expenditures — the Fed's preferred inflation measure — and a report on US economic growth coming before the symposium, investors will get an updated picture of inflation and economic momentum that could reshape expectations for interest rates.

Shein said to target Hong Kong market debut on September 1

Reuters
Hong Kong

Shein aims to launch its Hong Kong initial public offering on Monday, according to a source familiar with the matter, and is targeting a listing on September 1, two other sources said, slightly later than previously planned.

While September 1 is the target date, the listing could happen a few days later, one of the sources said. Reuters reported last week that Shein had been aiming to list on August 28.

The delay, first reported by the South China Morning Post, comes as slower growth and rising costs have dampened investor appetite for Shein. The online fast-fashion retailer was seen just a few years ago as a disruptive challenger to established retailers such as H&M and Zara, thanks to its rapid supply chain and ultra-low prices.

Among cornerstone investors in the IPO is the asset management arm of UBS Group, which would be investing in Shein for the first time, according to a fourth source with direct knowledge of the matter. A spokesperson for the Swiss bank declined to comment.

Shein is seen targeting a valuation of $26bn to $27bn, down sharply from the $100bn valuation it achieved in a private fundraising in 2022.

Cornerstone investors agree to buy a set amount of shares before an IPO, and sign up to a lockup period of six months.

Shein is targeting a valuation of $26bn to $27bn, the fourth source said, down sharply from the $100bn valuation it achieved in a private fundraising in 2022.

The company had previously sought an IPO valuation of $30bn to $40bn when investor meetings ahead of the IPO first kicked off.

Global equity fund inflows hit three-week high

The German share price index DAX graph is pictured at the stock exchange in Frankfurt on Friday. Global equity funds drew their largest weekly inflows in three weeks through August 19 as investors bet on a strong earnings season, though rising bond yields and oil prices began to weigh on markets, reports Reuters. The fund-flow data preceded a broad late-week selloff. Global stocks were on track for their steepest weekly decline since mid-July on Friday as higher government bond yields, elevated oil prices and renewed inflation concerns pressured equity valuations. Global equity funds drew net inflows of $22.01bn during the week, their biggest weekly gain since July 29, according to LSEG Lipper data. Investors remained upbeat about the strong earnings season, as roughly 90% of MSCI World companies had reported second-quarter results, with combined net income rising 39.7% from a year earlier, LSEG data showed. Anthropic projected strong revenue growth earlier this week. Investors are now awaiting Nvidia's results next week for clues on demand for AI infrastructure and data-center revenue. By region, US equity funds attracted $11.72bn, their largest weekly inflow since July 29. European and Asian equity funds also saw net purchases of $4.70bn and $2.96bn, respectively. Among sectoral funds, technology funds attracted $1.55bn in inflows after a week of net outflows. Investors also bought $536mn in gold and precious-metals equity funds but sold $1.59bn of financial-sector funds. Meanwhile, investors extended net purchases of bond funds for a 20th consecutive week, adding a net $15.42bn.

Fed minutes show September interest rate hike still on the table

By Jamie McGeever
Orlando, Florida

The likelihood of the Federal Reserve raising interest rates next month has diminished following a set of soft inflation and employment data. But the minutes of policymakers' last meeting suggest a hike cannot be ruled out.

The center of gravity on the central bank's rate-setting Federal Open Market Committee (FOMC) has shifted in a more hawkish direction, as evidenced by the three votes to raise rates in July. That was the biggest single, one-way dissenting "bloc vote" on the fed funds rate since September 2016.

There was an 8-4 split as recently as April, though one of those dissents was for a rate cut, and three were against the easing bias in the statement. The language of the minutes released on Wednesday suggests more than three officials could be voting to raise rates at the September 15-16 meeting.

"Several participants favored an increase of 25 basis points" at the July meeting, the minutes showed, while "many participants" said policy tightening will likely be needed to get it back down to the Fed's 2% target.

For those unfamiliar with the nuances of "Fedspeak" when the number of participants advocating a position is referenced in the minutes, "several" is less than "many", while "some" is more than "several" but also less than "many".

Got that?

As a caveat, only 12 of the FOMC's 19 members vote at any given meeting, so some of those officials indicating a readiness to raise rates might not be current voters. Regardless, the three dissenters were clearly not outliers.

Governor Christopher Waller said last month that higher rates could be required in the "near term," and Philadelphia Fed President Anna Paulson earlier this month indicated she was still "open" to raising rates. Waller and Paulson are both voting members this year.

It therefore doesn't take a huge leap of faith to imagine that the 9-3 vote in July could become a 7-5 split next month, depending, of course, on incoming personal consumption expenditures (PCE) price index and consumer price index (CPI) inflation data, as well as the August employment report.

The US Federal Reserve building in Washington, DC. The center of gravity on the central bank's rate-setting Federal Open Market Committee has shifted in a more hawkish direction, as evidenced by the three votes to raise rates in July.

"The headline (June inflation and labor market) data may look weaker but those disruptions are look-through events," Diane Swonk, chief economist at KPMG US, posted on X on Wednesday. "September is still a live meeting for a hike."

To be sure, historical precedent argues against a hike next month. The Fed rarely hikes rates so soon after a weaker-than-expected nonfarm payrolls report. According to Warren Pies, founder of 3Fourteen Research, this has only occurred at two of the last 89 Fed meetings that have followed pre-revision monthly job losses — and you have to go back decades to November 1999 and November 2005. Interest-rate futures markets also suggest a hike next month is unlikely, but with roughly one-in-three odds, the probability is not negligible.

The political calendar is also a consideration. Fed members probably won't want to leave themselves open to accusations of political interference by raising rates in October, just days before the November 3midterm elections. That makes December more likely, but could also keep September in play.

The question is whether June's surprisingly soft inflation readings are a blip, or the beginning of a more sustained trend. As "many" Fed officials noted at the July meeting, the re-escalation of war in the Middle East has "significantly" clouded the inflation outlook. Prolonged conflict — which appears very likely at this point — will put supply chains under even greater stress. Indeed, energy prices are already rising again. Crude oil is now 35% higher than it was a year ago, after retreating significantly following the US-Iran memorandum of understanding on a ceasefire in June. Perhaps even more importantly, the prices of refined oil products — which are what households and businesses actually consume — are facing severe upward pressure. They are likely to remain elevated even if Washington and Iran agree to a permanent ceasefire because of the reduction in global refining capacity.

Most notably, the price of diesel, the fuel that powers America's factories, industry and agriculture, is now near the highest on record. Fed-watchers will now turn their attention to next week's symposium in Jackson Hole and incoming inflation and employment data, starting with the July PCE inflation report. It won't take much of a hawkish surprise to make the September meeting truly "live."

The opinions expressed here are those of the author, a columnist for Reuters.

Iran war energy crisis is just getting started with global inflation shock

By Ron Bousso
London

The Iran war has pushed the global oil refining industry to the brink, signalling that diesel and gasoline prices may remain elevated for years. Deal or no deal, the global energy inflation shock is far from over. While oil markets adapted remarkably well to the abrupt loss of a fifth of global crude supplies from the Middle East during the conflict, workarounds for the refining industry have been far more limited.

The divergence between crude and fuel prices tells the story. Benchmark Brent crude oil is currently around $90 a barrel. Even though that is up about 25% from levels at the outbreak of the conflict on February 28, it is a significant retreat from the wartime peak at $118.

Refined products have not enjoyed the same relief. European diesel prices have surged more than 70% since the war began, while US gasoline prices have climbed around 60%. This reflects a dramatic decline in refining output.

The war knocked out more than 20% of the Middle East's 9.6mn barrels per day of refining capacity, according to the International Energy Agency, while fuel exports remain suppressed due to the closure of the Strait of Hormuz. The loss of Gulf crude, in turn, led many refiners, particularly in Asia, to curtail operations.

That strain was then amplified by months of relentless Ukrainian strikes on Russian energy infrastructure. These attacks have cut Russia's refining throughput by nearly 30% to below 4mn bpd in recent months, forcing Moscow to ban diesel exports in July. Meanwhile, diesel refining margins in Europe, Asia and the US have surged to unprecedented levels.

European diesel cracks have more than tripled since February to above $75 a barrel. US diesel margins have climbed more than 140%, reaching a record $100 earlier this week.

The crisis has been mitigated somewhat by pre-war fuel stockpiles — but that buffer is essentially gone.

Global oil stocks fell at a rate of 3.5mn bpd between March and July, equivalent to more than 3% of global oil demand, and are expected to continue declining until year-end, according to the US Energy Information Administration. US diesel inventories are at their lowest for this time of year in three decades, while gasoline stocks are at their weakest seasonal level since 2012.

Taken together, the disruptions have created a hole in global fuel production that the industry is struggling to fill.

Global refinery runs in the second quarter were 5.1mn bpd lower than a year earlier, according to the IEA. Sky-high prices also reduced demand among businesses and consumers, but not by enough to fully offset the supply crunch. Demand for refined products last quarter fell by 4mn bpd, leaving a more than 1mn bpd shortfall.

The war has knocked out more than 20% of the Middle East's 9.6mn barrels per day of refining capacity, according to the International Energy Agency

The balance is expected to deteriorate further in the third quarter. Refinery runs are projected to be 4.1mn bpd lower year-on-year, while demand is expected to decline by just 2.4mn bpd. These projections remain highly uncertain, given the fluid geopolitical situation in both the Middle East and Russia. But the direction is clear: fuel supply is shrinking faster than demand.

What if a diplomatic breakthrough between Washington and Tehran permanently reopens the Strait of Hormuz? While that would likely lead to a plunge in crude prices, it probably would not deliver quick relief in the refined product market. That's because more than 20 refineries across the Gulf suffered damage during the war, many of which will require extensive repairs. Lead times for crucial equipment — including compressors, heat exchangers and specialised catalysts — were already stretched before the conflict began, making a speedy recovery implausible.

China's response to the tightening supplies will also be critical. The world's second-largest refiner sharply reduced its processing rates and curtailed fuel exports during the war. Demand destruction could prove more significant than currently projected as consumers and businesses pull back on spending in the face of eye-watering energy bills.

But the urgent need to replenish — and in some cases expand — global fuel inventories should add upward pressure to refining demand, potentially for years. This dynamic raises the prospect of a sustained bout of energy-driven inflation this winter and beyond.

Recent inflation data is already pointing in that direction. US consumer prices rose 3.4% in July from a year earlier, driven in large part by a 14.7% increase in energy costs, including a 24.6% jump in gasoline prices. Eurozone inflation accelerated to 2.9%, led by a 10% rise in energy costs, while Japan's producer price index rose 7.2% in July.

Many Wall Street analysts and economists still assume the energy price spike will be a short-term phenomenon unlikely to feed through to core inflation. But if the refined product crisis is as serious as current data suggests, that assumption may be too optimistic. This is especially true in Europe and Asia, where liquefied natural gas prices have also spiked.

The US has not been immune to rising energy prices, and the risk to current projections through year-end is clearly tilted to the upside.

US President Donald Trump, who has made lowering the cost of living a central pillar of his second term, has seemingly acknowledged this, warning Americans last week to prepare for higher energy prices. Nearly six months into the Iran war, the world appears to be witnessing a slow-motion crash.

The energy crisis that really matters to the global economy is just getting started.

■ *The opinions expressed here are those of Ron Bousso, a columnist for Reuters.*

Critical minerals are emerging as a key area for GCC investment and economic diversification, according to an Al-Attiyah Foundation research paper.

Race for future: How GCC states are diversifying their economies

The minerals race is no longer only about commercial advantage. Control over the copper, lithium, cobalt, and rare earth elements that underpin energy systems, defence industries, data centres, and advanced manufacturing is rapidly becoming a test of national power and economic resilience.

A new Al-Attiyah Foundation research paper, 'Gulf and US Investments in Global Critical Metals and Minerals', finds that Saudi Arabia, the UAE, Qatar, and Oman are moving decisively into international mining, processing and trading. Their activity has accelerated markedly since 2023, with Africa emerging as the principal investment destination and Latin America attracting more selective interest.

The shift comes as demand rises and supply chains become increasingly concentrated. According to the International Energy Agency (IEA), lithium demand increased by nearly 30% in 2024, while demand for nickel, cobalt, graphite, and rare earth elements rose by 6%–8%. China is the leading refiner for 19 of 20 strategically important minerals, with an average market share of approximately 70%, according to the IEA .

Against this backdrop, Gulf states are deploying state, quasi-state, and private capital to diversify their economies, secure long-term supplies and deepen political relationships. Saudi Arabia and Oman are developing domestic mineral resources while investing internationally. The UAE is building on its established metals industries and expanding its overseas portfolio, while Qatar has made fewer but substantial investments.

The report finds that current GCC portfolios remain concentrated. Copper, gold, nickel and cobalt are comparatively well represented, while lithium, rare earth elements, tin, manganese, platinum-group metals, bauxite, and uranium receive less attention.

Investment is similarly concentrated in African producers such as the Democratic Republic of Congo, South Africa, and Zambia, with limited exposure to Australia, Canada, Indonesia, North Africa, Central Asia, and much of South America.

The US has become an increasingly important partner. In November 2025, Washington and Riyadh established a Strategic Framework for Cooperation on critical minerals.

Other ventures aim to combine Gulf capital and processing potential with US technology, strategic support, and market access. Cooperation opportunities also exist with the EU, the UK, India, Japan, South Korea, Australia, and Canada.

However, ambition has so far produced more announcements than operating assets. Long development periods, difficult host-country politics, resource nationalism, financing constraints, capability gaps, and regional security risks have delayed numerous projects, according to the the foundation's report.

The report concludes that the GCC possesses important advantages, including abundant capital, competitive energy, strong infrastructure and international connections.

The report identifies significant opportunities in overlooked minerals and underrepresented mining regions, as well as in Gulf-based processing of titanium, magnesium, synthetic graphite, and polysilicon. Success could position the GCC as an important bridge between mineral-producing countries and the industries driving the next phase of global economic development.

FTSE Russell review effective from September 17: QSE

QNA
Doha

The Qatar Stock Exchange (QSE) announced that the results of the FTSE Russell Global Equity Index Series September 2026 Semi-Annual Review will become effective at the close of Thursday, September 17, 2026, for the Qatari market.

In a statement on its website, QSE explained that the review included the deletion of Mosanada Facilities Management Services and QLM Life and Medical Insurance from the Micro Cap Segment. No Qatari companies were added or reclassified during this review cycle.

The changes announced may be subject to revision until close of business on Friday, September 4.

Effective Monday, September 7, the index review changes will be considered final, the statement noted.

The FTSE Emerging Markets Index is significant for global funds and portfolios, as it attracts major investments from some of the largest global banks and companies. This index is closely followed by numerous European, British and global investment funds.

VW chief warns carmaker's situation more than critical'

AFP
Berlin

Volkswagen's CEO warned on Sunday the company was in a "more than critical" state ahead of meetings with the car firm's staff where he will defend the company's savings plans.

In an interview posted on the company's intranet and sent to AFP, Oliver Blume said Volkswagen and the rest of Germany's car industry are facing "the biggest upheaval in their history" from global headwinds and Chinese competition.

The carmaker is weighing up huge job cuts. In the coming days, Blume will meet with employees at Volkswagen's headquarters in Wolfsburg and sites in Zwickau and Emden to give updates on the company's plans.

The group has already ordered 50,000 job cuts and Blume said that agreements have already been reached with 37,000 employees.

In the interview, Blume said that no decision had been taken on plant closures but reiterated the company's position that for plants in "Emden, Hannover, Zwickau and Neckarsulm we cannot currently see any way of them remaining profitable in the 2030s".

He said that the company also had to deal with the over-production of 500,000 vehicles per year in Europe. Closing factories would always be "the last and most expensive solution", Blume said.

Volkswagen group has already ordered 50,000 job cuts and CEO Oliver Blume said agreements have already been reached with 37,000 employees

He added that at sites where car production may stop, Volkswagen was exploring other "industrial solutions", pointing to advanced talks with companies from the defence industry over using its factory in Osnabrueck.

Blume described the situation facing the company as "more than critical" and said its current level of profits was not sufficient to "ensure we have the means over the long term for new technologies, new products and our locations".

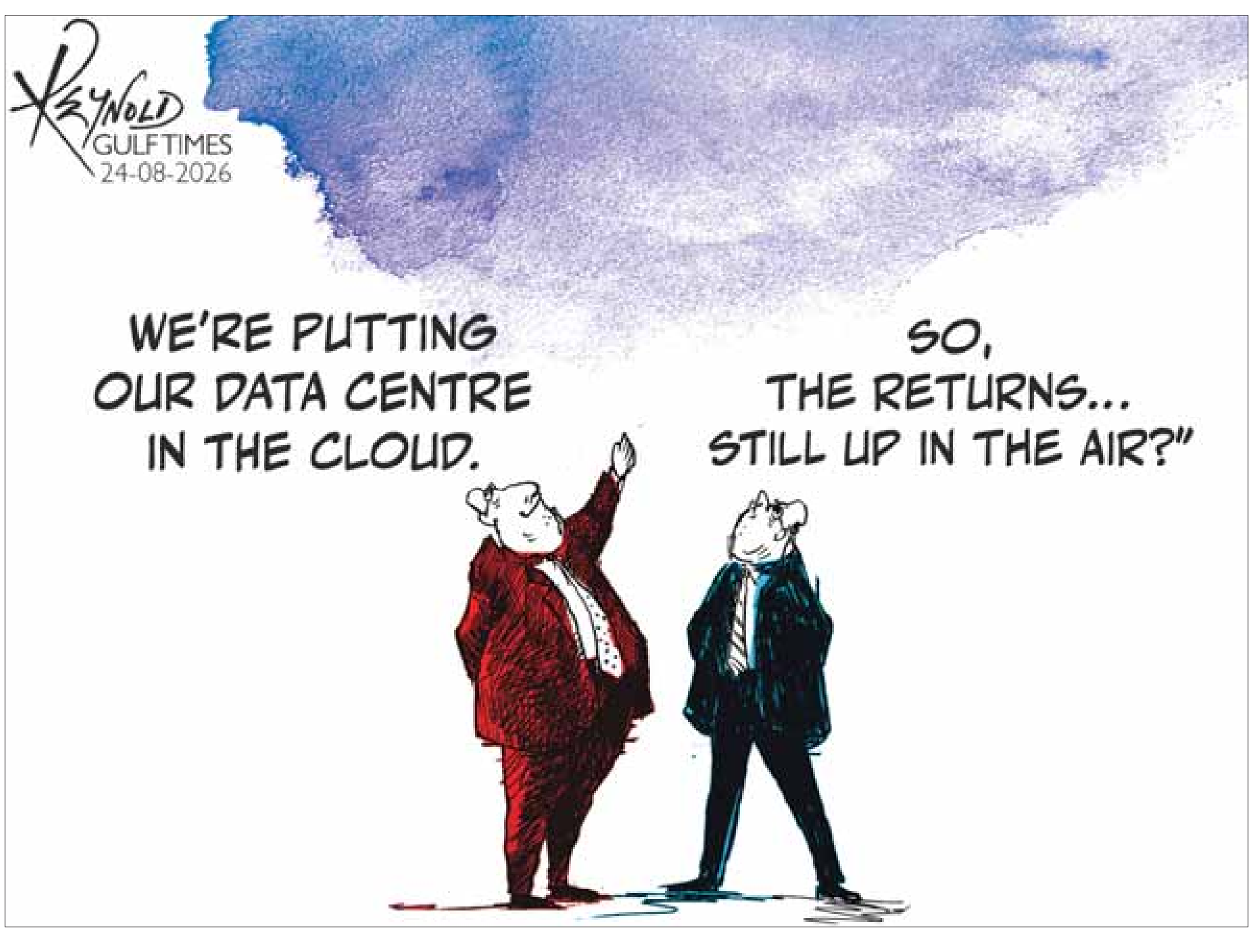
Alongside competition in and from China, Blume named US tariffs, the war in the Middle East and regulatory burdens as key challenges for the company.

Asked whether he expected the situation to improve, Blume said "on the contrary, we have to assume that risks will get worse, worldwide".

In July, Blume presented saving plans to Volkswagen's supervisory board but no decision was taken.

German media reported at the time that the Lower Saxony state government, a major shareholder in the Volkswagen Group which holds 20% of the voting rights, refused to sign off on the plans.

Blume appealed to employees to pull together for the sake of the auto giant. "We will only be successful if everyone in the company supports this plan," he said.



Turkish central bank to resume one-week repo auctions

Turkey's central bank said on Sunday that it would resume one-week repo auctions, which have been suspended since March in order to control the inflationary impact of the Iran war, reports Reuters.

Since the war started in late February, Turkey's central bank has paused a monetary easing cycle that began in late 2024 and has taken other liquidity steps that pushed the lira overnight rate up to the 40% limit. Inflation has recently stabilised at around 32%.

With the resumption of one-week repo auctions, the central bank will start funding from its policy rate of 37%.

Earlier this month, central bank Governor Fatih Karahan said that a resumption of one-week repo auctions was on the agenda and that this could happen when conditions were suitable.

British retail sales slip in July after World Cup boost

Reuters
London

British retail sales fell back as expected in July after a surge in June when hot weather boosted demand for fans and air conditioners and supermarkets offered promotions alongside the men's soccer World Cup, according to official figures.

Retail sales volumes last month dropped 0.5% from June, in line with economists' median forecast in a Reuters poll, while annual sales growth slowed to 1.6% in July from a downwardly revised 3.8%, slightly below expectations for a fall to 2.2%.

The biggest drag came from clothing and footwear sales, which fell by the most since May 2025, down 2.7% on the month, after many stores began summer sales in June rather than July.

"July's 0.5% fall in UK retail sales volumes should probably be read as a pause rather than the start of a renewed consumer downturn," said Martin Beck, chief economist at WPI Strategy.

Consumer sentiment surveys suggest demand has proven robust, despite higher energy costs caused by the US-Israeli war with Iran, offering a boost to new Prime Minister Andy Burnham, who has tried to mollify voter anger about the cost of living since taking office in July.

Beck said the government's decision to remove value-added tax from household electricity bills from October was likely to boost demand later in the year, and that global energy prices looked less threatening than a few weeks ago.