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India's tech engine is seen powering expanding digital partnership with Qatar

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BUSINESS

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Volkswagen CEO faces battle with rival stakeholders and angry workers

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Qatar, Turkiye look to boost trade and investment ties

QNA
Ankara

HE the Minister of State for Foreign Trade Affairs Dr Ahmad bin Mohammed al-Sayed held separate meetings in Ankara with the Minister of Trade of the Republic of Turkiye Prof Dr Omer Bolat and the Minister of Treasury and Finance Mehmet Simsek.

The discussions focused on enhancing economic, trade, and investment ties between the two nations and boosting bilateral trade, especially after last year's implementation of the Trade and Economic Partnership Agreement between Qatar and Turkiye.

The talks also covered expanding trade and investment cooperation, enhancing the resilience of supply chains and trade corridors, strengthening partnerships between the two business communities, and supporting the private sector in capitalising on opportunities available in both countries, thereby broadening the horizons of economic partnership and reflecting the strong fraternal ties between the two countries.

The meetings were attended by ambassador of the State of Qatar to Turkiye Faisal bin Abdullah al-Hanzab; chairman of the General Authority of Customs Ahmed bin Abdullah al-Jamal; undersecretary of the Ministry of Justice Saeed bin Abdullah bin Saeed al-Suwaidi; undersecretary of the Ministry of Transport Mohammed bin Abdullah al-Ibrahim al-Maadeed, and Qatar Chamber board member Ali bin Abdul Latif al-Misnad, along with senior officials and representatives of the public and private sectors from both sides.

QIA leads Series D funding round of $200mn for US-based Gatik

QNA
Doha/Mountain View

The Qatar Investment Authority (QIA) on Tuesday announced that it has led a $200mn Series D funding round for US-based Gatik, alongside Koch Disruptive Technologies (KDT), with participation from ARK Invest, Millennium Management Global Investment, Intact Private Capital, Arca Continental, and a number of other investors.

In a statement, the QIA said the investment reflects its continued focus on supporting next-generation solutions and technologies, as well as companies demonstrating strong commercial momentum and significant long-term growth opportunities, amid the transformation that autonomous freight is bringing to the global supply chain and logistics sectors.

Director of Industrial Investments at the QIA, Abdullah al-Kuwari said autonomous freight is transforming the global logistics sector by making it more efficient and reliable. In this regard, QIA is committed to supporting next-generation solution providers shaping the future of freight infrastructure, such as Gatik.

Gatik, a company specialising in autonomous freight, operates fully driverless trucks within active customer networks to transport goods between distribution centers and stores across Texas, Arizona, Arkansas, and Ontario, Canada.

The new funding will support Gatik's continued growth, including meeting rising demand from Fortune 50 retailers, grocery stores, and consumer packaged goods (CPG) companies; all of which are seeking to enhance freight capacity across their existing supply chains and make them more reliable, resilient, and scalable.

Gatik recently announced the expansion of its partnership with PepsiCo and the development of one of the industry's most commercially advanced autonomous freight networks, with contracted revenue exceeding $600mn and more than 100,000 orders delivered using fully autonomous freight.

Qatar Chamber, Arab-Brazilian Chamber explore enhancing ties

The Qatar Chamber and the Arab-Brazilian Chamber of Commerce (ABCC) held a meeting in Sao Paulo to explore expanding trade and investment ties between Qatar and Brazil.

Qatar Chamber board member Mohamed bin Ahmed al-Obaidli, also the chair of the chamber's Food Security & Environment Committee and the Technology & Innovation Committee, and William Dib, president of the ABCC, convened the meeting.

Discussions focused on deepening private-sector cooperation across various sectors, including agriculture, food production, halal-certified products, food security, logistics, and innovation. It also reviewed the possibility of establishing an electronic link between Qatar Chamber and the ABCC.

During the meeting, al-Obaidli affirmed that Qatar and Brazil enjoy robust relations, noting wide-ranging opportunities to enhance trade and investment between both nations, particularly in food security, agriculture, food production, and logistics.

He noted that Qatar could serve as a regional hub for storing and distributing Brazilian food products to markets across the Middle East and North Africa (Mena). He highlighted Qatar's strategic location, advanced infrastructure, and well-developed transport and logistics systems.

Al-Obaidli pointed to the potential for joint partnerships and investments between Qatari and Brazilian companies in food production and processing, meat and poultry, animal feed and fertilisers, cold-chain solutions, logistics, and agricultural technology, thereby enhancing food security and supply chain resilience.

He emphasised Qatar Chamber's keenness to coordinate with relevant entities in both countries to identify Brazilian companies interested in investing and to organise business meetings to explore cooperation opportunities and establish joint projects, contributing to the transition from traditional trade relations to sustainable investment partnerships.

Qatar Chamber board member Mohamed bin Ahmed al-Obaidli and Arab-Brazilian Chamber of Commerce president William Dib during a meeting in Sao Paolo.

He also stressed the importance of enhancing cooperation in technology and innovation, connecting companies and business communities in both countries, and benefiting from the expertise and experience available on both sides.

Dib affirmed the strong and growing relations between Brazil and Qatar, noting that bilateral trade exceeded $400mn last year. He said Brazil's main exports to Qatar include agricultural and food products, while imports from Qatar include refined petroleum products, fertilisers, and aluminium.

He also noted that Qatari investments in Brazil have exceeded $7bn since 2010 in several sectors and pointed to Brazilian companies operating in Qatar across various sectors.

BUSINESS

German GDP growth revised upwards in Q2, defying turmoil from Iran war

AFP
Frankfurt

German growth rose faster than previously estimated in the second quarter thanks to strong exports, official data showed Tuesday, as Europe's biggest economy withstood the turmoil unleashed by the Iran war.
Gross domestic product grew 0.3% from April to June compared with the first three months of the year, according to revised data from the statistics office Destatis.
A first estimate in July had put growth at 0.2%, after expanding 0.4% in the first quarter.
"The German economy is maintaining the growth momentum seen at the start of the year", said Destatis's chief Ruth Brand, adding that "growth was primarily driven by the positive development of exports".
The revision to second-quarter growth is another sign that the eurozone's manufacturing powerhouse could be weathering the energy shock unleashed by the US and Israel's war against Iran better than feared.
Factory output and exports have also been ticking up in recent months despite the fallout from the conflict.
The closely watched Ifo business confidence survey released Tuesday rose for the fourth time in a row in August, to 88.8 points, its highest level in over a year.
The increase beat analyst expectations and was a "huge surprise", said Frank Brandmaier, an analyst at the bank KfW, adding that it was the latest piece of data to "suggest that the overall positive trend is continuing".

The revision to second-quarter growth is another sign that the eurozone's manufacturing powerhouse could be weathering the energy shock unleashed by the US and Israel's war against Iran better than feared

The revised GDP data showed that exports rose 2% in the second quarter from the first, while imports were also up substantially.
Investment fell slightly, dragged down by a hefty fall in the machinery and equipment sectors. Spending by both households and governments registered a small increase.
The German economy has stagnated for several years due to high energy costs, growing competition from China and US President Donald Trump's tariffs.
Hopes had been high at the start of the year that it would stage a strong rebound thanks to Chancellor Friedrich Merz's spending blitz on defence and infrastructure.
The outbreak of the Middle East war has dimmed those expectations after the hit to energy-intensive manufacturers, with the government now expecting growth of just 0.5% for 2026 as a whole.
The revision of GDP data "is clearly good news", ING bank analyst Carsten Brzeski told AFP, adding that "it shows that the economy has been more resilient than feared".
"It also shows that German industry benefitted from the fact that Asian competitors suffered more from the war in the Middle East than they themselves. Some industrial orders were actually reverted from Asia to Germany," he said.
Brzeski warned however that Germany faced other problems, from high global energy prices to low water levels on major rivers after months of drought that have hampered cargo transport.
He also warned that Merz's government must push through a raft of reforms it has promised, from social welfare overhauls to efforts to ease bureaucratic hurdles and other burdens on business.
"Looking ahead, the low water levels, the continued high oil prices and the political struggle to really implement the announced reforms are clear headwinds for German growth," Brzeski said.

Euro nears critical test against Swiss franc

A projection of the euro currency sign is pictured on the facade of the ECB headquarters in Frankfurt am Main, western Germany. The euro has spent years grinding lower against the Swiss franc, but a recent recovery is now approaching a pivotal juncture that could determine whether the single currency keeps climbing or slides back into its old pattern of weakness, reports Reuters. Diverging monetary policy has helped the rebound. The European Central Bank's concerns about inflation contrast with the Swiss National Bank's decision to hold rates at zero, making euro-denominated assets more appealing than francs. This shift has helped lift the euro off multi-year lows hit in March and pushed it above its 100-week moving average, a longer-term gauge that analysts use to smooth out short-term price swings and reveal the underlying trend. Having cleared that hurdle, the euro is now closing in on its 200-week moving average, a level it has only rarely managed to breach and even more rarely held above for any length of time. History shows that the periods when it did hold above this average — 2017-2018 and 2003-2008 — coincided with buoyant global stock markets and a general willingness among investors to take on risk. That backdrop makes the coming test especially significant.

Six months into conflict, half of global oil flows from war zones

Reuters
London

Almost half the world's oil comes from countries affected by conflict in 2026, Reuters calculations show, underscoring that current disruptions have eclipsed previous energy crises.
Six months ago, US and Israeli attacks on Iran triggered what has become the largest oil supply crisis on record, with no clear end in sight.
At the same time, the Russia-Ukraine war has forced production and refining cuts, including in nearby Kazakhstan this year.
Ongoing conflict in Libya and US restrictions on Venezuelan oil exports at the start of the year have added further strain.
Together, countries affected by those conflicts produced about 45mn barrels per day of oil based on 2025 output, accounting for more than 43% of global supply, according to Reuters calculations based on International Energy Agency data.
The disruptions have increased the world's reliance on US oil supplies, though that too has occasionally been disrupted by severe weather.
Not all of this year's supply disruptions happened at the same time.

Drivers queue at a petrol station to refuel in Tehran on Tuesday. Six months ago, US and Israeli attacks on Iran triggered what has become the largest oil supply crisis on record, with no clear end in sight.

With Saudi Arabia re-routing oil to the Red Sea and Gulf exporters sneaking oil out of the Strait of Hormuz, the current Gulf oil disruption stands at around 5mn to 7mn bpd, according to analysts' estimates.
But risks to total flows remain high, as attacks in the Red Sea and near Egypt's Suez Canal in July demonstrated.
The conflicts in the Gulf and Ukraine have also cut global refining capacity by about a tenth.
Ukraine has targeted much of Russia's refining network, striking plants as far away as Omsk, about 2,700km (1,680 miles) from Ukrainian-held territory.
Russia is grappling with fuel shortages and has banned gasoline and diesel exports, tightening global fuel markets.
Higher fuel prices have become a key driver of inflation, contributing to higher borrowing costs and helping to push US debt to a record $40 tn.
US diesel prices have climbed to record levels despite refiners running at peak capacity.

India's Iran exports set to fall further due to Dubai halt, US sanctions

Reuters
New Delhi

Planned new US sanctions on Iran and the UAE's halt on Tehran trade could severely disrupt Indian exports of rice, tea and pharmaceuticals to Iran, which have been largely routed through Dubai's port in recent years, Indian exporters have said.
India has been among Iran's five largest trading partners, though bilateral trade has fallen by more than 90% from its 2018-19 highs of $17bn, with exports now limited mostly to goods exempted on humanitarian grounds.
Indian exporters fear US President Donald Trump's proposed "economic D-Day" plan could further squeeze trade weakened by sanctions, banking caution and shipping constraints.
The United Arab Emirates last week suspended all trade activities, exchanges and financial transactions with Iran until further notice.
"We are already seeing indications that transactions and payment mechanisms traditionally routed through the UAE are exploring alternative jurisdictions," said Dev Garg, vice president of the Indian Rice Exporters Federation, suggesting Turkey as an alternative.
In the first half of 2026, India exported $383.11mn of rice to Iran — the second-largest overseas market for premium rice, including long-grained basmati.
"Any prolonged disruption in this corridor will have a much greater bearing on the basmati industry, especially on millers and exporters in northern India than on India's overall non-basmati rice trade," Garg said.
Until recently, Indian exporters typically received payment through an Indian authorised-dealer bank from a UAE trader's account — in dirhams, dollars or another permitted currency -while the trader separately collected payment from its Iranian customer through legally-compliant banking channels.
Indian tea exports to Iran totalled $14.34mn in the first half of 2026. Prabhat Bezboruah, a senior tea planter and former chairman of the state-run Tea Board, said sales to Iran will be affected as a lot of that goes through the UAE.
There was no immediate comment from India's trade and foreign ministries.
A New Delhi-based exporter said direct shipments could rise, but payment problems may worsen.
Ajay Srivastava of the Global Trade Research Initiative said India's Iran trade has already fallen sharply since the previous sanctions.
"We hope food and pharmaceutical products may receive exemptions, although exporters could still face higher freight, insurance and payment costs," he said.
Iran's exports to India were dominated by crude oil, valued at about $707mn, with far smaller shipments of liquefied petroleum gas, apples, dates, almonds and kiwi fruit in the first six months of 2026.

Commodity vessel transits through Hormuz hit 3-month low

Reuters
Singapore

Just two commodity vessels transited the key energy chokepoint of the Strait of Hormuz on Monday, for the lowest daily tally since early May, with both entering the Gulf, shipping data showed.
The figure was also well below the 10-day average of 14, with just one very large gas carrier and one very large crude carrier entering the strait from the Gulf of Oman, according to shiptracker Kpler early on Tuesday.
Although down from Sunday's tally of seven vessels of all types, the figures could change, however, as some ships had switched off navigation transponders on their way through.
Iran said it had blacklisted 45 tankers for violating its rules on passage through the strait, threatening action against vessels engaging in ship-to-ship transfers with them, escalating pressure over the key waterway six months into the Iran war.
Before the conflict, the strait carried about a fifth of global flows of crude oil and liquefied natural gas.
Iran also vowed to retaliate against expanded US sanctions aimed at cutting off its economic lifeline, while expressing confidence that its major trading partners would resist Washington's pressure campaign.
US Treasury Secretary Scott Bessent unveiled the measures on Monday but stopped short of imposing the most severe sanctions. Countries continuing to trade with Iran risked losing access to the dollar-based financial system, he warned.
On Monday, 29 vessels transited Bab el-Mandeb, another key chokepoint on the opposite side of the Arabian peninsula, Kpler data showed. That was broadly in line with the 10-day average and compared with 28 crossings on Sunday.

Volkswagen CEO faces battle with rival stakeholders, angry workers in push for cuts

Volkswagen Group CEO Oliver Blume has addressed over 10,000 workers at Volkswagen's headquarters in Wolfsburg, the first stop on a tour of German plants this week to win support for a plan involving far-reaching job cuts and possible plant closures, adamantly opposed by staff but supported by the group's owner families

Reuters
Berlin

Volkswagen CEO Oliver Blume faces fresh opposition to his restructuring plan at the carmaker's supervisory board meeting next week, with two rival proposals submitted by labour and state government stakeholders, sources told Reuters on Tuesday.
The news came after Blume addressed over 10,000 workers at Volkswagen's headquarters in Wolfsburg, the first stop on a tour of German plants this week to win support for a plan involving far-reaching job cuts and possible plant closures, adamantly opposed by staff but supported by the group's owner families.
The CEO gets a second shot at securing the necessary support for his cuts on September 4, after failing to do so at the last supervisory board meeting in July.
This time, labour representatives and major shareholder Lower Saxony have drawn up alternative turnaround proposals for the automaker, three people familiar with the matter said, highlighting just how deep the conflict over the scope of Volkswagen's overhaul runs among its stakeholders.
Spokespeople for Volkswagen's supervisory board, the works council and Lower Saxony declined to comment. The contents of the proposals were not clear.
Blume has warned that Volkswagen must radically cut costs and complexity as growing competition from China, costly tariffs and a drop in demand for its cars put its traditional business model under unprecedented pressure.
He has warned that 50,000 job cuts could be necessary to keep Volkswagen competitive — roughly double the redundancy programmes already agreed with unions — and initiated efforts to pare back the group's model line-up and production capacity.
"Our plan for the future is the largest transformation programme in our company's history. To make this happen, everyone needs to pull together now," Blume said in Wolfsburg's packed Hall 11.
One source said his speech was met with boos from the crowd. Banners bore slogans such as "Our jobs are not your balance sheet adjustments" and "Respect is not up for negotiation", according to another source.
Speaking on behalf of the workforce, Volkswagen labour leader Daniela Cavallo said German factories were "an integral part" of the group, reiterating her opposition to closures.
"Our trust in this company's executive board, and especially in its CEO Oliver Blume, has been damaged. Not yet beyond repair, but damaged nonetheless," she said, according to excerpts of her speech shared by the works council.
"Cooperation is possible, but if VW management chooses only to pursue a path of layoffs and cutbacks, we will oppose it with all our might," IG Metall union representative Thorsten Groeger said in a statement after the meeting.
In his speech to workers, excerpts of which were shared by the company, Blume stressed that the 50,000 job cuts were based on a theoretical benchmark to bring Volkswagen's costs into line with competitors.
He also said that no decision had been taken on factory closures, which he called the "last and most expensive resort".
Blume has previously said that partnering with the defence sector or bringing production of models currently made for the Chinese market to Europe may offer preferable solutions to address overcapacity at German plants.
Management has yet to announce any breakthrough on these proposals, with automotive production set to end in its plant in Osnabrueck as early as next year.

QFC firm HMK Capital completes QR1.8bn real estate acquisitions for Salwa REIT

HMK Capital, an investment firm licensed under the Qatar Financial Centre (QFC) and regulated by the Qatar Financial Centre Regulatory Authority (QFCRA), has completed the acquisition of real estate assets valued at around QR1.8bn since July 2026, establishing the initial portfolio of Salwa REIT with 51 properties across Mseimeer, Al Rayyan and Al Dafna/West Bay.

The portfolio is fully leased and operating at near-full occupancy, comprising a diversified mix of residential, retail and commercial office assets. It includes approximately 1,500 residential units, more than 100 retail units and around 25,000 square metres of commercial office space.

During July and August 2026, HMK Capital also completed financing arrangements supporting the portfolio through a Shariah-compliant structure, further strengthening the fund's capital structure and supporting its long-term investment strategy.

HMK Capital continues to selectively evaluate additional income-generating real estate opportunities in Qatar to further diversify and grow Salwa REIT's asset base.

As part of its longer-term strategy, HMK Capital intends to advance the regulatory and market process for the proposed listing of Salwa REIT on the Qatar Stock Exchange, subject to the necessary approvals. The proposed listing aims to broaden the fund's investor base, provide investors with access to a diversified portfolio of profitable real estate, and position Salwa REIT as Qatar's first stock-exchange listed REIT.

Sheikh Hamad Mohammed Khalid al-Thani, chairman and founder of HMK Capital, said: "The successful completion of Salwa REIT's initial portfolio marks an important milestone for HMK Capital and reflects our confidence in the strong potential of Qatar's real estate market.

"We are committed to working with investors and capital markets participants to develop innovative investment products that provide access to diversified, income-generating assets."

Salwa REIT was registered with the QFCRA on May 20, 2026, as a closed-ended real estate investment fund and is managed by HMK Capital. It is Qatar's first Real Estate Investment Trust (REIT) and the QFC's first fund operating under the QFCRA's Collective Investment Scheme Rules.

The fund supports the development of Qatar's asset management and capital markets sectors, in line with the Qatar National Vision 2030 and NDS3, while providing investors with regulated access to Qatar's real estate market.

QCB issues government Ijarah sukuk worth QR5bn

The Qatar Central Bank (QCB) issued government Ijarah sukuk on behalf of the Ministry of Finance on Tuesday, reports QNA. The total allocated amount was QR5bn. In a statement, the QCB said the allocations were issued across different maturities such as QR2.5bn (tap issuance) maturing on January 16, 2029, with a yield of 4.75%, and QR2.5bn (tap issuance) maturing on August 24, 2030, with a yield of 4.90%. The central bank noted that total bids received for the sukuk amounted to QR5.5bn.

India's tech engine seen powering digital partnership with Qatar

By Peter Alagos
Business Editor

Sandeep Kumar, Chargé d'Affaires of Indian embassy.

The bilateral relationship between India and Qatar is entering a high-tech phase as both nations move to leverage emerging technologies and startup mobility to drive economic diversification.

"The vision of Viksit Bharat 2047 has close resonance with the Qatar National Vision 2030. The direction we have set is towards ensuring the responsible use of these emerging technologies, especially artificial intelligence (AI), blockchain, and related innovations. There are numerous avenues where both sides can come together to discuss these initiatives," Chargé d'Affaires Sandeep Kumar of the Indian embassy told *Gulf Times*, highlighting how digital public infrastructure, AI, and private sector innovation are reshaping bilateral cooperation beyond traditional trade ties.

Platform engagements are opening direct pathways for startup exchange, according to Kumar. Pointing to India's active participation across three consecutive editions of Web Summit Qatar, he said the annual event has allowed Indian tech firms to connect directly with regional investors and local markets.

"Qatar has already hosted three editions of Web Summit, marking the first of its kind in the Mena region. In the 2025 edition, we established a country pavilion, enabling several Indian start-ups to showcase their products and services.

"For the summit's third edition, numerous Indian companies participated, with the embassy facilitating their visits and arranging meetings with Qatari counterparts," said Kumar, adding that India's Minister of Electronics and Information Technology Ashwini Vaishnaw attended the inaugural Web Summit Qatar, where he also met with the Minister of Communications and Information Technology HE Mohammed bin Ali al-Mannai.

He said these institutional connections extend to Qatar's research and technology (R&D) infrastructure, with the Indian embassy facilitating links between visiting delegations and private and public entities like the Ministry of Communications and Information Technology, Qatar Science & Technology Park (QSTP), and the Qatar Research, Development and Innovation (QRDI) Council, among others.

Frameworks like the India-Qatar Startup Bridge initiative, launched by India's former vice president M Venkaiah Naidu during the India-Qatar Business Forum in Doha on June 5, 2022, remain active channels to scale corporate and startup operations across both borders, Kumar explained.

Underpinning this technological push is India's digital infrastructure and demographic profile, said Kumar, noting that over 50% of global digital transactions occur in India, backed by a population where roughly 65% of citizens are below the age of 35.

This youth dividend drives practical advances in deep-tech industries, emphasised Kumar, citing space startup Agnikul Cosmos, which demonstrated this capability by launching its Agnibaan SOrTeD rocket from Sriharikota, powered by the world's first single-piece 3D-printed engine and developed by a team with an average age of 28.

"Qatar and India can connect and collaborate strongly across advanced manufacturing, digital innovation, emerging technology, semiconductor manufacturing, logistics, food security, and infrastructure. Both countries need to work on improving their technology environments while understanding and adapting new technologies responsibly," Kumar reiterated.

US list removal opens path to global financial integration for Syria

QNA
Damascus

Governor of the Central Bank of Syria Safwat Raslan said the US decision to remove Syria from the list of state sponsors of terrorism represents a significant development in the legal and economic environment surrounding the Syrian financial sector.

He said the move could lay the groundwork for a new phase of rebuilding banking and financial relations with international institutions and create conditions for the gradual return of the Syrian banking sector to cross-border financial transactions.

In an exclusive statement to Qatar News Agency (QNA), Raslan said the significance of the decision is reflected practically in the potential to expand channels of cooperation with international banks and financial institutions and develop correspondent banking relations, supporting trade and remittances, financing import and export operations, and enhancing the banking sector's ability to serve economic activity.

He added that the decision could have a positive impact on remittances from Syrians abroad once the necessary legal, technical and compliance requirements are met by the relevant parties.

At the same time, he stressed that the removal from the list does not automatically mean that all restrictions facing the Syrian financial sector have been lifted or that international banking relations will resume immediately.

He explained that the Syrian banking sector still faces legal, regulatory, technical and commercial requirements, in addition to compliance requirements imposed by international financial institutions and correspondent banks, noting that the Central Bank of Syria is addressing these requirements through a gradual and carefully structured process.

Raslan said the priority in the next phase is to strengthen the readiness of the Syrian banking sector, develop regulatory and supervisory frameworks, enhance the efficiency of compliance and risk-management systems, and reinforce measures to combat money laundering and terrorist financing. This also includes upgrading technological infrastructure and payment and transfer systems to strengthen confidence in the soundness of the Syrian financial system.

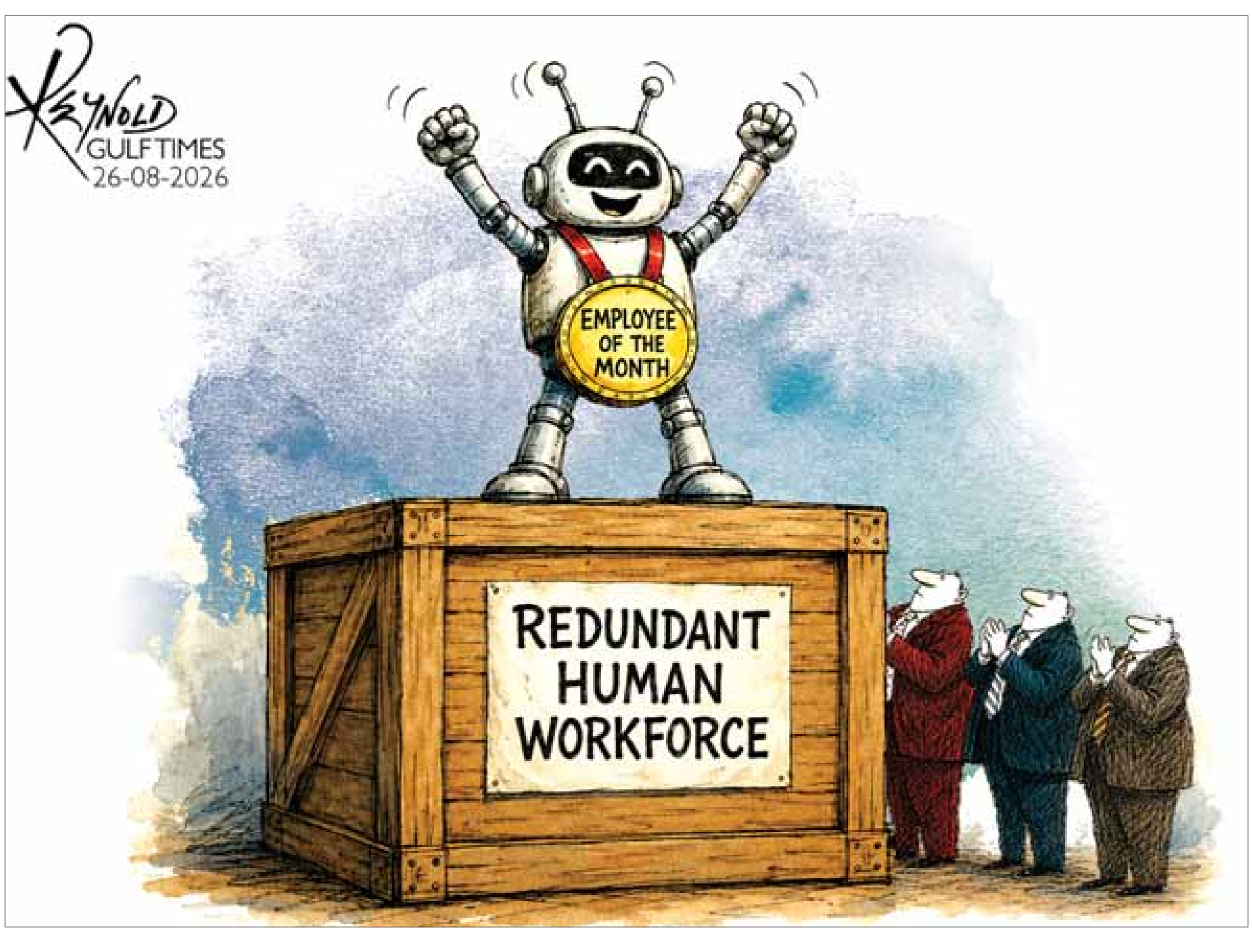
He noted that the central bank is simultaneously working to develop banking and financial cooperation channels with regional and international institutions and create the necessary environment to rebuild correspondent banking relationships and expand financial services, enabling the Syrian economy to gradually capitalise on the opportunities emerging from the new phase.

Raslan said a banking sector capable of conducting financial transactions efficiently and transparently is a fundamental component of building an attractive investment environment.

He said the objective extends beyond restoring banking relations to building a more efficient, transparent and reliable financial system capable of supporting capital flows, trade and investment.

Raslan stressed that translating the political and legal development into tangible economic outcomes requires sustained institutional efforts and coordination among various national entities, alongside cooperation with regional and international financial institutions.

He said the central bank views the current phase as an opportunity to rebuild the financial sector on modern foundations, strengthen its capacity to serve the national economy, and gradually integrate it into the global financial system.



Global economy weathering energy shock amid fiscal concerns: IMF chief

Reuters, AFP
Washington

International Monetary Fund Managing Director Kristalina Georgieva said on Tuesday that the global economy has weathered the Iran war energy shock better than feared, but she raised concerns about deteriorating fiscal conditions in some countries as evidenced by rising bond yields and a stalled disinflation process.

Georgieva told reporters in a briefing ahead of next week's Group of 20 finance leaders meeting in Asheville, North Carolina, that there was a "tug of war" between the negative Gulf energy supply shock and growth tailwinds from the artificial intelligence investment boom that was starting to spread beyond US borders.

She said that risks to the global outlook were more balanced than in April, but still tilted to the downside, due to mounting fiscal pressures and the potential for central banks to maintain tight monetary policy to control inflation.

Global growth is "resisting powerful headwinds from high debt levels, stubborn inflation, and trade tensions. Thus far, it has weathered the energy shock caused by the closure of the Strait of Hormuz better than we feared, thanks to a combination of factors," Georgieva said.

These factors include drawdowns of oil and gas reserves by many countries, increases in non-Gulf energy supplies, lower energy demand, increased renewable energy capacity and a shift back to coal power generation in some places.

Artificial intelligence investment in the US is keeping corporate earnings and consumer spending strong, and other countries are ramping up data-center construction and AI hardware supplies, she said.

In July, the IMF cut its global growth projection for the second time this year, flagging "uncertainty and risks" related to the war in the Middle East.

Global economic growth is estimated at 3.0% this year, the IMF said in its update to its World Economic Outlook at the time, down from 3.1% in its April forecast.

Georgieva on Tuesday said the impact of the war had been "asymmetric," based on countries' exposure to Gulf oil imports and their overall macroeconomic stability.

Global inflation — driven by high energy prices — was also being pushed in a "tug of war" by the "positive demand shock from AI," she said, referring to an increase in economic demand due to massive investments in the new technology.