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US labour market remains stable; services input rises point to elevated inflation

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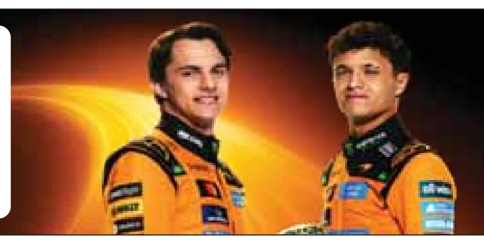
FOREIGN VISITORS : Page 3
Tech pilgrims flock to China as global innovation race heats up



Qatar-Oman ties grow into sustainable partnerships

QNA
Muscat

HE the Minister of Commerce and Industry Sheikh Faisal bin Thani bin Faisal al-Thani highlighted the importance of strengthening bilateral cooperation between the State of Qatar and the Sultanate of Oman.

HE Sheikh Faisal underscored the necessity of continued coordination and exchange of visits between relevant authorities in both sisterly countries to build sustainable strategic partnerships, explore new horizons for public-private collaboration, support trade exchange, and advance economic, commercial, and investment relations to serve mutual interests and reflect the deep ties between both nations.

This came during meetings HE Sheikh Faisal held on Thursday with Omani ministers and senior officials during his visit to Oman. The meetings were attended by senior officials and representatives of major Qatari companies.

HE Sheikh Faisal met separately with Minister of Commerce, Industry and Investment Promotion of Oman Anwar al-Jabri; Minister of Transport, Communications and Information Technology Said al-Mawali; Minister of Energy and Minerals Salim al-Aufi; Chairman of the Public Authority for Special Economic Zones and Free Zones Qais al-Yousef; and President of the Oman Investment Authority Abdulsalam al-Murshidi.

HE Sheikh Faisal added that Qatar and Oman share common goals and ambitions to reinforce bilateral ties and achieve economic integration across various sectors.

Trade exchange between Qatar and Oman exceeded $1.1bn in 2025. Approximately 722 Omani companies currently operate in the Qatari market, including 533 wholly Omani-owned companies, 176 joint Qatari-Omani companies, and 13 companies registered at the Qatar Financial Center, underscoring the strength, durability, and promising prospects of bilateral economic, trade, and investment ties.

These meetings reflect a mutual commitment to developing commercial and investment relations between Qatar and Oman, advancing the strategic partnership between the two countries, and supporting efforts to discover further opportunities that contribute to sustainable development and serve the interests of both sisterly nations and peoples.

HE the Minister of Commerce and Industry Sheikh Faisal bin Thani bin Faisal al-Thani held meetings on Thursday with Omani ministers and senior officials during his visit to Oman. The meetings were also attended by senior officials and representatives of major Qatari companies.

Technicals seen supportive of Qatar bourse despite profit taking pressure

QNA
Doha

The Qatar Stock Exchange (QSE) index ended this week's trading down 1.14 %, shedding 112.15 points compared with last week amid pressure from most sectors.

The consumer goods and services sector recorded the largest losses, declining 1.88 %, while the real estate sector rose 0.65 %.

Commenting on these indicators, financial analyst Mubarak al-Tamimi told Qatar News Agency that the QSE index showed resilience and traded sideways during the week, ranging between a high of 9,934 points and a low of 9,746, thereby remaining above the key support level of 9,727.

He noted that trading during the week was primarily affected by profit-taking, along with caution prompted by geopolitical developments. However, he said, these factors had not altered the index's positive technical outlook, as it continued to hold above important support levels.

Al-Tamimi noted that, from a technical perspective, the index has successfully formed a positive pattern with the emergence of a W-shaped formation, strengthening the prospects of regaining upward momentum in the coming period, particularly if the index manages to break the resistance level of 9,934 points and remain above it.

He explained that surpassing the level would represent an important positive technical signal and could pave the way for the index to continue rising towards 10,487, supported by improving investor appetite and a return of liquidity to the market.

On the other hand, the analyst highlighted that any decline towards the 9,532 level could represent a good buying opportunity for investors. Those levels could attract the interest of traders and market makers and provide a suitable basis for building new positions, particularly if accompanied by an improvement in trading volumes and values. He stressed that the index remaining above its current support zones reflected continued resilience.

He also said that profit-taking at this stage could be viewed as a natural move to reposition portfolios and did not necessarily indicate a change in the broader trend as long as the index maintained its key support levels. He noted that the September FTSE Russell index review, which is scheduled to take effect within the next few days, could provide a positive catalyst for the market, potentially affecting liquidity flows and trading in a number of listed stocks.

Al-Tamimi said the index's technical outlook remains cautiously positive, adding that the ability to break above 9,934 points would be the key factor confirming a continuation of the upward trend, while the current support levels holding would be important for maintaining that trend, as the market awaits potential catalysts related to global index reviews and improved liquidity.

The QSE index showed resilience and traded sideways during the week, between a high of 9,934 points and a low of 9,746, remaining above the key support level of 9,727, according to financial analyst Mubarak al-Tamimi.

Weekly real estate trading exceeds QR411mn

QNA
Doha

The volume of real estate trading in sale contracts registered with the Real Estate Registration Department at the Ministry of Justice from August 23-27 reached QR351,804,441.

Meanwhile, the total sales contracts for residential units in the Real Estate Bulletin for the same period stand at QR59,382,006.

The weekly bulletin issued by the Department shows that the list of real estate properties traded for sale included vacant land, residences, residential buildings, commercial shops, and residential units.

Sales were concentrated in the municipalities of Al Rayyan, Doha, Al Wakrah, Umm Salal, Al Daayen, Al Khor, Al Thakhira, Al Shamal, and Al-Shahaniya, and areas of Lusail 69, The Pearl, Al Wukair, Al Kharaej, Al Gharafa, and Al Meshaf.

US economic pressure on Iran starting to tell, as sanctions and blockade bite

Reuters
Dubai

A US campaign to throttle Iran's economy by blocking its oil exports and stopping sanctions evasion is growing increasingly difficult to withstand, three senior Iranian sources said.

Washington has in recent weeks sought to ratchet up the economic pressure on Tehran, in an effort to extract concessions in any future negotiation that six months of conflict have so far failed to secure.

Although Iran's clerical rulers managed to bypass sanctions for decades, the latest US moves have left them in a far more sensitive position, with few remaining channels to secure foreign currency or buy goods, the sources said.

In particular, the effort to stop Iran accessing international financing networks in other countries it has long used to keep its economy functioning poses a real and urgent threat, the sources said.

Any sign the economic campaign may break a months-long deadlock in the conflict will likely cheer US planners, though Iran has also warned it could respond to the pressure with military escalation, raising the stakes at a key moment.

The war has erupted back into open fighting this week, with US attacks along Iran's Gulf coast prompting retaliatory Iranian strikes at US bases in Arab states.

Neither side has signalled yet it is ready to make the concessions demanded by the other, leaving the war in a costly stalemate – though one that may be shifting.

While more energy is flowing to international markets through the Strait of Hormuz despite Iranian efforts to continue disrupting the seaway, the US blockade of Iranian oil exports has entirely cut off Tehran's main source of revenue.

Adding to Iran's problems, the economy was already deep in crisis before the conflict, with a cratering currency and spiralling inflation, while months of bombing have run up a massive bill to rebuild damaged industry and infrastructure.

Meanwhile, the country's financial squeeze is itself biting into Tehran's efforts to get around the sanctions regime, leaving less cash to pay the high premiums required to skirt sanctions, the sources said. The rial has fallen to record lows over recent days and one senior source said Iran only has another two months' supply of gasoline, which has to be imported despite domestic oil production because of limited refining capacity.

The currency has collapsed in value from around 1mn rials to the dollar a year ago to over 2.2mn rials now.

A display of currency exchange information in the Grand Bazaar in Tehran on August 17. The currency has collapsed in value from around 1mn rials to the dollar a year ago to over 2.2mn rials now.

Iran's rulers are keenly aware of the potential risks of an economic meltdown and the possibility of it reigniting the nationwide mass protests it put down in January.

"They are under very, very severe economic pressure. They're losing control of the Straits. It's really a question of if they choose to negotiate and I think they'll have to," said Ali Ansari, modern history professor at St Andrews University in Scotland.

The war is also entering a new phase, with each side trying to influence each other's politics.

Iran hopes the threat of inflation will deter the US administration before midterm elections in November, while Washington aims to push Iranians to revolt, a senior Iranian official said.

The latest US measures expanded secondary sanctions that target countries doing business with Iran in a bid to stop it clearing dollar transactions needed for both oil sales and to finance crucial imports of goods and raw materials.

That effort is making Iran's existing sanctions evasion networks – front companies, unregistered tankers and smuggling – too expensive to use, the three sources said.

Iranian crude loadings have fallen this month to about 260,000 barrels a day, from about 1.7mn a year earlier, according to data from commodity analytics firm Kpler, with only a trickle still moving off terminals for distribution by truck, train or smaller boats over the Caspian Sea.

Tehran says it still has tens of millions of barrels stored in tankers outside the blockade zone that it can sell, but the new sanctions mean intermediaries are stepping back or demanding more money, one of the officials said.

Total trade has fallen between 25% and 35%, with imports hit harder than exports, President Masoud Pezeshkian has said, one of several top officials warning in recent weeks about Iran's rapidly deteriorating situation.

US pressure and Iran's own attacks have meanwhile disrupted one of the main conduits for Iranian trade – the United Arab Emirates, which said on August 19 that all commercial exchange and financial dealings with Tehran were halted until further notice.

"If those channels stay closed, a supplier wants cash, a deal is routed through another country and a shipment arrives later and their affecting," said an Iranian trader in Tehran who deals in imported goods.

The internal impact is very painful. Official figures put 12-month average inflation at 69.9% with food and beverages prices rising at nearly twice that rate.

Global Carbon Council signs MoU for voluntary market policy implementation

QNA
Seoul

The Global Carbon Council (GCC), the Ministry of Planning and Budget of the Republic of Korea (MPB) and the Korea Chamber of Commerce and Industry (KCCI) signed Thursday a memorandum of understanding (MoU) to formalise a trilateral partnership between them.

The agreement was signed by Founding Chairman of Global Carbon Council Dr Yousef bin Mohammed Alhorr; Vice Minister of MPB Yongbum CHO, and Chairman of KCCI Chey Tae-Won. Under the MoU, the ministry will assume overall coordination and policy guidance, and will support implementation through relevant institutional frameworks and budgets.

The three sides said in a statement that the partnership comes at an important stage in Korea's carbon market development. MPB, as the lead ministry for Korea's voluntary carbon market, is advancing the proposed Voluntary Carbon Market Act, preparing for the launch of a voluntary carbon market within the Korea Exchange (KRX), targeted for the end of 2026, and working to expand the country's carbon credit demand and supply base.

The statement added that the cooperation will position the GCC as the first international carbon standard recognized by a Korean government institution and establish pathways for digital monitoring, reporting and verification (DMRV), registry interoperability and global market connectivity.

Within Korea's emerging VCM framework, GCC is also expected to serve as the sole global carbon standard participating in the initial market architecture, bringing international expertise across carbon standards, methodologies, validation and verification, registration, issuance, (DMRV), and registry infrastructure.

The statement also said that the MoU sets out a practical implementation agenda covering alignment with Article 6.2 of the Paris Agreement, ICAO's CORSIA and the ICVCM Core Carbon Principles, international standardisation of methodologies, DMRV systems, capacity building, international market access and interoperable registry infrastructure.

It also highlighted that a key component will be the planned interoperability between South Korea's consolidated registry and GCC's registry infrastructure, establishing a digital foundation that can support carbon project registration, issuance, tracking and market connectivity, while creating a pathway towards engagement with the Korea Exchange. The MoU also provides consultation with relevant institutions, including KRX, as the detailed implementation framework is developed.

GCC will contribute expertise across the full carbon-crediting value chain, including methodologies, validation and verification, registration and issuance, together with eligibility mapping for CORSIA, ICVCM CCPs and Article 6.2. It will also support the design of DMRV and registry architecture, strengthen domestic certification capabilities, and contribute to the development of VVB and DMRV expertise in Korea.

KCCI will provide the critical bridge between government policy and Korea's private sector. KCCI will also promote regional carbon market cooperation through the Asia Alliance, providing an additional platform for international market connectivity. The MoU specifically envisages expanding domestic and international market participation through both the Korean VCM Alliance and the Asia Alliance.

The MoU was signed by Founding Chairman of Global Carbon Council Dr Yousef bin Mohammed Alhorr; Vice Minister of MPB Yongbum CHO, and Chairman of KCCI Chey Tae-Won.

For specific implementation activities, including the development of certification and DMRV content required for operation of the Korean VCM, the parties may proceed through separate contractual arrangements defining the scope of work and associated funding, providing a mechanism for the cooperation to progress from institutional alignment to concrete implementation.

Alhorr said: "Korea has an opportunity to build a voluntary carbon market that combines strong national leadership with international integrity and digital readiness. Through this partnership, GCC will contribute its expertise in high-integrity standards, DMRV, methodologies and interoperable registry systems to help turn market ambition into credible, scalable and internationally connected implementation."

Following the release of the data, Turkish Finance Minister Mehmet Simsek said in a post on X that the government continues its structural policies to ensure permanent price stability.

Turkish monthly inflation at 1.84%, just below forecast

Reuters
Istanbul

Turkish consumer price inflation rose to 1.84% month-on-month in August, just below expectations, while the annual figure was 31.51%, data from the Turkish Statistical Institute showed on Thursday.

In a Reuters poll, the monthly inflation rate was forecast to be 1.93% and the annual rate 31.62%, as rising oil prices driven by the Iran war continue to pose an upward risk to inflation.

Price rises in August were led by education fees which rose more than 8%, beverages and tobacco products which rose some 7%, and transportation which rose 4.8%.

In order to limit the impact of volatility in oil prices, Turkiye removed a special consumption tax on diesel through the end of August, after which the tax will be gradually reinstated. Gasoline and liquefied petroleum gas will remain under a sliding-scale fuel tax system until October 1 to ease the rise in prices.

In July, consumer prices rose 1.78% month-on-month and 31.75% year-on-year.

Following the release of the data, Turkish Finance Minister Mehmet Simsek said in a post on X that the government continues its structural policies to ensure permanent price stability.

Late last month, Turkiye's central bank resumed one-week repo auctions, which have been suspended since March in order to control the inflationary impact of the Iran war. Turkish lira overnight interest rates dropped to 37% from the previous 40%.

Economist Haluk Burumcekci from Burumcekci Research and Consultancy expects the central bank to maintain the policy rate in the next meeting at 37%.

"For the remainder of the year, we expect the central bank to have very limited room for policy rate cuts due to continued global uncertainties, with cuts of 100bps at each of the October and December meetings," Burumcekci said in a note.

In August, Turkiye's central bank raised its inflation forecast for the end of 2026 to 28% from 26% driven by the developments in energy prices.

Markets in general expect the central bank to leave its policy rate unchanged at its next meeting on September 10. However, investors are closely monitoring new tensions in the Iran war.

The data also showed the domestic producer index rose 2.57% month-on-month in August for an annual increase of 27.95%.

Separately, Turkiye's trade deficit widened 22.3% year-on-year in August to reach \$5.2bn, Trade Minister Omer Bolat said on Thursday.

Bolat said imports in August rose by 10.5% to \$28.7bn and exports rose 8.1% to \$23.5bn.

The current account balance is expected to record a surplus in August, according to the presentation of the trade minister.

Boeing predicts Africa aircraft fleet will more than double by 2045

Reuters
Nairobi

Africa's commercial aircraft fleet will more than double by 2045, US plane maker Boeing forecast on Thursday, as a young and increasingly urban population drives demand for travel within the continent and to the Middle East.

Africa's fleet will grow to 1,625 aircraft in 2045 from 755 in 2025, requiring 1,165 airplane deliveries over the next two decades. Single-aisle aircraft, used mainly on domestic and regional routes, will account for 870 of the forecast deliveries, or about three-quarters of the total.

Boeing expects deliveries of 240 wide-body jets, which are typically used on longer international routes, and 15 cargo planes. Passenger traffic within Africa is expected to grow 6.5% annually through 2045.

Africa-Middle East traffic would expand 7.1% a year, the fastest rate among the region's major travel markets. Traffic between Africa and Europe is projected to grow 3.4% annually.

The region's cargo fleet is expected to rise to 150 freighters from 60, supported by growth in logistics, e-commerce and exports.

Carriers including Ethiopian Airlines, EgyptAir and Kenya Airways, whose fleets mainly consist of Boeing and Airbus jets for long-haul routes, dominate the African market.

Boeing's Managing Director Commercial Marketing Africa and Middle East Shahab Matin said Africa's market was "entering a period of sustained growth driven by improving connectivity, expanding intraregional travel and deeper economic ties".

Africa's dominant carriers typically use Embraer, ATR and De Havilland planes on regional routes. But Matin said Boeing could also provide appropriate carriers.

Boeing also estimated that Africa's aviation services market, including maintenance, repair, overhaul, modifications and digital services, would be worth \$140bn over the 2026-2045 period.

Meeting the expansion will require 75,000 additional aviation workers, including 22,000 pilots, 25,000 technicians and 28,000 cabin crew, Boeing said. The forecast is a long-term market outlook rather than an order projection.

Abu Dhabi AI institute releases fully open-source models with training data and code

Abu Dhabi-based research institute IFM on Thursday released six artificial intelligence models together with the data and methods used to build them, challenging an industry trend towards increasingly secretive AI development, reports Reuters.

The K2 Horizon release includes model weights, training data, code, methodologies and intermediate checkpoints, allowing researchers to retrace the models' development process and reproduce results, IFM founder Eric Xing told Reuters.

The move goes beyond the "open-weight" approach used by some Chinese developers, which make models available for download but provide limited insight into how they were built, and contrasts with the more closed development practices of companies such as OpenAI and Anthropic, which neither release their models for download nor disclose the data and techniques behind them.

"Our goal with this release is to establish a reference point for what a truly open model release can look like," Xing said.

He said the release was also intended to show policymakers, regulators and public-interest advocates that "openness and competitive performance are not mutually exclusive." The launch forms part of the UAE's push to establish itself as a global AI hub.

The model family ranges from one designed for smartwatches and other constrained devices to a 375-billion-parameter system for enterprise deployments.

Why oil importers are learning to live with longer trade routes

By Gavin Maguire
Littleton, Colorado

Energy trade routes that optimize distance and costs may no longer be suitable for the fractured and fractious modern world, especially for major importers.

Ongoing tensions involving Iran are pushing major oil importers to develop alternative supply routes, which increasingly bypass the supply hubs that previously dominated global energy trade.

The end result is a shift away from the concentrated energy corridors of recent decades to a more dispersed network of supply lines that cost more and take longer, but help reduce exposure to geopolitical shocks and boost energy security.

Japan's evolving mix of crude oil purchases underscores the extent of the changes underway among top energy importers.

Until the US-Israeli war against Iran triggered a sharp drop in tanker traffic through the Strait of Hormuz, the world's fifth-largest oil buyer sourced over 90% of its crude from Middle Eastern suppliers.

Countries such as Saudi Arabia, Iraq and Iran have historically had supplies that were available in large and reliable volumes and were deliverable to Japan's main coastal refineries via a relatively straightforward 21-day voyage.

Since the conflict disrupted Gulf exports in late February, outbound crude flows from the Middle East have dropped drastically, with total volumes shipped from March through July 40% lower than a year earlier, according to Kpler.

That steep fall in Gulf oil supplies has forced Japan to secure more crude from alternative suppliers, most notably from North America.

Total Japanese crude oil imports from the US from March through June topped 4.5mn metric tons, compared with less than 1mn tons during the same period in 2025.

That more than 400% year-over-year jump in American supplies allowed Japanese importers to offset a 54% fall in shipments from the Middle East and limited the overall decline in Japan's crude supplies over the same period.

However, the switch to US crude comes at a cost, with the journey time nearly nine days longer, driving sharply higher shipping costs and requiring a different delivery schedule for refiners to manage.

Republic of Korea and India — also among the world's five largest oil importers — have revamped their crude origination patterns, dialling up flows from the Americas and Africa as Middle Eastern volumes dwindled.

China, the world's top crude oil buyer, has so far relied heavily on strategic oil reserves to shield itself from the fallout from the Iran conflict.

However, following that lengthy spell of drawdowns, Chinese importers are expected to step up crude import interest again and will likely add to the emerging competition for supplies from the Americas and other regions later in 2026.

For crude oil exporters, the additional demand from global consumers is a boon they will happily ride for as long as it lasts.

Total US crude oil exports during the second quarter — when global buyers turned en masse to alternative suppliers as Middle Eastern flows dried up — scaled a record 61.6mn metric tons, according to Kpler.

That total was 43% higher year-on-year and was more than 10mn tons above any previous quarterly export tally.

But the US was not alone in registering record oil flows this year. Brazil, Argentina, Guyana and Russia also posted record shipments so far in 2026, underscoring the widespread allure of filling the gap left by the Middle East. Some of those nations are new suppliers to several major oil importers, or have never before consistently delivered such notable volumes to such a broad range of buyers.

For instance, Brazilian exporters have shipped three times more crude oil to India during the first half of 2026 than during the same period in 2025, locking in record volumes to Indian refiners.

And some of the journey times involved are much longer than buyers are used to.

The trip from major Middle East oil terminals such as Fujairah and Ras Tanura to India's west coast is usually 3 to 5 days, while the journey from Brazil's Acu crude oil terminal to the same Indian ports takes roughly 25 days.

But from an importer's perspective, having a variety of vendors offers a new source of supply-chain resilience that may outweigh the higher shipping costs.

Several American and African exporters can avoid key shipping chokepoints on their delivery routes, adding to their value in importers' portfolios.

In addition to the Strait of Hormuz, the Suez Canal has seen reduced traffic due to geopolitical tensions this year, while severe drought has reduced water levels in the Panama Canal and forced carriers to reduce load volumes.

Now that major oil importers have grown used to making regular purchases from new suppliers, they are liable to maintain at least some of those transactions as a hedge against Middle East uncertainty.

These purchase patterns have resulted in the emergence of a new energy trade map that is less concentrated, less efficient and more expensive than buyers are used to.

But in an era of widespread geopolitical uncertainty, redundancy can matter more than efficiency. And redundancy tends to take the long way around.

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

As global innovation race heats up, tech pilgrims flock to China

Reuters
Beijing

Humanoid robots working on factory floors, AI models challenging global rivals and electric-vehicle plants churning out cars at breathtaking scale are drawing a new wave of foreign visitors to China.

Investors and entrepreneurs are paying thousands of dollars for rare access to Chinese factories, seeking a front-row seat to what many believe could be the next technological revolution.

The influx reflects mounting fears of a "China shock 2.0", with Western boardrooms and capitals confronting the possibility that Chinese companies are seizing the lead in advanced manufacturing and cutting-edge technologies.

"Right now, people are looking at China as an object of study and learning — a trend that barely existed just a few years ago," says Robert Wu, CEO of Shanghai-based data research firm Baiguan. He noted that visitors often arrive with misconceptions — for instance, assuming China's robotaxi sector leads the US, when domestic policy caution around potential job losses actually keeps it a step behind.

Wu has organised two tours for more than two dozen investors, entrepreneurs and executives so far, charging up to $15,000 for a five-day programme. Around half the participants came from Southeast Asia.

He is part of a growing cottage industry catering to foreign demand for first-hand access to China's innovation ecosystem.

Many attendees avoid publicising their visits. Among those known to have made the trip are US investment firms Dimension, Capital Group and Thrive Capital, as well as US tech podcaster Lex Fridman.

While data on tech tours is scarce, broader industrial tourism is booming. China's industrial tourism sector pulled in $17.8bn last year, according to state media, and is projected to blow past 300bn yuan ($44.6bn) by 2029.

Shanghai-based tech tour agency GloPen says inquiries jumped 50% in 2026 from mostly European and Singaporean clients, and it now runs over 100 single-day company tours every month.

"You cannot grasp the true scale, speed, and physicality of Chinese innovation without standing on the factory floor," says Bertrand Chen, CEO of the Global Shipping Business Network, who joined an April three-city robotics and emerging tech tour organised by Chinese American investor Rui Ma.

Ma, founder of Tech Buzz China and organizer of 11 such tours since 2019, frames it as essential due diligence: "Even if you're not actively investing in China, you're increasingly likely to encounter Chinese companies as competitors, partners, suppliers, or investments in markets around the world."

The circuit spans Beijing, Shenzhen, Shanghai, Hangzhou and Hefei, the industrial powerhouses at the heart of China's electric-vehicle, battery, AI and robotics boom.

World leaders have also flocked to Xiaomi's Beijing auto factory, while Germany's Chancellor Friedrich Merz was famously filmed watching Unitree's dancing humanoid robots in Hangzhou, a high-profile showcase of the country's technological ascent.

None of this is happening by accident.

Beijing has explicitly pledged to "vigorously promote" industrial tourism, designating over 140 official demonstration sites.

Xiaomi's EV factory has welcomed more than 250,000 visitors since March 2024. Demand is so intense that lottery-awarded entry slots are scalped online for up to 2,000 yuan ($300).

Xiaomi told Reuters in a statement that eligibility for visits is determined through an online lottery and tickets cannot be transferred.

For European executives wrestling with sluggish productivity growth and fears of falling behind in AI and robotics, China has become a particularly important destination.

Alex Shengyun Lu, a Shanghai-based AI consultant at Praxis Advisory, has led seven delegations of up to 50 corporate visitors since late 2025 and describes an uneasy mood.

"The smartest people in Europe are acutely aware of the situation. The insecurity is palpable," he says.

Executives typically arrive seeking answers to two questions, Lu said: what they can learn from Chinese companies and from China's state-backed approach to technology investment.

"They are coming here with a genuine mindset of humility and learning." Lu, who declined to name the companies due to confidentiality agreements, says many European executives want to understand how China coordinates AI deployment across provinces at scale and what lessons can be applied back home.

Still, some industry observers caution against overstating China's advantage.

People watch humanoid robots dance at the Unitree booth during the World Artificial Intelligence Conference in Shanghai on July 17. Investors and entrepreneurs are paying thousands of dollars for rare access to Chinese factories, seeking a front-row seat to what many believe could be the next technological revolution.

Singapore's 2026 economic growth seen at 5%

An angler fishes next to the container port terminal in Singapore on Thursday. Economists polled by Singapore's central bank have upgraded their growth outlook for the country for 2026 while making slight cuts to their inflation forecasts, a survey showed on Wednesday, reports Reuters. Around half of the respondents in the Monetary Authority of Singapore's September quarter survey cited a prolonged or escalating conflict in the Middle East as one of the major downside risks for the city-state, while 29.4% of the economists flagged the potential bursting of the AI bubble. The survey was sent out in August with 25 economists and analysts responding. The median forecast for growth this year increased to 5%, up from 3.5% in the previous survey in June, with growth in 2027 projected at 3.1%, up from 2.5%. Singapore's economy grew 5.9% in the second quarter, beating expectations. In August, the trade ministry raised its growth forecast to 4.5% to 5.5% for 2026, from 2.0% to 4.0%. Respondents forecast core inflation for 2026 at 1.9% and headline inflation at 2.1%, lower than the respective 2% and 2.3% projected in the previous survey. Inflation rose 2.0% in July from a year earlier, and the central bank warned that it would stay elevated through the first half of next year.

Japanese investors sell overseas bonds for 2nd week on inflation fears

Reuters
Tokyo

Japanese investors sold foreign bonds for a second straight week through August 29, adding to signs that demand for overseas debt is weakening as persistently high inflation and expectations of higher interest rates roil global bond markets.

They sold a net ¥824bn ($5.20bn) of foreign long-term bonds last week, while net sales of short-term foreign bills were the lowest in seven weeks at ¥9.7bn, Ministry of Finance data showed.

The outflows add to signs that Japan is becoming a less reliable source of support for global bond markets as higher domestic yields and expensive currency hedging reduce the appeal of overseas debt.

That shift could add further pressure on government bond markets, with investors demanding higher yields as inflation stays sticky and public debt remains large.

Global bond yields climbed to multi-decade highs on Wednesday as the war in the Middle East pushed energy prices higher and stoked inflation concerns.

US Federal Reserve Chair Kevin Warsh said last week the central bank would "have work to do" if policymakers were not confident that underlying inflation was returning to its 2% target.

Data released last week showed annual US inflation remained above the Fed's 2% target for a 65th straight month in July.

Japanese investors bought a net ¥35.8bn of overseas stocks last week, marking their third weekly net purchase in four weeks.

Foreign investors, meanwhile, bought a net ¥509.1bn of Japanese long-term bonds in their second straight week of purchases. They also purchased a net ¥16.6bn of short-term bills after two straight weeks of selling.

Foreigners made a modest net purchase of ¥35.8bn in Japanese stocks after net sales of about ¥763.4bn in the previous week.

Why India's strong GDP growth is raising eyebrows

Reuters
New Delhi

India's unexpectedly strong economic growth has sparked a debate after an ex-bureaucrat and a former central bank chief questioned whether the expansion was overstated and the government defended its numbers.

The world's fifth-biggest economy grew 7.8% in the three months through June from the same quarter last year, government data showed on Monday, beating the 7.1% forecast by analysts in a Reuters poll as an investment boom and manufacturing strength added to solid consumer demand.

WHAT'S THE BEEF?

Subhash Chandra Garg, formerly the top Finance Ministry bureaucrat, told Indian media that growth was inflated because the government had reduced its measure of gross domestic product for the year-earlier period, the basis of comparison.

Raghuram Rajan, the former head of the Reserve Bank of India, asked why the robust GDP growth figure is not showing up in stronger results for job creation, domestic investment and foreign portfolio inflows.

Some private economists have also questioned whether the deflator — a number calculated to strip out inflation from nominal GDP to show the "real" growth rate — understated inflation compared with other price indicators.

India's opposition seized on what was initially a social-media controversy to criticise Prime Minister Narendra Modi's government, with a top Congress party official calling the 7.8% growth figure "statistical gymnastics".

Modi's government has been under pressure since youth protesters prompted the education minister to resign in July, in what was seen as a broader expression of frustration over a lack of opportunities and jobs, as well as corruption in education.

WHAT DOES THE GOVERNMENT SAY?

India's statistics ministry called a news conference on Wednesday evening to rebut the criticism from Garg, who wrote a book called "No, Minister" in 2025 about differences he had with the political leadership.

A senior statistics official defended the government's changes in calculating GDP data, saying a shift in methodology implemented in February was the result of wide consultations.

The change, which the government said was meant to more accurately reflect economic conditions, adopted a new data series that reduced the nominal value of GDP for April-June 2025 to 80tn rupees ($850bn) from the 86.05tn rupees reported under the old GDP series.

If Monday's GDP data had used the old base, nominal growth would have been just 2.6%, rather than the 10.3% reported by the government. But the government says simply comparing the two is not apples-to-apples.

The February change not only updated the base year by more than a decade, it also refined the sources of data and the goods and services included. Over the past three years, quarterly revisions have moved in both directions while changes on an annual basis have been relatively small, the statistics secretary told reporters in the briefing.

On price adjustments, the government's April-June deflator was 2.3%, significantly less than retail inflation of more than 4% and wholesale inflation over 9%.

The government says the new measure uses a globally accepted method of double deflation — separately adjusting the value of output and the cost of inputs for changes in prices. The statistics secretary said the new GDP series uses a more granular Producer Price Index, with more than 300 deflators for inputs and outputs, up from about 180 earlier.

DOES INDIA'S DATA ADD UP?

The GDP data is in line with other high-frequency indicators suggesting India's economy is strong. Auto sales rose 21% in August, while bank credit is at a decade-high 19% and India's net direct tax revenue rose more than 23% year-on-year in the April-August period.

By contrast, the Purchasing Managers' Index, a survey-based indicator, has weakened to multiyear lows.

Economists are divided on the issue of the deflator.

Mumbai-based ICICI Securities Primary Dealership said that while the deflator is below wholesale and consumer inflation, this is consistent with input-price pressures rising faster than output prices.

Societe Generale economists, however, said the low deflator raises questions about the strength of real sector activity.

Indian currency of different denominations are seen in the picture illustration. India's unexpectedly strong economic growth has sparked a debate after an ex-bureaucrat and a former central bank chief questioned whether the expansion was overstated and the government defended its numbers.

Euro zone overall business growth holds steady in August, shows PMI

Reuters
London

Growth in the euro zone's dominant services industry slipped to a two-month low in August though solid and broad-based demand kept overall private sector activity on an even keel, a survey showed on Thursday.
The S&P Global Eurozone Services PMI eased slightly to 51.6 in August from 51.7, a tad lower than a preliminary estimate for no change from last month.
The composite index, which combines services and manufacturing, remained close to its long-run average of 52.3, coming in at 52.0 and suggesting the bloc's private sector is expanding at a steady, if unspectacular, pace.
A reading above 50.0 indicates growth.
"August's PMI data puts the euro area on track for a solid quarter of growth in Q3. Momentum in the industrial economy has picked up nicely and the service sector has shaken off the initial weakness seen after energy prices surged at the start of the Middle East war," said Joe Hayes, senior principal economist at S&P Global Market Intelligence.
New business in the services industry — a key gauge of demand — rose solidly again in August, though the gain was driven by domestic sales as overseas orders fell. Still, stronger demand for manufactured goods meant overall private sector export orders rose for the first time in four-and-a-half years.

"August's PMI data puts the euro area on track for a solid quarter of growth in Q3. Momentum in the industrial economy has picked up nicely and the service sector has shaken off the initial weakness seen after energy prices surged at the start of the Middle East war"

Services employment grew at its fastest pace in eight months, extending a positive trend in place since June. Across the private sector as a whole, August marked the first month of net job creation this year.
On prices, services sector input costs and output charges both climbed to three-month highs in August. In the composite PMI, input cost inflation edged down fractionally while output price growth was unchanged.
Price pressures remain elevated by historical standards and above the levels seen before the outbreak of the US.-Israeli war with Iran.
"It's noteworthy that the August data indicated a stalling of the disinflationary trend witnessed since the PMI prices indices peaked in May. Taken alongside the resilience in economic activity as illustrated by the latest figures, the European Central Bank may feel a tightening of policy at next week's meeting is now justified," Hayes added.
Inflation in the bloc rose back above 3% last month, official data showed on Tuesday, and ECB policymakers are expected to raise interest rates on September 10.
Spain and Italy led growth across the euro zone, while Germany posted its quickest expansion since March. France, however, bucked the regional trend, recording its eighth consecutive month of declining activity.

Automakers urge Congress to quickly pass law banning Chinese cars from US market

Electric cars for export waiting to be loaded on a domestically manufactured vessel intended to export Chinese automobiles, at Yantai port, in eastern China's Shandong province (file). A group representing major automakers on Thursday urged Congress to pass legislation barring Chinese vehicles from the US market before the end of the year, reports Reuters. The Alliance for Automotive Innovation, which represents General Motors, Ford, Toyota, Volkswagen, Hyundai, Honda Stellantis and other major automakers, called for quick action. "Right now, Chinese automakers are dumping subsidised vehicles with connected software and hardware around the world," the group's CEO John Bozzella wrote Congress in a letter seen by Reuters. "This hasn't happened inside the US yet, but given the scale and urgency of this threat, we urge you to enact a Chinese vehicle, software and hardware ban before adjourning this year and make this policy the law of the land."

US labour market stable, giving Fed room to focus on inflation

Reuters
Washington

The number of Americans filing claims for unemployment benefits rose marginally last week amid low layoffs, pointing to stable labour market conditions that give the Federal Reserve room to focus on inflation stemming from the Middle East conflict.
The inflation headache was underscored by an Institute for Supply Management survey on Thursday showing a measure of prices paid by services businesses for inputs jumped to a three-year high in August, which economists said suggested that recent inflation was not confined to the goods sector. Rising price pressures have led economists to expect an interest rate hike from the US central bank by year end.
But Fed Governor Christopher Waller said at a Reuters NEXT Newsmaker event on Thursday that he was inclined to argue in favour of keeping rates steady this month if upcoming data confirmed inflation pressures were cooling off.
"The latest surveys offer support for the idea that the Fed will soon raise interest rates," said Stephen Brown, chief North America economist at Capital Economics. "Nonetheless, as Governor Christopher Waller said earlier today, such a decision will still be based almost entirely on the forthcoming CPI and PPI data."
Initial claims for state unemployment benefits climbed 2,000 to a seasonally adjusted 206,000 for the week ended August 29, the Labour Department said. Economists polled by Reuters had forecast 205,000 claims for the latest week.
The number of people receiving unemployment benefits after an initial week of aid, a proxy for hiring, increased 8,000 to a seasonally adjusted 1.779mn during the week ended August 22.
Economists continued to view the labour market as being in a "slow hire, slow fire" mode. A separate report from global outplacement firm Challenger, Gray & Christmas showed planned job cuts by US-based companies increased 58% to 52,881 in August. Still, the tally was the lowest for any August since 2022 and announced layoffs so far this year are down 41% compared to the same period last year.

The Federal Reserve building is set against a blue sky in Washington. The number of Americans filing claims for unemployment benefits rose marginally last week amid low layoffs, pointing to stable labour market conditions that give the Fed room to focus on inflation stemming from the Middle East conflict.

Labour market stability was also evident in the Fed's Beige Book report on Wednesday, which described employment as having risen "very slightly" in August, noting that "healthy labour demand was seen most frequently in manufacturing, construction and some service sectors, while retail and hospitality sectors saw falling labour demand."
The government is expected to report on Friday that nonfarm payrolls rebounded by 56,000 jobs last month after declining 23,000 in July, a Reuters survey of economists showed. The unemployment rate is forecast unchanged at 4.1%.
The anticipated recovery would partly reflect a rebound in local government education payrolls. But some economists believe a second straight month of job losses could not be ruled out after Temporary Protected Status for hundreds of thousands of Haitians recently ended, impacting their work authorization.
Payrolls also have a tendency to undershoot expectations in August.
In the absence of labour market deterioration, economists say a rate hike remains on the table, especially with the ISM survey's measure of prices paid by businesses for inputs rising to 72.6 in August, the highest reading since August 2022, from 70.3 in July. They viewed the high reading as suggesting inflation could stay above the Fed's 2% target for a while.
Higher prices are being driven by strong domestic demand, a combination of consumer spending and an artificial intelligence investment frenzy, which is running into supply constraints.
The survey's measure of new orders received by services businesses surged to 60.9, the highest reading since February 2023, from 57.2 in July. The ISM's nonmanufacturing Purchasing Managers' Index rose to 55.4 last month from 54.1 in July. A reading above 50 indicates growth in the services sector, which accounts for more than two-thirds of US economic activity.
Some of the domestic demand is, however, being satiated with imports, causing a deterioration in the trade deficit. A third report from the Commerce Department's Bureau of Economic Analysis and Census Bureau showed the trade shortfall increased 24.4% to $88.6bn in July.
Imports increased 2.8% to $399.3bn in July. Goods imports shot up 3.7% to $320.6bn. Imports of capital goods jumped $14.4bn to a record high $140.3bn, reflecting strong increases in computers, computer accessories and semiconductors, likely related to the AI buildout.
But imports of industrial supplies and materials, which include petroleum, dropped $1.8bn. Crude oil imports fell $1.8bn amid lower prices.
Exports decreased 2.1% to $310.7bn, with goods shipments dropping 3.0% to $201.0bn. They were led by an $8.7bn decline in industrial supplies and materials, mostly crude oil as well as nonmonetary gold, which is excluded in the calculation of gross domestic product. Capital goods exports, however, increased $1.9bn. Consumer goods exports rose $1.7bn, lifted by pharmaceutical preparations.
The goods trade deficit widened 17.3% to $119.6bn in July. When adjusted for inflation, the goods trade deficit increased 12.7% to $106.4bn, on track to impose another large drag on economic growth. Trade subtracted 1.14 percentage points from GDP growth in the April-June quarter. The economy grew at a 1.5% annualized rate last quarter.

Canada July trade surplus shrinks; US exports drop

Reuters
Ottawa

Canada's trade surplus narrowed sharply in July as exports of energy and metal products shrank while imports rose, just weeks before Washington's new 50% tariffs begin to show up in statistics, posing a stiffer test for Canadian exporters.
The trade surplus was C$769mn (US$557mn), compared with a four-year high surplus of C$4.2bn posted a month ago, Statistics Canada said on Thursday. Economists polled by Reuters had forecast a surplus of C$3.57bn in July.
Exports dropped 2.3%, while imports increased 2.2%.
Amid an escalating trade dispute with US President Donald Trump's administration, Canada has been seeking to reduce its dependence on its neighbour and largest trading partner.
The US accounted for 66.35% of Canada's total exports in July, down from 69.39% in June and 72.64% a year ago.
However, Canada's import dependence on the US has only narrowed to 59% in the last 12 months compared with 62% in 2024.
The July figures, Canada's fifth consecutive monthly trade surplus, extended a run of relatively resilient Canadian trade despite more than a year and a half of US tariffs.
However, Washington's latest duties, imposed last month, will provide a tougher test for exporters in the coming months.
The decrease in exports in July was primarily led by energy products, which account for almost a quarter of Canada's total exports, and 95% of which usually flow south of the border.
Their value dropped 4.4% in July, a third consecutive monthly decline after exports of crude oil decreased by 5.5%, with both prices and volumes falling, StatsCan said.
Exports of metal and non-metallic mineral products, which posted an increase of 15.8% in the prior month, also shrank by 8.5% in July.
As a result, Canada's total exports fell to C$76.14bn, down from C$77.96bn in June, but excluding metals and energy, exports increased 0.6% in July.
The overall decrease in total exports in July was partially offset by higher exports of aircraft and other transportation equipment and parts, which surged by 34.9%.
Imports rose in July to a value of C$75.37bn, up from C$73.76bn, StatsCan said, adding that it was the sixth consecutive monthly increase.
This was led by an 11.4% increase in imports of motor vehicles and parts, mainly from the US
Exports to the US dropped 6.6% in July while imports from the country increased by 1.8%, shrinking Canada's trade surplus with its main trading partner by more than 40% to C$5.9bn.

Oil prices rise on Mideast escalation

Reuters
New York

Oil prices rose on Thursday after US strikes on Iran and renewed Israeli threats against Tehran revived concerns about disruption to Middle East supplies, while comments from Russian President Vladimir Putin signalling openness to peace negotiations limited the gains.
Brent crude futures were up 15 cents, or 0.16%, at $95.78 a barrel by 1.00pm ET (1700 GMT) while US West Texas Intermediate crude futures rose 63 cents, or 0.69%, to $91.64. Both contracts were heading for their fourth day of gains and hit six-week highs earlier in the session.
Iran's health minister said 18 people were killed and 108 wounded in Tuesday night's US strikes across Iran. The Iranian Red Crescent said four people were killed and 67 wounded at a wedding ceremony near the coast of the Strait of Hormuz.
Three Iranian Army pilots were killed in the US strikes, the semi-official Tasnim news agency reported.
The attacks were the most substantial exchange of fire between the US and Iran since July. The war, which began with US-Israeli strikes at the end of February, is in its seventh month.
Israeli Defence Minister Israel Katz renewed warnings that Israel would "cripple" Iran's military and civilian infrastructure, including energy facilities, if Tehran launched attacks against it.
Saxo Bank analyst Ole Hansen said Katz's comments had helped to push oil prices higher.
Comments from Russian President Vladimir Putin indicating openness to peace negotiations with Ukraine could help ease concerns about Russian fuel supply disruptions if attacks on refineries decline and production normalizes, a factor pressuring prices on Thursday, said Phil Flynn of Price Futures Group.
Putin said on Thursday there was a chance of reaching an agreement to end the war in Ukraine. Speaking at an economic forum in Russia's far east, he said a number of countries including the US and China were ready to support a peace settlement.
Six commodity vessels transited the Strait of Hormuz on Wednesday, down from 11 a day earlier and well below the 10-day average of around 13, preliminary shipping data showed on Thursday.
"The oil market remains tight, with oil inventories still declining globally translating into higher prices," said UBS energy analyst Giovanni Staunovo.
Meanwhile, Iran added ships to the list of vessels it deems non-compliant and subject to fines, confiscation or detention if they try to sail through the strait.