STATE-OF-THE-ART OPERATIONS | Page 4

'Ooredoo to provide FIFA World Cup Qatar 2022 high-quality services'

Saturday, November 19, 2022
Rabia II 25, 1444 AH

GULF TIMES
BUSINESS

FIXED, UNIFIED EXCHANGE RATE: Page 3

Qatari riyal is basis for monetary transactions during World Cup

QFZA chairman stresses investment promotion during World Cup

QNA
Doha

HE the Minister of State and Chairman of the Board of Directors of the Qatar Free Zones Authority (QFZA), Ahmad bin Mohamed al-Sayed, stressed that the QFZA is intensifying co-operation with all concerned agencies in the State of Qatar to make the exceptional hosting of the FIFA World Cup Qatar 2022 a success.

In an exclusive statement to Qatar News Agency (QNA), HE al-Sayed said that the QFZA is investing in this global event, to be held for the first time in the Middle East and the Arab world, to promote the unique investment opportunities available in the State of Qatar and work to attract regional and international companies to invest in the free zones.

The QFZA also seeks to boost long-term partnerships between local and foreign investors to enhance added values and the knowledge transfer, to create more promising opportunities that require technical skills, within the framework of the Authority's long-term strategy aimed at boosting the economic diversification objectives in the country in line with Qatar National Vision 2030, al-Sayed added.

He said that the QFZA takes advantage of this unique global event to introduce the world to the unique advantages offered by free zones in the State of Qatar, and the promising growth opportunities they create for international and local companies by providing advanced infrastructure and superstructures in accordance with the highest international standards, and linking them to global markets, and providing a suitable environment for living and working in the State of Qatar, in addition to providing integrated services that enable investors to manage their businesses from within the country and launch them to the countries of the region and the world.

Al-Sayed highlighted that the QFZA, since its activities kicked off in 2019, managed to boost its position as a global business destination and provide investors worldwide with an environment conducive to their business and opportunities for growth.

HE the Minister of State and chairman of QFZA Ahmad bin Mohamed al-Sayed.

He highlighted that the free zones in Qatar were developed in line with the highest international standards, by providing innovative solutions that create a global competitive advantage for partners and provide many growth opportunities that benefit investors in strategic sectors.

He highlighted the top-notch facilities and infrastructure that take into account environmental factors and sustainability requirements, boost talents and skills, and allow full ownership by foreigners, tax exemptions, and partnership opportunities with Qatari authorities and the private sector, in addition to benefiting from investment funds that help companies develop their business and expand globally.

The QFZA also managed to attract international companies in many strategic and promising economic sectors, including emerging technology, logistics and trade, manufacturing and consumer products, marine services, biomedical sciences, food and agricultural technology, and others, al-Sayed said.

As part of its construction of fan villages, al-Sayed said, the QFZA backed the design and hosting of the largest fan village in Ras Bufontas Free Zone with a capacity of 4,620 cabins along with a variety of public and recreational facilities and restaurants.

Located near the Doha Metro, football fans will be allowed a quick access to stadiums, tourist areas and the FIFA Fan Festival, al-Sayed said, highlighting that the village was constructed, under the supervision of the Supreme Committee for Delivery & Legacy (SC), to accommodate visitors from all over the world, and allow them to stay near Doha, the areas where World Cup matches will be played and the football venues.

HE the Minister of State and Chairman of the Board of Directors of the Qatar Free Zones Authority (QFZA) reaffirmed that the QFZA and the companies based threw their full weight behind backing the country's efforts in hosting an exceptional and successful event by all standards, to help citizens, residents, visitors and all fans worldwide to watch an impressive World Cup.

Qatar, Italy post over 140% y-o-y trade growth in Jan-Aug

By Peter Alagos
Business Reporter

Qatar and Italy recorded a more than 140% year-on-year (y-o-y) growth in trade volume to reach €4bn in the first eight months of 2022, according to data provided by the Italian Trade Agency (ITA) Doha Office.

"It is worth pointing out that the total bilateral trade in 2021 was approximately €3.3bn.

Italy ranks fourth among Qatar's supplier countries after India and before Germany, and it is the ninth destination market of Qatari exports," Italian Trade Commissioner Paola Lisi told *Gulf Times*.

On both countries' top export products, Lisi explained that Italy exported more than €1.1bn in machinery, furniture, fashion, semi and finished products, food and beverage, and pharmaceuticals to Qatar in the first eight months of 2022, registering a more than 45% y-o-y increase. Conversely, Qatar's exports to Italy were mainly oil and gas, and plastics, she noted.

ITA Doha Office is the Trade Promotion Section of the Italian embassy in Qatar. The ITA concluded the second part of its 'Week of Italian Cuisine in Qatar' initiative, which was held in Cucina yesterday. The first part of the initiative was launched in Pizzeria Spontini.

Italian ambassador Paolo Toschi said: "Italian cuisine is one of our ways of transmitting values, along with services and products. Among these values are sustainability and the understanding and empowerment of local traditions that are expressed in cuisine as they are in other forms.

"We know that there is appreciation in Qatar for these values and endeavours, and it goes beyond the simple provision of goods and services, so we're delighted to have Qatari friends explore Italian cuisine."

Regarding the 'Week of Italian Cuisine in Qatar' event, Lisi said a wide range of Italian food products are being exported to Qatar, such as pasta, bakery products, cheese, dairy products, vegetable sauces and preserves, chocolate products, and olive oil.

"The variety of Italian food production is so extensive that we believe it is possible to increase the offer of our products on this market. The total value of Italian food products exported to Qatar during the first eight months of 2022 exceeded €39mn with an increase of more than 75% compared to the same period in 2021," Lisi stressed.

Asked about ITA's partnerships with different hypermarkets in Qatar and the agency's role in increasing Italian food exports here, Lisi said the ITA signed a cooperation agreement with LuLu Group International in 2020 and 2021.

"This is part of continuing efforts to increase knowledge and raise the consumption of authentic Italian products in Qatar. The partnership was fruitful not only for Lulu and the Italian Trade Agency but also for Qatari consumers who now have a wider choice of Italian food products. We are always looking forward to strengthening the cooperation and partnership with Qatari companies in all fields," Lisi said.

She added: "To continue raising awareness and grow the consumption of authentic Italian products in Qatar, we will organise business missions for Qatari buyers to the main international exhibitions that will be held in Italy in 2023, such as Tuttofood, Cibus, and Sigep, among others. We also plan to sign another partnership agreement with a major food retailer in Qatar to bring in more Italian food suppliers here."

Italian Trade Commissioner Paola Lisi.

Italian ambassador Paolo Toschi. **PICTURES:** Thajudheen

QFCRA-licensed banks' local exposure remains the largest in 2021

By Santhosh V Perumal
Business Reporter

The Qatar Financial Centre Regulatory Authority (QFCRA) licensed corporate banks' total assets rose in double-digit in 2021 and their exposure to the local economy remained the largest segment in 2021 but witnessed a slight contraction in proportionate terms on an annualised basis year-on-year, according to its latest annual report.

"Exposure to Qatar remained the largest segment of geographical exposure, however it showed a slight contraction in proportionate terms year-on-year," the report said.

The corporate banks' exposure stood at 42% of the total in 2021 compared to 54% the previous year.

The total exposure to China increased, whereas the exposure to the Russian Federation and Kazakhstan (included in other) remained static on an annualised basis, it said.

The QFCRA-licensed banks' exposure to China (including Hong Kong) stood at 23% against 14% in 2020.

The report found that the exposure to the Gulf Co-operation Council or GCC (excluding Qatar) increased while that to the Middle East and North Africa (excluding the GCC) reflected a marginal decline.

The exposures to the US remained relatively small; however, growth was noted in exposure to the European Union and the UK in particular.

The total assets of the QFC corporate banks increased by 27.2% year-on-year at the end of December 2021 compared to 12.6% the previous year.

Loans and advances remained the largest component, representing 57.4% of the total assets, which showed a decline from 67.7% at the end of 2020.

Investments remained the second largest component of the total assets, representing 21.5% as of December 2021, reflecting a minor decrease year-on-year.

The QFCRA-licensed corporate banks' sector distribution showed that the gross exposure to the financial "significantly" increased year-on-year denoting their reduction in corporate lending and increasing deployment as exposures to banks.

At the end of December 2021, the banks' exposure to financials was 52% compared to 39% the previous year.

The remaining sectors, notably basic materials, oil and gas, construction and transport all remained at similar levels at the end of 2021, albeit representing a smaller proportion of the overall distribution, due to the effect of the increase in exposure to the financials.

On the composition of liabilities of the QFCRA-registered corporate banks, the report said it increased by 40.9% on an annualised basis, mostly attributed to intra-group funding.

"Intra-group funding remained the key financing source of QFC corporate banks, representing 60% of total liabilities as of December 2021, a decrease from the prior year's level of 65.8%," it said.

The proportion of term debt to total funding reported at 26.9% at the end of 2020, decreasing slightly to 22.2%, the report said.

Deposits and current accounts, comprising fixed and notice deposits, decreased to 10.5% of the total liabilities compared to 11.4% as of year-end 2020, it said.

Wall Street economists split on whether Fed cuts rates in 2023

Bloomberg
New York


The Federal Reserve building in Washington. Wall Street's biggest banks agree the Fed will hike US interest rates further into next year, but are at odds over how high it will take them and whether it will be cutting by the end of 2023.

Wall Street's biggest banks agree the Federal Reserve will hike US interest rates further into next year, but are at odds over how high it will take them and whether it will be cutting by the end of 2023.

In a reflection of how tough Chair Jerome Powell's job is becoming, leading economists are split over whether the central bank will need to keep attacking stubbornly high inflation or if the risks of recession and rising unemployment will become bigger concerns.

While there is a broad consensus in predicting the Fed will raise its benchmark rate by 50 basis points to a range of 4.25-4.5% in December and then to around 5% by March, that is where agreement over the outlook ends:

Economists at UBS Group AG see 175 basis points of cuts next year and Deutsche Bank AG predict a percentage point of reductions late in 2023.

Nomura Holdings Inc projects hikes to 5.75% before a retreat to 5%, while Barclays Plc see 75 basis points of cuts in the final four months of the year.

Morgan Stanley, which sees the peak at 4.75%, and Bank of America look for a quarter point cut in December.

Goldman Sachs Group Inc and Wells Fargo & Co anticipate rates peaking at 5.25% and remain there through the rest of the year, while JPMorgan Chase & Co reckons rates will hit 5% and stick there until 2024.

Citigroup Inc sees a peak range of 5.25-5.5% hit by mid-2023, and holding there through the rest of the year.

"Chair Powell has been pretty clear in his communications that the committee has learned one key lesson of the '70s, which is not to loosen rates prematurely even in the midst of a recession. The most compelling reason for Fed to cut rates in 2023 is if inflation falls below 3%. That's not our modal forecast. Indeed our inflation forecast sees 68% chance of inflation between 3% and -5% next year," says Anna Wong, chief US economist at Bloomberg. "Given the uncertainties at play it is understandable that the range of forecasts is so wide," said Jonathan Millar, a senior economist at Barclays in New York.

Although Powell and his colleagues now sound resolute in signalling they will maintain tight monetary policy to return inflation to their 2% target, from 6.2% in September and 7% in June, Millar said he does "not view that intention as credible in our baseline scenario where inflation comes down rapidly and the economy goes into recession."

In markets, the Fed is seen raising rates by a half point in December, in line with the economists' view, with rates peaking near 5% by March with half a percentage point of cuts priced in by December 2023.

Nomura sees the loftiest peak, anticipating the need to fight inflation will force the benchmark in May to 5.75%, which would be the highest since 2001.

UBS is looking for the sharpest policy pivot as it bets on the economy suffering a "hard landing" with unemployment rising to above 5% in 2024.

Its economists note that historically the Fed has changed tack quite quickly once outright job losses are recorded, with the median gap between rates peaking and being cut sitting at just 4.5 months.

In 1984, for example, Chair Paul Volcker's Fed U-turned in six weeks, going from rapid tightening to over 500 basis points of rate cuts. In 1989, Chair Alan Greenspan kept the federal funds rate at its high for just three weeks, before starting a reduction cycle of almost 700 basis points, while he waited 23 weeks to ease in 1995.

Much depends on the labour market creaking. Bank of America Corp analysts say that in the past 16 rate hiking cycles since 1954, average unemployment when the Fed hiked for the last time was 5.7%. It was 3.7% in October.

Deutsche Bank, one of the first to predict a recession, is also looking for a switch in the face of a contraction in which unemployment hits 5.5% and inflation falls to a little over 3%.

Of course, forecasting is dicey work. As recently as January, most economists thought the Fed would be much less aggressive than it has been, according to a survey. Some Fed watchers are now persuaded the Fed's hawkishness will persist alongside inflation, though partly because they bet the economy may hold up surprisingly well despite the central banks constraint.

Goldman Sachs economists led by Jan Hatzius said this week that they now reckon the Fed will lift its benchmark to 5.25% and stay there through the end of next year. Wells Fargo has the same outlook. "Too much easing too soon could interfere with the Fed's efforts to keep growth below potential until inflation is clearly on its way back to target," the Goldman Sachs economists said.

They previously said they see a "very plausible" path for the economy to avoid a recession, which also means inflation could be stickier than the Fed wants. They see a 35% chance of a recession in 2023 compared to the 65% probability assigned by the consensus of economists surveyed by Bloomberg.

Morgan Stanley is expecting the Fed to only start easing in December by a quarter point after a year in which the economy just misses a recession. "Still-high inflation keeps the Fed on hold for an extended period," economists led by Ellen Zentner said in report this week.

Having been wrong-footed by the inflation surge, Fed leaders began hiking rates from near zero in March and moved by 75 basis points at their last four meetings, delivering the most aggressive restriction of policy since the 1980s. They now consistently say they see stable prices as a precondition to protecting the labour market in the future even if that means job losses and weaker growth in the short-run.

"The record shows that if you postpone that, the delay is only likely to lead to more pain," Powell said September 21.

Analysts at Piper Sandler & Co this week told clients the Fed would need to see a majority of five developments before it could pivot:

Inflation excluding food and energy moving credibly toward 2%; declining price expectations; tighter financial conditions; a significant weakening in the labour market; and more time for policy to have an effect.

"This cycle started in March of this year - only eight months ago," Piper Sandler's Roberto Perli and Benson Durham said in a report. "Most likely, it won't be much sooner than March 2023 that the Fed can have a good idea of whether the recent tightening has been enough to curb inflation."

Australia's OZ Minerals backs BHP's improved $6.5bn offer

Reuters
Sydney

BHP Group Ltd has delivered a A$9.6bn ($6.5bn) bid for copper and gold producer OZ Minerals as the mining major moves to take advantage of rising global demand for metals used in clean energy and electric cars.

In what could be the largest mining deal in Australia in 11 years, BHP made a new cash offer of A$28.25 per share yesterday that was 13% higher than a A$25 per share proposal rejected in early August as "opportunistic" and undervalued.

If the deal goes through, it would be the largest mining buyout in Australia since Barrick Gold bought Equinox Minerals in 2011 for $5.78bn, according to Dealogic data.

OZ Minerals shares shot 4.14% higher yesterday to $27.93, its highest point since April. BHP's shares rose 0.6% to $44.06 against a 0.3% gain in Australia's S&P/ASX200.

The bid was recommended by the OZ Minerals board in the absence of a higher offer.

The new offer is a 49.3% premium to OZ Minerals' A$18.92 trading price in August before BHP's first bid emerged.

BHP's second bid comes amid strong demand for battery metals due to the surging popularity of electric vehicles.

Buyout activity has been ramping up in the mining sector, emphasised by Rio Tinto's recent play for Canada's Turquoise Hill to gain control of its Mongolian copper mine.

If OZ Minerals deal goes through, it would allow BHP to consolidate copper assets in South Australia. OZ's mines Prominent Hill and Carrapateena lie next door to BHP's Olympic Dam mine and smelting operations. The deal would also add to BHP's Western Australia nickel operations, from which it already has a deal to supply Tesla Inc and and Toyota.

OZ said in September it would invest more than $1bn in its West Musgrave mine in Western Australia. The mine is expected to produce about 35,000 tonnes of nickel and 41,000 tonnes of copper annually in its first five years of production.

"I don't think these are the most amazing assets in the world, but there are synergies for BHP, and it's easier to develop projects in Australia than some other jurisdictions," said Andy Forster, senior investment officer at Argo Investments, which has holdings in BHP.

BHP has said its revised offer is its "best and final" in the absence of a competing proposal.

OZ Minerals decided to grant BHP exclusive due diligence for a month starting from November 21. "BHP's revised proposal is a clear reflection of OZ Minerals' unique set of highly strategic, quality assets...growth pipeline of copper and nickel assets in strong demand due to global electrification," said chief executive officer Andrew Cole of OZ Minerals.

Danish fund cuts China exposure in $100bn portfolio

Bloomberg
Copenhagen

PFA, Denmark's largest commercial pension fund, has exited two Chinese clothing manufacturers and is discussing how to handle its other China holdings amid an evolving risk environment.

The Copenhagen-based fund, which manages about $100bn in assets, has sold out of Anta Sports Ltd and Li Ning Co, Rasmus Bessing, chief operating officer at PFA Asset Management, said in an interview. The holdings were worth around $4.2mn, he said.

"We see China and the political development and believe that there is an increased political risk associated with Chinese companies," Bessing said. PFA hasn't acted "solely due to political reasons," but such considerations are "an increasing concern," he said.

PFA is the latest institutional investor to retreat from some China holdings. Earlier this year, Norway's sovereign wealth fund, the world's biggest, excluded Li Ning from its portfolio, citing the risk of human rights violations in the Xinjiang Uyghur Autonomous Region.

Chinese authorities are accused of detaining more than 1mn Uyghurs and other ethnic and religious minorities in "re-education" camps. The US has characterised the situation as an ongoing genocide, while the UN has condemned the human rights abuses it says are taking place there.

China has rejected such allegations as "lies and disinformation."

Allegations of human rights abuses have contributed to the most marked deterioration in relations between the US and China in years, recently exacerbated by outgoing House Speaker Nancy Pelosi's decision to visit Taiwan. A face-to-face meeting earlier this week between President Joe Biden and President Xi Jinping eased tensions, though for how long is yet to be seen.

Other investors pulling back from China include Chase Coleman's Tiger Global Management, Prosus NV, Warren Buffett's Berkshire Hathaway Inc and Japan's SoftBank Group Corp. Van Lanschot Kempen NV started blacklisting a number of assets from China earlier this year, after developing a new screening tool to catch environmental, social and governance risks. Texas and Florida pension funds are either cutting allocations or halting new investments in China.

But many investors also point out that China, unlike Russia, is almost impossible to avoid.

Bill Ford, chief executive of General Atlantic, said on Wednesday the firm's investment in TikTok parent ByteDance Ltd. has brought with it political scrutiny both from the Chinese government and from the US authorities.

"I think what that's meant for all of us is that the level of risk is higher," he said at the Bloomberg New Economy Forum. But for investors, China is "too big to ignore," he also said.

And some of the world's biggest asset managers, including Franklin Templeton Investments, are now piling into China, hoping for a surge in growth on bets that Covid restrictions will ease. That's as analysts at Goldman Sachs Group Inc turn bullish on China's equity markets.

PFA has for years declined to invest in Chinese sovereign bonds because of ESG and risk-return considerations, Bessing said.

The fund makes selective investments in Chinese companies, though it's "sometimes difficult to exactly know how much the state does actually control these entities," he said.

In the case of its recent divestments, Bessing says PFA "had concerns and tried to initiate a dialogue about our concerns, but it did not bring us anywhere." That "illustrates a challenge," he said. "When will it make sense to engage in active ownership dialogue? It is not easy, but our conclusion is that we'll consider on a case by case basis, also when companies have strong ties to non-democratic regimes."

Scandinavian pension systems are ranked among the world's best by the Mercer CFA Institute Global Pensions Index 2022, with Denmark topping the list alongside Iceland and the Netherlands. The ranking measures a system's ability over decades to provide adequate income to retirees. In 2020, the index was expanded to look at how well pension funds address ESG risks. ATP, Denmark's government-mandated pension fund with around $100bn in assets, said it's watching the situation in China closely. It still holds Chinese assets including sovereign bonds, and will continue to do so until the Danish government tells it otherwise, Ole Buhl, head of ESG at ATP, said in an interview.

"We are not policy makers, we are policy followers," he said. "We acknowledge that there is a level of geopolitical tension right now, but at the same time there has not been taken a decision that we as investors should stop investing in Chinese sovereigns."

The fund has previously sold off Chinese, as well as European and US assets, because of ESG breaches, Buhl said.

Bessing of PFA said it's clear that ESG is becoming an increasingly relevant investment tool.

"What we have seen in most recent times, especially in regards to Russia, is just a geopolitical change that has brought the political landscape to a more escalated state, to say the least," he said. "This makes the political risk more present in our evaluation."

What if emerging markets dodge the default wave?

Bloomberg
London

Emerging markets are under pressure from rising debt, slowing growth, and soaring yields. Sri Lanka has already joined the ranks of Lebanon and Zambia with an historic failure to pay. But the panic may be overdone. Our model shows that risks concentrate in small economies, and that most big developing countries will likely remain immune even if pressure on frontier markets intensifies.

We've built a model to quantify the risk of default in 41 emerging countries over the next 12 months. Eleven countries have a default probability above 10%. The most exposed nations constitute a small share (3%) of the world economy. Many, such as Pakistan and Ghana, are either seeking support from the International Monetary Fund or already receiving it. That should help contain contagion risks.

Larger economies such as Brazil, India, Indonesia, and Mexico are immune even if pressure on vulnerable countries intensifies. Turkiye may not be so lucky. This is a stark difference from the 1980s when large emerging markets got into trouble.

Five ingredients are combining to ratchet up the risks from emerging-market debt.

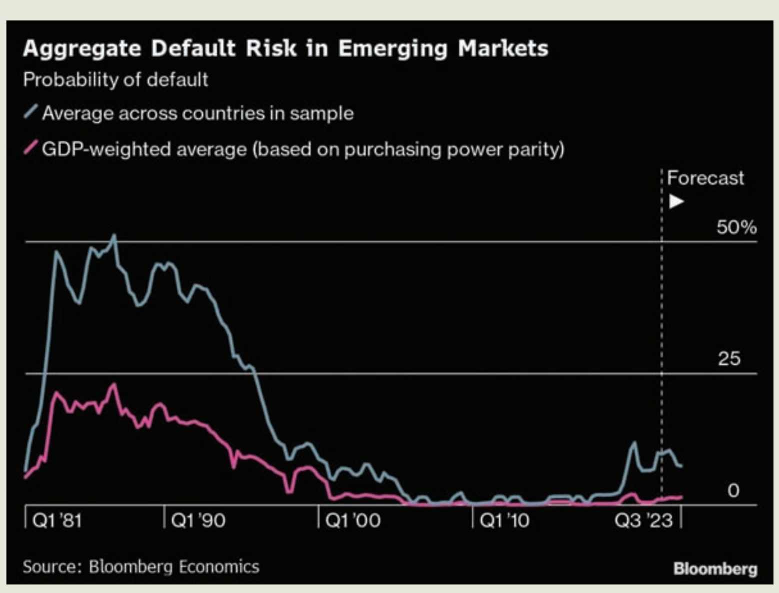
First, the stock of borrowing in developing economies has risen from just over half of annual gross domestic product in 2019 to almost two-thirds this year. The pandemic led to an increase in public spending and a fall in tax intake in that span.

Second, global interest rates are rising at a speed not seen in four decades. The tightening will make it more burdensome to service debt denominated in foreign currency.

Third, weaker exchange rates in emerging markets are adding to the cost of external debt.

Most currencies have depreciated by double digits against the dollar since the end of 2020. Governments receiving revenue in local currency and servicing debt in foreign currency will feel stretched.

Fourth, central banks in developing nations have been hiking interest rates even more aggressively than the US.



This may tame inflation and prevent further weakening of the currency, but it's adding to the public debt burden.

Last, but not least, defaults in Belarus, Russia, and Sri Lanka are raising the question of who could be next.

We took this question to our models. They combine the ingredients above (debt, interest rates, exchange rates) with other signals (financial market conditions, for example) to produce an estimate of the probability of sovereign default over the next 12 months for 41 countries.

The results? Excluding those already in default, 11 other economies have a nonpayment probability of 10% or higher in the coming year. The list includes Argentina, Ecuador, Ethiopia, Kenya, Pakistan, and Tunisia. They combine weak fundamentals — most have debt in excess of 60% of GDP— with a lack of support from financial markets, with most yields on dollar debt exceeding 20%.

At the other end of the scale, Indonesia, the Philippines, and Vietnam are least likely to default. Their stock of debt is more modest, with most at less than 45% of GDP. They're experiencing relatively fast growth, most over 5% annually. And financial markets are rewarding them with relatively low interest rates. To be sure, our analysis doesn't capture all the drivers of default. One missing factor is politics, which can pressure countries into prioritising imports of essential items like food and medication over debt servicing. Regulatory factors also can force financially viable countries into nonpayment, as was the case with Russia. Still, our models are a useful attempt to convert economic and financial data into default probabilities.

Our results are broadly consistent with data from financial markets, but there are notable differences. South American countries, such as Uruguay and Peru, are historically vulnerable to sovereign crises in their neighbours, such as Argentina and Ecuador. These economic linkages lead to higher default probabilities than financial markets would imply.

Another difference is Egypt, where we attach lower relative risk than markets do. Our country-level analysis agrees with this assessment: Egypt is more likely to address its problems through currency weakness than nonpayment of debt.

Our models show that rising debt, higher yields, and slowing growth are raising the risk of default in emerging markets. The consolation: A 1980s-style debt crisis still looks unlikely.

Fewer countries are at risk of default today compared with four decades ago. Our aggregate likelihood score, which weighs all countries equally, is currently near 10% — almost five times lower than its mid-1980s peak.

Qatari riyal is basis for monetary transactions during World Cup

QNA
Doha

The logo of the riyal — Qatar's national currency, symbolises the country's economy and is the basis of its monetary transactions.

As the guests of the FIFA World Cup Qatar 2022 begin to arrive, they will be using the Qatari riyal in cash transactions, in restaurants, shopping malls, hotels and stadiums.

The State of Qatar is characterised by the absence of a 'black market' for currency, which means that the World Cup guests will enjoy the advantage of a fixed and unified exchange rate.

Qatar Central Bank (QCB) has adopted a policy of fixing the exchange rate of the Qatari riyal against the US dollar at the level of 3.64 riyal/dollar, considering that the cornerstone of its monetary policy.

The adherence to the peg was highly credible, enabling it to be officially approved by Decree No 34 issued in July 2001.

Local commercial banks and exchange shops deal with the public at the exchange rate set by QCB for the riyal against the dollar, with the addition of a small margin in the range of 0.24 %.

Banks and exchange houses deal in other currencies at the exchange rates that are determined according to the exchange rate of the riyal against the dollar on one hand, and the prices of those currencies against the dollar as in global markets, on the other hand.

A total of 32 countries qualified for the FIFA World Cup Qatar 2022: 13 from Europe, 4 from South America, 5 from Asia — along with host country Qatar, 5 from Africa, and 4 from North, Central America and the Caribbean.

Qatar's national currency, the riyal, will unite the fans of these teams who are coming from all around the globe, with their different languages and national currencies.

The Qatari riyal has gone through many stages since it was first issued in 1973 until now, as after Qatar's independence in 1971 and its quest to achieve its national renaissance, the country began building state institutions and entities.

The national currency, which is among the stable and strong national currencies at the global level, was minted due to its association with one of the strongest Arab economies.

The national currency is one of the most prominent concepts in economic activities that have witnessed a wide development over the past decades and centuries, which are closely related to the development of economic sciences and the massive expansion situation that the world has witnessed during the past two centuries in particular.

In May 19, 1973, the Qatar Monetary Agency minted the first Qatari riyal banknotes, which included denominations (1, 5, 10, 50, 100, 500 riyals). The designs of the first issued edition of the Qatari riyal carried images inspired by architecture and manifestations of architectural development in Qatar, including prints of ports, mosques, and other buildings such as the National Museum at the time.

These banknotes were made using the latest security technologies used at the time, including fluorescent ink and security tape, and of high quality paper.

The printing of the second issued edition of Qatari banknotes began in 1981, on which new images have been printed, including a steel factory and agricultural activities, as well as developed copies of previous images, such as the image of the Qatar National Museum.

After that, QCB took over the task of issuing the third edition in 1996, followed by the fourth issue in 2003.

Minor modifications were made to the designs of banknotes, including changing the name of the authority responsible for the issue. On the occasion of Qatar National Day December 18, 2020, QCB launched the fifth issued edition, which included 7 denominations of banknotes (1, 5, 10, 50, 100, 200, 500 riyals) — introducing the new denomination of 200 riyals for the first time in the history of Qatari currency.

The latest edition was distinguished by unique designs that reflect the history of the State of Qatar, such as the National Museum of Qatar, the Museum of Islamic Art and the palace of Sheikh Abdullah bin Jassim al-Thani.

The fifth edition of the Qatari currency also included high standards, the most prominent of which was the QR500, which is the first denomination in the world to carry accurate and compact optical tape Nexus as a unique security mark provided by the printing company, which is an upgrade and a combination of the latest set of security tag threads.

This new security feature helps ensure that QCB is at the fore in anti-counterfeiting technology and protects banknotes from being tampered with.

The fifth issued edition of Qatar Central Bank (QCB) banknotes won the High Security Printing (HSP) Banknote Collection Award across Europe, the Middle East and Africa (EMEA) for 2021.

It is noteworthy that the qualifying countries for the FIFA World Cup Qatar 2022, which will be held from November 20 to December 18, 2022, are: Qatar (host), France (current champion), Germany, Denmark, Belgium, Croatia, Spain, Serbia, England, Switzerland, Holland, Portugal, Poland, Wales (for Europe), Brazil (record holder of five victories), Argentine, Ecuador, Uruguay (for South America), Iran, South Korea, Japan, Saudi Arabia, Australia (for Asian continent), Mexico, Canada, USA, Costa Rica (for North and Central America and the Caribbean), Ghana, Senegal, Morocco, Tunisia and Cameroon (for African continent).

Asian bourses mixed as caution over rate outlook dulls sentiment

AFP
Hong Kong

Asian markets were mixed yesterday as caution permeated trading floors and investors tried to gauge the outlook for Federal Reserve monetary policy after several officials tried to temper optimism over signs that inflation is slowing.

While the week has been broadly positive for equities following softer-than-expected US consumer and wholesale price figures, a strong reading on retail sales and jobless claims showed plenty of resilience to higher interest rates.

With that in mind, St Louis Fed President James Bullard warned more hikes were needed to bring inflation down from four-decade highs, adding that they might need to go as high as 7%.

That was followed by Minneapolis Fed boss Neel Kaskari saying he had not witnessed much evidence that underlying demand was cooling and did not want to forecast when the tightening would end.

The comments came after a similar message from other policymakers, who have sought to calm markets, which soared in the wake of last Thursday's consumer prices reading. They also fuelled fears among traders that the sharp tightening campaign — including four straight bumper 0.75-point increases in a row — would tip the world's top economy into recession.

On Wednesday, Kansas City Fed chief Esther George said it was unclear how the bank can douse inflation "without having some real slowing" or even a contraction.

"Bullard's comments are all the more surprising given that there is clear evidence that inflationary pressure is starting to slow more than expected," said CMC Markets analyst Michael Hewson. "Consequently, Bullard's views may well be a minority view at this point, but it still shows how sensitive markets can be when it comes to the eventual destination of the terminal rate."

Wall Street's three main indexes ended in the red, and Asia struggled to hold on to the morning's momentum.

Hong Kong turned negative after a strong start, even as tech firms rallied and after China indicated it would ease back on some of its strict Covid restrictions and help its troubled property sector. Tokyo, Shanghai, Singapore, Taipei and Mumbai were also down, though Sydney, Seoul, Wellington, Manila, Bangkok and Jakarta edged up.

"The market believes that inflation is on the downtrend.

We also believe that, but the fact of inflation having peaked is not a reason for the Fed to turn and cut rates," Paul Christopher, at Wells Fargo Investment Institute, told Bloomberg Radio.

"That's the fundamental disconnect that still exists between the Fed and the market." And SPI Asset Management's Stephen Innes added: "Things can turn on a dime, primarily when the fear of missing (out) drives sentiment.

"However, the odds of a pre-Thanksgiving rally are giving way to the hawkish Fed drumbeat and pushback on China reopening plays."

The pound clawed back some of the losses suffered Thursday after Britain unveiled a budget with 55bn pounds ($65bn) of tax hikes and spending cuts that traders fear will deepen a cost-of-living crisis and a recession that could last two years.

In Tokyo, the Nikkei 225 closed down 0.1% to 27,899.77 points; Hong Kong Hang Seng Index ended down 0.3% to 17,992.54 points and Shanghai Composite closed down 0.6% to 3,097.24 points yesterday.

'Ooredoo to provide high-quality services during FIFA World Cup Qatar 2022'

QNA
Doha

Chief Commercial Officer at Ooredoo Sheikh Nasser bin Hamad bin Nasser al-Thani said that the company have completed its preparations and is ready to provide a high-quality, unique telecom service during FIFA World Cup Qatar 2022, set to be the World's first 5G World Cup.

He said that Ooredoo was committed long ago to meet the high demand expected during the World Cup, adding that the company signed a number of agreements with mega tech companies, the latest of which was with Huawei, to ensure the uninterrupted functioning of the network so that customers can enjoy the best experience during the World Cup.

He added that, in accordance with the agreement, more than 100 experts will be present in the main locations in Qatar, in addition to many more available remotely, all to ensure the network functions well during the competition. Huawei will rely on its world-class experience in guaranteeing the functioning of the network during major sporting competitions, in addition to operations that take place with the aid of Augmented Reality. His Excellency revealed that the company installed state-of-the art network equipment at the competition's stadiums, the metro, and many other main locations to ensure it runs well.

He added that there will be regular tests to ensure fans can remain connected at all times and enjoy easy access to telecom services.

He added that Ooredoo created a team of more than 300 experts focused on dealing with FIFA requirements in terms of ensuring service quality.

The company also equipped a state-of-the-art operations centre along many service centres that will work around the clock, he said. He noted that the company attracted technical experts with experience in managing the service during major sporting events like previous World Cups and the Super Bowl.

Ooredoo also requested the enhancement of support frameworks from other service providers through agreements that provide for enhanced services and hotlines with research and development teams, as well as intensified testing to ensure a world-class experience.

Co-ordination with the Supreme Committee for Delivery & Legacy and Communications Regulatory Authority (CRA) also took place to facilitate FIFA operations.

The Ooredoo Chief Commercial Officer highlighted that history will say that the FIFA World Cup Qatar 2022 was the first-ever 5G World Cup, an achievement Ooredoo is proud to be a part of.

He also pointed out that with the eight World Cup stadiums, the World Cup in Qatar will be the first FIFA World Cup tournament that sees all its stadiums equipped with download speeds exceeding 1 gigabit per second via 5G network, provided by Ooredoo.


Ooredoo chief commercial officer Sheikh Nasser bin Hamad bin Nasser al-Thani in an interview with QNA.

He added that the company also upgraded its 5G network to provide the broadest coverage possible, whether in stadiums, airports, railways, fan zones, among other facilities.

He said that the company also provided multi bandwidth for social media applications like Facebook, Instagram, TikTok, Snapchat, WhatsApp, and others, in addition to providing customers with the ability to make international calls among many other features.

He said that the selection of Ooredoo as a main supporter of the largest and most important sporting event in the world comes within the framework of strengthening close co-operation between the company and FIFA.

He noted that Ooredoo a national supporter of the FIFA Club World Cup Qatar in the 2019 and 2020 editions, highlighting the close cooperation and co-ordination at the highest level between the company, the SC, and FIFA to ensure all parties can help ensure the success of the competition.

Ooredoo was also chosen to be the Official Global Connectivity Services Provider for FIFA World Cup Qatar 2022, he added.

He said that choosing Ooredoo as a Global Connectivity Services Provider reflect FIFA and the SC's trust in Ooredoo and its reputation in providing world-class services, something that was demonstrated time and again in other major sporting events like World Athletics Championships Doha 2019, FIFA Arab Cup 2021, and the Formula 1 Qatar Grand Prix. He added that Ooredoo will also supply connectivity for more than 350 official FIFA event buses during the tournament.

The company will make available its managed Wi-Fi along with mobile broadband to ensure seamless, reliable internet access, so players, FIFA officials and media representatives can stay connected even while travelling to and from tournament venues.

He stressed that the FIFA World Cup Qatar 2022 is a much-anticipated event by the whole world that will see billions of people tune-in.

He added that such attention requires good preparation to ensure the success of the competition.

He added that this was why Ooredoo prepared well for the competition.

He said that Qatar is currently witnessing a major development in the telecommunications sector, which the World Cup contributed to accelerating, and it is expected that the State of Qatar will strengthen its position at the forefront of the world in the field of communications as a result of this experience.

He stressed that the tournament will leave an important legacy, as Ooredoo has an advanced infrastructure to provide the best services without interruption during the tournament.

He added that the equipment will enrich the communications sector for years to come and provide an opportunity for customers in Qatar to benefit from future solutions and technologies at the present time.

He added that Ooredoo has repeatedly confirmed that it will provide the fans with an unprecedented experience during the FIFA World Cup Qatar 2022, and therefore the company is currently presenting one of the largest offers in history ever offered by any telecommunications company during a major global event.

He said that the company began to offer Haya SIM for mobile phones on November 1 that provides customers with free 2022 call minutes, 2022 text messages, and 2022 megabytes of data.

He pointed out that, to make it easier for visitors to obtain a Haya SIM, Ooredoo installed SIM card issuance devices in a large number of important locations, including airports, ports and land borders.

These devices are equipped with the latest artificial intelligence technologies, allowing visitors to prove their identities using selfie pictures and activate their SIM card in just 60 seconds.

The company also introduced a special offer for its customers inside Qatar, so that they can enjoy the festive atmosphere with the free balances.

He said that Ooredoo will be ever-present in all fan zones, to ensure the availability of an advanced and strong communication service so that fans can share their experience live with their followers.

He highlighted that the company is keen on an integrated digital experience for its customers, which is one of its top priorities and in a core strategy for the company.

USQBC, DMPED host luncheon to discuss economic opportunities

The US-Qatar Business Council (USQBC), in partnership with the Office of the Deputy Mayor for Planning & Economic Development in the Government of the District of Columbia (DMPED), recently hosted a luncheon to discuss economic collaboration opportunities between the State of Qatar and the District of Columbia.

The following officials delivered remarks during the event: John Falcicchio, deputy mayor for Planning & Economic Development in the Government of the District of Columbia; Fahad al-Dosari, Qatar's Commercial Attaché to the US; Mohamed Barakat, managing director and treasurer of the board of directors, USQBC; and Andres Hayes, director of International Trade and Commerce, DMPED.

"Under Mayor Bowser's leadership, we have worked extremely close with the embassy and USQBC to enhance further the bilateral economic relationship with the State of Qatar. Today, we are happy to collaborate with leaders from Qatari companies and discuss opportunities to continue to invest in each other's success," said Falcicchio.

Al-Dosari said: "The State of Qatar looks forward to strengthening commercial relations with the District of Columbia. Qatar is one of the best places in the world to do business and we see many business synergies with the District of Columbia including healthcare/life science, ICT and cybersecurity, fintech, and sports and entertainment.

"The State of Qatar and its citizens have increasingly invested in more projects across the US. They have chosen and added value to high-quality investments in top-tier locations, such as the 'CityCenterDC' project, which is a frequented destination for residents of the District of Columbia. The best is yet to come, as there are many untapped commercial and trade opportunities between the District of Columbia and the State of Qatar yet to be explored."

Barakat said: "US-Qatar Business Council stands ready to assist companies from the District of Columbia to expand their business in Qatar. We foresee great demand for products and services from DC's companies in Qatar, especially in the technology, fintech, and sports sectors."

Hayes added: "We are delighted to work with the Embassy of the State of Qatar and organizations like USQBC to continue to promote trade between the City and County. We are looking forward to additional bilateral trade opportunities in key sectors."

The luncheon took place at Del Frisco's Double Eagle Steakhouse inside the CityCenterDC project, a Qatari-owned real estate investment by Qatar Investment Authority's subsidiary, Qatari Diar. This more than $650mn redevelopment of the old convention centre site in Washington, DC is now known as CityCenterDC, the landmark 10-acre, mixed-use development located in the heart of the nation's capital.

Qatari Diar and Hines, the international real estate firm, and Conrad Hotels & Resorts by Hilton Worldwide, also partnered on the construction of Conrad Washington, DC. This is a 360-room luxury hotel with 30,000sq ft of ground-floor retail space also located inside the CityCenterDC project.

The year 2022 marks the 50th anniversary of the establishment of diplomatic relations between the US and Qatar.

This milestone signifies the longevity and strength of the bilateral ties between the two countries. The US and Qatar have established a solid base for distinguished regional and international political relations, in addition to deep commercial, security, and cultural partnerships.

In recognition of this special partnership, following the January 31 visit by His Highness the Amir Sheikh Tamim bin Hamad al-Thani to the White House, President Joseph R Biden designated Qatar as a "Major Non-NATO Ally" to the US.


USQBC and DMPED officials during the luncheon where economic opportunities between Qatar and the District of Columbia were discussed.

Visa brings innovative payment experiences to FIFA World Cup Qatar 2022

Visa, the official payment technology partner of FIFA, has readied a payments network that will enable contactless purchases throughout all official venues, including eight stadiums and the FIFA Fan Festival.

With more than 1mn fans expected to travel to Qatar for the tournament, Visa has installed 5,300 contactless-enabled payment terminals at official FIFA venues, making FIFA World Cup Qatar 2022 the most payment-enabled FIFA tournament ever.

The card major would trial new payment innovations to give fans easy access to simple and secure digital ways to pay.

The FIFA World Cup provides a global stage for Visa to showcase and test new technologies, enhance the fan experience and leave a lasting impression on the host country.

"As FIFA's long-standing partner, Visa wants to give football fans from around the world the best way to pay in Qatar, while experiencing exciting new innovations such as the fusion of art, football and technology at Visa's Masters of Movement venue," said Dr Saeeda Jaffar, senior vice-president and group country manager for the Gulf Co-operation Council (GCC) at Visa.

Visa will bring several digital payment solutions to Qatar, including several limited pilots to demonstrate how future Visa payment solutions may come to life

Visa interactive pitch for Masters of Movement. With more than 1mn fans expected to travel to Qatar for the tournament, Visa has installed 5,300 contactless-enabled payment terminals at official FIFA venues, making FIFA World Cup Qatar 2022 the most payment-enabled FIFA tournament ever.

Highlighting its pay with face, it said marking the first-time it will be used for payments in Qatar, facial recognition technology is collaboration between QNB and POP ID and supported by Visa via tokenisation.

The solution allows customers to authenticate payments using just their face, without a physical card or mobile phone after initial enrolment. It will be piloted at three Flat White Specialty Coffee branches.

As consumers become more accustomed to getting things instantaneously, Visa is piloting a digital card issuance solution for limited cardholders in Doha. After simply scanning a QR code, a digital prepaid card will be instantly issued and can be added to a mobile wallet.

The digital card will feature animated card art, with the official mascot La'eeb, demonstrating a future in which consumers could bring greater personalisation and even digital animation to their Visa cards.

In partnership with three Qatar-based banks the Visa Tap to Phone solution is now available to merchants in Qatar who want to fast-track their ability to accept digital payments in advance of the expected tourist influx.

Visa Tap to Phone makes it easier for merchants to use their Android NFC-enabled devices they already own to accept contactless payments by downloading an app.

Visa, in partnership with Qatar's Ministry of Transport, is enabling contactless payment acceptance on taxis so fans and Qatari residents will be able pay for their trips with their Visa card or smartphone, making paying for their journeys in and around Doha faster and more convenient.

Global concerns weigh on QSE sentiments; index tanks 344 points

By Santhosh V Perumal
Business Reporter

The escalating Russia-Ukraine crisis and the weakened oil prices had their cascading effect on the Qatar Stock Exchange, whose key barometer tanked 344 points and capitalisation eroded QR13bn this week.

The telecom, banking and industrials counters witnessed higher than average selling pressure as the 20-stock Qatar Index knocked off 2.74% from its 20-stock Qatar Index this week which saw Commercial Bank and Ooredoo migrate to large cap in the MSCI Qatar Index.

More than 72% of the traded constituents in the main market were in the red this week which saw the rating agencies Standard and Poor's as well as Moody's upgrade Industries Qatar's rating outlook to "positive" from "stable".

The foreign institutions' net buying was seen weakening considerably this week which saw Lesha Bank co-invest in Ekaterra, the world-renowned tea business. The domestic institutions continued to be net sellers but with lesser intensity this week which saw Qatar's food inflation was seen ebbing month-on-month this October.

The Gulf institutions' net profit booking also declined in the market this week which saw Al Faleh Educational Holding seeking further accreditation for its Doha Academy and plan to introduce new degree programmes at AFG College as part of cementing its position in Qatar's academic trajectory and strengthen its topline.

The Islamic index was seen declining slower than the other indices this week which saw Qatar, like other host countries for the previous versions of the World Cup, expected to give attractive double-digit returns to investors during the three-year window leading to the august soccer tournament.

The local retail investors were seen bullish this week which saw a total of 0.53mn Masraf Al Rayan-sponsored exchange traded fund QATR worth QR1.45mn trade across 35 deals.

WEEKLY REVIEW

Trade turnover and volumes were on the decline in the main and venture markets this week, which saw as many as 0.08mn Doha Bank-sponsored QETF valued at QR1mn change hands across 66 transactions.

Market capitalisation was seen weakening QR12.58bn or 1.8% to QR678.6bn on the back of large and midcap segments this week which saw the industrials and banking sectors together constitute more than 62% of the total trade volume in the main market.

The Total Return Index plummeted 2.74%, All Share Index by 2.83% and All Islamic Index by 2.29% this week, which saw no trading of sovereign bonds.

The telecom sector plunged 4.56%, banks and financial services (3.3%), industrials (3.15%), real estate (2.58%), consumer goods and services (1.14%) and insurance (0.42%); while transport gained 0.11% this week, which saw no trading of treasury bills. Major losers in the main market included Qatar Electricity and Water, Qatari German Medical Devices, Qatar Cinema and Film Distribution, Dlala, Al Khaleej Takaful, QNB, QIIB, Alijarah Holding, Salam International Investment, Mannai Corporation, Industries Qatar, Aamal Company, Gulf International Services, Mazaya Qatar, Ezdan and Ooredoo. In the venture market, Mekdam Holding saw its shares depreciate in value this week.

Nevertheless, Qatar General Insurance and Reinsurance, QLM, Doha Bank, Estithmar Holding, Gulf Warehousing and Qatar Industrial Manufacturing were among the gainers in the main market. In the junior bourse, Al Faleh Educational Holding saw its shares appreciate in value this week.

The foreign funds' net buying decreased considerably to QR4.84mn compared to QR390.6mn the week ended November 11.

However, the Qatari individuals turned net buyers to the tune of QR21.82mn against net sellers of QR87.02mn the previous week.

The Arab individuals' net buying strengthened substantially to QR18.33mn compared to QR7.86mn a week ago.

The foreign individuals were net buyers to the extent of QR15.38mn against net sellers of QR33.33mn the week ended November 11.

The Gulf retail investors turned net buyers to the tune of QR2.44mn compared with net sellers of QR8.45mn the previous week.

The Arab institutions were net buyers to the extent of QR0.78mn against net profit takers of QR0.27mn a week ago.

The domestic funds' net selling shrank significantly to QR12.12mn compared to QR210.21mn the week ended November 11.

The Gulf institutions' net profit booking eased perceptibly to QR51.46mn against QR59.2mn the previous week.

Total trade volume in the main market was down 8% to 523.47mn shares, value by 7% to QR2.08bn and deals by 11% to 72,079.

The venture market saw a 33% contraction in trade volumes to 0.79mn equities, 33% in value to QR6.09mn and 25% in transactions to 371.