ACROSS-THE-BOARD BUOYANCY | Page 4

QSE benchmark surges 224 points on foreign funds' buying interests

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Friday, January 20, 2023
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GULF TIMES
BUSINESS

WATERSHED YEAR : Page 3

Germany's make-or-break moment to defend its auto industry is here


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Woqod net profit at QR1.07bn, achieves record revenue of QR30bn in 2022

Woqod Group has reported a 10% year-on-year increase in net profit (excluding minority rights) to QR1.07bn during 2022 on higher sales volumes as well as cost rationalisation and efficiency enhancement.

Based on the company's 2022 profits and factoring in the requirements of current and future projects, the board has recommended dividend of QR0.9 per share to be approved by shareholders at the annual general assembly meeting scheduled for February 15. The meeting will also discuss the recasting of board for 2023-25.

Earnings-per-share amounted to QR1.08 during 2022 compared to QR0.98 the previous year, while shareholders' equity increased to QR9.2bn against QR9bn during 2021.

The year 2022 witnessed an 11% year-on-year increase in total sales volume, where retail fuel sales through Woqod stations increased by 9%, LPG (liquefied petroleum gas) sales by 14%, jet fuel by 20%, and bunker fuel by 27%, Saad Rashid al-Muhannadi, chief executive officer and managing director informed the board.

The increase in the sale volumes has led the company to achieve record high revenue of QR30bn.

The board reviewed and approved the current and future projects that the company plans to establish, whereby it has opened four APC centres, eight Sidra convenience stores, and 11 new petrol stations, thus increasing the number of operating stations to 126 at end of 2022.

"The company has a dynamic plan for the construction of new petrol stations, which will be periodically reviewed according to the demand conditions and the need for petrol stations," al-Mohannadi said.

Woqod started the installation of 37 EV (electric vehicle) chargers at 22 petrol stations in 2022, with charging points already installed in five stations, he said, stressing that the EV installation operations will continue at other stations to keep pace with developments in the EV segment, as well as to optimise revenues and utilise infrastructure spread across Qatar.

The company also launched its green initiatives in conjunction with the Qatar National Vision 2030 for sustainable development, where two stations have been equipped with alternative sources of electricity generation from solar energy, while the works on the third station is progressing rapidly, and the company is planning to expand the project in the future.

In view of the expansion of the petrol stations, the share of Woqod in the petroleum retail market reached about 86% during 2022.

Woqod has performed all its commitments towards the World Cup in cooperation and coordination with the relevant authorities in the best way through the establishment of many infrastructure and logistical support projects, with all such commitments undertaken according to the highest levels and standards of security and safety, al-Mohannadi said.

Based on Woqod's 2022 profits and factoring in the requirements of current and future projects, the board has recommended dividend of QR0.9 per share to be approved by shareholders at the annual general assembly meeting scheduled for February 15

Al-Kuwari meets dignitaries in Davos

HE the Minister of Finance Ali bin Ahmed al-Kuwari headed Qatar's delegation during separate meetings with Professor Klaus Schwab, executive chairman, World Economic Forum and Magdalena Rzeczkowska, Poland's Minister of Finance. The meetings took place on the sidelines of his participation in the World Economic Forum Davos 2023 in Switzerland. During the meetings, they reviewed the existing co-operation with respective sides and prospects of enhancing and developing them especially in investment, finance, and economy, in addition to a number of issues of mutual interest. Also, al-Kuwari met with several top executives of financial and governmental institutions, and international banks. The meetings were held, among others, with Christian Sewing, chief executive officer, Deutsche Bank; Gary Nagle, CEO, Glencore; Nick Studer, president and CEO, Oliver Wyman Group; Christian Klein, CEO, SAP; Axel Lehmann, chairperson, Credit Suisse; and Jane Fraser, CEO, Citigroup. Bilateral relations were discussed at these meetings, the Ministry of Finance said.

Compliant solutions take centre stage in WEF discussion on financial inclusion

As the world's leaders, social scientists and business community converge on the ongoing World Economic Forum (WEF) Annual Meeting in Davos, Switzerland, the key theme of 'Co-operation in a fragmented world', has resonated with stakeholders of Mena's financial services sector.

Building upon this message, UAE-based LuLu Financial Holdings and Eastnets organised a special event around the role of fully-compliant technologies in achieving financial inclusion.

Speaking at the event, Adeeb Ahamed, managing director of LuLu Financial Holdings, said that co-opetition, or competition through collaboration requires the collective action of all stakeholders, including governments, fintechs and traditional players.

He stressed the role of fully compliant solutions in helping companies tap into each other's benefits, adding: "The foundation of interoperable solutions depends on fully-compliant platforms that adhere to regulations and simplify processes for interconnected entities. The significance of such platforms is set to increase as consumer behaviour undergoes further evolution and regulations are put in place to ensure proper data ownership."

The session also saw subject matter experts Hazem Mulhim, founder and CEO of Eastnets; Christos Christou, chief compliance officer of LuLu Financial Holdings; and Joel Lange, general manager of Dow Jones Risk & Compliance; discuss the role of compliance in plugging gaps in financial services, especially cross-border remittances.

Christou said the strategic role of compliant systems is gaining relevance, and that companies such as LuLu Financial Holdings are enabling platform-based services to fintechs and traditional players, that can bridge the gap between the underbanked and technologically advanced financial products.

Calling for inclusion to be responsible and sustainable, Eastnets deputy CEO Deya Innab said in her closing remarks, that access to digital financial services should create financial stability and not lead to a debt trap situation.

"Financial inclusion needs to be supported by consumer needs and financial education and should be guarded against fraud, data privacy issues and financial crime."

The session was attended by dignitaries from the UAE government and financial services sector, including Abdulla bin Touq al-Marri, the UAE Minister of Economy; Yusufali M A, chairman and managing director, LuLu Group International; Dr Shamsheer Vayalil, founder and chairman, Burjeel Holdings; Mark Busser, chairman, IMTF; Hatem Dowidar, Group CEO, E&; and Brooks Entwistle, SVP, Ripple Services, among others.

LuLu Financial Holdings and Eastnets have organised a special event at the World Economic Forum in Davos, Switzerland, on the role of fully-compliant technologies in achieving financial inclusion

BUSINESS

IEA chief expects tighter energy markets in 2023

Youth climate activists Greta Thunberg, Vanessa Nakate, Helena Gualinga and Luisa Neubauer take part in a discussion on "Treating the climate crisis like a crisis" with International Energy Agency head Fatih Birol on the sidelines of the World Economic Forum in Davos, Switzerland, yesterday.

Reuters
Davos, Switzerland

International Energy Agency (IEA) head Fatih Birol said yesterday that energy markets could be tighter in 2023, adding he hoped prices would not rise further in order to ease the pressure on energy-importing developing countries.

"I wouldn't be too relaxed about the markets and 2023 may well be a year where we see tighter markets than some colleagues may think," IEA executive director Birol said in an interview with the Reuters Global Markets Forum in Davos.

Brent crude futures were last down 84 cents, or 1%, to $84.14 a barrel at 0710 GMT.

Two Gulf Opec+ producers, UAE energy minister Suhail al-Mazrouei and Saudi Aramco chief Amin Nasser have said this week they see oil markets as balanced.

Birol told Reuters on the sidelines of the World Economic Forum (WEF) annual meeting in Davos that even though currently there was no tightness in the market, there were uncertainties to watch out for, namely Chinese demand and Russian supply.

"If (the) Chinese economy rebounds this year, which many financial institutions expect, then we may see demand to be very strong and put pressure on the markets," he said.

On Russia, Birol said there were many question marks over its ability to export because of Western sanctions, but also longer term because of its own challenges.

International firms that had helped Russian oilfields become productive have all left, he said. "Looking a bit longer term, I believe Russia's oil industry will face huge challenges."

The IEA overestimated the impact of Western sanctions on Russian oil export volumes at the start of the Ukraine invasion by a wide margin, saying oil markets could lose as much as 3mn barrels per day.

Birol said Russian oil exports seemed to be more "resilient" than predicted at the beginning of last year, but that they were correct in terms of "the direction of travel".

"Russia's oil exports are declining now, as we have forecasted, and will decline further in the first quarter of this year and beyond," he said, adding that Russian crude and products would continue to bought in Asia, specifically in India and in China.

On Russian product price caps which may come into effect next month, Birol said he was concerned about diesel supply.

"It looks a bit more complicated, and I hope that it will not lead to challenges and tightness in the product markets especially for diesel."

Turkish interest rate cuts back on agenda as policy bias shift again

Bloomberg
Istanbul

Turkiye's central bank added ambiguity to the direction of its policy as it left interest rates unchanged yesterday.

The Monetary Policy Committee, led by governor Sahap Kavcioglu, kept the benchmark at 9% for a second straight month, matching the forecasts of all but one economist in a Bloomberg survey.

But unlike last month, the MPC's latest guidance didn't describe the current level of rates as "adequate," a change that could be setting the stage for more monetary easing, according to Bloomberg Economics.

To achieve price stability, policymakers vowed to carry out their "liraisation strategy," a set of measures that promote the wider use of the Turkish currency. It's the latest twist in a monetary policy that's defied convention with abrupt easing cycles in 2021 and 2022.

Rate cuts between August and November last year brought the official cost of borrowing down by 500 basis points and into single digits.

Conditions may already be ripe to resume monetary easing, according to Tugberk Citilci, head of research at Istanbul-based Invest AZ Menkul Degerler AS.

Citilci, the lone economist in the Bloomberg poll who expected a reduction this week, said before the decision yesterday that he expected "support for exporters and businesspeople as industrial production is low and investments have stopped."

The central bank has been resorting to instruments other than interest rates to get a grip on inflation that reached nearly a quarter-century high last year. It's been micro-managing the economy by using regulations to shore up the local currency and intervene in the way commercial lenders extend credit.

In its statement, the MPC said that "the integrated policy approach" that's been implemented is helping keep inflation in check.

"The central bank no longer views its policy rate of 9% as "adequate," which puts the possibility of rate cuts back on the table. Since its previous policy meeting in December, the bank has reshaped its security maintenance and reserve requirements mainly to support the currency. We see changes in these two tools, as well as directed credit schemes and banking regulation dominating the policy sphere for the central bank," according to Selva Bahar Baziki, Turkiye economist at Bloomberg Economics.

With presidential and parliamentary elections slated for May, President Recep Tayyip Erdogan is pushing for looser monetary and fiscal policies to fuel demand. The Turkish leader has described rates at their current level as optimal for investment and supporting economic growth.

"Although recently released data point to a stronger economic activity than anticipated, recession concerns in developed economies as a result of ongoing geopolitical risks and interest-rate hikes continue," the MPC said in its statement.

The challenge for the central bank now is how to ensure that loan rates keep falling while simultaneously driving up demand for liras among Turks. The latest rules introduced at the start of this year look to encourage longer-term deposits and increase the share of local-currency savings.

For now, easy credit hasn't translated into a lending boom. Private banks are hesitant to provide cheap corporate financing ahead of elections, prompting warnings from policymakers.

With interest rates likely to stay low for longer, fiscal stimulus is emerging as another source of pressure on consumer prices. The government has been increasing public spending through significant hikes to minimum and civil servant wages, pensions and cheap loans packages.

Kavcioglu will present this year's first quarterly inflation report next Thursday in Ankara. The central bank governor's most recent projections showed inflation will end the year at 22.3%.

The inflation outlook has grown less dire recently, thanks in large part to the statistical effect of a high base in 2021. Price growth still remains about 13 times higher than the central bank's official target.

Treasury and Finance Minister Nureddin Nebati said this month that the issue of inflation had been "resolved." Price increases in December decelerated at the steepest pace in more than a quarter century, bringing the annual rate to 64% from above 80% in the previous months.

A woman holds Turkish lira banknotes in this illustration taken on May 30, 2022. To achieve price stability, policymakers vowed to carry out their "liraisation strategy," a set of measures that promote the wider use of the Turkish currency

Africa's economic growth to stabilise, inflation seen easing: AfDB

Reuters
Johannesburg

Africa's economic growth will stabilise at 4% over the next two years, and inflation will slow as the continent rebounds from a pandemic-induced slump and external shocks including the Ukraine war, according to the African Development Bank (AfDB).

While Africa avoided some of the worst health impacts of the Covid-19 pandemic, many countries were hit hard by the economic fallout.

And an initial 2021 recovery from the first pandemic shocks was hampered by rising inflation, spiking food prices and tightening global monetary policy last year.

Africa's gross domestic product growth slowed to 3.8% in 2022 from 4.8% in 2021.

But in its Macroeconomic Performance and Outlook published yesterday, the bank projected growth will accelerate to 4.0% this year and 3.9% in 2024, outstripping world averages.

"Africa has demonstrated continued resilience," AfDB president Akinwumi Adesina wrote in a forward to the report. "The top five performing African countries before the Covid-19 pandemic are projected to grow by more than 5.5%."

Buoyed by revenues and investment related to large natural gas projects, Mozambique and Senegal will rank among Africa's fastest growing economies.

Senegal is projected to see its economy grow 10.2% in 2023 with Mozambique expanding 8% next year.

Africa's two biggest economies — Nigeria and South Africa — will remain a drag on continental growth however, with projections of 3.1% and 1.4% respectively for this year.

Those growth rates are slightly higher than International Monetary Fund forecasts.

Average inflation, meanwhile, which last year hit 13.8% — the highest rate in more than a decade — will ease to 8.8% by 2024.

But the AfDB cautioned that Africa's expected economic improvement remains fragile.

The number of African countries in debt distress or at high risk of it has ballooned since the start of the pandemic.

UAE's Mubadala to focus on Asia deals as China recovers

Bloomberg
Davos

Mubadala Investment Co plans to focus on investments in Asia this year as China recovers from the pandemic faster-than-expected and India's economy continues to grow.

The $284bn Abu Dhabi wealth fund expects a "strong recovery" in China this year and also sees "very exciting opportunities" in Indonesia, Southeast Asia, Japan and Korea, chief executive officer Khaldoon Khalifa al-Mubarak said in a Bloomberg Television interview in Davos on Wednesday.

"Our portfolio is relatively underinvested in Asia as a whole and particularly in economies like India and like Korea," he said. "You will see us certainly look more into these areas as we see more opportunities in the sectors we like."

Mubadala has a strong team of investment professionals based in China and understands the Chinese market well, he said.

Speaking in Davos just hours after Beijing released better-than-expected economic data for the fourth quarter, China's top economic official said that his country's economy will likely rebound to its pre-pandemic growth trend this year after coronavirus infections passed their peak. India, meanwhile, recently overtook the UK to become the world's fifth largest economy.

Elsewhere, Mubadala plans to continue to invest in semiconductors, technology, energy transition, digital infrastructure, software and credit in the short-to-medium term, al-Mubarak said. The fund is also looking at potential investments in technology and venture capital globally, he said.

Mubadala is among sovereign wealth funds from the Gulf region that continue to be active acquirers even as global deal volumes fall and banks cut bank lending for acquisitions.

Buoyed with cash from last year's commodity boom and spurred on by equally ambitious neighbours, the United Arab Emirates — home to about 6% of the world's proven oil reserves — is investing billions of dollars to diversify its economy away from crude.

"Our mood is more of cautious optimism," al-Mubarak said. "There is no doubt that there are some headwinds and there are challenges ahead, but it's not as bad as people thought. Whether it's a recession or a lighter recession, my view is that 2023 will be okay."

Aramco combines trading units before potential listing

Visitors stop at the Aramco exhibition section at the Misk Global Forum on innovation and technology in the Saudi capital Riyadh (file).

Saudi Aramco has combined its main trading unit with that of US refiner Motiva Enterprises LLC, as the oil giant consolidates its dealing operations before potentially listing them, reports Bloomberg. Aramco has set up a new entity, Houston-based Aramco Trading Americas LLC, which will be the regional office for the Saudi company's broader trading arm, it said in a statement. ATA will be the sole supplier and off-taker for Motiva, which owns the biggest refinery in the US, the 630,000 barrel-a-day Port Arthur plant in Texas. Aramco, the world's largest oil company, is already the parent of Motiva. It's pushing ahead with plans for an initial public offering of its energy-trading business that could value the unit at more than $30bn, Bloomberg reported in October. The moves announced Wednesday are "a giant step towards executing our ambitious global growth strategy," Mohamed al-Mulhim, chief executive of Aramco's trading operations, said in the statement. Other national oil companies in the Gulf are seeking to build their trading businesses, in a shift for the firms that have traditionally stuck to a simple model of pumping crude and exporting it. Now, they're looking to boost profits by moving into more lucrative areas of the market.

Germany's make-or-break moment to defend its auto industry is here

Bloomberg
Berlin

Germany for decades led on well-engineered combustion cars.
It's now facing a watershed year in the quest to retain an edge in the age of electric vehicles.
Europe's biggest economy is under growing pressure to retool dozens of fossil fuel-era factories employing tens of thousands of workers in a race for clean-technology leadership with the US and China.
Volkswagen, Mercedes-Benz and BMW are rolling out several new battery-powered models in the coming months that will be pivotal to proving they can finally start to narrow the gap to Tesla and China's BYD, the two clear leaders in EV sales.
At stake is nothing less than Germany's future as a global industrial powerhouse. The task looks more complicated than ever.
The war in Ukraine has whipsawed energy prices in Germany, which had to turn its Russia-reliant energy policy on a dime.
China, which is emerging from lockdowns, has built a sizeable lead processing the raw materials underpinning the EV revolution.
Its homegrown carmakers — propped up with huge sums of state support — are now expanding in Europe.
The latest threat has cropped up in the US, where President Joe Biden is luring EV suppliers with $370bn worth of clean-technology subsidies in the Inflation Reduction Act.
Tax credits incentivising the assembly of battery cells and packs are so generous that the US has the potential to become the most profitable location in the world for production, UBS analysts said last year.
Calls on Germany and the European Union to respond in kind are getting louder by the day.
The threat posed by the IRA has been a recurring topic in talks at the World Economic Forum's annual gathering in Davos this week, with several European leaders demanding more aggressive subsidies at home. They're unhappy about the US's approach, which they say favours American firms and puts their EU rivals at a disadvantage.
Interestingly, Chancellor Olaf Scholz hasn't complained much, despite having as much to lose as anyone.
The automotive industry employs around 786,000 people in Germany and is the country's biggest in terms of investments, sales and exports. Any setbacks for the nation's carmakers and their suppliers would reverberate throughout the wider German economy.
In an interview with Bloomberg News Editor-in-Chief John Micklethwait this week, Scholz struck a conciliatory tone, saying his government appreciates and broadly supports what Biden is trying to achieve, and is "working very hard to avoid" a trade war.
That's understandable, given Germany's reliance on exports. But the consequences of missteps remain — just ask the UK, which is reeling from the collapse of Britishvolt, a company the government was counting on becoming a big domestic battery player.
Berlin last week pledged an additional €1bn ($1.1bn) for battery projects as part of a larger European aid package, but that's dwarfed by what the US is offering. BloombergNEF has tracked almost $28bn in new electric mobility-related investment announcements in North America since the IRA passed in August.
Europe's best hope for a homegrown battery startup, Sweden's Northvolt, is considering delaying plans for a major cell factory in Germany, and instead expanding first in North America.
Germany won't completely miss out.
China's CATL, the world's biggest maker of EV batteries, has started production at its first European cell plant in the eastern German city of Erfurt. Volkswagen is building a battery factory in Salzgitter that will be able to produce 40 gigawatt-hours of cells per year, enough for roughly 500,000 EVs.
But the country's carmakers still have a ways to go in convincing drivers to buy into their EV shift. Tesla last week made deep price cuts in the US and Europe, on the heels of two rounds of reductions in China.
Those are signs chief executive officer Elon Musk is willing to act aggressively to keep the company growing. Musk's erratic behaviour in recent months may create an opening for mass manufacturers like Volkswagen, but the German giant needs to fix software issues that have recently put off buyers.
Both BMW and Mercedes have made messes recently with their attempts to squeeze owners for more money to unlock software-enabled features.
All three manufacturers need to sort out supply chain issues that have contributed to declining sales.
Germany and Europe "risk falling behind" in the global race for clean mobility, Hildegard Müller, who heads Germany's VDA auto lobby, said last week, after the country's carmakers met with Scholz in the chancellery. "Berlin and Brussels must ensure Europe's competitiveness as quickly as possible."


German Chancellor Olaf Scholz at the Congress centre during the World Economic Forum annual meeting in Davos on Wednesday. The automotive industry employs around 786,000 people in Germany and is the country's biggest in terms of investments, sales and exports.


The touchscreen control panel of a Volkswagen AG ID.3 electric vehicle seen in Bratislava, Slovakia. Volkswagen, Mercedes-Benz and BMW are rolling out several battery-powered models in the coming months that will be pivotal to proving they can finally start to narrow the gap to Tesla and China's BYD, the two clear leaders in EV sales. At stake is nothing less than Germany's future as a global industrial powerhouse. The task looks more complicated than ever.

QSE MARKET WATCH

Company Name	Lt Price	% Chg	Volume
Zad Holding Co	15.10	4.07	4,235
Widam Food Co	1.74	-3.28	713,324
Vodafone Qatar	1.61	-0.43	4,089,106
United Development Co	1.23	-0.81	1,893,763
Salam International Investment	0.61	1.17	4,712,427
Qatar & Oman Investment Co	0.59	0.68	1,593,362
Qatar Navigation	9.74	0.39	1,293,413
Qatar National Cement Co	5.15	2.90	843,565
Qatar National Bank	17.60	3.53	4,398,894
Qlm Life & Medical Insurance	4.10	2.50	13,500
Qatar Islamic Insurance Group	8.50	-0.12	23,450
Qatar Industrial Manufacturing	3.10	0.06	280,417
Qatar International Islamic	10.21	2.30	2,068,538
Qatari Investors Group	1.73	1.05	515,506
Qatar Islamic Bank	19.00	3.26	3,358,025
Qatar Gas Transport (Nakilat)	3.83	0.47	2,200,703
Qatar General Insurance & Reinsurance	1.45	7.41	30,922
Qatar German Co For Medical	1.26	0.32	2,150,051
Qatar Fuel Qsc	18.00	-0.33	2,914,027
Lesha Bank Llc	1.17	0.60	5,255,490
Qatar Electricity & Water Co	17.79	1.02	795,841
Qatar Exchange Index Etf	10.26	0.00	-
Qatar Cinema & Film Distribution	2.85	0.00	-
Al Rayan Qatar Etf	2.41	1.60	10,188
Qatar Insurance Co	1.97	0.20	125,099
Qatar Aluminum Manufacturing	1.70	0.00	15,742,807
Ooredoo Qpsc	9.25	2.95	1,707,601
Alijarah Holding Company Qps	0.77	2.80	20,856,245
Mazaya Real Estate Development	0.70	0.57	10,611,822
Mesaieed Petrochemical Holding	2.17	0.23	1,967,969
Al Meera Consumer Goods Co	16.96	1.98	159,817
Medicare Group	6.00	-2.06	1,156,072
Mannai Corporation Qsc	8.00	2.88	770,422
Masraf Al Rayan	3.03	1.81	30,305,760
Al Khalij Commercial Bank	0.00	0.00	-
Industries Qatar	13.71	3.47	6,498,170
Inma Holding Company	4.02	1.03	225,402
Estithmar Holding Qpsc	1.77	-0.11	10,106,186
Gulf Warehousing Company	3.81	-2.28	18,075
Gulf International Services	1.70	1.97	6,014,377
Al Faleh Education Holding	1.30	0.00	10,000
Ezdan Holding Group	0.98	-0.51	13,673,358
Doha Insurance Co	2.00	-1.87	156,609
Doha Bank Qpsc	1.91	2.41	3,172,581
Dlala Holding	1.23	0.00	319,915
Commercial Bank Psqc	5.18	1.57	9,061,357
Barwa Real Estate Co	2.87	1.02	1,897,448
Baladna	1.53	0.26	1,283,412
Al Khaleej Takaful Group	2.26	0.98	1,015,004
Aamal Co	0.98	-0.51	12,982
Al Ahli Bank	4.21	1.20	1,045

India Supreme Court jolts Google by refusing to block Android antitrust ruling

India's Supreme Court yesterday declined Google's request to block an antitrust order that forces it to change how it markets its Android platform, dealing a major blow to the US company in a key growth market, reports Reuters.
The Competition Commission of India (CCI) fined Google, which is owned by Alphabet Inc, $161mn for exploiting its dominant position in Android, which powers 97% of smartphones in India, and asked it to change restrictions imposed on smartphone makers related to pre-installing apps.
Google challenged the directive in the Supreme Court saying it would hurt consumers and its business, warning the growth of the Android ecosystem could stall.
A Supreme Court's three-judge bench, which included India's chief justice, delaying the January 19 implementation date for the CCI's directives by one week but declined to block the ruling despite Google's repeated requests.
"We are not inclined to interfere," said Chief Justice D Y Chandrachud. During the hearing, Chandrachud told Google: "Look at the kind of authority which you wield in terms of dominance."
India's top court asked a lower tribunal, which is already hearing the matter, to decide on Google's challenge by March 31.
Google licenses its Android system to smartphone makers, but critics say it imposes restrictions such as mandatory pre-installation of its own apps that are anti-competitive.

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QSE index surges 224 points on foreign funds' buy support

By Santhosh V Perumal
Business Reporter

The Qatar Stock Exchange (QSE) yesterday bucked a general selling trend in the Gulf regional markets as it gained as much as 224 points in key index and QR13bn in capitalisation.

Snapping seven days of a bearish run, the 20-stock Qatar Index shot up 2.12% to 10,810.7 points on an across-the-board buying, particularly at the banking and industrials counters. The market touched an intraday high of 10,902 points.

About 71% of the traded constituents extended gains to investors in the main market, which was back in black year-to-date with gains at 1.21%.

Foreign institutions turned net buyers in the main bourse, whose capitalisation saw QR12.83bn or 2.13% increase to QR614.26bn, mainly led by large and midcap segments.

Both foreign and Gulf retail investors were seen net buyers, albeit at lower levels, in the main market, which saw a total of 0.01mn exchange traded funds (sponsored by Masraf Al Rayan Bank) valued at QR0.02mn changed hands across nine deals.

Nevertheless, Qatari individuals were net profit takers in the main bourse, which saw no trading of sovereign bonds.

The Islamic index was seen gaining slower than the other indices in the main market, which saw no trading of treasury bills.

The Total Return Index zoomed 2.12%, the All Share Index by 2.16% and the Al Rayan Islamic Index (Price) by 1.31% in the main bourse, whose trade turnover volumes were on the decline.

The banks and financial services sector index soared 2.94%, industrials (2.14%), telecom (2.09%), consumer goods and services (0.53%), transport (0.31%), insurance (0.2%) and real estate (0.17%).

Major gainers in the main market included QNB, Industries Qatar, Ooredoo, Qatar Islamic Bank, Gulf International services, QLM, Qatar General Insurance and Reinsurance, Mekdam Holding, QIIB, Alijarah Holding and Mannai Corporation.

Nevertheless, Widam Food, Gulf Warehousing, Medicare Group, Doha Insurance and United Development Company were among the losers in the main market.

The foreign institutions turned net buyers to the tune of QR61.87mn compared with net sellers of QR2.52mn on January 18.

The foreign retail investors were net buyers to the extent of QR0.96mn against net sellers of QR0.93mn on Wednesday.

The Gulf individuals turned net buyers to the tune of QR0.89mn compared with net profit takers of QR0.06mn the previous day.

The domestic institutions' net selling weakened perceptibly to QR11.37mn against QR17.7mn on January 18.

However, Qatari individuals were net sellers to the extent of QR39.36mn compared with net buyers of QR22.82mn on Wednesday.

The Gulf institutions' net profit booking expanded noticeably to QR10.33mn against QR8.46mn the previous day. The Arab individuals turned net profit takers to the tune of QR2.65mn compared with net buyers of QR6.96mn on January 18.

The Arab institutions had no major net exposure against net profit takers to the extent of QR0.11mn on Wednesday.

The main market saw a 48% surge in trade volumes to 176.6mn shares, 33% in value to QR651.39mn and 32% in deals to 24,636.

Snapping seven days of a bearish run, the 20-stock Qatar Index shot up 2.12% to 10,810.7 points on an across-the-board buying, particularly at the banking and industrials counters. **PICTURE:** Thajudheen

Qatar may reduce debt-to-GDP ratio by 35 percentage points by end of 2023, says Moody's

By Pratap John
Business Editor

Qatar is expected to reduce its debt-to-GDP ratio by 35 percentage points of GDP by end-2023, Moody's Investor Service has said in a report. Improvements in fiscal metrics will be the greatest in Qatar and Oman in the GCC region this year, it said.

For all GCC sovereigns, sustained growth in nominal GDP following the large rebound in 2022 will continue to reduce debt-to-GDP ratios.

However, in Oman and Qatar, debt burdens will also likely decline further in nominal terms as they did in 2022, as the governments prioritise deleveraging.

Oman reduced its debt stock by nearly 15% in nominal terms in the year to December 2022 and Moody's expect another, albeit much smaller, nominal debt reduction in 2023.

"By the end of 2023, we expect Oman and Qatar to have reduced their debt-to-GDP ratios by around 25 and 35 percentage points of GDP, respectively, compared to peaks at the end of 2020. By contrast, in Saudi Arabia, Kuwait and the UAE, where government debt is relatively low, we expect governments to prioritise accumulation of liquid fiscal reserves and sovereign wealth fund assets.

"Kuwait is the standout, with nearly no debt to repay in 2023 out of its already very small debt stock of only 3% of GDP at the end of 2022," Moody's noted.

According to Moody's another year of fiscal surpluses will allow GCC governments to consolidate the reductions in debt burdens and improvements in debt affordability, which took place in 2021-22.

In most cases, greater debt affordability will be sustained despite rising global interest rates as relatively long maturities of existing government debt will delay repricing of the outstanding debt stock.

Governments will also have the opportunity to use their surpluses to rebuild fiscal buffers that were eroded over the 2015-20 period.

In some cases, these buffers are already very large and significantly exceed government debt, lending material support to our assessment of the sovereigns' fiscal strength.

As of 2021, government financial assets amounted to around 340% of GDP in Kuwait, 280% in the United Arab Emirates, and 185% in Qatar. The assets were more modest, but still large by international comparison, in Saudi Arabia (around 33% of GDP) and Oman (26% of GDP).

Moody's noted high oil prices will continue to bolster GCC sovereigns' credit quality in 2023.

"We assume Brent crude oil will average around $95/barrel, below the 2022 average of $100/b, but significantly above the average of $57/b in 2015-21," the report said.

Although GCC crude oil output is likely to decline in 2023 on strategic production cuts by Opec+, hydrocarbon revenue will remain robust, allowing most GCC sovereigns to run substantial fiscal and current account surpluses.

These surpluses will offer governments a further opportunity to pay down debts, rebuild fiscal reserves, accumulate foreign-currency buffers, and advance structural reforms and diversification projects.

China growth relies on consumers still too cautious to spend

Bloomberg
Hong Kong

China will need its cautious consumers to start spending again in order to achieve stronger economic growth, but recent data shows just how difficult that goal may be this year.

The biggest driver of the economy's 3% growth last year was investment — or gross capital formation — which includes spending on durable assets such as buildings and also business inventory. That reverses the trend seen over most of the last decade, where consumption spending was the fastest growing component of demand for goods and services each year.

On a per person basis, consumption actually fell last year, according to data released on Tuesday by the National Bureau of Statistics, as income growth slowed sharply and households saved more. Households added a record 17.8tn yuan ($2.6tn) to their bank deposits in 2022.

The pullback in consumer demand can be seen in the restaurant industry, which was hammered by both Covid lockdowns and restrictions earlier in the year and then the rapid spread of infections in December after the country reopened. The accommodation and food sector contracted 5.8% in the final quarter of the year, NBS data showed on Wednesday, exceeded only by the 7.2% slump in the real-estate sector.

That means that the 1 percentage point contribution of consumption to China's total growth likely came from government spending on services like mass coronavirus testing. Estimates by Bloomberg last year suggested that the cost of repeated mass testing could be close to 1% of gross domestic product.

Because demand for services comes mainly from households, the slowdown in consumer spending meant China's service sector shrank as a share of GDP in 2022, while the secondary sector, consisting of manufacturing and construction, increased its share.

For the whole year, the manufacturing sector value added increased 2.9%, while the construction sector's output grew 5.5%. The fastest growing sector was IT and software, up 9.1%.

Economists expect consumption to be the main driver of GDP this year, but the data showed a slowdown in urbanisation and rise in inequality in 2022, two trends which could slow private spending. People moving from rural areas to cities where they can find more productive employment is a crucial driver of economic growth in China, and is even more important now that the population is shrinking.

There were almost 172mn people registered as living in rural areas but working temporarily in cities at the end of 2022, more than 2mn fewer than at the end of 2019, before the pandemic. It remains to be seen if the fall in the rate of urbanisation is a short-term result of Covid controls limiting mobility, or a longer-term shift that will slow the economy.

Beijing doesn't appear to be making much progress in tackling inequality. High inequality isn't just a potential source of social unrest but it can also limit consumption growth as wealthier people tend to save more of their incomes. China's official data shows a widening gap between the top 20% of the population by income and the bottom 20%, a widely used measure of inequality. The former group earn on average more than 10 times the latter's income.

The gap between those groups in China is well above the most recent data for developed countries such as the US and South Korea compiled by the Organisation for Economic Co-operation and Development. China's ratio is also above recent figures for developing countries such as Mexico, where the ratio was similar to China's in 2016 but has since fallen.

Despite the deep slump in property construction and the outright fall in household spending last year the economy grew 3%, with the record goods trade surplus contributing half a percentage point to growth and a huge infrastructure push worth nearly 6% of 2022 GDP making a difference.

Fixed-asset investment in infrastructure grew 9.4% in 2022, the fastest pace since 2017, while manufacturing investment rose 9.1%. That helped compensate for the 10% decline in completed investment in real estate, the first time it's fallen for a whole year.


A woman and a child walk past workers sorting toys at a shopping mall in Beijing. China will need its cautious consumers to start spending again in order to achieve stronger economic growth, but recent data shows just how difficult that goal may be this year.

Amazon kicks off round of job cuts affecting 18,000 people

Bloomberg
New York

Amazon.com Inc has started its biggest-ever round of jobs cuts — a culling that will ultimately affect 18,000 workers around the globe.

Amazon began notifying employees by email early Wednesday, Doug Herrington, the company's worldwide retail chief, said in a memo. He said the company aimed to communicate with all laid-off workers in the US, Canada and Costa Rica by the end of the day. Notifications in China will be sent after the Chinese New Year, and in other regions the company must consult with employee representatives before finalising layoffs.

The world's largest e-commerce company is grappling with slowing online sales growth and bracing for a possible recession that could affect the spending power of its customers. Microsoft Corp announced it was cutting 10,000 jobs Wednesday, becoming the latest in a long line of tech companies to trim its ranks.

Herrington said Amazon's cuts were part of an effort to lower costs "so we can continue investing in the wide selection, low prices and fast shipping that our customers love." He said the company would "continue investing meaningfully" in growth areas including groceries, Amazon's business-to-business sales program, services for third-party sellers and healthcare.

The eliminations started last year and initially fell hardest on Amazon's Devices and Services group, which builds the Alexa digital assistant and Echo smart speakers. The latest round will mostly affect the retail division and human resources.

While the cuts represent only about 1% of the total workforce, which includes hundreds of thousands of hourly warehouse and delivery personnel, they amount to about 6% of Amazon's 350,000 corporate employees around the globe.

The Seattle-based company spent much of last year adjusting to a sharp slowdown in e-commerce growth as shoppers returned to pre-pandemic habits. Amazon delayed warehouse openings and halted hiring in its retail group. It broadened the freeze to the company's corporate staff and then began making cuts.

Amazon is among several large tech companies that are trimming their ranks, including Cisco Systems Inc, Intel Corp, Meta Platforms Inc, Qualcomm Inc and Salesforce Inc.