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## 'Zero Trust Exchange' services enable businesses to accelerate digitalisation



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BUSINESS


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## Adani firms lose $65bn in value as US short seller battle escalates



# Qatar to record 'fastest' annual growth in gas production in Middle East until 2050: GECF

**By Pratap John**
Business Editor

Qatar will record the fastest annual growth in gas production in the Middle East until 2050, delivering 2.6% annual growth, the Gas Exporting Countries Forum (GECF) said in a report.

Qatar and Iran and Saudi Arabia, will remain "production hotspots" through 2050 and supply slightly less than 78% of the total output in the region, Doha-headquartered GECF said in its 'Annual Global Gas Outlook 2050' released on Sunday.

Gas production in Iran and Saudi Arabia will grow by 2.1% and 1.5%, respectively, on an annual basis over the long term. Their share of regional production will reach almost 82%, while accounting for 18% of the world's gas output.

The GECF outlook expects regional production to grow by 140 bcm by 2030. This, it said, will represent around 24% of global growth, driven by Qatar's North Field expansion projects, along with Iran, UAE and Saudi Arabia increases as well.

But longer-term growth will be even more substantial. Output will jump by 520 bcm to 1,190 bcm by 2050.

The share of global output will reach 22%, while the region will account for more than 33% of global growth.

The Middle East is the world's third-largest gas-producing region, accounting for almost 17% of global output.

Annual production has been growing at a rapid 6% umping from 190 bcm in 2000 to 670 bcm in 2021. By comparison, Asia Pacific and African production grew by only 4.1% and 3.7%, respectively over that period.

Meanwhile, upstream investment worth $9.7tn is required in the gas sector up to 2050, GECF said.

A view of the Ras Laffan Industrial City, Qatar's principal site for the production of liquefied natural gas and gas-to-liquids (file). Qatar will record the fastest annual growth in gas production in the Middle East until 2050, delivering 2.6% annual growth, the GECF said in a report.

By 2050, energy demand is expected to rise by 22% while the share of natural gas in the energy mix will go up to 26%.

During the review period, natural gas supply will increase by 36% while natural gas trade will expand by more than a third, led by LNG, which will overtake pipeline trade by 2026.

Global GDP will more than double, from $95tn today to $210tn in real terms by 2050. Population growth will see 1.8bn additional people in 2050 with most of this rise taking place in Africa and the Asia Pacific.

GECF secretary general Mohamed Hamel emphasised that all energy sources and technologies will be required to satisfy the world's growing energy needs, while improving air quality and reducing greenhouse gas emissions.

Hamel said, "The uncertainties have never been so large, and the challenges so profound. What is nevertheless clearer, and more crucial, is the energy trilemma: how to ensure a secure, affordable, and sustainable energy system over the short- to long-term? What steps should be taken to ensure that energy is available for socio-economic development, while concurrently protecting the environment?"

The outlook, he said, seeks to answer these pressing questions by examining the global and regional economic growth prospects, demand and supply of energy, natural gas trade and investment, the effects of policies, technological developments, and various other drivers.

## Qatar participates in joint meeting of GCC Financial and Economic Co-operation Committee, and Trade Co-operation Committee

HE Khalaf bin Ahmed al-Mannai, Undersecretary at the Ministry of Finance participated yesterday in the joint meeting of the Committee on Financial and Economic Co-operation and the Committee on Trade Co-operation, and the extraordinary meeting (118) of the Committee on Financial and Economic Co-operation, which was held online. During the meeting, the committee discussed the importance of the GCC states' continued efforts to keep abreast of the current financial and economic developments and challenges at the regional and international levels, while translating the efforts and achievements made in a way that directly contributes to supporting and strengthening the process of joint Gulf economic action, the Ministry of Finance said.

## 'Long-term LNG contracts ramping up globally driven by Qatar, US'

**By Pratap John**
Business Editor

New long-term liquefied natural gas contracts signed in 2022 topped 65mn tonnes per year (mtpy) with the majority to be supplied from Qatari and US LNG projects, the Gas Exporting Countries Forum said in a report.

Continued elevated spot prices have pushed buyers further to engage in long-term contracting to ensure energy security and usual economic activity, GECF said in its latest 'Global Gas Outlook 2050'.

The Asia Pacific region, it said, led in the volumes committed, accounting for two-thirds of all end-user contracts. China accounted for about half of all newly concluded volumes.

The trend was already evident in 2021, when end-user deals were the highest in five years. Rising spot prices were a key trigger, with China signing deals for supply from Qatar and the US.

Other Asia Pacific consumers, particularly legacy markets Japan, South Korea, and Taiwan, source more of their LNG through long-term deals typically indexed to oil.

On a weighted average basis, their exposure to market volatility has been somewhat muted relative to other buyers Europe's increasing LNG imports are unlikely to be accommodated by long-term contracts as shorter deals better suit their energy transition targets.

Also, European needs are likely better fulfilled by portfolio players and trading houses well positioned to provide needed flexible volumes, including supply on a short-term basis.

European buyers signed eight deals in 2022, both firm and preliminary, totalling nearly 10 mtpy.

In March 2022, the EU and US signed an agreement setting a target for 50 bcm/year (35 mtpy) of LNG to be delivered into Europe by 2027. But Germany will be at the centre of both new terminal construction and growing European LNG deliveries.

ConocoPhillips will supply 2 mtpy for 15 years from Qatar's North Field expansion project to the German LNG terminal in Brunsbuttel starting in 2026.

EnBW, among the largest energy companies in Germany, also has executed long-term deals with Venture Global LNG for 2 mtpy from its Plaquemines and CP2 ventures.

QatarEnergy also has a 1.1 mtpy agreement with RWE Supply & Trading (RWEST) to supply LNG to Northwest Europe from 2017-24.

Global natural gas trade growth, GECF noted, is underpinned by the important role it will play in the energy transition of key demand regions, including the Asia Pacific, North America, and Europe. Natural gas merits greater use over other hydrocarbons through emissions abatement, cost competitiveness, flexibility, and potential synergies of integration with existing energy infrastructure.

After 2030, diverging regional energy transition trajectories will be more challenging. LNG industry funding, both on the supply and demand sides, will decline by a factor of three in the 2030s and 2040s.

Upstream and midstream investment will be sustained, but the manner in which natural gas resources will be developed and transported will be transformed considerably, GECF noted.

Low-cost resources with both a strong environmental pedigree and lower carbon footprint will be prioritised for investment.

The gas value chain is set to be cleaner and "greener." The US IRA introduced methane regulation that could help lower emissions profiles across the entire gas value chain.

The new tax credit for renewable natural gas (RNG) and higher subsidies for CCUS could help support the US gas pedigree by becoming greener.

The gas industry has already engaged with third-party agencies to certify their operations, but regulatory advancement helps cement greener gas development, GECF said.

## QNB receives 2 'prestigious' Visa awards

QNB Group has recently been recognised through two prestigious awards from Visa for 'Best Loyalty Programs' and 'Excellence in Introducing New Solutions'.

The awards are in recognition of QNB for outstanding achievements within the cards and payments industry in the areas of loyalty and digital payment solutions launched in the market.

'QNB Life Rewards' is a pan bank loyalty programme that rewards both banking relationship as well as banking transactions with QNB.

It is very well received by customers due to its wide range of options for instant points redemption at over 1,200 QNB exclusive partners' shops, Internet or mobile banking, or QNB ATM.

The bank regularly runs campaigns that allows customers to accumulate more points for using their cards or other banking products, whether in Qatar or abroad. It also offers many exclusive benefits and privileges throughout the year to QNB loyal customers.

From a payments innovation perspective, QNB continues its regional leadership in bringing about the most relevant and technologically advanced payment options with high degree of customer centricity that are safe and secure, including 'Apple Pay', 'Samsung Pay', 'Google Wallet', 'Garmin' and 'Fitbit Pay', facial recognition payments and 'myPOS' providing payment acceptance on mobile phone devices/tap on phone. QNB is also the first bank in Qatar to introduce a full-fledged digital prepaid card, allowing customers to apply for the product through an application, without the need to visit a physical branch.

Commenting on the awards, Adel al-Malki, senior executive vice president (QNB Group Retail Banking) said, "We are very pleased to have won these two prestigious awards and we are thankful to Visa for such recognition. The cards and payments industry is highly competitive and at QNB, we have been very successful in ensuring that our customers experience the most secure, convenient and rewarding payment methods"

Dr Sudheer Nair, Visa's country manager (Qatar) said, "Visa is delighted to present these awards to QNB. As the global leader in digital payments, Visa strives to provide innovative, best in class solutions that address the evolving payment needs of consumers and businesses in Qatar.

"QNB's efforts in providing the innovative, secure digital payments that contribute to the growth of digital commerce in Qatar makes them a well-deserving recipient of these awards."


**The awards are in recognition of QNB for outstanding achievements within the cards and payments industry in the areas of loyalty and digital payment solutions**

# Turkiye inflation seen to drop to 53.5% in January, despite sharp monthly rise

**Reuters**
Istanbul

Turkiye's annual inflation should drop to 53.5% in January even as prices continue jumping on a monthly basis, according to a Reuters poll yesterday that also showed inflation will end the year at 41%, much higher than official expectations.

Inflation has been stoked by a currency crisis at the end of 2021 and it touched a 24-year peak of 85.51% in October.

It fell sharply in December due to a base effect and a similar drop is expected in January.

The surge in prices in the same period last year spells relief for this year's annual inflation calculation early this year, but economist see the drop slowing.

They forecast inflation to end 2023 at nearly twice the 22.3% rate that the central bank forecasts, potentially extending cost-of-living strains.

The median estimate of 13 economists in a Reuters poll for annual inflation in January stood at 53.5%, a sharp drop from 64.27% in December. Forecasts ranged between 51.2% and 56.65%.

On a monthly basis the median estimate was 3.8%, in a range of 2.30-5.95%. The sharp expected monthly rise is due to a raft of administered new-year price hikes including for public transit, tobacco products, services, as well as rising food prices.

Despite soaring prices, the central bank has taken the unorthodox step of slashing its policy rate to 9% from 19% since late 2021.

It said its most recent series of cuts, late last year, was meant to address an economic slowdown.

On Thursday, central bank governor Sahap Kavcioglu said no basis remains for sharp price hikes in Turkiye.

He also stood by his previous estimate that inflation will drop to 22.3% by the end of the year.

But the median estimate of 10 economists for inflation at year-end stood at 41% in the Reuters poll, with forecasts coming in between 30% and 48%.

President Recep Tayyip Erdogan's economic plan aims to achieve price stability by slashing borrowing costs, boosting exports and flipping chronic current account deficits to surpluses.

But the rate cuts sparked a late-2021 currency crash, which saw the lira lose 44% versus the dollar that year and another 30% in 2022, stoking inflation.

The Turkish Statistical Institute will announce January inflation data on February 3.

A vendor sells goods at a vegetable and fruit market in the historic Ulus district in Ankara. Inflation has been stoked by a currency crisis at the end of 2021 and it touched a 24-year peak of 85.51% in October.

# Rapid credit growth has hit Saudi banks' liquidity, says S&P

**Reuters**
Dubai

S&P Global Ratings said yesterday that rapid credit growth in Saudi Arabia has reduced banking liquidity and it was unclear whether the government would boost deposits with the banking system to lessen pressure.

While corporate lending is seen picking up due to projects linked to the "Vision 2030" agenda to diversify away from oil, "funding availability will likely be a constraint for the first time in a while," S&P said in its Saudi Banking Sector 2023 Outlook.

Credit growth, which rose rapidly in the low-interest rate era, is seen slowing, along with mortgage loan growth, amid rising rates and as the market saturates.

The Saudi banking sector's loan-to-deposit ratio rose to 102% in the third quarter of 2022 from 85% at the end of 2018, "owing to lagging deposit growth, mostly from the private sector," S&P said, noting that term deposits barely increased in that period due to low interest rates.

"At the same time, Saudi investors have been increasingly investing in foreign stocks," the ratings agency said, estimating that the $600bn sovereign Public Investment Fund may have accounted for 25-40% of those outflows.

The Saudi Central Bank (SAMA) made liquidity injections during the pandemic as well as last year to help avoid a credit crunch and support economic activity, S&P said.

"As a result, the system reached a structural liquidity deficit in mid-year 2022, with borrowings from SAMA exceeding placements with it."

The government has kept deposits at SAMA rather than placing them with commercial banks, S&P said.

"In 2023, SAMA will continue extending tenors for its support packages and other facilities to avoid a credit crunch - and possibly increase the volume of support - while encouraging banks to attract private sector deposits," S&P said.

While S&P has a positive outlook on most Saudi banks, mirroring the outlook on the sovereign, it sees profitability rising less than expected as customers shift to term deposits from current and savings accounts, further pressuring lenders' margins.


A Saudi man walks past the logo of Vision 2030 in Jeddah (file). While corporate lending is seen picking up due to projects linked to the "Vision 2030" agenda to diversify away from oil, "funding availability will likely be a constraint for the first time in a while," S&P said in its Saudi Banking Sector 2023 Outlook.

# Nigeria's bonds tumble after Moody's rating downgrade

**Reuters**
Johannesburg

Nigeria's government bonds fell heavily yesterday after ratings agency Moody's downgraded the West African oil producer late on Friday to Caa1 from B3, saying the government's fiscal and debt position was expected to keep deteriorating.

Longer-dated bonds were down the most, with the dollar-denominated 2051 Eurobond falling more than 2.8 cents in the dollar to 68.758 cents according to Tradeweb data. Only the Eurobond maturing this year fell less than 1 cent.

"That is a significant move because there will be a lot of forced selling," Viktor Szabo, emerging market portfolio manager at Abrdn, told Reuters. "Pension funds don't like have names that are defaulting or even close to defaulting"

As the bond prices tumbled, the premium or 'spread' investors demanded to hold Nigerian debt rather than ultra-safe US Treasuries jumped 46 basis points to 777 basis points.

Nigeria's bonds had outperformed other African and emerging market issuers over the last six months, according to JPMorgan.

"The review for downgrade focused on Nigeria's fiscal and external position and the capacity of the government to address the ongoing deterioration — other than by alleviating the burden of its debt through any form of default, including debt exchanges or buy-backs," Moody's said.

"Immediate default risk is low, assuming no sudden, unexpected events such as another shock or shift in policy direction," Moody's added.

Nigeria's state oil firm spent 4.39tn naira ($9.54bn) on a petrol subsidy last year, which the government has blamed for the declining state of its public finances at the same time as oil production has been throttled by theft and pipeline vandalism.

Moody's said it expects just the interest payments on Nigeria's debt to take up about half of the government's revenue in the medium term, up from 35% in 2022.

It also sees the debt-to-GDP ratio rising to 45%, up from 34% last year and 19% in 2019.

The International Monetary Fund estimates the country spent 80% of revenues on servicing debt last year, a ratio that it reckons could rise to 100%.

Nigeria's finance minister Zainab Ahmed said the country's debt trajectory was sustainable in an interview with Bloomberg TV earlier in January and that the plan was to bring the debt service-to-revenue ratio down to 60% in 2023.

# Malaysia PM tells Goldman to pay up on 1MDB settlement

**Bloomberg**
Singapore

Malaysian Prime Minister Anwar Ibrahim demanded that Goldman Sachs Group Inc honour its settlement with the government for its role in the 1MDB scandal, saying the Wall Street firm shouldn't use its financial strength to dictate terms.

The abuse of the sovereign state fund was made possible because of "complicity" from institutions such as Goldman Sachs, Anwar told Bloomberg Television's Haslinda Amin in his first interview with international media since becoming prime minister.

"My only appeal is for them to settle this deal with Malaysia because 1MDB is known throughout the world," Anwar said yesterday in Singapore. "It is there in the books and I think that Goldman Sachs should come out clean and deal with Malaysia."

State development fund 1MDB became the centre of a multi-billion dollar scandal that spawned probes in Asia, the US and Europe. Goldman Sachs in 2020 admitted its role in the biggest foreign bribery case in US enforcement history, reaching multiple international settlements in the billions of dollars to end probes into its fundraising for 1MDB.

The Malaysian government in 2018 turned its attention to Goldman Sachs for its work raising $6.5bn in 2012 and 2013 for 1MDB, formally known as 1Malaysia Development Bhd. The bonds were earmarked for redevelopment but all but $2bn of the money was diverted to pay bribes to government officials, US federal prosecutors said.

Authorities spent years tracking funds that allegedly flowed from 1MDB into high-end art and real estate, a super yacht and, ironically, the hit Hollywood movie "The Wolf of Wall Street," chronicling an earlier era of financial crimes.

The settlement announced in July 2020 called for Goldman Sachs to pay $2.5bn while guaranteeing the return of $1.4bn of 1MDB assets seized by authorities around the world, in exchange for Malaysia dropping charges against the bank.

Goldman must also make a one-time interim payment of $250mn if Malaysia has not received at least $500mn in assets and proceeds by August 2022, according to the bank. However, the two disagree over whether the government had received the $500mn in proceeds by the August deadline, Goldman Sachs said in a filing last year.

The bank in the filing had also accused Malaysia of having "unilaterally reduced" the value of one asset by $80mn, while declining to include substantial additional assets in accounting of assets and proceeds recovered.

"Given a fair deal, we are supposed to be paid much more than that, which I intend to deal with them if these things are not settled amicably," said Anwar in response to Goldman's claims. "It's not my intention — I'm just new in the game. I just want to settle old scores, in the sense of old commitments that we have made. We have to move on."

Goldman Sachs spokesman referred Bloomberg to the firm's 10Q filing when reached for comment.

At the time of its filing, Goldman Sachs had said the parties had a three-month window to try and resolve the dispute. The matter would be settled by arbitration should no resolution be reached.

"But if they come and pressure us with this, I will have no choice because I have a mandate from my people, and people are struggling to live and you with your hundreds of billions of profit and squandering, you can't just get away by ignoring your moral responsibility and financial responsibility," Anwar said.


The 1 Malaysia Development Berhad (1MDB) logo is seen on a billboard at the funds flagship Tun Razak Exchange under-development site in Kuala Lumpur (file). Goldman Sachs in 2020 admitted its role in the biggest foreign bribery case in US enforcement history, reaching multiple international settlements in the billions of dollars to end probes into its fundraising for 1MDB.

# Adani firms lose $65bn in value as US short seller battle escalates

Reuters
New Delhi

Most Adani Group shares fell sharply yesterday as the Indian conglomerate's rebuttal of a US short-seller's criticism failed to pacify investors, deepening a market rout that has now led to losses of $65bn in the group's stock values.
Led by Asia's richest man Gautam Adani, the Indian group has locked horns with Hindenburg Research and on Sunday hit back at the short-seller's report of last week that flagged concerns about its debt levels and the use of tax havens.
Adani said it complied with all local laws and had made the necessary regulatory disclosures.
Adani Transmission, Adani Total Gas, Adani Green Energy, Adani Power and Adani Wilmar fell between 5% and 20% yesterday.
Flagship Adani Enterprises, which is facing a crucial test this week with a follow-on share offering, swung between gains and losses before settling 4.8% higher.
It stayed well below the offer price of the issue, which if successful will be largest such share offering ever in India.
Adani Enterprises' $2.5bn secondary share sale closed its second day amid weak investor sentiment.
The stock closed at 2,892.85 rupees, 7% below the 3,112 rupees lower end of the offer price band.
The upper band is 3,276 rupees.
Data from stock exchanges yesterday showed Adani has now received bids for 1.4mn shares, or just over 3%, of the 45.5mn shares on offer. The deal closes today.
Foreign and domestic institutional investors, as well as mutual funds, have made no bids so far, according to the data.
"Retail participation is likely to have a shortfall with current market prices still trailing the offer price and sentiment taking a hit due to the Hindenburg controversy," said Hemang Jani, equity strategist at Motilal Oswal Financial Services. "While there is a risk that the share sale does not go through, it will be crucial today to wait and see how institutional investors participate."
Adani Group told Reuters in a statement on Saturday that the sale remained on schedule at the planned issue price, even as sources said bankers of the country's largest secondary share sale were considering extending the timeline beyond January 31, or tweaking the price due to the fall in its share price.
Indian regulations say the share offering must receive minimum subscription of 90%, and if it does not the issuer must refund the entire amount.
Maybank Securities and Abu Dhabi Investment Authority are among investors who bid for the anchor portion of the issue.
Maybank said in a statement "there is no financial impact" on it as the subscription to Adani's offer was fully funded by client funds.
State-run insurance behemoth Life Insurance Corp (LIC) told Reuters yesterday it was reviewing the Adani Group's response to Hindenburg's report and would hold talks with the management within days.
LIC took 5% of the $734mn anchor portion. It already holds a 4.23% stake in the flagship Adani firm, while its other exposures include a 9.14% stake in Adani Ports and 5.96% in Adani Total Gas. "Since we are a large investor we have the right to ask relevant questions," LIC Managing Director Raj Kumar said.
US dollar-denominated bonds issued by Adani Ports and Special Economic Zone continued their fall into a second week with the bond maturing in August 2027 down 5 cents to 73.03 cents, the lowest since June 2020. Other dollar denominated bonds of the group were also trading lower.
Index provider MSCI has said it was seeking feedback from market participants on Adani and was monitoring the factors that "may impact the eligibility of those relevant securities" in MSCI indexes.
In its response on Sunday, Adani highlighted its relationships with local and international banks and its access to diverse funding sources and structures, listing US banks Citigroup and JPMorgan Chase & Co, as well as other lenders including BNP Paribas, Credit Suisse, Deutsche Bank, Barclays and Standard Chartered.
The stock market meltdown is a dramatic setback for 60-year-old Adani.
The school-dropout's stunning rise came with over 1,500% gains in some of his group stocks over three years, making him the world's third richest man before he slipped to rank eighth on the Forbes list on Monday.
Responding to Adani's rebuttal, Hindenburg said the company's "response largely confirmed our findings and ignored our key questions".
Hindenburg in its report said Adani companies had "substantial debt" and that shares in seven Adani listed companies have an 85% downside due to what it called "sky-high valuations".

The logo of the Adani Group is seen on the facade of its Corporate House on the outskirts of Ahmedabad, India. The group said it complied with all local laws and had made the necessary regulatory disclosures.

### Abu Dhabi's IHC plans to invest $381mn in Adani Enterprises

Abu Dhabi conglomerate International Holding Company yesterday said it will invest 1.4bn dirhams ($381.17mn) in Adani Enterprises' follow-on public offer, reports Reuters.
The Indian conglomerate owned by Asia's richest man, Gautam Adani, has faced a deepening market rout that has led to losses of $65bn in the group's stock values after Adani's rebuttal of a US short-seller's criticism failed to pacify investors. "Our interest in Adani Group is driven by our confidence and belief in the fundamentals of Adani Enterprises Ltd; we see a strong potential for growth from a long-term perspective and added value to our shareholders," IHC CEO Syed Basar Shueb said.

# Hindenburg's Adani attack pits bears against bulls, options show

Bloomberg
Mumbai

Hindenburg Research's attack on the Adani Group is sparking a flurry of bets in the options market, with a wide divide between those behind the short seller and others predicting a rebound in the shares.
Data from the options chain show that all the Adani stocks that trade in the derivatives segment are closer to their support levels relative to their resistances, so a continued decline here will exacerbate downside volatility as investors are either forced to book losses or hedge their open positions. The optimists view stems from the fact that implied volatility for most of the group's stocks is already at a 12-month high, so unless more bad news trickles in, swings are likely to come off.
Publicly traded shares in billionaire Gautam Adani's empire saw a wiping off of about $70bn of value in the last few sessions, as most of the group firms extended a selloff yesterday.
The conglomerate's rebuttal of fraud allegations from American short seller Hindenburg Research is largely failing to convince investors.
The rout — triggered by a report from Hindenburg accusing Adani-controlled firms of stock manipulation and accounting fraud - began on Wednesday, the day monthly derivatives contracts were set to expire, resulting in a spurt in investor positioning for the February series.
Here are four charts that show the impact the price plunge had on Adani Group stocks with underlying derivatives exposure:

**Outstanding options**
Open interest — a measure of outstanding positions in call and put options — surged as some investors sought protection against the wild swings in the group's shares. Adani Enterprises, the conglomerate's flagship firm, saw outstanding call options jump by 12,578 contracts on Friday, the biggest one-day surge since 2015. Adani Ports saw 19,612 put contracts being added, the highest such change on record.

**Option walls**
The extent of price declines seen on Friday saw open positions being created at deep-out-of-money strikes for February 23 expiry. For instance, in the case of Adani Enterprises, the open interest concentration at the 3,200 and 3,300 strike calls suggests a "wall of resistance" with put sellers currently expecting the 2,400-2,500 rupees a share to serve as support, more than 10% lower than where it was trading yesterday morning in Mumbai.

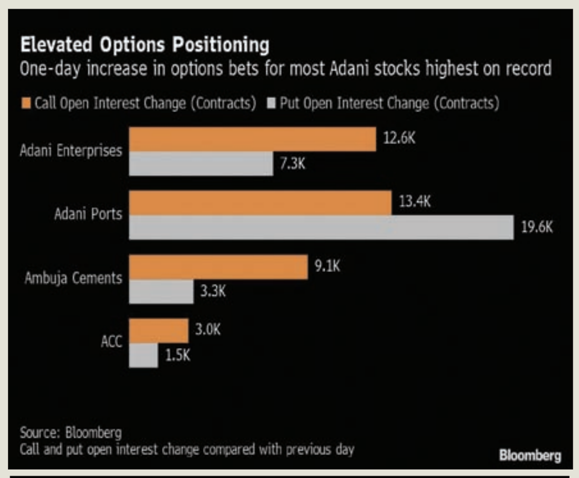
**Trading volumes**
Friday's rout saw options activity based on the so-called Z-Score — a standard deviation- based measure of the extent that a value differs from an average — reach extremely high levels. Adani Ports & Special Economic Zone Ltd, whose 60-day Z-Score for the quantity of put contracts traded hit 6.2 standard deviations, the highest since August and one of only 13 instances in history where the measure topped a reading of six.
Such readings have been a precursor to even greater volatility. In the case of Adani Ports, the last two times the 60-day Z-Score of put activity exceeded a threshold of 6, the stock was down an average of 11% before the decline was arrested. For Ambuja Cements, put activity exceeding a threshold of 4 standard deviations saw the stock lose 7% on average in 2022.

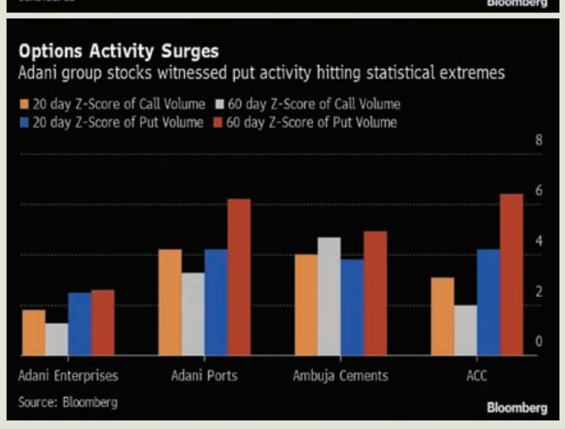
**Implied volatility**
Gauges of future implied volatility have surged, showing extreme nervousness among investors and heightened demand for protection against continuing uncertainty.
With the sole exception of Ambuja Cements, the three-month implied volatility for each of the group stock that trades in the derivatives segment — Adani Enterprises Ltd, Adani Ports and Special Economic Zone Ltd and ACC Ltd — hit the highest levels in 12 months.

**Open Interest Concentration**
Resistance and support from option chains show downside fears remain

| Stock | Strike With Highest Call Open Interest | Strike With Next Highest Call Open Interest | Strike With Highest Put Open Interest | Strike With Next Highest Put Open Interest |
|---|---|---|---|---|
| Adani Enterprises | 3,300 | 3,200 | 2,500 | 2,400 |
| Adani Ports | 700 | 650 | 500 | 550 |
| Ambuja Cements | 400 | 460 | 370 | 350 |
| ACC | 2,100 | 2,000 | 1,800 | 1,760 |

Source: Bloomberg
Call strikes above and put strikes below current price for Feb. 23 expiry considered
Bloomberg




**Expectations of Future Price Swings Jump**
Friday plunge saw implied volatility on Adani stocks hitting one-year highs

| Stock | 3-month IV (%) | IV Low (%) | IV High (%) | Average (%) |
|---|---|---|---|---|
| Adani Enterprises | 82.3 | 31.1 | 82.3 | 41.8 |
| Adani Ports | 85.1 | 29.9 | 85.1 | 40.6 |
| Ambuja Cements | 67.9 | 10.4 | 80.8 | 34.0 |
| ACC | 65.5 | 14.4 | 65.5 | 29.7 |

Source: Bloomberg
ATM Implied volatility (IV) data analyzed over a 12-month period
Bloomberg

Bloomberg QuickTake Q&A

# About the Brazil-Argentina not-a-common currency idea

By Maria Eloisa Capurro

Brazil and Argentina's presidents have launched discussions on a common currency, but their plans are nothing like the euro, which replaced national currencies like the lira, franc and deutsche mark entirely. What's on the table is a common unit for commercial transactions, part of a larger strategy by recently elected Luiz Inacio Lula da Silva to boost trade and restore Brazil's traditional influence in the region, which sagged under his predecessor, Jair Bolsonaro. Yet Lula's plans come at a difficult time, with the region's existing Mercosur trade block put to the test by one of its founding partners, debates over the growing influence of China in South America and political tensions spreading around the region.

### 1. What are Brazil and Argentina talking about?

Lula and Argentine President Alberto Fernandez announced their intentions to discuss a "common South American currency" in an open letter published last weekend in an Argentine newspaper. The unit would be used "for financial and commercial trade, in order to reduce operational costs and lower our external vulnerability" to the dollar, they wrote. The announcement came amid a summit of the Community of Latin American and Caribbean States. There, finance ministers of both countries clarified they are thinking of a "common means of payment" that would not replace their own domestic currencies. Other trade partners such as Uruguay and Paraguay would be welcome to join.

### 2. How would that work?

A working group with officials from Brazil and Argentina is expected to begin discussions around a common unit that can be used to settle trading transactions without relying on the dollar. It's part of a broader plan to simplify commerce between Brazilian exporters and Argentine importers, who have trouble accessing US dollars due to capital controls. A fund will operate under the Brazilian finance ministry to offer guarantees in those transactions together with public and private banks.

### 3. How does a unit of account work in trade?

No details of specific plans have been released, but here's a general picture: Currently, a trade transaction between the two countries requires the US dollar to act as price reference. That means that to pay for Argentine goods being exported from Brazil, the importer needs to first convert the price from Brazilian reais into dollars, with the seller then turning those dollars into pesos. That not only adds an extra step but can introduce greater volatility if the dollar fluctuates against either currency. Instead, the value of a shared unit of account could be established against a standardised "basket" of currencies meant to give a sense of price levels in the participating countries. That would make calculating the price in the importing country's currency a one step instead of two step process, and could reduce volatility by pegging the exchange rate to a range of prices — on top of not needing the dollars to intermediate the operation. In its conception, the common unit would be similar to the ECU, the accounting currency used as a monetary unit of the European countries between 1979 and 1999 before the introduction of the euro.

### 4. Why wasn't it done before?

Brazil and Argentina have for decades considered options to coordinate their currencies, but persistent macroeconomic imbalances and political volatility in both countries made advancing the idea impossible. In 1987, the two countries announced the "gaucho," a common unit of account to measure trade between the nations. It failed in the midst of hyperinflation and heightened currency depreciation. More recently, Bolsonaro also suggested a single currency, but was met with scepticism: his political differences with Fernandez meant they never held a formal meeting while in office. There's no short list of challenges now. Argentina's annual inflation has neared 100% amid a fast depreciation of the peso, while Brazil's consumer price increases came close to 5.9%, with interest rates at a six-year high.

### 5. What would be the benefit?

Officials from both government believe a common trade unit would boost regional commerce. Still, most economists have downplayed the idea as "poorly timed" and "far from probable." Chile's former central bank chief Jose de Gregorio said Brazil risks its sound monetary policy by strengthening ties with Argentina, still trying to regain credibility on its public accounts.

### 6. Why is Lula pursuing this?

It's one of many ways in which he's trying to reestablish Brazil's role in the international scene. One of his first acts after being elected president was to attend the COP27 talks in Egypt, offering to host United Nations' climate talks in 2025. As a candidate, he had managed to secure high-profile meetings with European officials. Now, little over a month after taking office, he's pledging to boost regional trade by retaking a seat at the Community of Latin American and Caribbean States (CELAC), a group of 33 Latin American nations created to replace the US influence in the region. Bolsonaro had ditched the community after ideological differences with Cuba and Venezuela. Still, it won't be an easy task as one of the oldest trade blocs in the region, Mercosur, is put to the test.

### 7. What else is happening with trade in South America?

The Southern Common Market, known as Mercosur in Spanish, is one of the oldest trade blocs in the region with Argentina, Brazil, Uruguay and Paraguay as founding members. Others like Chile and Bolivia are associated with the bloc, while Venezuela remains suspended. Created in the 1990s, it's served as a way to promote regional trade, though not without conflicts, as members have frequently implemented tariffs on imports at times of economic crisis. Uruguay, one of its smallest partners, last year unilaterally started trade negotiations with China and applied to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership. It's a move driven out of frustration with Mercosur's slow pace to open up their economies and advance on trade deals, after a negotiation with the European Union that is decades in the making. President Luis Lacalle Pou has pledged to remain in the Mercosur, but stated the bloc needs modernisation and still faces internal trade barriers.

### 8. Can Brazil regain its regional standing?

After years of isolation during Bolsonaro's government, the international community seems eager to welcome Brazil back. But Lula will have to overcome political and economic tensions to reunite the region. Cuba, Venezuela and Nicaragua remain hot topics for the region, with refugees crossing borders to escape economic crisis while left-wing leaders remain reluctant to condemn their regimes. Leaders are now also divided on how to tackle Peru's growing political instability. On the economic front, consumer price increases are only now easing, with the region's main central banks steady at double-digit interest rates, and the growth is expected to slow this year. On top of that, Lula's plans to increase regional trade will have to overcome China's influence in the region, which has grown through key infrastructure projects.

# Philips cuts 6,000 jobs after sleep device recall

AFP
The Hague

Embattled Dutch medical tech maker Philips said yesterday it will slash 6,000 more jobs worldwide in a bid to restore profitability after a massive recall of faulty sleep respirators.

The Amsterdam-based firm revealed the "difficult but necessary" job cuts as it announced losses of €1.6bn ($1.7bn) in 2022, largely on the back of the safety issue.

The fresh layoffs come just months after Philips announced the loss of another 4,000 posts, against a total workforce of just under 80,000 employees around the globe.

Philips is now facing investigations and lawsuits in the United States after it was forced to recall appliances to treat people with sleep problems that put people at risk of inhaling toxic foam.

Chief executive Roy Jakobs, who took over in October, said Philips had no choice but to make the "difficult, but necessary further reduction of our workforce by around 6,000 roles globally by 2025."

"2022 has been a very difficult year for Philips and our stakeholders, and we are taking firm actions to improve our execution and step up performance with urgency," Jakobs said in a statement.

Half of the jobs will be cut in 2023.

Philips unveiled net losses of €105mn ($114mn) for the fourth quarter of 2022 and €1.6bn for last year as a whole.

Starting off as a lighting company more than 130 years ago, Philips has undergone major changes in recent years, selling off assets to focus on making high-end electronic healthcare products, often for use remotely.

But that shift has been called into question by the giant recall that has pushed it into loss and seen the previous CEO Frans van Houten step down.

Philips announced the global recall in 2021 of its appliances to help people suffering from sleep apnoea, a disorder in which breathing stops and starts when people sleep.

The company said sound-degrading foam in the machines could degrade, causing people to inhale or swallow pieces of the foam with "possible toxic and carcinogenic effects". Asked if Philips faced an existential risk from the issue, Jakobs acknowledged the firm faced "serious" challenges.

"What we present today is a very strong plan to secure the future of Philips," Jakobs said in a call with reporters. "Yes, the challenges we have are serious, and we are addressing them head-on."

### New Shell CEO restructures British energy group

New chief executive of Shell, Wael Sawan, unveiled on Monday plans to consolidate the UK energy group's operations, reports AFP.
Shell is looking to reinvent itself under former renewables boss Sawan, who replaced Ben van Beurden in the top seat at the start of the year.
It plans from July to combine its unit housing oil and gas production with the division for liquefied natural gas, Shell said in a statement. Renewables will merge with Shell's oil refining and marketing business. The overhaul, cutting Shell's executive committee to seven from nine members, is "designed to simplify the organisation further and improve performance", the statement said.
"I'm making these changes as part of Shell's natural and continuous evolution," said Sawan, adding they would help the company's focus on generating "strong returns" for investors. The firm last week launched a strategic review of its domestic energy arm in Britain, Germany and the Netherlands, citing tough conditions.

# German economy contracts, fuelling recession concerns

AFP
Frankfurt

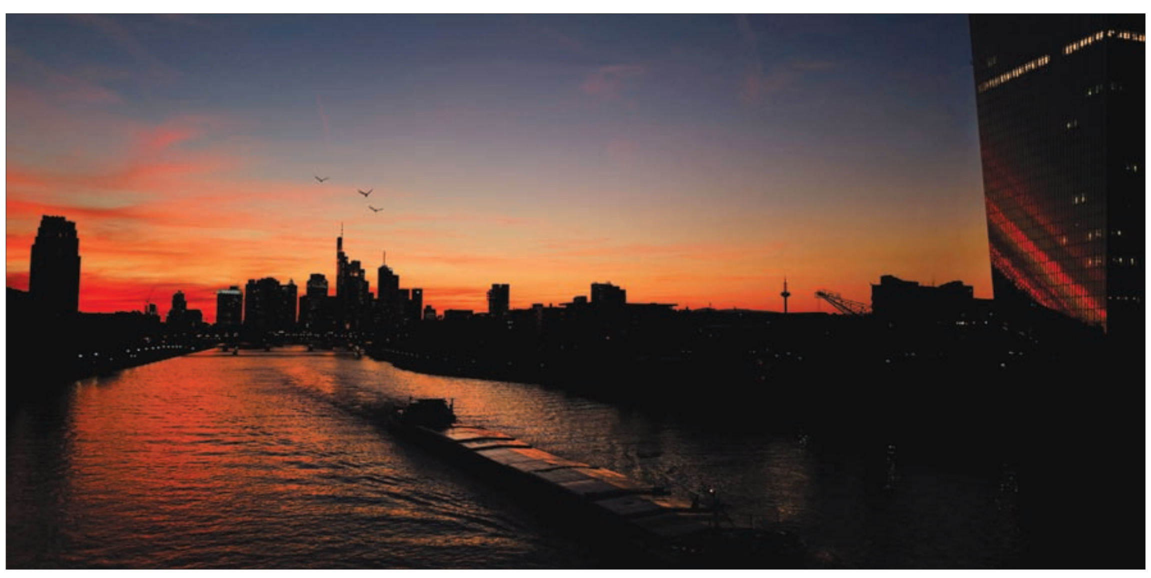
Germany's economy unexpectedly shrank at the end of 2022 due to the fallout from the war in Ukraine, official data showed Monday, adding to worries it could be on the brink of recession.

Europe's top economy contracted 0.2% in the October to December period compared to the previous quarter, according to preliminary figures from statistics authority Destatis.

Analysts from financial data firm Factset had been expecting zero growth, while Destatis said earlier this month the economy stagnated in the fourth quarter.

For the whole of 2022, the German economy grew 1.8%, the data showed, a revision from an earlier figure of 1.9%. Russia's invasion of Ukraine, and subsequent move to slash crucial gas supplies, triggered an energy crisis in industrial powerhouse Germany, and sent food and electricity costs soaring.

But after massive government interventions, signs had improved recently and expectations grew that the German economy might avoid a recession after all.



The skyline with the banking district is pictured in Frankfurt. Europe's top economy contracted 0.2% in the October to December period compared to the previous quarter, according to preliminary figures from statistics authority Destatis.

Monday's disappointing data, however, dented those hopes.

"Recession fears are back," said ING economist Carsten Brzeski. "The warmer winter weather, along with implemented and announced government fiscal stimulus packages, have prevented the economy from falling off a cliff, but a technical recession is still a likely outcome."

A technical recession is defined as two consecutive quarters of contraction.

Franziska Palmas, senior Europe economist at Capital Economics, said the data "pours cold water on the recent optimism about the prospects for the eurozone and suggests that a technical recession in both Germany and the eurozone as a whole is more likely than not after all". Germany was, however, likely to avoid a "deep downturn," she said.

"That's thanks to generous government energy support, the recent fall in gas prices, and backlogs of orders supporting activity in some industrial sectors," Palmas said.

After Russia invaded Ukraine, Berlin raced to find new energy sources, and unveiled a €200bn ($218bn) support package to cushion consumers and businesses, including a cap on electricity and gas prices.

Destatis said that a fall in consumer spending, which supported the economy in the first three quarters of 2022, had hit GDP in the final months of the year.

This suggests the energy crisis was starting to hit household incomes, Palmas said.

The government has nevertheless struck a more optimistic tone lately, with an official forecast last week predicting that Germany would dodge a recession with growth of 0.2% for 2023 as a whole.

A few months earlier, they had predicated it would contract by 0.4%. Earlier this month, Chancellor Olaf Scholz said Germany would avoid a painful recession this year.

Lower energy prices have also helped bring down inflation from a peak of 10.4% in October, with officials expecting the trend to continue.

# Fed's Wall Street clash sets stage for Powell's hawkish message

Bloomberg
New York/Washington

Jerome Powell and Wall Street are headed for another face-off this week as the Federal Reserve seeks to slow its inflation-fighting campaign without signalling a readiness to stop.

Despite 2022's slew of interest-rate hikes from Chair Powell and colleagues, financial conditions are the loosest since last February as investors bet fading inflation will allow the central bank to soon cease raising borrowing costs and then cut them later this year.

That's likely wishful thinking as far as Powell is concerned and he has a clear incentive to push back against the trade given rising stocks and bonds could fan the very price pressures he wants to restrain.

Such a backdrop means Powell is expected to balance this week's likely 25 basis-point increase in rates with a stern message that the step down in size from the past six hikes doesn't diminish his commitment to reducing inflation to 2%. It stood at 5% in December. He may even be willing to roil the upbeat markets if that's what it takes to make his point.

"He can just send a hawkish message," said Ethan Harris, head of global economics research at Bank of America Corp. "I don't think he's going to want the markets rallying out of this meeting. He doesn't want to throw more gasoline on this kind of optimistic spin" fuelling the markets.

Powell has sometimes struggled to get markets to take him at his word. In July, investors divined a policy pivot from his post-meeting press conference even though he stressed the need to keep raising rates. That then gave rise to a strikingly hawkish speech by Powell the following month at the Fed's Jackson Hole conference to hammer the message home.

Fed officials' look set to raise rates by a quarter-point to a 4.5-4.75% range, following a half-point hike last month and four straight 75 basis-point increases, representing the most aggressive tightening campaign in four decades.

Still, financial conditions are now looser than in March when policymakers began to raise rates and minutes of their December meeting show that this was already on their minds. Officials noted that an "unwarranted" easing in conditions would complicate their task of restoring price stability.


US Federal Reserve Chair Jerome Powell departs after speaking at a news conference in Washington, DC. Despite 2022's slew of interest-rate hikes from Powell and colleagues, financial conditions are the loosest since last February as investors bet fading inflation will allow the central bank to soon cease raising borrowing costs and then cut them later this year.

"If that happens, we can offset the effect by gradually raising rates to a higher level than previously expected," she said.

"For the Fed, with financial conditions loosening, the burden of controlling elevated inflation falls increasingly on hopes for favourable supply shocks. If that doesn't happen, our model suggests Powell & Co have more work to do to convince investors they're serious about getting inflation back to their 2% target," say Martin Ademmer and Bjorn Van Roye of Bloomberg Economics.

Traders are firmly pricing in a quarter-point rate hike at the upcoming meeting, with a second move of the same size largely set for the March meeting. Traders expect a peak policy rate around 4.9% by May and June, falling to below 4.5% by the December meeting and with further cuts indicated during 2024.

By contrast, the central bank's December forecasts showed 17 of 19 officials projecting rates above 5% this year, with two of them above 5.5%.

"They need a greater tightening of financial conditions than they're seen," said Sonia Meskin, Head of US Macro at BNY Mellon. "The Fed has struggled with this particular issue throughout 2022 and it seems that the struggle is now being continued into 2023. They are worried about it."

Financial conditions are critical to the Fed's effort to reduce growth below its long-term trend in the face of a resilient economy. Gross domestic product expanded at a 2.9% annualized rate in the final three months of 2022, while initial unemployment claims fell to the lowest since April in a sign of a continued tight labour market.

"The Fed will deliver a hawkish press conference," said Gargi Chaudhuri, the head of iShares investment strategy for the Americas at BlackRock Inc. "I imagine Chair Powell pushes back on the number of cuts priced in by the market before the end of this year. The tight labour market is giving them the opportunity do so."

There are several ways tight conditions reduce growth, and if taken far enough, can induce a recession. Rising mortgage rates cool off the housing market, and higher lending rates can make corporate investments more expensive. A stronger dollar hurts manufacturing by making exports pricier and imports cheaper. And lower stock and bond prices can help restrain consumer spending through a wealth effect.

# Ooredoo 'Zero Trust Exchange' services enable Qatar businesses to accelerate digitalisation with confidence

Ooredoo has highlighted the benefits of Zero Trust Exchange, a recent addition to its business portfolio in the post-pandemic business world.
According to recent research, 72% of organisations now operate on a zero-trust strategy and 76% of these are allocating new budgets to zero-trust. At the top level, using a zero-trust platform offers reduced IT cost and complexity, as well as key capabilities, use cases, and much more.
The Zero Trust Exchange is a cloud-based platform, developed by Zscaler, a global business partner of Ooredoo, offering highly-integrated security services. It is built for the needs of businesses that rely on fast, secure user experience for their employees, delivering best-in-class security, scalability, and performance for modern 'work from anywhere' organisations.
The Zero Trust principle of 'least privilege access' controls all traffic, providing extensive security. The platform is hosted locally at Ooredoo's Tier-3 Qatar Data Centre, which is compliant with all local data protection and security regulations.


**The platform is hosted locally at Ooredoo's Tier-3 Qatar Data Centre, which is compliant with all local data protection and security regulations**

Featuring a proxy-based architecture for a full inspection of encrypted traffic, the Zero Trust concept enables businesses to bring security and policies right up-to-date, replace traditional gateways, make appliance-based security obsolete, and transform network and security infrastructures in a modern, cloud-based way.
Thani al-Malki, chief business officer at Ooredoo Qatar, said: "We are delighted to have added Zero Trust Exchange to our already comprehensive business solutions portfolio. In this post-Covid digital business environment, as we move in the direction of a cloud-based infrastructure with a large majority of organisations operating on a zero-trust strategy, it's imperative we engineer our offerings to suit business needs and achieve our strategic goal of complete customer satisfaction."
Business customers can leverage the Ooredoo Advantage, making Ooredoo 'Best for Business', thanks to its breadth and depth of talent, best fixed and mobile networks, broadest portfolio of ICT services and solutions, and trusted partner for 60 years.

### Milaha signs deal with Turkiye's Hareket for transportation and heavy lifting services in Qatar

Qatar Navigation company (Milaha), a Qatari public shareholding company, and Turkish company Hareket signed an agreement to establish a strategic alliance to provide an integrated range of transportation and heavy lifting services in the State of Qatar, reports QNA.
Milaha said that the strategic alliance with Hareket, a provider of engineered heavy lifting and transportation services, will enable the Qatari counterpart to expand its extensive logistics solutions in the local markets.
The services Hareket will provide to Milaha include project planning, route surveys, lift engineering, project management and installation works.
Qatar Navigation was established in 1957, with a capital of about QR1.136bn.

# Qatar Chamber hosts workshop on global barcode's role in business

Qatar Chamber, in co-operation with Qatar Development Bank and Qatar's Coding and Tracking Office (GS1 Qatar Office), organised yesterday a workshop on the international barcode and its role in business.

Titled 'Introducing the Global Standards for Numbering (GS1) and the Global Standards System (GS1 System) and the Various Applications for Using Barcodes and their Role in Developing the Business Sector for Qatari Companies', the workshop discussed global standards for coding and their use in various barcode applications covering important sectors, such as retail trade, healthcare, transportation and logistics services, and other sectors.

It also introduced the GS1 Qatar and the services it provides to Qatari companies, as well as the GS1, GS1 System, and the various applications of using barcodes and their role in developing the business sector of Qatari companies, in addition to introducing the global keys used in the distinctive mark project and the mechanisms for their extraction and use.

The workshop further discussed the registration and membership process in the GS1 Qatar, and rules for granting international barcodes, as well as the most important challenges facing commercial partners and the proposed solutions.

Ali Sultan al-Kuwari, manager of QDB Export Development and CEO of Qatari Coding and Tracking Office, lauded Qatar Chamber for hosting the workshop and for partnering with QDB and GS1 Qatar to introduce the office and the services it offered to the Qatari business community.

He said the GS1 Qatar Office is a non-profit organisation that aims to safeguard the unified international standards including the barcode. Al-Kuwari said the adoption of the unified international standards system for Qatari companies and institutions will contribute to standardising the global language of business, facilitating exportation, and building a reliable global database of Qatari products and services.

GS1 Qatar Office was established in June 2021 as a member of GS1 with the aim to collaborate in building a developed infrastructure that is capable of serving national industries and responding to their future needs, he noted.

Al-Kuwari invited Qatari companies to purchase the Qatari barcode and use it on their products in the hope that this would bring about a qualitative leap in the economic sectors and make a difference in terms of increasing Qatar's gross domestic product (GDP) by marketing Qatari products and services locally and globally.

The workshop was delivered by Ibrahim Assaf, a specialist in the global standards system and a certified auditor for global tracking systems, who introduced the GS1 which is a global standards organisation based in Belgium with the aim to unify the global language of business.

As for GS1 Qatar, Assaf said it was established as a non-profit entity under the QDB's supervision with the aim of granting membership to local manufacturers, retailers, producers, commercial markets, and others to use the international standards system for coding.

It also aims to introduce international standards and mechanisms for their use at various stages through the supply chain, provide technical advice to improve supply chain operations, hold specialised training courses, present successful experiences in other countries, and hold workshops, seminars, and meetings with the public and private sectors.


Ali Sultan al-Kuwari, manager of QDB Export Development and CEO of Qatari Coding and Tracking Office. ***Right:*** Ibrahim Assaf, specialist in the global standards system and a certified auditor for global tracking systems.

# Pakistan takes hard steps in efforts to secure IMF bailout plan

**Bloomberg**
Karachi

Pakistan's moves to loosen its grip on the currency and increase fuel prices indicate that the beleaguered nation is finally taking the unpopular decisions needed to secure the $6.5bn bailout programme from the International Monetary Fund.

The rupee fell to as low as 270 per dollar on Monday, according to the foreign-exchange desk at AKD Securities Ltd, as authorities allowed the currency to be more determined by the market, one of the preconditions of the IMF for the loan. The government also increased gasoline prices to record over the weekend, ahead of the arrival of the IMF team on Tuesday for a loan review after months of delay over the next loan tranche.

Pakistan is spiralling deeper into crisis amid a shortage of dollars and accelerating inflation, increasing the urgency for Prime Minister Shehbaz Sharif to secure funds from the IMF. The country direly needs funds as its reserves dropped to $3.7bn, less than one month of import cover.

"Pakistan has gotten serious about the IMF programme by taking these decisions even though we are in an election year," said Suleman Rafiq Maniya, head of advisory at Vector Securities Pvt. "All depends on the IMF team visit and their reaction. These measures are quite painful and have a huge political cost."

Sharif has said his coalition government is determined to complete the bailout plan after a delay in implementing key decisions, even though it means paying a political cost just months away from national elections. A tough task lies ahead for the nation's economic managers led by Finance Minister Ishaq Dar, who will need to convince the IMF that the country is ready to implement other tough measures, including raising taxes and gas prices.

Frontier markets seeking IMF financing are facing greater pressure to loosen their grip on currencies, which will help improve their current-account balances. Egypt this month suffered its third devaluation in less than a year. Calculations by Bloomberg Economics show the rupee should stabilise at 266 per dollar, according to a note Monday by Ankur Shukla, an analyst in Mumbai.

In Pakistan, the rupee's slide this month was triggered by the decision of money exchange companies to abolish the limit on the dollar-rupee rate in the open market.

### Toyota top-selling automaker for third year running

Japan's Toyota was the world's top-selling automaker in 2022, retaining its lead over German rival Volkswagen for the third year, company data showed Monday, reports AFP. Despite the chip shortage and Covid-related supply chain disruption, Toyota and its subsidiaries sold nearly 10.5mn vehicles last year, around the same as in 2021. In comparison, Volkswagen Group – which held the top spot until 2020 when it was overtaken by Toyota – sold 8.3mn units last year, an annual drop of 7%. "Despite the impact of production constraints caused by the spread of Covid-19, increased demand for semiconductors, and other factors, global sales were at the same level year-on-year as a result of solid demand centred around Asia," the Japanese car giant said. In 2022, Toyota sold 2.7mn electrified vehicles, around 5% more than the previous year. The vast majority of those – 2.6mn – were hybrid models. Toyota pioneered hybrid cars, but some critics say the company has been slow to make the shift to battery-powered engines even as demand soars for low-emission automobiles. A year ago, Toyota hiked its targets for the sector and announced it would roll out 30 battery-powered electric models by the end of the decade. Mio Kato, an analyst at Lightstream Research who publishes on Smartkarma, told AFP that Toyota was likely to keep its top-selling crown in the near term.

# Middle East CEOs confident about regional economic growth in 2023, says PwC survey

Middle East CEOs are optimistic about the region's economic growth prospects, with around two thirds of business leaders expecting an improvement this year.

The Middle East findings of the 26th edition of PwC's global CEO survey, which polled 4,400 CEOs in some 64 countries, finds that CEOs in the Middle East are confident in regional growth and are transforming their businesses embracing new technologies, investing, driving cost efficiencies, moving on deal activity and taking active steps to mitigate the risk of climate change.

However, CEOs hold a pessimistic view on the outlook for the global economy with 73% of global CEOs and 82% of regional CEOs expecting a decline in global growth over the next 12 months. Just 21% of North American CEOs and 18% of European CEOs are confident in revenue growth in their own markets.

This contrasts sharply with the picture in the Middle East where 63% of regional CEOs are confident about their own companies' revenue growth over the next 12 months, with 71% of senior executives confident about their outlook for the next three years.

Hani Ashkar, PwC Middle East Senior Partner, said: "In last year's survey, CEOs in the region were optimistic about their near-term economic prospects. Today, macroeconomic volatility and geopolitical tensions are undoubtedly impacting the confidence of global CEOs' outlook for the year ahead. However, responses from Middle East leaders for our 26th Annual CEO Survey paint an encouraging picture for 2023, with almost 61% of Middle East CEOs expecting regional economic growth to improve in 2023."

CEOs in the Middle East are actively preparing for a dynamic period ahead with 58% of CEO's already transforming and strengthening their businesses. Unlike their global peers, regional business leaders are proactively accelerating M&A activity with 76% not delaying deals vs 60% globally.

Nor are they slowing down on investments with 58% of regional CEOs continuing to invest vs just 40% globally. Middle East executives are also focused on building efficiencies and resilience around their supply chains, with more than 70% looking to push through price increases and 84% seeking to reduce operating costs.

As the Middle East continues with its ambitious digital transformation agenda, this year's survey found that two-thirds of regional CEOs view technological disruption as a leading issue that will affect their industry's profitability over the next decade, compared with just under half of global CEOs.

This year's survey indicates that Middle East senior executives foresee technology as a prominent feature in their plans with more than four in five regional CEO's expecting to invest in automation processes and systems in 2023, and 66% expecting to deploy cloud technology, artificial intelligence, and other advanced technologies in operations.

Attracting and retaining talent also remains a key focus with 74% of Middle East CEOs expecting to invest in reskilling their workforce, in addition to 84% of regional leaders planning on not reducing staff compensation.

Stephen Anderson, Middle East Strategy and Markets leader, said: "This year's edition of the Middle East CEO survey demonstrates that regional business leaders are balancing confident growth prospects along with the challenges of transforming their business to ensure resilience in the face of global volatility and concerns about long-term viability."

Bassam Hajhamad, Country senior partner, PwC Qatar said: "This year's Middle East CEO survey clearly resonates with the emerging themes across Qatar. Companies in Qatar are confident in their future sustainable growth. They are resilient and constantly transforming their businesses by embracing new technologies and partnerships. The digital transformation agenda is key to CEOs future proofing their companies."