

Delegation: The skill that separates owners from operators

By Mohammed Shabeeb

Most business owners think they delegate. They do not. They assign tasks and call it delegation. This is the quiet reason so many owners stay trapped inside their businesses years after they should have moved beyond them. The team is busy. The owner is busier. Nothing gets handed over in a way that actually frees anyone. The owner still signs every cheque, approves every decision, and solves every problem. The business grows up to the limit of the owner's personal bandwidth, and then it stops.

Real delegation operates on three levels. Most owners only use the first

Task. Responsibility. Authority. Task is what to do. Install the system. Deliver the training.

Submit the report. This is the level most owners operate at. Responsibility is ensuring the quality of the outcome. The person who holds responsibility is accountable for whether the result meets the standard and whether the client is satisfied. Responsibility means owning the output, not just the activity. Authority is the power to change the plan when things go wrong. The person who holds authority can make the call. Approve the remedial action. Commit the additional resources. Redirect the team. Employees execute tasks. Managers hold responsibility. Leaders and owners hold authority. What the three levels look like in a single scenario. A client calls on a Tuesday afternoon. A piece of equipment your team installed last week has failed on site. The client



needs it operational by Friday. At the task level, a technician is dispatched to inspect the fault. At the responsibility level, the project manager is accountable for the outcome, verifies the cause, and understands the cost of fixing it. At the authority level, someone decides what to do. Replace

the unit at the company's cost. Negotiate a contribution from the supplier. Pull a technician from another project to meet Friday, delaying that one. These decisions change the plan and commit real money. They require authority. If none of this can happen without the owner on the phone, the business does not have delegation.

Authority must be bounded
The project manager may be authorised to commit remedial spend up to a defined amount, reallocate internal resources within their team, and extend internal deadlines. Beyond that, the decision escalates. Within it, they decide. Boundaries are not a lack of trust. They are the structure that makes trust possible.

Trust is earned through verification
Trust is not a feeling. It is a

conclusion based on evidence. Verify two things first. The value system, meaning the way they make decisions. And the behavioural pattern, meaning how they have handled smaller decisions and escalated correctly. Authority should expand gradually as the evidence accumulates.

Delegation without tracking is abdication
Here is the discipline most owners miss. The person who holds authority must be held accountable for the outcomes of every task and responsibility delegated beneath them. This is what KAI, KPI, KBI, and OKR tracking is actually for. Key Activity Indicators show whether the right actions are being taken. Key Performance Indicators measure the results. Key Behavioural Indicators track

how decisions are being made. Objectives and Key Results tie all of it to the larger strategic goal of the business. Without these, you have handed out authority with no feedback mechanism. The manager flies blind. The owner finds out too late. Tracking is what turns delegation into real accountability. Build the systems first. Add the metrics. Then the authority can follow. Look at the last ten decisions your business made. How many came back to you? If more than three did, you are delegating tasks. You are not yet delegating authority.

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China's economic growth picks up in Q3 as exports boom, consumers balk

China Q3 GDP grows 4.5%, beating forecasts of 4.4%; exports, industrial output drive growth; September retail sales again lag behind industrial output; growth imbalance, trade pushback risks to long-term outlook

Reuters
Beijing

China's economic growth bounced off three-year lows in the third quarter, as roaring exports offset consumers' tight grip on their wallets, though analysts warn the growing reliance on external drivers is deepening structural imbalances.

The 4.5% pace beat consensus forecasts and analysts expect Beijing to reach its 2026 target of 4.5%-5.0% without resorting to additional stimulus, helped by a strong start to the year and some recent modest fiscal and monetary support.

Monday's data showed retail sales again lagging industrial output, while the property market was still in a downturn, having significantly eroded household wealth for the past five years.

Together with last week's releases showing soft consumer inflation and exports soaring by more than a third, a picture emerges of an economy increasingly dominant in global markets but struggling to generate prosperity at home.

Weak domestic demand has pushed Zhang Chao's motorbike headlights company to all but abandon selling in China to focus on export markets, where orders have doubled this year.

"It's too competitive and there's no profit," Zhang, who manages Southeast Asia operations for his firm, said of China. "The barrier to entry is a bit lower overseas."

Weak consumer demand has intensified price wars, forcing com-



Workers operate a silk textile production line at Anhui Jingjiu Silk in Fuyang. China's economic growth bounced off three-year lows in the third quarter, as roaring exports offset consumers' tight grip on their wallets, though analysts warn the growing reliance on external drivers is deepening structural imbalances.

panies to slash costs, including on payroll. Having lost her sales job in June, Laura Shi still road-tripped through China's week-long national holidays in October, but slept in her car on most nights to save on hotels.

"The downside was that I couldn't shower, and there was noise outside," she said.

China's increasingly lopsided growth is prompting the rest of the world to react.

The European Union and China have agreed to limit hybrid car exports to the bloc, but Brussels is planning further curbs as data last week showed September's trade surpluses with Germany and France each jumping more than 200% year-on-year.

"This year's growth figures highlight a deeper rebalancing challenge for the medium term," ANZ analysts said in a note on Monday's data. "Rising trade tensions, protectionist measures and geopolitical frictions pose significant risks to future growth," they said, adding "the economy is exposed to changes in the external environment to a greater extent than policymakers would prefer." The yuan firmed to its strongest level since July 2022

on Monday. China is on track to top last year's \$1.2tn trade surplus despite rising global tensions.

Exports ranging from chicken meat and beauty products to electric cars and prefabricated homes have surged.

Some manufacturers that moved production abroad are coming back, as US tariffs on Chinese goods are now closer to those on rivals such as Vietnam.

"High-tech manufacturing, chip output, new energy vehicles, and export delivery values reflect a competitive industrial upgrading that is real and accelerating," said ITC Markets analyst Andy Ji.

"However, the growth composition remains deeply unbalanced... Growth is export- and state-led. Domestic demand is not yet self-sustaining, and the property sector shows no floor."

Industrial output rose 5.5% in September.

Statistics bureau official Mao Shengyong said the 4.6% growth in the first nine months of the year was "hard won," acknowledging "unbalanced and inadequate development." High-end manufacturing, "the digital economy" and "modern services"

contributed more than 40% of the growth over the period. Even so, Beijing has rolled out fresh support measures, underscoring concerns over lingering weakness beyond the factory sector.

Measures since late September include cheaper credit for infrastructure and tech, modest mortgage subsidies, and more funds for local governments, whose tight finances contributed to a 7.2% fall in fixed-asset investment in January-September.

Economists say the measures are enough to dispel fears of missing the growth target, but remain tilted to the supply side.

"China's export expansion is not without limits," Societe Generale economist Michelle Lam said.

"Without a decisive policy shift toward supporting household incomes and consumption, China is likely to remain trapped in a prolonged period of low inflation and sub-par growth."

On the demand side of the ledger, October's holiday saw average spending per trip fall to four-year lows, while social media flare-ups over gruelling work schedules, low pay and weak labour protections are becoming more frequent.

Asian tech stocks mixed after Wall Street losses

AFF
Hong Kong

Asian stocks were mixed on Monday following a Wall Street sell-off fuelled by growing worries over the AI investment boom, though bargain-buying ahead of upcoming earnings provided some support.

In Tokyo, the Nikkei 225 closed down 0.6% to 64,916.70 points; Seoul - Kospi ended up 1.8% to 5,768.01 points and Shanghai - Composite closed up 0.4% to 3,730.92 points yesterday.

Chipmakers and other firms linked to artificial intelligence were again under pressure owing to concerns about surging inflation, rising costs and questions about when the vast sums pumped into the sector in recent years would see a return.

Last week saw wild swings that ended on a largely positive note on Friday, with markets also spooked by concerns about "neocloud" firm CoreWeave's huge debt pile.

The company's stock price has tanked around 30% this month as yields on some of its bonds soared, reflecting heightened angst over its future.

Reassuring comments from Nvidia chief Jensen Huang on CoreWeave's financial health provided some support to Asia on Friday, but uncertainty remains high.

Investors are looking to a crucial earnings season that sees tech titans Tesla and Meta report this week.

Also in view is next week's Federal Reserve interest rate decision, with bets on a second successive hike after forecast-topping US inflation data. Higher rates hurt tech firms, as many rely on borrowing to fund their huge investments.

All three main indexes on Wall Street ended sharply lower, with the Nasdaq more than 2% down, dragged by giants including Microsoft, Nvidia, AMD and Amazon.

"The US equity sell-off reflected a reassessment of the economics underpinning the AI

investment boom rather than a simple downgrade to end-demand," said National Australia Bank's Rodrigo Catril.

"Investors are increasingly questioning whether future revenue can justify the capital and financing required for data centers, chips and power infrastructure."

And the selling rolled over into Asia, where Tokyo's Nikkei 225 was pulled down by tech investment titan SoftBank as well as Advantest and Tokyo Electron, among others.

However, Seoul jumped 1.8% thanks to a pick-up in chipmakers SK hynix and Samsung.

Elsewhere in the region, Sydney, Shanghai, Bangkok and Singapore rose, though Wellington, Taipei and Mumbai fell. Hong Kong was closed for a holiday.

Jakarta sank more than 5%, extending Friday's plunge of more than 11 percent that came after index compiler MSCI said it was "no longer appropriate" to maintain the country's emerging-market status, fueling fears of an exodus of foreign investment.

Futures on Wall Street bounced.

There was little major reaction to data showing China's economy grew 4.5% in the third quarter, slightly better than forecast in an AFP survey.

Oil prices slipped, but Brent held above \$100 after soaring more than three percent Friday in reaction to a big drop in US commercial inventories.

The latest dip came on the back of signs that supplies continue to leave the Middle East despite Iran's chokehold on the Strait of Hormuz and ongoing attacks by Yemen's Houthis on key Saudi Arabian crude sites.

On currency markets, the euro fell on concerns about the French economy as the country is hit by widespread protests, with President Emmanuel Macron slamming the "unbridled" violence that erupted in cost-of-living demonstrations.

Paris stocks opened deep in the red, while London and Frankfurt also retreated.

Indonesian exchange seeks to calm market after record rout

Stocks down well over 40% in 2026, steepest fall among major indexes; rupiah hovers near record low, Indonesian government bonds also sold; Jakarta officials met virtually with MSCI

Reuters
Jakarta/Singapore

Indonesian stocks suffered the deepest two-day sell-off recorded, while authorities in Jakarta demanded an explanation from MSCI whose warning on Friday that it could strip the country of "emerging market" status next year prompted the rout.

Jakarta's benchmark stocks closed down 3.6% on Monday after plunging 11.6% on Friday, a combined two-session fall steeper than any during the 1998 Asian financial crisis.

The index also hit a six-year low during the session.

The selling began after MSCI on Friday said it was considering shifting Indonesia to "standalone"

instead of "emerging markets" status, a more-severe-than-expected shift that rattled investors and officials. A shift would risk cutting Southeast Asia's biggest economy off from international capital and making it an investment backwater.

The nervous selling flowed through to the Indonesian currency and bond markets. The rupiah weakened to 18,030 per dollar, not far from the record low of 18,190 hit in June, and a slide in Indonesian government bonds pushed the 10-year yield to 7.4%, according to traders, from 7.169% on Friday.

"We did not expect there would be such announcement (from MSCI). Such an unexpected statement caused the market to react in panic," Indonesia Stock Exchange Chief Executive Jeffrey Hendrik said, ahead of a meeting with MSCI seeking explanation.

After the online meeting with MSCI, Jeffrey said Indonesia remained committed to the ongoing capital market reforms it launched after an initial warning from MSCI in January, adding that he could



A worker walks past an electronic board displaying stock movement at the Indonesia Stock Exchange. Jakarta's benchmark stocks closed down 3.6% yesterday after plunging 11.6% on Friday.

not disclose details of the meeting. He also announced two policies to improve market transparency and price discovery. They include the exclusion of stocks with a high concentration of ownership by the same person or entity from the benchmark Jakarta Composite Index "to pro-

vide a more accurate picture of the main index's movements". To try to reduce volatility, the IDX on Monday also reduced the daily down limit on stock prices to 7% from 15%, meaning the exchange will automatically reject any sell orders at lower prices to prevent further falls.

MSCI's move has intensified pressure on Indonesia's regulators and finance officials as investors reevaluate their exposure to Indonesian assets more broadly.

It has also raised the concern of capital flight risk from a country that had been an emerging market favourite.

Its appeal had already decreased since the pandemic, investors say, as confidence waned in Indonesia's fiscal health and the independence of its central bank under President Prabowo Subianto.

Prabowo was meeting with financial officials on Monday to discuss the "current economic condition" two government officials with knowledge of the matter said.

S&P Global Ratings sovereign analyst Rain Lin said MSCI's latest warning was likely to result in additional capital outflows but did not anticipate them to be of a magnitude that would materially increase financing costs.

"More concerning is the potential damage to investor confidence and the risk that sentiment weakens more broadly across govern-

ment bond markets and foreign direct investment." MSCI's warning on Friday follows repeated setbacks for Prabowo's government this year, after Moody's and Fitch cut their sovereign rating outlooks to negative.

It also precedes a policy decision from Bank Indonesia this week. Although the central bank is widely expected to leave rates unchanged, some analysts have raised the possibility of a rate hike to stem the sell-off in the bond market.

MSCI had threatened to downgrade the Jakarta market to "frontier" status in January but said on Friday a lack of progress in remedying its concerns about opacity in ownership and trading behaviour meant even a drop to that status would not reflect the severity of the issues.

Goldman Sachs estimates a full MSCI removal could trigger \$5.6bn of passive outflows. Active funds benchmarked to these indexes hold more than \$8bn, although any selling would be discretionary rather than benchmark-driven, they wrote.

QSTP, Microsoft partner to accelerate Qatar’s startup ecosystem

Qatar Science & Technology Park (QSTP), a member of Qatar Foundation, has collaborated with Microsoft to bring the Microsoft for Startups programme to QSTP’s startup community, giving eligible founders access to Microsoft’s cloud and AI technologies, technical expertise, and go-to-market support. The collaboration is already translating into startup participation. QSTP has nominated 105 startups to Microsoft for Startups, with 47 now active on the programme. The number of active startups has increased from 32 in August, reflecting growing uptake across QSTP’s innovation ecosystem. Through the collaboration, QSTP provides eligible startups with a dedicated pathway into Microsoft for Startups, helping founders access the technology and support

needed to move from early-stage development towards scalable products and businesses. QSTP operates as a national launchpad for science- and technology-driven founders, supporting startups from early validation through incubation, acceleration, scaling, investor readiness and product development. Based in Education City, it works with founders across AI, health and biomed, fintech, sustainability, education, and cybersecurity. The collaboration with Microsoft strengthens that mandate by embedding enterprise-grade technology enablement directly into QSTP’s incubation pathway. Through Microsoft for Startups, approved QSTP startups can access a package designed to reduce early-stage infrastructure barriers and support faster



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product development and growth, including \$100,000 in Azure credits, with the opportunity to extend to \$200,000 over two years based on Azure usage; Azure AI infrastructure and services to build and deploy AI-powered

products; GitHub Enterprise and Visual Studio Enterprise for development at scale; pairing sessions with Microsoft Azure engineers for technical support; Azure support; and go-to-market resources to help founders reach

customers and investors. The impact is already becoming visible. Based on the 47 startups currently active on the programme, the potential value of Azure credits available to the cohort ranges from \$4.7mn to \$9.4mn, depending on usage and eligibility. These figures represent the maximum potential value of credits available under the program and are not a commitment of credits. The 105 startups nominated by QSTP span several stages of development, creating a pipeline through which more founders can potentially access Microsoft’s technology, technical resources, and global startup ecosystem as they grow. Ahmed al-Said, Business Development director, QSTP, said: “Our role at QSTP is to give founders the environment, expertise and partnerships they

need to turn bold ideas into successful technology companies. “It means founders here can build, scale and compete internationally from day one, while contributing to Qatar’s knowledge-based economy and the goals of the Third National Development Strategy (NDS3).” Ahmad el-Dandachi, general manager, Microsoft Qatar, said: “Qatar has created an increasingly ambitious environment for technology founders, but turning ideas into scalable businesses requires access to the right technology, skills and ecosystem. “With 47 startups already active on the programme, we are beginning to see that ambition translate into deployment. This is how we can help more homegrown innovation move from ideas to real solutions, while supporting Qatar’s broader ambitions for a diversified, innovation-led economy.”

Barzah Capital joins QFC’s Digital Assets Lab to advance real estate tokenisation model

The Qatar Financial Centre (QFC) has welcomed Barzah Capital as the latest participant in its Digital Assets Lab, where the Qatar-based company will develop and test its real estate tokenisation model within the QFC’s Digital Assets Framework.

Led by real estate experts, Barzah Capital is building infrastructure to represent property assets as digital tokens, allowing investors to acquire fractional interests in real estate. The company is a 2025 graduate of the Qatar FinTech Hub Pre-Acceleration programme and a portfolio company of Qatar Development Bank (QDB).

Joining the Digital Assets Lab, Barzah Capital will work with the QFC to explore the relevant regulatory pathway as it develops and tests its model. It will also engage with ecosystem partners to gain insights and explore potential collaborations that can help refine its infrastructure and better respond to market needs.

Real estate is one of the most promising asset classes for tokenisation in Qatar. It could create new opportunities for investors by making fractional investment more accessible, while enhancing liquidity and transparency in ownership and transactions.

QFC CEO Mansoor Rashid al-Khater said, “Tokenisation is reshaping how investment opportunities can be created,



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accessed and transacted, with real estate emerging as an important area of potential. “What Barzah Capital is seeking to achieve supports the continued development of Qatar’s digital assets and financial services landscape, while aligning closely with the QFC’s ambition to build a trusted, regulated digital assets ecosystem in line with the objectives of Qatar National Vision 2030 and the Third Financial Sector Strategic Plan.” Mana Ibrahim H al-Mana, founder and chairman, Barzah

Capital, said: “Joining the QFC Digital Assets Lab marks an important milestone for Barzah Capital as we work to build regulated, Shariah-compliant tokenisation infrastructure from Qatar. We are starting with real estate as our first use case, while designing Barzah to support a broader range of real-world assets over time.

“Through the Lab, we look forward to working closely with QFC and its ecosystem to validate our legal, regulatory and technology model and help contribute to the de-

velopment of a trusted digital assets ecosystem in Qatar.”

The QFC Digital Assets Lab supports next-generation digital innovation in Qatar by providing a platform for developing and testing new business models. Through opportunities to explore appropriate regulatory pathways and engage with ecosystem partners, participants in the lab can align innovation with regulatory requirements, refine their solutions and bring market-focused ideas to practical application.



GWC Group Chairman Sheikh Mohammed bin Hamad bin Jassim bin Jaber al-Thani.



GWC managing director Sheikh Abdullah bin Fahad bin Jassim bin Jaber al-Thani.

GWC recognised among *Forbes Middle East’s Sustainability Leaders*

Gulf Warehousing Company (GWC Group) has been recognised among *Forbes Middle East’s Sustainability Leaders* for the fourth consecutive year, ranking among the top 10 in the Transport and Logistics category for 2026.

GWC Group Chairman Sheikh Mohammed bin Hamad bin Jassim bin Jaber al-Thani said, “Logistics plays a fundamental role in economic development, and our responsibility extends to the environmental impact of the supply chains we enable. We see sustainability as essential to GWC’s competitiveness and its ability to support resilient economies. Our ambition is to help businesses grow through logistics services that use resources more efficiently and reduce their environmental footprint.”

GWC is advancing a rooftop solar project through a power purchase agreement (PPA), enabling it to adopt renewable energy and lower electricity costs without upfront capital investment. Spanning Logistics Village Qatar, Bu Sulba Warehousing Park, and Al Wukair Logistics Park, the project has a planned combined capacity of 34.9 megawatts and is scheduled for completion in 2027. Once operational, it is expected to meet 30% of GWC’s electricity needs and reduce emissions associated with purchased electricity.

GWC managing director Sheikh Abdullah bin Fahad bin Jassim bin Jaber al-Thani said, “Sustainability shapes how we govern our business, direct our investments and create long-term value.

This recognition is a credit to our teams, who put that commitment into practice

every day. As we expand across the region, we will continue building the infrastructure and capabilities that support responsible growth and contribute to Qatar National Vision 2030.”

In 2025, GWC Group reduced direct fleet greenhouse gas emissions by 2.4% compared with 2024, supported by fleet upgrades, driver training and route optimisation. The group also diverted more than 2,100 metric tonnes of waste from landfill through reuse and recycling, while its Bu Sulba wastewater treatment facility produced 150,810 cubic meters of treated water for irrigation.

Through its Biobin programme, the group converted 77 metric tonnes of food waste into 30 metric tonnes of organic compost for local farms, landscaping companies and beautification projects across Qatar. Beyond infrastructure and environmental performance, GWC continues to strengthen employee engagement in sustainability through training and awareness programmes focused on energy conservation, water efficiency and responsible resource use.

GWC’s commitment to the UN Global Compact and its annual sustainability reporting reinforce its focus on transparency, accountability and responsible business practices. GWC operates 20 strategic locations with more than 4mn sq m of logistics infrastructure.

The group moves more than 2mn metric tonnes of freight annually, connecting customers through a global freight network spanning more than 120 countries and over 550 freight partners.

Doha Bank launches ‘Ashghaly Bundles’ to support businesses

Doha Bank has announced the launch of the new ‘Ashghaly Bundles’ to support businesses at every stage of their growth journey. The initiative reflects the bank’s commitment to delivering tailored financial services that create value for corporate and small and medium-sized enterprise (SME) customers while strengthening long-term banking relationships. The bundles have been developed to provide businesses with tiered benefits, preferential pricing, and enhanced banking privileges based on their engagement and relationship with the bank. As part of this initiative, Doha Bank has introduced a structured customer segmentation framework Ashghaly, Ashghaly Gold, and Ashghaly Platinum. Each segment offers a carefully curated package of services and benefits designed to support business growth while encouraging greater utilisation of the bank’s transaction banking, cash management, and digital banking solutions. Doha Bank Group CEO Sheikh Abdulrahman bin Fahad bin Faisal al-Thani said, “Ashghaly Bundles reflect Doha Bank’s continued focus on customer-centric innovation and relationship banking. By offering tailored benefits that recognise and reward customer engagement, we aim to create greater value for our customers while supporting their growth ambitions. This initiative forms part of our broader vision to be the preferred banking partner for businesses across Qatar.”



The initiative reflects the bank’s commitment to delivering tailored financial services that create value for corporate and small and medium-sized enterprise customers while strengthening long-term banking relationships

The introduction of Ashghaly Bundles forms part of Doha Bank’s broader strategy to enhance customer experience through customised banking propositions. By leveraging customer segmentation and relationship-based offerings, the bank aims to better address the distinct needs of its corporate and SME clients, enabling more relevant solutions, stronger engagement, and higher customer satisfaction.

Fed sees AI boom adding to inflation headache

Reuters
Cleveland

The artificial intelligence boom, increasingly acknowledged at the Federal Reserve as helping drive inflation, has left central bankers faced with cooling the rest of the economy to lower price pressures amplified by an industry of marquee names like Amazon, Apple and Anthropic considered immune to rate hikes.

Fed officials know their blunt tool of raising borrowing costs lands unevenly. With AI firms spending as if money is no object, economists see the pain of rate hikes falling elsewhere, on firms and families more reliant on credit, or small- and medium-sized businesses that temper their investment plans as borrowing costs escalate.

“There are paths to get there,” ADP Chief Economist Nela Richardson said of the Fed’s 2% inflation goal, unmet for more than five years. “It’s just not every road is open,” with the housing market already weak, for example, and the labor market not seen as a source of inflation through rising wages.

“What’s left? Small businesses, because they need bank loans, consumers who need to fund payments out of debt and credit cards...Maybe the stock market,” seen as supporting consumer spending for wealthier households but often vulnerable to rising rates, she said.

Stocks dropped last week, in fact, after an unexpectedly strong inflation report added to expectations the Fed will have to raise rates higher.

Cleveland Fed President Beth Ham-mack recently pointed to tempered stock market gains and slowed activity outside the AI boom as ways higher rates could cool the economy “at the margins.” “I like



Data centre buildings are under construction in Abilene, Texas. The artificial intelligence boom, increasingly acknowledged at the Federal Reserve as helping drive inflation, has left central bankers faced with cooling the rest of the economy to lower price pressures amplified by an industry of marquee names like Amazon, Apple and Anthropic considered immune to rate hikes.

growth...I’m not trying to stop growth. I’m just trying to pull it back a little bit so that it’s moving at a pace that doesn’t put too much pricing pressure out there,” Hammack told Reuters last Monday. The comments by Hammack and others at a National Association for Business Economics conference flesh out what has been a less-discussed aspect of Fed rate hikes: In what ways could higher borrowing costs filter through today’s economy and lead to slower inflation?

The Fed meets October 27-28 and is expected to keep rates steady at 3.75%-4.00%. Fed officials say further hikes are likely needed and are now debating the pace and extent.

Fed Chairman Kevin Warsh, speaking last week at an International Monetary Fund meeting in Thailand, acknowledged AI investment was a “shock” to prices

and demand even if he sees wealth and productivity gains “over the horizon.”

“If you’re a central banker and you’re in the business of trying to ensure stable prices and full employment, you’ve got to recognise this as a shock,” Warsh said.

What he didn’t speak to was how the Fed might need to react to the building price pressures, and what that means beyond the borders of an industry expected to invest about \$1tn next year, roughly 3% of gross domestic product.

At his press conference after last month’s policy meeting, Warsh said he did not think the Fed would “need to do harm to the labor markets” to return inflation to 2%. Earlier in the summer he noted housing and agriculture were “showing strains” from higher borrowing costs, even though he did not consider credit conditions “restrictive.”