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SERIOUS IMPACT | Page 4

Widespread Microsoft outage triggers global disruption



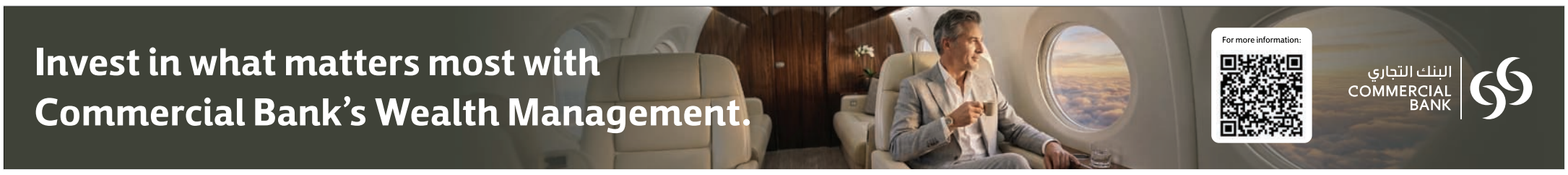
Saturday, November 14, 2026
Jumada II 4, 1448 AH

GULF TIMES
BUSINESS



ECONOMIC FALLOUT: Page 2

Fed's Warsh to take stock of AI as US public turns cautious



Qatar's digital payments volume projected to reach QR181bn by 2028

By Peter Alagos
Business Editor



Data in the 'Qatar's FinTech Landscape' report showed that total digital payment volumes are expected to rise from QR130bn in 2024 to QR140bn in 2025, QR153bn in 2026, and QR166bn in 2027 before hitting QR181bn in 2028

Digital payments remain Qatar's largest fintech segment, with total transactions projected to reach QR181bn by 2028, the Investment Promotion Agency Qatar (Invest Qatar) stated in a report.

E-commerce payments serve as the primary growth driver at a 16% compound annual growth rate (CAGR). In contrast, point-of-sale (POS) transactions expand steadily at a 5% CAGR, according to the 'Qatar's FinTech Landscape' report prepared by Invest Qatar, in collaboration with the Qatar Financial Centre (QFC).

Data in the report showed that total digital payment volumes are expected to rise from QR130bn in 2024 to QR140bn in 2025, QR153bn in 2026, and QR166bn in 2027 before hitting QR181bn in 2028.

Within this total, e-commerce transactions are forecast to grow from QR91bn in 2024 to QR110bn in 2028, while POS volumes increase from QR39bn to QR71bn over the same period.

Digital wallet transactions are also forecast to grow rapidly, reaching QR65bn by 2028 and accounting for roughly 34% of all digital payments, with e-commerce and POS wallet payments expanding at 26% and 21% CAGR, respectively.

Meanwhile, buy now, pay later (BNPL) e-commerce transactions are projected to grow at a 16% CAGR to reach around QR1.42bn by 2028, capturing nearly 5% of e-commerce payments as existing players operate under the regulatory sandbox.

The report stated that insurtech remains a smaller segment, with gross written premiums expected to reach about QR25mn by 2028, representing 0.3% of total premiums across conventional and takaful offerings.

Beyond transaction volumes, the report noted that fintech strengthened its position as Qatar's most active venture sector in 2025, recording 11 deals and accounting for 33% of total venture activity, up from 24% in 2024.

Sector funding climbed 50% year-on-year to reach QR68mn in 2025, supported by notable deals, such as PayLater's QR36mn funding round, placing fintech second only to transport and logistics at QR80mn, the report further stated.

According to the report, Qatar is accelerating its fintech ecosystem under the Qatar National Vision 2030 and the Third Financial Sector Strategy, transitioning from an emerging market into a structured innovation hub.

Ecosystem enablers including Qatar Development Bank (QDB) and Qatar FinTech Hub (QFTH) have invested over QR70mn ($19mn) in pre-seed fintech startups and helped create more than 450 jobs through startup enablement, the report stated.

The report stated that more than 100 fintech startups from over 30 countries have graduated from QFTH programmes, while over 230 fintechs are registered within the QFC and 16 regulatory licensed fintechs operate across payments, wallets, lending, insurtech, and tokenisation.

Furthermore, QFTH has localised more than 55 startups in partnership with the QFC and the Ministry of Commerce and Industry, the report also noted. According to the report, coordinated national frameworks continue to underpin this expansion, including the Qatar Central Bank (QCB) Strategy 2024-2030, which eases market entry processes to increase the number of licensed fintech firms.

The National Fintech Strategy, launched by QCB in 2023, outlines 29 initiatives over five years across foundational infrastructure, growth areas, talent development, and financial inclusion.

Alongside the Third Financial Sector Strategic Plan, which introduces a Fintech Talent Centre of Excellence, the Third National Development Strategy targets the launch of 35 fintech startups and an insurtech hub by 2030, the report added.

US producer prices rise moderately in October

Reuters
Washington

US producer prices rose moderately in October, but inflation at the factory gate posted its largest annual gain in four years, supporting the view that the Federal Reserve could continue raising interest rates after next month's widely expected increase.

Despite the better-than-expected monthly reading reported by the Labor Department on Friday, there were more signs of inflation broadening out beyond energy goods, with food prices increasing by the most in eight months as expensive diesel raised transportation costs. Prices of goods excluding food and energy logged their biggest gain since May.

"There is no silver lining in the report," said Christopher Rupkey, chief economist at FWDBONDS. "It looks like consumers will be on the hook for a fresh burst of consumer inflation. Everywhere you look inflation is pushing forward and making the affordability crisis for Americans that much harder."

The Producer Price Index for final demand rose 0.3% last month after an upwardly revised 1.4% surge in September, the Labor Department's Bureau of Labor Statistics said. Economists polled by Reuters had forecast the PPI climbing 0.4% after a previously reported 1.3% jump in September. The PPI shot up 6.5% year-over-year in October, the largest annual gain since November 2022, after advancing 6.3% in September. The report followed news this week of a stronger-than-expected increase in consumer prices in October.

Producer prices over the month were lifted by a 0.5% rise in goods. Food prices jumped 1.3%, driven by fresh and dry vegetables, chickens, turkeys and roasted coffee. Prices for basic organic chemicals increased 3.9%. Energy prices dipped 0.1%, amid a 7.9% decline in diesel fuel. Still, diesel fuel soared 115.2% on a year-over-year basis in October.

Excluding food and energy, producer goods prices increased 0.5%. These so-called core goods prices accounted for more than 60% of the rise in overall producer goods last month. Goods prices advanced 10.2% in the 12 months through October, the biggest gain in four years.

US stocks opened higher. The dollar was little changed against a basket of currencies. US Treasury yields fell.

Services increased 0.2% after accelerating 1.0% in September. These prices have now risen for five straight months. A 2.0% increase in transportation and warehousing services costs, mostly freight transportation by road, accounted for three quarters of the rise in services inflation.

Germany, France in 'intensive' talks on new ECB president

AFP
Brussels

Germany and France are locked in talks to decide who will succeed Christine Lagarde as European Central Bank (ECB) president, German Chancellor Friedrich Merz said on Friday.

The ECB is the central bank for the 21 countries that use the euro, setting interest rates that influence borrowing costs across the economy, from mortgages to credit-card repayments.

France is believed to be supporting Spain's former central bank head Pablo Hernandez de Cos for the top job, while former Dutch bank chief Klass Knot is also in the running.

Frenchwoman Lagarde said last month she would step down in February, several months before her term officially ends, triggering a race to find her replacement as the euro area faces myriad challenges from rising inflation to France's surging borrowing costs.

The EU wants to appoint her successor before the end of the year but the process is complicated and involves discussions with the European Parliament, the ECB's governing council and a final decision by heads of state and government.

The Eurogroup, which brings together eurozone finance ministers, announced the two candidates last week, praising their "extensive experience and international standing".

Knot, 59, led Dutch central bank from 2011 to 2025.

Hernandez de Cos, 55, chaired the Bank of Spain from 2018 to 2024 and has been leading the Swiss-based Bank for International Settlements (BIS) since last year. French President Emmanuel Macron and Merz are talking directly as they try to thrash out a common position.

Oil market is returning to surplus as Gulf exports recover: IEA

Fourth-quarter oil supply to exceed demand by 1.7mn bpd; IEA had previously forecast a fourth-quarter supply deficit; IEA also gives more details of emergency oil stock release

Reuters
London

The world oil market will return to a surplus in the fourth quarter of this year, the International Energy Agency (IEA) said on Friday, as Middle East exports recover faster than global oil demand despite continued attacks on shipping.
The agency also gave more details of remaining volumes to come from a record release of oil from its members' emergency reserves pledged in March, saying 71mn barrels would be made available by the end of February including 15mn barrels of diesel to ease market tightness. Oil supply will average 105mn barrels per day in the fourth quarter, the Paris-based agency, which advises industrialised countries, said in a monthly report, 1.7mn bpd higher than forecast demand. The IEA had previously forecast a fourth-quarter supply deficit.
"The oil market is showing tentative signs of rebalancing, with global oil supplies surpassing demand for the first time since the outbreak of the war in Iran," the agency said in the report. Oil prices reversed earlier gains after the IEA report was released at 0900 GMT. Brent crude was last down 0.1% at $95.71 a barrel.
The report follows signs that Gulf oil producers are recovering exports disrupted since the start of the war in late February by using workarounds such as so-called dark crossings through the Strait of Hormuz, where tankers switch off tracking signals to evade attack.
The Opec+ group, which includes the Organisation of the Petroleum Exporting Countries and allies such as Russia, pumped 41.23mn bpd of crude in October, Opec said on Wednesday, up about 2.04mn bpd from September and 97% of the pre-war February volume.
Other analysts have also forecast a return to excess supply, despite the lack of a resolution to the Iran war and continuing tanker attacks in the Gulf. JPMorgan last week forecast a global surplus of 1.4mn bpd in October. High oil prices have also curbed demand this year, helping tip the balance into a surplus. World oil demand is forecast to fall by 2.7mn bpd in 2026 to 102.3mn bpd before rebounding by 2mn bpd in 2027, the IEA said, little changed from its previous forecasts.
As well as rising output from Opec+, the IEA flagged supply rising from outside the group. Production from the United States, Canada, Brazil, Argentina and Guyana will rise by 1.6mn bpd this year, the IEA said.
In 2027, global supply is projected to rise by 6.6mn bpd to 108.1mn bpd, led by a further recovery in Gulf output.
Still, the 2027 supply growth forecast is down 1.1mn bpd from last month's report, and the lower outlook partly reflects a downward revision from Iran, the IEA said. Iran is subject to a US blockade that has curbed its oil exports. For 2027, the IEA sees the supply surplus at about 3.8mn bpd, slightly down from a 3.94mn bpd surplus last month.



A view of the logo of the International Energy Agency in Paris. The world oil market will return to a surplus in the fourth quarter of this year, the IEA said on Friday.

BUSINESS

Bond storm of 2026 may be passing, but Fed gusts linger

By Mike Dolan
London

The great sovereign bond storm of 2026 may be clearing, as an apparent truce in the US-Iran war offers investors their first glimpse of calm after months of oil-fueled turmoil.

Oil defined the year in bonds. Washington's shifting tone toward the Iran conflict since last week's midterm elections may be the biggest catalyst going forward.

US President Donald Trump has repeatedly indicated this week that the war is "effectively over," and his administration seems keen to take voters' message square on the chin.

The war was hugely unpopular mainly because it raised US crude and fuel costs, which seeped into broader inflation and, eventually, Federal Reserve interest-rate rises since September.

The combination of fuel-stoked inflation and higher borrowing costs has proven politically toxic before, most recently during the 2024 White House race that Trump capitalised on.

But if this war is indeed effectively over and oil-price risk premia seep away, can bond investors view the eight-month conflict as a bad dream and snap up the multi-decade-high yields on offer?

That question is now central to myriad year-ahead strategies.

Surprise attacks by the US and Israel on Iran in February sent oil prices soaring by halting the flow of a fifth of the world's crude supplies through the Gulf.

Brent crude futures rocketed more than 70% to a four-year high of $120 per barrel in April, before falling below $90 this week.

That, however, is still almost 30% higher than in February.

A deal to keep the Strait of Hormuz open could quickly erase the remaining war premium, but strained refining capacity means it may take even longer for fuel prices to fall.

Average US regular gasoline pump prices slipped on Tuesday below $4 per gallon for the first time since July, according to AAA, but they remain some 35% above pre-war levels.

Data on Tuesday also showed that inflation remains high and is running at almost twice the Fed's target.

Treasury markets have tracked oil closely all year, and yields are well off their multi-decade peaks of just over a month ago.

Like still-elevated energy costs, two-year Treasury yields remain a whopping 150 basis points above their pre-war level. At around 5%, 10-year yields are about 100 bps higher than in February.

Will energy and debt costs now simply deflate if the war winds down? The Fed was expected to cut rates when the war broke out, and some might hope it turns the clock back too. Not so fast. Before Tuesday's worryingly hot consumer price report for October, Fed Governor Christopher Waller threw a curveball by suggesting the central bank may need to get even tougher.

Waller said that a core consumer price rise of 0.3% for October would prompt him to consider a half-point hike at the Fed's December 8-9 meeting, twice the size of the usual Fed increment. That was the reading later in the day, prompting Fed futures to price in an outside chance that next month's hike could exceed 25 bps. Waller argues that officials misjudged policy's effect on the economy: it is not nearly restrictive enough to return inflation to target, particularly with the labor market tightening again.

At annual headline inflation rates almost twice the central bank's target, real Fed policy rates are still close to zero even though unemployment is only 4.1%, the economy is likely growing at more than 3%, and financial conditions are still historically loose.

"Inflation looks like it's starting to go away from our target, not closer," Waller said. "Then you have to be more aggressive (with) your monetary policy."

Dallas Fed President Lorie Logan chimed in later, saying policy was still about 50 bps below the modestly restrictive level required. She said it was possible to "move more rapidly" this winter to get there.

The rhetoric may reflect last month's pre-election pause, but an oil-price swoon would not much alter their destination.

Both officials acknowledged the post-election retreat in energy prices but insisted energy was not the only thing driving inflation. Waller also stressed that damaged refining capacity could delay any further drop in crude prices from reaching retail and business fuel costs.

Steeper rate rises over the next two months could cool the economy faster and clear the air for bonds next year.

The bond market has other issues to contend with beyond oil prices. Ballooning annual budget deficits and rising debt piles are raising questions about debt sustainability and lifting related risk premia, with little political appetite to address them.

What's more, the economic heat of the AI investment boom has stoked inflation and unleashed a borrowing spree by so-called "hyperscalers," a bond binge that puts them in competition with governments for savings seeking top-rated debt.

The political quake at the US midterms may also slow the data-center buildout - and with it the spending, borrowing and GDP boost behind it.

Describing post-election questions around the AI buildout as creating "two-sided uncertainty," BlackRock strategists this week offered one reason for turning more positive on Treasuries last month.

"A material slowdown in 2027, though far from certain, could have significant adverse market consequences," they said. "But it could also ease competition for capital and lower bond yields, while its economic fallout could temper policy initiatives."

■ *Mike Dolan is a columnist for Reuters. The views expressed are those of the author.*

Fed officials to take stock of AI as US public turns cautious

Task force's public AI forum is the only open meeting scheduled in Warsh's Fed reform effort; Fed chief spoke early in his tenure about AI's potential; financial, security and social risks of AI are drawing attention; Warsh named tech leaders to panel to vet AI's impact

Reuters
San Francisco


US Federal Reserve chairman Kevin Warsh.

Federal Reserve officials expect artificial intelligence will reshape the US economy, an idea that proponents of the technology in Silicon Valley have plastered on billboards and TV and pushed in public debate as they channel trillions of dollars into data centers and billions into their bank accounts.

But how the region's new tech boom evolves, and on what timetable, remains a wild card for central bankers responsible for managing inflation and employment in the short term.

In a public forum on Monday in San Francisco, Fed Chairman Kevin Warsh will try to understand better the risks and benefits he and his colleagues may have to balance - from the possible large-scale loss of jobs to the promise of rapid economic growth and falling prices.

The forum, the only scheduled public event of the five task forces Warsh established early in his tenure this year to review issues of major importance to the Fed, will take him to the epicenter of an emerging industry he sees as a "hinge point in history," even as last week's midterm elections sparked a backlash against rapid data center construction and raised the specter of deepening inequality.

For all of AI's disinflationary potential, Warsh is convening the discussion while the frenetic AI buildout is having the opposite effect - driving up prices in a way that increasingly concerns many Fed officials, with no clarity for when it may let up and with the possibility the central bank may need to slow the very thing Warsh sees as revolutionary.

More broadly, what seemed a clear proposition of supercharged growth and buoyant productivity when Warsh spoke while auditioning for the Fed job - he was also an investor in AI firms but sold his holdings under Fed ethics rules - is now at the center of a national debate that could change the industry's trajectory.

Though driven by local politics, the concerns range from local land use to the impact on children's and societal mental health, the potential for stress in financial markets as capital is channeled through increasingly complex AI funding vehicles, and, most recently, risks to national security after revelations about a top tech industry executive's relationship with an alleged Chinese spy.

"We have to make sure that AI is used responsibly and ethically," Oakland Mayor Barbara Lee said recently as she joined a movement to ban local data center construction that has taken root just across San Francisco Bay. "It can't become a tool that compounds the biases that are already built into our systems. It can't be a tool for harm, for discrimination, or for displacement."

It may be difficult for participants in the three-hour forum on Monday to cover the sweeping set of issues that will determine whether AI deployment accelerates or slows, and therefore how deep an impact it might have on inflation, employment and other data the Fed watches.

An agenda published by the San Francisco Fed says the event, including three panels of speakers bookended by comments from Warsh, will offer "input from a wide range of stakeholders on technology's implications for the economy and the labor market." It will be a homecoming of sorts for the Fed chief. He attended nearby Stanford University with some of the tech industry's leading figures and appointed one of them, Marc Andreessen, to chair the task force that will focus on AI, which Warsh has come to call "super intelligence" in line with President Donald Trump's wishes.

Other members of the productivity and jobs task force include Chad Jones, a Stanford University economics professor now working with the internal think tank of AI firm Anthropic, which is on the verge of an initial public offering that would value the company at more than $1tn, and Asha Sharma, who runs Microsoft's Xbox business.

Fed officials began focusing on AI even before Warsh took the helm, with the pace of research and discussion accelerating after the release of the ChatGPT generative AI chatbot in 2022 and the start of breathtaking changes for a technology that a decade ago had trouble telling a cat from a kitchen table.

Thanks to breakthroughs in large language models and the massive assemblage of computing power, AI is now solving advanced math and medical problems, turning novice entrepreneurs into software engineers, and offering bespoke "agentic" services that can do legal or scientific research or take over personal bill-paying and daily planning.

While Warsh initially saw AI as providing a downdraft on inflation through higher productivity - a free ride of sorts that could allow central bankers to keep interest rates lower than would otherwise be expected - he has taken a more nuanced view since arriving at the Fed in May.

The shift reflects the uncertain timetable for productivity benefits, the potentially inflationary investment needed to realise them, and views about job-market impacts that range from a lift-all-boats boost to a Dickensian world of chronic underemployment.

At a forum in Oakland in September, where the city's mayor issued her warning about AI, Fed Governor Lisa Cook, whose academic research focused on innovation, reiterated concerns that AI would lead to "at least a temporary increase in the unemployment rate" and possibly a jump in the underlying level of joblessness.

Fed Governor Michael Barr raised similar concerns on Thursday, saying the US should prepare for "serious short-term disruptions" to the job market depending on how fast AI is deployed and whether it remains broadly available and affordable to businesses regardless of size.

For the moment, though, AI investments are propping up US growth, stock-market gains, and consumer and business spending that might otherwise be unremarkable.

"You have this investment that is truly historic. You are talking railroad-plus-interstate-highways-historic," Richmond Fed President Tom Barkin said recently at a chamber of commerce event in South Carolina where attendees pumped him for insight on what the AI boom might mean. "If that historic investment does not pay off and people scale back, you worry what is going to happen."

Although all the members of the task force Warsh picked are from the tech world, neither they nor the Fed chief will have the last word on how any recommendations find their way into Fed policy.

That matter will be left to officials like Barkin, who said he hoped the discussion on Monday would cover the full landscape of issues.

"I'm hopeful we'll hear the strongest possible evangelist's view, as well as the strongest possible other view," Barkin said. "Then we'll have a chance to wrestle with it."

Mapping the market: Eli Lilly shares ready to rally again

Reuters
London

Shares in Eli Lilly rose more than 70% from their 2026 low to the record high they hit on Thursday, and more gains could be in store, technical analysis indicates.

Technical analysis uses charts of price history to map out where a stock could go next.

When shares are rising, analysts examine charts for something called resistance, a level that could act as a ceiling for the price. Resistance levels are also used as potential targets for the stock.

Finding resistance in shares of a company in record-high territory, such as Eli Lilly, can be tricky.

One thing analysts use is big round numbers. Market participants often focus on these types of levels as potential stopping points in any market. They refer to big round numbers as psychological levels.

Another tool chart watchers use is something called Fibonacci projections - also called Fibonacci extensions -- which are percent-based calculations derived from the scale of a rise and subsequent pullback in a stock.

Fibonacci projections drawn from Eli Lilly's most recent rally from its October 8 low to the November 5 high and then retreat to the November 6 low reveal a potential target of $1,655 - about 16% above Thursday's close, according to data supplied by LSEG. Interim targets along the way would include $1,494, $1532 and $1,579.

Rallies tend to come in phases. Following the early October to early November rally, Eli Lilly shares moved sideways. This is what analysts call consolidation -- when market participants digest gains or losses and prepare for the next move. This is a normal part of any rally, and in Eli Lilly's case it suggests the market is setting up for another leg higher.

When chart watchers start to expect gains, they look to corroborate their view with market measures of volatility and momentum. One is called Bollinger Bands, which use two lines measuring variance from a moving average to gauge volatility.

Another is called the Relative Strength Index, which gauges the speed and scale of a move to determine momentum. Moving Average Convergence Divergence, or MACD, compares two moving averages to produce a reading on momentum.

All three of these tools indicate that Eli Lilly could keep going higher.

However, there is always two-way risk in any market. If Eli Lilly shares were to fall below the $1,377-to-$1,383 price range, then analysts would question whether further gains were possible. A drop below $1,333.22 would probably end the rally story.

Nvidia fallout throws spotlight on Southeast Asia's AI boom

Reuters
Singapore

Southeast Asia's chip and data centre industries expect greater scrutiny after news of former Nvidia CEO Jensen Huang's affair with a suspected Chinese spy put the spotlight on Singapore and Malaysia, executives and analysts said.

US lawmakers from both parties are pushing for tougher restrictions on China's access to advanced artificial intelligence chips after the Huang scandal increased scrutiny of Nvidia's role in US national security.

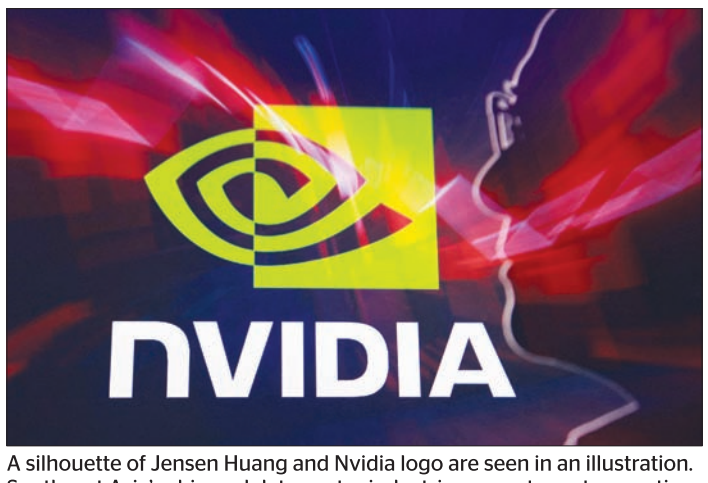
Washington restricts exports to China of Nvidia's most advanced AI chips to protect US dominance of the sector, but lawmakers want to close a loophole that allows Chinese firms to rent computing power from overseas data centres and access the systems equipped with the chips remotely.

Tougher regulations could include new export rules and licensing requirements to Malaysia, Thailand, Indonesia and Singapore, the *Wall Street Journal* reported. The alleged spy, Chinese businesswoman Alice Huang, was an executive at a cloud computing firm in Singapore called Megaspeed that has subsidiaries in Thailand, Indonesia, Malaysia, Australia and the US.

Megaspeed has been under investigation by Singapore authorities since February last year for potential false declarations in relation to the purchase of servers and other related offences.

"After this case, every operator in the chain will be expected to know its end user. Southeast Asian operators will still get Nvidia chips, but proof of where every chip sits and who it serves is now part of the product," said Ke Yan, head of research at Singapore-based investment research firm Shenton Research.

Southeast Asia's data centre industry is thriving. Since 2021, Malaysia has approved 385.7bn ringgit ($94.67bn) of data centre-related investments in the country, according to the trade ministry, while Thailand has 42 data centres, representing 3,400 MW of IT load and about 750bn baht ($22.58bn) in investment as of February.



A silhouette of Jensen Huang and Nvidia logo are seen in an illustration. Southeast Asia's chip and data centre industries expect greater scrutiny after news of former Nvidia CEO Jensen Huang's affair with a suspected Chinese spy put the spotlight on Singapore and Malaysia.

Indonesia's data centre market was valued at $2.81bn in 2025.

Gary Goh, CEO of Malaysia-based data centre consultancy Sprint DC, likened the current situation to a "post-DeepSeek moment". "Once the new rules are out, there will be a lot more restrictions for countries like Malaysia. There could be a short- to medium-term market shock to the Malaysian data centre market," said Goh.

The AI boom has boosted the region, with Singapore in August raising its economic growth forecast to 4.5%-5.5% this year, from 2.0%-4.0%, citing the AI cycle. In Malaysia, rising data centre development projects pushed the construction sector up 6% in the third quarter of 2026. Singapore's and Malaysia's trade ministries did not immediately respond to requests for comment.

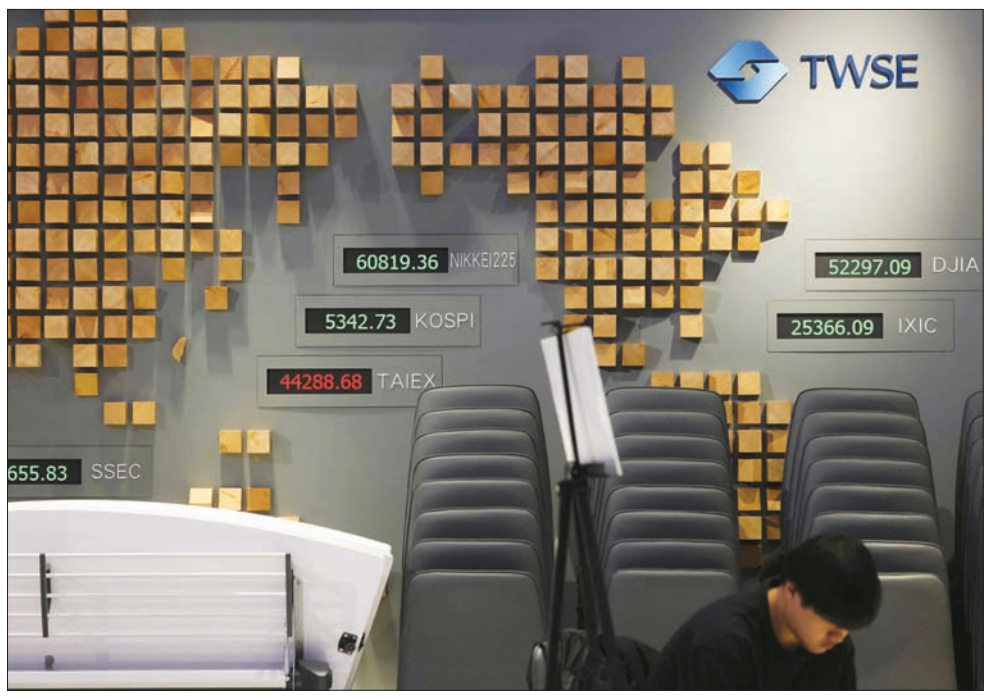
Malaysia on Thursday said it was weighing a law that will allow the government to monitor data centre operations, including their use of high-performance chips, saying it needed to ensure that any chips subject to US restrictions were imported into Malaysia for domestic use, rather than for re-export. An investor and CEO of an Asian neocloud company, who declined to be named, spent Friday morning in calls with lawyers in the US. "Everyone is still figuring out... Maybe every time you export something, there will be additional process to go through. We are worried about more scrutiny which will make it longer for chips to come through," the CEO said.

In February 2025, Singapore said that while 22% of Nvidia's chip sales were booked to entities with operations in Singapore only 1% physically came to Singapore. Singapore has also just charged a fifth person in an AI server fraud case.

Jarick Seet, head of small-mid caps at Maybank, said the region could weather tighter rules. "Singapore itself will be more stringent, I think it's a natural thing that happens. Singapore will tighten rules and the US will tighten rules, but I don't think this will harm Singapore's and Malaysia's prospect of buying chips."

Most Asia stock markets fall as early rally fades

AFP
Hong Kong



Stock market indices are displayed at the Taiwan Stock Exchange in Taipei. Tech firms rallied yesterday in Asian trade on optimism that the AI boom would continue despite the downfall of Nvidia.

Asian stocks mostly fell on Friday, tracking a selloff on Wall Street as traders were spooked by the downfall of Nvidia mastermind Jensen Huang.

In Tokyo, the Nikkei 225 closed up 0.5% to 61,142.35 points; Seoul - Kospi ended down 1.0% to 5,290.53 points; Hong Kong - Hang Seng Index closed down 1.6% to 23,637.60 points; and Shanghai - Composite ended down 0.6% to 3,634.35 points yesterday.

Investors were also keeping tabs on the Middle East crisis after Donald Trump called on Vice President JD Vance to focus on domestic issues rather than negotiations with Tehran, signalling fading interest in a peace deal.

Chip titan Nvidia has been sideswiped since reports emerged that Huang -- a pivotal figure in the artificial intelligence explosion in recent years -- had carried on two extramarital affairs, including with a woman accused of spying for China.

After days of speculation, he stepped down on Thursday in the face of a boardroom revolt. He will be replaced on an interim basis by chief financial officer Colette Kress.

The crisis has seen Nvidia's share price fall about a fifth since news of the first affair broke at the end of last month.

It fell around 14% after Huang's resignation but rebounded on dip-buying to end a little more than four percent down, while it was up one percent in after-hours trade.

While the crisis had raised concerns about the AI boom, which had already been stuttering owing to profitability questions, observers pointed out that business would continue and Huang's departure would not affect short-term projects already in the works.

A Republican senator said Thursday that Huang had been asked to appear before US lawmakers, as had Commerce Secretary Howard Lutnick, who faces scrutiny over the sale of advanced chips to China.

"Recent reports raise serious concerns about our national security and the protection of sensitive U.S. technology. I am requesting that NVIDIA CEO Jensen Huang and Commerce Secretary Howard Lutnick testify before the Senate Banking Committee," the committee's chairman Tim Scott said on X.

The firm's competitors benefitted, with Broadcom and Advanced Micro Devices both rallying in New York, though all three markets on Wall Street ended lower.

Asia enjoyed a more positive start Friday but anxiety over the crisis set in as the weekend loomed. While Tokyo and Taipei remained in positive territory at the close -- albeit at lower levels -- Seoul finished down 1%.

There were also losses in Hong Kong, Shanghai, Sydney, Singapore, Wellington, Manila and Mumbai. Bangkok and Jakarta rose.

"Now that he has taken the decision to resign, the question that needs asking is whether recent events matter in the context of the wider business given that Nvidia is one of the front runners in the AI trade?" wrote Michael Hewson at MCH Market Insights.

"Business is likely to continue as before and with the numbers out next week the noise around its CEO while unwelcome doesn't change the business case for Nvidia, even if it raises some questions about its corporate governance.

"These questions are likely to continue to rumble and there is a danger that Nvidia might become collateral damage in the aftermath as Democrats take aim at a business that has aligned itself closely to the Trump administration."

Traders were also gearing up for next week's market debut of Anthropic, creator of the Claude chatbot, following an initial public offering that is expected to have raised more than $60bn.

The listing is seen as a gauge of how long the AI spending boom can last in the face of concerns about the huge spending on data centres and software, and possible regulation following the Democratic sweep of Congress last week.

Both main oil contracts edged down Friday, having seen big gains the day before after Trump appeared to turn his back on a peace agreement with Iran.

"We don't need a deal with Iran. Those days have long since passed. We've got their money, Hundreds of Billions of Dollars, and we've got their Strait!" Trump wrote on his Truth Social platform.

The comments followed a sharp drop in crude this month on optimism the president would push for a long-standing deal with Tehran after saying he would not restart military action against Iran.

Traders are also keeping an eye on currency markets after the dollar broke back above 160 yen -- the first time since the start of September -- on bets the Federal Reserve will keep hiking interest rates into the new year.

The greenback's advance sparked fresh speculation that authorities will step in to support the Japanese unit.

Jensen Huang's tech superstar status made Taiwanese feel special

Reuters
Taipei


Nvidia's former CEO Jensen Huang.

Mobbed on trips to his birthplace Taiwan by excited fans, Nvidia's former CEO Jensen Huang was for many Taiwanese more than a hero - he helped the diplomatically isolated island feel seen by the rest of the world and instilled a sense of immense pride. His departure from Nvidia has left many reflecting on the loss of a charismatic champion who helped put Taiwan at the centre of the AI revolution, while raising questions about whether his successor can maintain the same close ties with its technology industry.

"Jensen is the physical embodiment of how many in Taiwan see their nation, or at least wish the world would see it: Small but hard-working, nerdy and tech-savvy, the master of a niche, rising from humble roots to becoming a global player," wrote Tim Culpan, founder and editor-in-chief of Taipei-based independent media outlet Culpium.

For decades, Taiwan has played an indispensable role in global technology manufacturing while receiving relatively little public recognition for its contributions.

Huang's rise and his praise for Taiwan's technological prowess helped change that, Culpan wrote. "Thanks to Jensen, Taiwanese felt seen."

Lev Nachman, a political science professor at National Taiwan University, said Huang stood out among prominent Taiwanese technology executives for prioritising local Taiwanese culture, including by speaking Taiwanese rather than Mandarin and frequenting night markets and local businesses.

"I don't remember the last time that a Taiwanese CEO ever prioritised Taiwanese identity in such a way, at least for a domestic Taiwanese audience," Nachman said.

Nachman said the controversy surrounding Huang's relationship with businesswoman Alice Huang carried a geopolitical dimension because she is Chinese and he is Taiwanese.

He said the scandal had brought "a lot of anger and sadness" from a Taiwanese perspective, as Huang had been seen as someone who advocated for the island's people.

Beyond his celebrity status, Huang spent decades cultivating close personal relationships with Taiwan's technology leaders, helping build a supplier network that became the backbone of Nvidia's dominance in AI computing.

During his frequent visits to the island, he hosted gatherings of executives from TSMC, Foxconn, Wistron, Quanta Computer and other suppliers, dubbed "trillion-dollar dinners" by local media after the combined market value of the companies represented.

In May, Huang described Taiwan as the "epicentre" of the AI revolution and said Nvidia planned to invest about $150bn a year in the island.

His relationship with TSMC founder Morris Chang, whose company manufactures Nvidia's most advanced chips, stretched back nearly three decades.

"Without you, Nvidia wouldn't be possible. And without TSMC, the entire world's technology industries today would not be possible," Huang said at a 2023 award ceremony honouring Chang in Taiwan.

Paul P Wang, chairman of the KT Li Foundation and founder of telecom and broadband equipment maker Sercomm, who invited Huang to Taiwan for the ceremony, said Huang's personal charisma had helped bring together the island's most influential technology executives.

"They were like brothers," Wang told Reuters.

Wang said Huang's dual Taiwanese and American identity had also made him an important ambassador for the island, promoting its technological achievements to the world.

But Wang worried that Nvidia's relationships with Taiwanese suppliers could weaken under new leadership.

"With a new CEO, those relationships won't be as close as they were with Jensen Huang," he said. "Those relationships will have to be built again."

For Taiwan, given that the events that brought down Huang contained accusations of Chinese spying, there could also be reputational implications.

Why Taiwan's AI moat trumps Korea's memory bet

By Manishi Raychaudhuri
Hong Kong

As Asia's high-stakes AI race faces its biggest hurdles to date, Taiwan may have an edge over Republic of Korea.

Asia's tech-heavy equity markets have had a tough few months and an even tougher few days. Democrats' sweeping victories in last week's US midterm elections have raised concerns about a slowdown in the AI boom, sending Asian equities reeling.

But the weakness hasn't been doled out equally. Korea's KOSPI has plummeted more than 44% from its June 22 peak, while Taiwan's TAIEX is down only 20% from its October 6 high. Both are still showing strong year-to-date gains, but the KOSPI, up about 17%, now trails the TAIEX, which is up 35%.

The divergence in valuations is even starker.

The KOSPI's forward price-to-earnings ratio (P/E) has fallen from 12.4 in October 2025 to 4.1 on November 6, while the TAIEX's multiple has held within a range of 14 to 20. FactSet consensus forecasts put Taiwan's current forward P/E at 14.4, more than three times South Korea's.

What explains this? The two markets' very different AI exposures.

The fortunes of both markets are inextricably linked to the AI capital-spending boom, but their underlying corporate drivers differ substantially.

Investment opportunities in Taiwan span the entire AI supply chain.

There's Taiwan Semiconductor Manufacturing Co (TSMC) , of course, one of the world's leading chipmakers, which accounts for almost 40% of the TAIEX.

But there's also MediaTek in chip design, ASE Technology in advanced packaging, Hon Hai Precision Industry (Foxconn) and Quanta Computer in server design and assembly, and Delta Electronics in power and cooling systems. On top of this, the TAIEX includes a long tail of technology stocks that collectively account for almost 23% of the index.

In contrast, Korea's AI exposure is heavily concentrated in the deeply cyclical memory sector, through Samsung Electronics and SK Hynix. Together, they account for roughly half of the KOSPI, while all other technology companies combined represent just 6%.

This helps explain why concentration risk worries investors less in Taiwan, even though technology accounts for over 70% of its market capitalisation, according to FactSet, compared with roughly 55% in South Korea.

Republic of Korea's concentration risk is further heightened by the fact that recent growth in its two tech giants has been driven largely by soaring memory prices. This industry is highly cyclical, so any slump in prices could force a sharp cut to earnings expectations - a fear that may have driven losses last week.

Compounding the risk, Korean retail investors have taken on substantial margin debt to buy high-risk single-stock exchange-traded funds, making the market highly vulnerable to more sharp reversals. While margin loan balances fell in July, they rose again in August, September and the first half of October, increasing the risk of amplified volatility if AI sentiment simply continues to head south.

Taiwan's leading technology companies also have a distinct advantage over their Korean peers. They benefit from formidable competitive moats, with dominant positions in critical parts of the AI supply chain. TSMC controls 73% of the pure-play foundry market and between 90% and 99% of the market for the smallest advanced chips. Additionally, Taiwan's Hon Hai, the world's largest contract electronics maker, controls 40% of the AI server-assembly market and is targeting a 50% share within two years.

Replicating Taiwan's complex chip-manufacturing processes would be capital-intensive, time-consuming and dependent on proprietary intellectual property.

By contrast, Korean memory leaders, Samsung and SK Hynix, which currently dominate the industry alongside US-based Micron, have a manufacturing process that is easier to replicate. Consequently, they are already facing growing competition from Chinese rivals such as CXMT, particularly in high-bandwidth memory.

Even given these fundamentals, has the massive valuation gap between Taiwan and Republic of Korea simply become too big to persist?

Taiwan has long had a higher P/E multiple than Korea, with a 10-year average premium of 50%. But the present premium is a whopping 260%, based on FactSet calculations.

Investors have therefore become increasingly jittery about the "buy Taiwan, sell Korea" trade. In October, foreigners' net selling in Korea was a modest $14bn, compared with $31bn in Taiwan.

In the short term, the valuation gap may attract bargain hunters. But as recent selling has demonstrated, Korea's low multiple alone is not enough to reverse foreign outflows as investors reassess returns on AI spending and the durability of the capex boom.

Over the long term, Taiwan's structural tailwinds still appear indisputable. AI may be ushering in a new world, but in finance, wide moats and diversification continue to look like a winning formula - especially when the going gets tough.

■ *The views expressed here are those of Manishi Raychaudhuri, the founder and CEO of Emmer Capital Partners Ltd and the former head of Asia-Pacific Equity Research at BNP Paribas Securities.*

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Germany set for near-record new borrowing in 2027

Reuters
Berlin

Germany is set to raise its borrowing by more than €210bn ($222bn) next year, the second-highest amount since World War Two, after parliamentarians backed a budget plan that Chancellor Friedrich Merz hopes will revive his unpopular government.
Parliament's budget committee agreed the package in the early hours of Friday morning, lawmakers said, after weeks of haggling between coalition partners that saw plans for taxes on plastics and sweetened drinks as well as cuts to social security dropped or delayed.
The budget, which proposes spending of €561bn, is now free to be passed by parliament.
Merz's government has vowed a major push to strengthen Germany's core infrastructure and rebuild its military after decades of underinvestment and last year agreed to ease borrowing limits on defence spending.
But it has struggled to reconcile the competing priorities of his conservative Christian Democrats (CDU) and their centre-left Social Democrat (SPD) partners, who joined forces after last year's election.
Merz, whose personal approval ratings have plunged since his election last year, has promised a wide-ranging programme of reforms to the pension, tax and welfare systems but he has struggled to keep the coalition on course.
"The key event is that they passed it," said Holger Schmieding, chief economist at Berenberg Bank, who said the budget, with no major cuts to welfare spending and the overall tax burden, reflected the problems reaching agreement between the coalition partners.
"From an economic perspective, you would have hoped for a more ambitious budget with some cuts to welfare spending and some tax cuts," he said.
Total new borrowing reached €210.4bn, just under the record €215.4bn recorded in 2021 during the Covid-19 pandemic, the figures showed. That included new borrowing of some €123bn from the core budget, which does not include additional borrowing authorised under special measures to allow greater spending on infrastructure and defence agreed last year. "The budget is based around consolidation, investment and strengthening cohesion," Christian Haase, a CDU member of the parliamentary finance committee, said. "Civil defence, military defence and investment in transport and research, on the one hand, are complemented by a strong welfare state." This week, Germany's Council of Economic Experts forecast economic growth of 1% next year but said the government had to rein in spending on defence and retirement benefits to get runaway deficits under control.


German Interior Minister Alexander Dobrindt and Chancellor Friedrich Merz react, on the day of the 2027 budget debate at the German lower house of parliament.

"It's true that many of the spending cuts proposed by the Council of Economic Experts would not take effect until 2028 or later, and would therefore have no impact on the 2027 budget, but there are still plenty of opportunities for savings," said Cyrus de la Rubia, chief economist at Hamburg Commercial Bank.
"More importantly, however, structural savings must be made that will have a long-term impact," he said. Thorsten Rudolph, an SPD member of the budget committee, said the budget reflected the need to protect working families and children and maintain social cohesion, despite the pressure on public finances. "We make savings to hold the budget together - but not at the expense of what holds our country together and drives it forward," he said. However, opposition parties accused the government of "brazen tricks" to conceal borrowing and spending on basic income support.
Late on Wednesday, officials in the coalition agreed to scrap a proposed tax on plastic packaging materials that had been agreed by cabinet in July, and to delay a tax on sugared drinks until 2028.
They also agreed to roll back plans to cut benefits for the children of low-income families.
A planned cut to an electricity tax that had been championed by Merz was also delayed after the committee failed to reach agreement on €5bn in financing measures to pay for it.
However, Merz said the issue was not finally settled and he expected more discussion in the coalition next week. "I remain committed to my aim of reducing the electricity tax to the European minimum, with the reduction taking full effect from next year," he told reporters in Dublin, where he was attending a European Union summit meeting.

Microsoft's global outage eases after disrupting businesses

Reuters
Washington

A global outage of Microsoft Outlook and Teams was easing on Friday after nearly 24 hours of chaos that crippled online communications, forcing some organisations to revert to fax and halting at least one European bond repurchase. Microsoft said server issues were behind the incident that also affected its Copilot AI assistant and that a broader roll-out of software fixes was stabilising the system. It said it was not aware of any malicious activity and ruled out AI as the cause.
Outlook and Teams are two of the most widely used workplace applications with hundreds of millions of users. The outage prevented people from performing essential functions such as sending emails, managing calendars and hosting virtual meetings.
It affected government agencies from Australia and Japan to the United States, caused delays at trading firms, hindered some companies from publishing earnings and prompted airlines to warn customers of communication lags, according to public statements.
Organisations that host Microsoft services on their own servers, rather than in the cloud, were somewhat spared. The outage, reports of which started climbing around 1725 GMT on Thursday according to Ookla, is one of the longest in Microsoft's history and the second disruption to its services this year.
Microsoft said the outage specifically hit features tied to Exchange Online - its cloud-based email and scheduling hub - leaving unconnected applications operational.
The incident deepens questions about the global reliance on a handful of Big Tech companies that supply both the essential software and the cloud infrastructure that underpins it. It also highlighted the dependence on Microsoft's workplace software, with outage reports spiking as employees began their workdays across Asia and Europe, according to Downdetector's parent company, Ookla. Downdetector logged more than 7.4mn reports worldwide, peaking at nearly 20,000 a minute, more than 1,500 times normal levels.



Executive chairman and CEO of Microsoft Corporation Satya Nadella speaks during the "Microsoft Build: AI Day" event in Jakarta, Indonesia (file). A global outage of Microsoft Outlook and Teams was easing on Friday after nearly 24 hours of chaos that crippled online communications, forcing some organisations to revert to fax and halting at least one European bond repurchase.

"It shows how much of the working day now runs through one provider's email and collaboration tools," said Luke Kehoe, lead industry analyst at Ookla. Microsoft shares were slightly higher in afternoon trading. The stock has gained roughly 8% so far this year.
Disruptions and financial losses from the outage could result in numerous insurance claims, but the overall hit to insurers is expected to be limited, said Mario De Cicco, vice president of European financial institutions at Morningstar DBRS.
De Cicco estimated global insured losses from the incident at between $300mn and $500mn, well below the $400mn to $1.5bn financial toll from the 2024 CrowdStrike outage that crashed more than 8mn Windows-based computers and caused widespread disruptions.
Microsoft also faced an outage with its 365 services in January this year and in October last year. Last month, it reported an outage of its Azure cloud platform that impacted its suite of productivity software, and a range of industries worldwide.
"The bigger worry is that this is not the first Microsoft 365 outage this year," said Josh Gilbert, a market analyst at trading platform eToro.
"If reliability starts to look like a recurring problem, it hands every IT department a reason to think twice before putting even more of their business in one provider's hands."
Still, some analysts have questioned whether such incidents can push customers on to rivals due to the steep switching costs of replacing tools embedded so deeply in daily operations.
A spokesperson for the UK government said it was working with Microsoft to find a solution for the outage that hit organisations such as the NHS and London's Metropolitan Police. Lack of access to emails and other services was impacting the Metropolitan Police's ability to report some crimes online, though its ability to respond to calls was not affected.
The NHS said its local services were turning to alternate measures such as using IT systems or paper records. For businesses, the fallout was widespread.
European exchange operator Euronext reported email disruptions, British insurer Aviva activated backups for its earnings calls and Danish shipping giant Maersk warned customers of delayed updates.

Iraq turns to trucks to export oil in overland Syrian route revival

UCC loads120,000 to 150,000 barrels per day under SOMO contract, Basra Oil Company executive says; deal covers 5mn to 14mn barrels over three months from October 14, document shows; oil ships from Baniyas to Mediterranean refineries in Greece, Italy and Turkiye, source says

Reuters
Basra, Iraq

Outside a depot near Basra, hundreds of tanker trucks queue to load Iraqi crude oil bound for the Syrian port of Baniyas via an overland desert route which had been largely unused for decades.
Iraq, Opec's second-largest producer, has been working to find alternative export routes for its oil since the Strait of Hormuz, its usual outlet, was disrupted by the Iran war.
Despite higher transportation costs, the overland route has also regained appeal because of an end to years of conflict in Syria, two people close to the matter told Reuters.
Although Iraq exports most of its crude from Gulf terminals, the Syrian route has become a small but strategically significant alternative for moving cargoes of heavy crude.
Since last month, Qatari energy group UCC Holding has been shipping Iraqi crude oil by truck to Baniyas, said Bassem Abdul Karim, director general of state-run Basra Oil Company (BOC).
UCC began shipping 120,000 to 150,000 barrels per day (bpd) under a contract with state oil marketer SOMO, with cargo volumes depending on truck availability, Abdul Karim added. UCC and SOMO did not respond to requests for comment.
The crude is being trucked to the Mediterranean port of Baniyas from Iraq's southern oilfields for export to international markets, Abdul Karim added.
UCC already has a fleet of 6,000 trucks which it is expanding to 10,000 for the route, and it currently has around 10,000 drivers, said a person familiar with the deal, adding that about 150,000 barrels are unloaded per day.
"We load crude oil at the Tuba storage facility and transport it to Baniyas, Syria. The round trip, including the return journey to Tuba, takes up to five days," said Ishaq Mohammed, one of the tanker drivers.
Since the deal took effect on October 26, UCC has loaded about 1.6mn barrels, said Luay Jawad, manager of the Tuba storage facility near Iraq's southern oil city of Basra.
UCC plans to load between 5mn and 14mn barrels of heavy crude over three months from October 14 at a discount of $38 per barrel, a document reviewed by Reuters showed.
Volumes are unlikely to rise above that level in the near future because of bottlenecks in truck supply and other constraints, the person familiar with the situation said.
The oil is loaded onto ships in Baniyas for delivery to Mediterranean refineries in Greece, Italy and Turkiye, among others, the person added.
UCC is entitled to about $12 per barrel to cover trucking and related transportation costs through Syria under the deal. Iraq produced nearly 4.5mn bpd in October, about half a million barrels more than a month earlier, according to secondary sources cited by Opec in its latest monthly report.

UK demands remedies in $65bn Unilever-McCormick food deal

Reuters
London

Britain's competition watchdog told food giant Unilever and US spice maker McCormick they must address competition concerns in recipe mixes and sauces or face an in-depth investigation of their planned $65bn food deal.
The Competition and Markets Authority said the companies could offer remedies to address its concerns before a November 18 deadline to avoid a detailed investigation.
An in-depth review can result in a deal being cleared, cleared subject to remedies such as asset sales, or blocked.
Unilever said in March it would combine its food business with Frank's RedHot and French's mustard maker McCormick to create a company worth around $65bn in the second-largest food sector deal on record.
McCormick's UK consumer business includes herbs, spices and sauces sold under the Schwartz brand, while Unilever sells a range of food products including dry sauces and meal mixes under the Knorr, Maille and Colman's brands.
Following an initial review, the CMA said it was concerned the deal could reduce competition in the supply of dry ingredient mixes, such as chilli con carne mixes, and dry sauces, such as parsley sauce, to UK retailers.
The regulator said Nestle's Maggi, Premier Foods' Bisto and supermarket own-brands provide only limited competition in these markets. "This is an expected step in the regulatory process, and we are working constructively with the CMA on a suitable remedy," a Unilever spokesperson said. McCormick also said it was working constructively with the CMA.
Under CEO Fernando Fernandez, Unilever is reshaping its portfolio to focus on faster-growing personal care and beauty businesses. It spun off its ice cream business last year.
The CMA said English, French and American-style mustard are separate markets because shoppers do not view them as close substitutes.
It therefore found no competition concerns from the combination of McCormick's French's brand with Unilever's Colman's and Maille mustards.

Malaysia weighs low-risk aid for AirAsia

Reuters
Kuala Lumpur

Malaysia is weighing how to support AirAsia without risking public funds and will not simply pump money into the private airline, said Anthony Loke, who resigned this week as the nation's transport minister. The finance ministry, not the transport ministry, is still reviewing various options to financially aid Southeast Asia's largest low-cost airline as it grapples with high jet fuel prices and currency swings, Loke told Reuters, citing discussions at cabinet meetings.
AirAsia, unlike state-owned Malaysia Airlines, is a private company, Loke said, and any support would have to take a regulated form. "It has to be a formal kind of arrangement," he said. "Government is not going to pump in money just like that." He declined to provide details about the options under consideration and said Prime Minister Anwar Ibrahim, who is also finance minister, would decide on any conditions.
The finance ministry and AirAsia did not respond to requests for comment.
Loke made the remarks in an interview on Wednesday, a day after he resigned in protest of a High Court decision that allowed former Prime Minister Najib Razak to be released from prison and serve under house arrest the rest of his sentence over his role in the 1MDB scandal. AirAsia, which controls about 60% of Malaysia's domestic aviation market, had current liabilities of 18.4bn ringgit ($4.52bn) as of June 30.



An AirAsia plane takes off at Kuala Lumpur International Airport Terminal 2 in Sepang. Malaysia is weighing how to support AirAsia without risking public funds and will not simply pump money into the private airline.

With AirAsia, the Malaysian government is aiming to strike the right balance, Loke said, "without jeopardising public funds, but at the same time maintaining air connectivity, which is important."
Tengku Zafrul Aziz, a senior political adviser to Anwar who chairs the Malaysian Investment Development Authority, said in a separate interview that any government rescue of a private company must protect the business and its workers, not its shareholders.
The right policy for any government "is not to interfere in the commercial sector," Zafrul said, adding that any government support for a company considered strategic to the country must be justifiable.
Zafrul, who was responding to questions about AirAsia, spoke to Reuters in general terms about government intervention in private companies and described his comments as his personal view.
AirAsia has said it is looking to raise up to $1bn from international debt markets plus 700mn ringgit in local credit facilities.
AirAsia co-founder Tony Fernandes told Reuters last month he expected the $1bn fundraising to be completed between December and February.
At the time, Fernandes denied asking the government for financial assistance, though he said AirAsia would not turn away help if offered.
The finance ministry said last month it had made no agreement or commitment to provide financial assistance to AirAsia, whether in the form of guarantees, loans or public fund injections.