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# South Korea ready to support Qatar's food security, says envoy

**Bv Peter Alagos Business Reporter** 

outh Korea has expressed its support for Qatar's food security strategy, according to ambassador Lee Joon-ho, who made the statement in the wake of the recently-held '10th Qatar International Agricultural Exhibition (AgriteQ)?

The ambassador lauded the staging of AgriteQ's 10th edition, which saw the participation of around 55 countries. Many South Korean companies have participated in this exhibition to promote their smart farm and agri-

"Qatar is pursuing food security as its top priority, and many South Korean smart-farm companies are best capable of providing tailored solutions fit to Qatar's environment. These companies have full experience in achieving great success in many smart farming projects and they are well-equipped with high technologies like cooling systems in greenhouse or water-saving technology.

"I really hope the exhibition had provided us with good opportunities to strengthen our agricultural collaboration and pave the way for concrete smart-farming projects between Qatar and South Korea, Lee told Gulf Times.

According to data provided by the South Korean embassy in Oatar, 11 South Korean firms show-



South Korean ambassador Lee Joon-ho.

cased leading innovations during AgriteQ in the following areas: grain milling and processing facility, tarpaulin, agricultural machinery parts, electric carriages, greenhouse materials and construction, smart farm solutions, vertical indoor farming, green biotech, and agricultural machinery parts and work machinery.

The data also revealed that POMIT, a leader of a South Korean consortium, is a company that specialises in the production of high-value crops using smart farming technology.

POMIT has the capability to produce strawberries from South Korea all year round, thus ensuring a consistent supply of fresh strawberries, the embassy stated.

"POMIT recently signed memoranda of understanding with the UAE and Saudi Arabian markets, and are now actively seeking suitable partners in Qatar to expand

their footprint. "Their focus on producing high-value crops, such as strawberries, wasabi, and ginseng using smart farms underscores

their commitment to innovation and sustainable agriculture. With their cutting-edge technology and expertise in the industry, POMIT is poised to become a major player in the global agricul-

tural market," the embassy added. Aside from POMIT, other South Korean companies that participated in this year's AgriteQ included Daewoon GSI, Hanil Tarpaulin, Kukje Danjo, LNS, Mokmin Industries, N Thing, Nexton, Nutra-Park, Woosung Precision Industrial, and Nong-

#### **Qatar-Russia trade at QR566mn** in 2022, says chamber official

Bilateral trade between Oatar and Russia stood at OR566mn in 2022. Oatar Chamber board member engineer Ali Abdullatif al-Misnad said during the recently-held webinar. Al-Misnad represented the chamber during a business conference of Russian and Qatari companies organised by the Qatari-Russian Business Council with the participation of many representatives of a number of Qatari and Russian companies. Other participants included

Tatiana Rushkevich, deputy general director of the Russian Qatari Business Council; Vardanyan Suren, vice-president of the Moscow Chamber of Commerce and Industry. and representative of Oatar's Embassy to the Russian Federation; as well as many government officials from Russia. Al-Misnad said Qatar and the Russian Federation are associated with distinguished and close relations in all fields. especially in the economic and commercial aspects, noting that there are several agreements and MoU signed between them and technology.

He said Russia welcomed Qatar as a guest country at the St Petersburg International Economic Forum (SPIEF 2021), in which a large Qatari delegation participated. He stressed that the forum was a leading platform for establishing new business ties and signing partnership agreements that led to the signing of more than 60 MoUs and agreements between Qatari and Russian entities in important sectors of business. investment, trade, sports, tourism, and education, among

Al-Misnad reiterated that bilateral trade exchange reached QR566mn in 2022, adding that there are many jointly-owned Qatari-Russian companies



Qatar Chamber board member Ali Abdullatif al-Misnad.

operating in Oatar in various economic and commercial

sectors. "There are many Oatari investments in Russia in many and banking. Qatar is currently one of the largest foreign investors in Russia's economy from the GCC region," he said. Al-Misnad stressed that Qatari businessmen are eager to boost co-operation with their Russian counterparts and learn about the opportunities available for investment in Russia. He said Oatar also welcomes Russian investments in all sectors, which offers an advanced infrastructure, favourable legislation, and a pro-investment climate. He also underscored Qatar Chamber's interest to enhance co-operation relations between Qatari and Russian firms, noting that it encourages businessmen from both countries to enter into new partnerships and establish commercial alliances and investment projects that are beneficial to both economies Suren said the seminar gath-

ered an elite group of Qatari review co-operation ties, noting that there is a joint interest from both sides to enhance co-operation and establish partnerships. He said there is co-operation

between various sectors, such as retail, hospitality, and energy, and expressed hope to see more partnerships in the high-technology sector, which offers a host of investment opportunities.

Rushkevich stressed that the seminar aims to provide a platform for businessmen from both sides to explore co-operation horizons and investment opportunities available in both countries. During the meeting, a number of presentations from many Qatari and Russian companies were presented.

### Fed hikes quarter point, signals it still expects higher rates

#### Washington

The Federal Reserve raised interest rates by a quarter percentage point and signalled it's not finished hiking, despite the risk of exacerbating a bank crisis that's roiled global markets.

The Federal Open Market Committee voted unanimously to increase its target for the federal funds rate to a range of 4.75% to 5%, the highest since September 2007, when rates were at their peak on the eve of the financial crisis. It's the second straight rise of 25 basis points following a string of aggressive moves starting in March 2022, when rates were near zero.

"The US banking system is sound and resilient," the Fed said in a statement in Washington after a two-day meeting. At the same time, officials warned that "recent developments are likely to result in tighter credit conditions for households and businesses and to weigh on economic activity, hiring, and inflation. The extent of these effects is uncertain."

Fed policymakers projected rates would end 2023 at about 5.1%, unchanged from

their median estimate from the last round of forecasts in December. The median 2024 projection rose to 4.3% from 4.1%. The hike and forecasts suggest policymakers remain firmly focused on bringing down inflation to their 2% goal, indicating they see rising prices — especially based on recent data - as a bigger growth threat than the bank turmoil. It also projects confidence that the economy and financial system remain healthy enough to withstand the string of bank collapses. At the same time, rising borrowing costs risk worsening the bank crisis, especially since it was higher interest rates on holdings of Treasuries that precipitated Silicon Valley Bank's collapse and threatened other lenders. If the Fed is underestimating the extent of financial fissures, the latest move risks adding to pressures that could tip the economy into recession. While Wednesday's hike was in line with most economists' and traders' expectations, it was one of the central bank's toughest calls in recent years, with some Fed watchers and investors calling for a pause to mitigate the risk of financial contagion following multiple bank collapses. The Fed "anticipates that some additional policy firming may be appropriate in or-

der to attain a stance of monetary policy that is sufficiently restrictive to return inflation to 2% over time," officials said in their post-meeting statement. The change in the statement language -

policymakers had previously said that "ongoing increases" in the benchmark rate would be appropriate — signals they want to add flexibility to pause if necessary. Officials also removed a reference in the statement to inflation having eased, saying price pressures remain elevated. It noted that job gains have picked up in recent months, and are "running at a robust pace."

The Fed said it would continue the same pace of shrinking its balance sheet, a process known as quantitative tightening, though recent emergency measures have swelled assets once again. The central bank will keep the monthly caps of \$60bn for Treasuries that are allowed to mature without being reinvested and \$35bn for

Earlier this month, before the SVB failure, Fed chair Jerome Powell indicated that the Fed might ramp back up to a 50 basis-point hike at this meeting to combat persistent inflation and a too-tight labour market. This week's gathering was the



The Federal Reserve building in Washington. Fed policymakers projected rates would end 2023 at about 5.1%, unchanged from their median estimate from the last round of forecasts in December.

first for policymakers since the January and February data came in surprisingly

The collapse of SVB and two other banks in the US were followed in Europe by the

sale of Swiss banking giant Credit Suisse Group AG. The turmoil ignited fears of contagion to other banks. The Fed and other regulatory agencies introduced backstops, including an emergency

lending facility to banks and an increase in the frequency of US dollar swap-line operations with foreign central banks, the latter of which the Fed and five other institutions announced Sunday

#### Strong Asia oil demand pushes key Mideast spread to two-year low

closely-watched gauge of Asian oil demand is at its tightest level in more than two years, underscoring the region's buoyancy just as investors expect a slowdown in Europe and the US following the recent turmoil in their banking systems.

The difference between London's Brent and Dubai crude has fallen to \$1.54 a barrel, the lowest since February 2021 and down from \$9.30 as recently as November.

The development – given more impetus in recent days by refinery strikes in France, which have dented crude demand in Europe - is a further signal of Asia's strength relative to other regions when it comes to energy consumption.

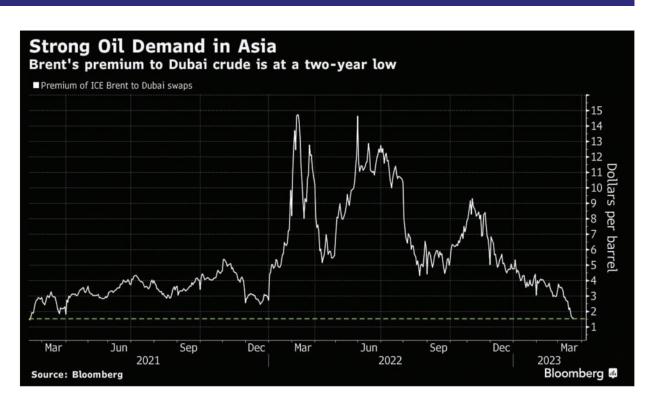
Thanks largely to China's economic rebound following the ending of coronavirus lockdowns, Asia will account for 76% - or 1.3 million barrels a day - of global oildemand growth this year, according to JPMorgan Chase & Co. Europe and the US will see a rise of just 30,000 barrels a day, the bank's analysts, including Natasha Kaneva, said in a note last week.

Dubai crude spot prices act as a proxy for the heavy-sour barrels produced in large quantities in the Arabian Gulf. The oil generally sells for less than Brent, which is lighter, sweeter and easier to refine into fuels

Gulf nations such as Saudi Arabia, Iraq and the United Arab Emirates sell the bulk of their oil to Asia, with China, India, Japan and South Korea being the biggest buyers.

Still, the Dubai benchmark's rise may have run its course now the discount to Brent is so low, according to analysts at FGE, an energy consul-

The spread "should be fast-approaching a floor and we see support on the horizon" as Brent steadies along with financial markets, FGE said. Bank stocks have recovered a small part of their losses week after the state-led rescue of Credit Suisse Group AG over the weekend.



#### **World Bank approves 5-year plan** to support Egypt development

**Bloomberg** 

The World Bank approved a new five-year strategy for Egypt that has improving the nation's business environment and supporting green development among its goals.

Under the auspices of what it calls a country partnership framework, the bank lays out lending plans and formulates its operations and activities in nations. The latest one to support Egypt follows a 2015-19 framework that was extended

It seeks to help create "more and better" private-sector jobs. support improved health and education services and improve Egypt's resilience to shocks through strengthened macroeconomic management, and climate change adaptation and mitigation steps, the World Bank said in a statement

The programme "puts the Egyptian people at the centre of its strategy, with a heavy focus on job creation by improving the business environment and levelling the playing field," said Marina Wes, country director for Egypt, Yemen and

The World Bank and International Monetary Fund have long said the Egyptian state needs to curb its role in the economy to give private enterprise more of an opportunity. Lessening the state's footprint is a key element in an IMF loan package negotiated last year.

The framework's projects will be supported with a "financial envelope" of \$7bn in lending, comprising of \$1bn a year from the International Bank for Reconstruction and Development and about \$2bn over the entire period from the International Finance Corp, according to the



Yousef Naaiem, 65, weaves a carpet on a handmade loom in his shop with traditional souvenirs, at the Gharb Soheil village, on the west bank of the Nile river, in the southern Egyptian city of Aswan. The World Bank approved a new five-year strategy for Egypt that has improving the nation's business environment and supporting green development among its goals.

# Opec+ likely to stick to its guns despite price slump, say delegates

Reuters London/Duba

pec+ is likely to stick to its deal on output cuts of 2mn barrels per day (bpd) until the end of the year, even after a banking crisis sent crude prices plunging, three delegates from the producer group told

Oil prices hit 15-month lows on Monday in response to the banking crisis that followed the collapse of two US lenders and resulted in Credit Suisse being rescued by Switzerland's biggest

Brent crude was trading around \$75 a barrel yesterday

Last October Opec+, which comprises the Organisation of the Petroleum Exporting Countries (Opec) and allies led by Russia, agreed steep output cuts of 2mn bpd from November until the end of 2023 despite major consumers calling for increases to production.

'Opec deal contributed in addressing oil market challenges'

Opec secretary-general Haitham al-Ghais said the group's agreement to reduce production has helped address challenges facing global oil markets, Iraq's oil ministry quoted him as saying on Tuesday, reports

Al-Ghais, who was on a visit to Baghdad, added that Opec's most important target is to achieve stability and balance between supply and demand. Last November, with oil prices weakening, members of the Organization of the Petroleum

That decision helped to push Brent close to \$100 a barrel, but prices have come under pressure since then as rising interest rates to combat high inflation threaten to stymie oil demand

Falling oil prices are a problem for most of the group's members because their economies rely heavily on oil revenue.

Exporting Countries (Opec). together with Russia and other allies - a group known as Opec+ - reduced its output target by 2mn bpd. That was the largest cut since the early days of the Covid-19 pandemic in 2020, and the same reduction applies for the whole of 2023.

"The Opec agreement is one of the most important historical decisions taken by the members of the organization to face the various challenges faced by the global oil markets," al-Ghais said according to the ministry.

Russian Deputy Prime Minister Alexander Novak on Tuesday said that Moscow will continue with a 500,000 bpd production cut it announced last month, lasting until the end of June.

"This is only a unilateral cut of Russia," one of the delegates said. "No changes for the group until the end of year," he added. Another delegate added that

no further cuts were planned by the group. A third delegate said the recent slump in oil prices was related to speculation in the financial market, not market fundamentals. The heads of top oil traders and hedge funds that spoke at an industry event this week said that they expected oil prices to strengthen by the end of the year as continued easing of Covid-19 restrictions in China drive up demand in the world's biggest oil importer.

Pierre Andurand, founder of hedge fund Andurand Capital, was the most bullish and forecast a potential Brent oil price of \$140 a barrel by the end of the year.

In its most recent monthly report, Opec upgraded its forecast for Chinese oil demand growth this year but maintained its projection for global demand growth at 2.32mn bpd.

Opec+ is due to hold a virtual meeting of its ministerial committee, which includes Russia and Saudi Arabia, on April 3 before a full ministerial meeting in Vienna on June 4.

#### Morocco hikes rate to extend tightening cycle to new record

Bloomberg

raised its benchmark interest ate to 3%, extending a rare monetary-tightening cycle to a record length to counter the fastest inflation in decades.

The widely expected 50 basis-points increase announced on Tuesday was the third consecutive hike by Bank al-Maghrib, and the longest tightening streak since gaining independence over monetary policy in

Tackling a surge in consumer prices, which reached an annual 8.9% in January, is a top priority for Morocco. The bank said inflation is expected to remain at "high levels" over the medium term, averaging 5.5% in 2023. Its core component is seen at 6.2%, an upward revision of 2 percentage points compared with the December forecast.

The decision to hike rates was to "prevent the outbreak of selfsustaining inflationary spirals and to strengthen the anchoring of inflation expectations so as to favour its return to levels in line with the price-stability objective," the institution said in a statement.

Morocco's central bank is one of dozens around the world to raise rates to combat soaring consumer prices, partly sparked by the impact of Russia's invasion of Ukraine on energy and food costs. There are some signs the cycle may be coming to an end, particularly after the collapse of three US banks and the rescue of Credit Suisse Group AG.

All eyes were on the US Federal Reserve, which was set to announce its latest interest-rate decision later on Wednesday.

"Despite a relative easing of external pressures, recent data show that inflation continues to accelerate, driven in particular by domestic supply shocks on certain food products," the bank



Cars move on a street at the Beijing's Central Business District (CBD), during the morning rush hour following the Chinese Lunar New Year holiday, in Beijing on January 30. In its most recent monthly report, Opec upgraded its forecast for Chinese oil demand growth this year but maintained its projection for global demand growth at 2.32mn bpd.

#### **Tender Invitation for Lease of Accommodation**

AMWAJ Catering Services intends to lease Cluster of Villas/Apartment Building for 234 Beds in Al Khor / Umm Birka Area (proximity to Ras Laffan Area) (only for Male) ready to occupy as Staff accommodation for its employees for a period of one (1) year effective

In view of the above, AMWAJ Catering Services invites bid submission from Property

- owners only. The bid should include the following documents: Complete portfolio of the property available for Leasing
  - Property Title
  - Photocopy of owners identity card Proposed date for building handover
  - Telephone number to contact the owner

The bids should be submitted in a wax sealed envelope no later than 12:00 Noon on 3 April 2023. The same shall be delivered to the below address

Secretary, Tender Committee AMWAJ Procurement Office 12th Floor, Alaqaria Building

P.O. Box 23904 - Doha, Qatar (No offer from any Agent will be entertained)

For any inquiries, please call 44912175

#### Credit Suisse crisis sends shivers amongst wealthy Indians

**Bloomberg** 

The Credit Suisse Group AG crisis is likely to make a dent on the way well-off Indians view international wealth managers, a firm backed by Liechtenstein's royal family said on Tuesday. Rajesh Cheruvu, chief investment

officer and managing director at

LGT Wealth India Private Ltd, said in the past 15 years or so, many multinational financial institutions have come and exited Indian markets and the latest incident was making wealthy investors nervous. "This particular event once again reminds and recalls the past uncertainty in terms of their business strategies," Cheruvu told Bloomberg Television. "Investors primarily want stability of business operations of their wealth



The Credit Suisse crisis is likely to make a dent on the way well-off Indians view international wealth managers, a firm backed by Liechtenstein's royal family said on Tuesday

managers and wealth advisers." This year, Citigroup Inc exited its retail operations in India through a sale to Axis Bank, transferring all its wealth management business to the country's third-largest private sector lender

In addition, in the past decade Credit Suisse's new buyer — UBS AG, Morgan Stanley and Macquarie Group Ltd have exited the country's private-wealth business, after finding it difficult to make money from the value-conscious

millionaires who were not used to pay for their advice. Nevertheless, the volume of wealth creation as India grows and changing attitudes towards professional fund management have enticed some money managers back as they seek to capture a slice of the country's \$600bn wealth industry that is growing at double digits annually. HSBC Holdings Plc, plans to launch an onshore private banking service in India to tap its wealthy while Julius Baer Group Ltd aims to expand to more locations in the next five years.

"Structurally India is offering a great growth opportunity for the next three, five, seven years. So we are actually suggesting to investors to use this ongoing nervousness in the market place and volatility to their benefit to construct a portfolio for the longer term," Cheruvu said.

#### Russia jumps above Saudi Arabia as China's biggest oil supplier

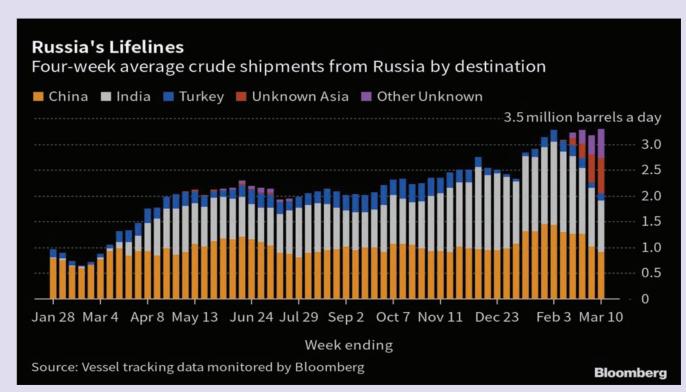
**Bloomberg** London

Russia surpassed Saudi Arabia as China's biggest oil supplier with refiners taking advantage of cheap barrels to feed rebounding demand in Asia's biggest economy following the end of Covid Zero.

The Asian nation imported 7.69mn tonnes of crude from Russia last month, or 2mn barrels a day, according to Chinese customs data. Flows from Saudi Arabia slipped to the lowest level since June, down 29% from January. China and India have emerged as major buyers of Russian crude after the war in Ukraine re-shaped global energy flows. Moscow has been offering its oil at discounted prices, a move to entice a shrinking pool of customers and widely welcomed by Asian buyers trying to control inflation.

Demand for transport fuels such as gasoline has returned aggressively in China following the end of Covid restrictions late last year, leading to more frequent traffic jams in major cities. Russia and Saudi Arabia have shared the title of China's top crude oil supplier more often since the war.

Energy was expected to be among the key topics discussed during Chinese President Xi Jinping's visit to Moscow this week, labelled by Beijing as a journey of "friendship, co-operation, and peace." Russia is also a major supplier of coal and liquefied natural gas to



# Japan to spend \$15bn on inflation aid ahead of local polls in April

Bloomberg

Tokyo

apan is set to allocate more than \( \frac{\pmathbf{2}}{2} \) to (\( \frac{\pmathbf{5}}{15} \). Ibn) in additional aid to ease the impact from high inflation ahead of local elections next month.

The outlays will come from reserve funds already budgeted for the fiscal year ending this month, Economy Minister Shigeyuki Goto told reporters on Wednesday. The measures include handouts for low-income households and their children, and support for households that use liquefied petroleum gas, according to documents from the cabinet office.

The additional measures underscore the concern in Prime Minister Fumio Kishida's ruling coalition over the impact on voters and firms from the strongest inflation in four decades. Economists say the longer-term impact from the measures on prices and Bank of Japan policy is likely to be limited.

"The BoJ will exclude the impact from the fresh measures as they are likely to only last for a short period, like a year," said Takahide Kiuchi, a former BoJ board member and economist at Nomura Research Institute. "The government is doing this for upcoming local elections rather than for monetary policy."

The ruling parties are set to face local elections across the country next month, including some by-elections to fill parliamentary seats. Support for Kishida's government has recently picked up from record lows, partly due to its firm stance on supporting Ukraine. The premier made his first trip to Kyiv this week since Russia's full-scale invasion.

Still, more action to relieve the impact of soaring inflation may help shore up public approval.



A shopper is reflected on a mirror glass as she checks food items at a supermarket in Tokyo. Japan's core inflation hit 4.2% in January, the highest since 1981, with food and energy prices still the main drivers. The gauge is forecast to slow down when the February reading is released on Friday, as earlier government price-relief measures cut electricity bills and keep a lid on natural gas costs.

Economy Minister Goto said that of the newly planned measures, \(\frac{2}{3}700\)bn will go toward responding to the rise in energy prices, while \(\frac{2}{5}00\)bn will be used to support low-income households. With other spending, the total amount will add up to over 2 trillion yen.

Japan's core inflation hit 4.2% in January, the highest since 1981, with food and energy prices still the main drivers. The gauge is forecast to slow down when the February reading is released on Friday, as earlier government pricerelief measures cut electricity bills and keep a lid on natural gas costs. The earlier steps didn't extend to liquefied petroleum gas, which is used more extensively outside Japan's big cities.

Kiuchi expected the latest measures to shave 0.3 percentage point off consumer prices, while lifting nominal gross domestic product by

0.09%. The government previously estimated the existing measures would suppress inflation by 1.2 percentage point.

The BoJ expects inflation to fall below its 2% target in the year starting in April, and says it needs to keep its monetary easing to anchor inflation above its goal. It had also repeatedly stressed the need for wages to stably keep up with prices for its target to be met.

#### World Bank chief urges China to restructure debt of poor nations

Bloomberg

he outgoing World Bank chief called on China to be more active in restructuring discussions for developing countries in debt crisis.

China has "become one of the world's major lenders to developing countries so we are trying to work with them to do debt restructuring," David Malpass said at a Council on Foreign Relations event. "They haven't been in the habit of doing that."

Malpass criticised China — a major lender to poor nations — for including nondisclosure clauses that make it difficult to evaluate the loan contracts.

"We have dialogue with China and we're making some progress," Malpass said, citing China's participation an International Monetary Fund programme to help Sri Lanka.

The Sri Lanka development comes as debt-relief talks for other vulnerable nations such as Zambia have stalled. The main sticking point for talks on several fronts has been a disagreement between China and traditional lenders led by the US on whether loans from multilateral institutions like the World Bank can be restructured.

When asked about Malpass's remarks at a regular press briefing in Beijing on Wednesday, Foreign Ministry spokesman Wang Wenbin said China has been "working on addressing difficulties in debt repayment through friendly consultation on the basis of respect and the will of indebted countries concerned"

When asked about Malpass's remarks at a regular press briefing in Beijing on Wednesday, Foreign Ministry spokesman Wang Wenbin said China has been "working on addressing difficulties in debt repayment through friendly consultation on the basis of respect and the will of indebted countries concerned."

While more participation from China on debt restructuring is necessary, "private sector creditors have also been a major factor in this debt burden."

Malpass said investments in euro bonds, for example, generated from London and New York were made possible by low interest rates, which led to a reach for yield, as investors would put money into bonds that were going to poor countries.

"There needs to be a restructuring or rescheduling process" so that countries can get to a sustainable spot in their debt structure, Malpass said.

The comments from Malpass come as Ajay Banga, President Joe Biden's nominee to replace Malpass, was set to meet on Wednesday with China's finance minister, leaders of the People's Bank of China and the president of the Asian Infrastructure Investment Bank.

#### **Bloomberg QuickTake Q&A**

## Where are we in hunting for the origin of Covid coronavirus?

#### By Jason Gale and Michelle Fay Cortez

Scientists have yet to determine the origins of Covid-19, years after it touched off the worst pandemic in more than a century. The first human cases were tied to a fresh food market in the Chinese city of Wuhan, and possibly to wildlife sold there. A new analysis this year highlighted the possibility that small mammals sold at the market, like raccoon dogs, acted as a vector. There are more politically charged theories, including that the virus accidentally escaped from a nearby research laboratory, a theory that has support from the FBI but not the full US intelligence community. Amid all the posturing, governments and scientists agree that deciphering the creation story is key to reducing the risk of future pandemics.

#### 1. Why the mystery about where it came from?

Where, when and how a pathogen begins spreading in humans can be difficult, if not impossible, to pinpoint. In the case of Covid-19, scientists quickly determined the disease is caused by Sars-CoV-2, a coronavirus genetically similar to others collected from bats. However, it may have followed a convoluted path to Wuhan, a city of 11mn people. Also, where a new disease starts spreading isn't necessarily where it spilled over from the animal kingdom or first infected a human. HIV, for instance, is thought to have originated in chimpanzees in southeastern Cameroon. It didn't begin spreading readily in people until the 1920s, when it reached the city of Kinshasa hundreds of miles away. Scientists reported that finding in 2014, some three decades after the Aids pandemic was recognised.

#### 2. What are the main hypotheses?

Debate has coalesced around two competing ideas:

a spillover from animals or an accidental laboratory escape. The first theory was considered most likely by an international panel, convened by the World Health Organisation, which conducted a four-week mission in 2021. That's also the way all previous known coronaviruses that have infected humans — nine in total — went. The lab leak theory has gained traction in large part because Wuhan also happens to be the location of a leading centre for coronavirus research.

#### 3. How would an animal spillover work?

Two scenarios are possible: that the virus spilled over to humans directly from a "reservoir host," or via an "intermediary" species. (A reservoir host is an animal that harbours a pathogen, usually without getting sick itself, and serves as a source of infection.) Before Covid, bats were the source of two recent coronaviruses that caused lethal outbreaks in people: severe acute respiratory syndrome (Sars) and Middle Eastern respiratory syndrome (Mers). Many scientists consider those flying mammals as the probable reservoir host for Sars-CoV-2 as well. The theory got a big boost in March 2023, when a new analysis of samples taken from the Wuhan wet market shortly after the pandemic started found presence of the coronavirus along with genetic material from multiple animals - including raccoon dogs, which are susceptible to the disease. It was the first time that a genetic fingerprint of the virus and a potential animal intermediate host was found in the exact same place, which would be consistent with a spillover.

#### 4. What about the lab leak theory?

The Wuhan Institute of Virology is the first lab in mainland China ranked as Biosafety Level 4 (BSL-4) for dealing with the most dangerous pathogens. Such labs can engage in so-called "gain-of-function" research that enhances a pathogen's ability

to spread or cause disease. Supporters say such work is useful to develop vaccines, treatments and diagnostics for the prevention of future pandemics. Opponents including Robert Redfield, who served as the director of the US Centers for Disease Control and Prevention at the outset of the pandemic, has called for a ban because of the risks involved.

#### 5. What does US intelligence say?

According to the Office of the Director of National Intelligence, all agencies agree that the two hypotheses were plausible – the virus emerged naturally or spread due to a mishap at a Chinese laboratory - but are divided on which was most likely. Christopher Wray, director of the Federal Bureau of Investigation, told Fox News in February that his department believes a "potential lab incident in Wuhan" is the most likely explanation. The Energy Department swung this year from undecided to the FBI's view, the Wall Street Journal reported. The Central Intelligence Agency remains undecided, it said, while other agencies say that natural transmission was most likely. US President Joe Biden on March 20 signed a law to declassify intelligence on the origins of Covid, while a House subcommittee

#### 6. Why wasn't the Wuhan lab investigated more?

China didn't allow it to be. Stung by criticism that it initially covered up the extent of the crisis, China only agreed to co-operate with the WHO investigation after months of negotiation. A team of experts did visit the lab, although its official mandate had no mention of research specifically on Wuhan labs or any role they may have played. WHO directorgeneral Tedros Adhanom Ghebreyesus said then that the team, which was jointly organised by China, had been too quick to dismiss the lab leak theory. After the analysis this year that pointed to

raccoon dogs as a possible animal intermediary, he said that the data — which had been collected by Chinese researchers — could have and should have been shared three years ago.

#### 7. What is China's view?

Chinese officials say they participate in work that is based on science and have shared information with the WHO. At the same time, China's government has been trying to shift attention away from both the lab leak theory and the scenario that there were exotic animals infected with the virus being sold at the Wuhan wet market. Instead, it has pushed alternative theories with little scientific support, such as that the virus got into China via frozen food or packaging, or that the pathogen originated at Fort Detrick, the US Army's research lab in Maryland.

#### 8. When were the first Covid-19 cases in Wuhan?

Symptoms in the earliest-known patient began on December 11, 2019, according to a study published in the journal *Science*. That suggests infections probably began a couple weeks earlier. The WHO mission found no evidence the virus was circulating widely in Wuhan before December. A group of researchers, including at the University of California, San Diego, proposed in 2022 that the virus spilled over from animals on two separate occasions, spawning distinct lineages that started spreading in late November 2019.

#### 9. What role did the Huanan food market play?

The sprawling market in central Wuhan could have acted as a contamination source, an amplifier for human-to-human transmission, or both. The first-known Covid case was a female seafood vendor there, and a third of the 168 retrospectively identi-

fied cases in December 2019 were directly linked to the market. Spatial and data analyses published in *Science* in 2022 are supportive of the market being the epicentre of the pandemic. Dozens of environmental samples collected from the market in early 2020 tested positive for Sars-CoV-2, and three live viruses were isolated and found to be almost identical to specimens swabbed from infected people, according to unpublished findings by Chinese

government researchers in early 2022.

The Huanan market had 678 stalls and more than 1,180 employees supplying seafood products, as well as fresh fruit and vegetables, meat, live animals and grocery items. Testing after the market was closed on January 1, 2020, found widespread contamination of the floor, walls, chopping boards and cleaning tools compatible with the virus being transmitted from infected people to surfaces.

■ Though in 2020 China denied the existence of wildlife wet markets in the country, the Chinese researchers two years later identified 10 stalls that had been selling live, "domesticated wildlife," including deer, badgers, rabbits, dogs, porcupines, hedgehogs, salamanders and crocodiles.

#### 10. What further research is needed?

There was a large network of farms supplying wildlife to Wuhan markets, including from suppliers located in areas where bats are known to harbour coronaviruses. The WHO mission said further research should involve tracing these products to their source and testing other animals there, as well as their surroundings and people living nearby. This now looks unlikely to happen. While the WHO's scientific advisory group was slated to meet in June 2022, the second phase of its investigation has been shelved, the scientific journal *Nature* reported in February 2023. WHO officials said they are still pursuing information on the origins of Covid, though it's becoming more difficult as time passes.

## Ford tiptoes towards a big reveal of losses from EV business

Bloomberg New York

ord Motor Co's Jim Farley was told recently of a survey that found investors overwhelmingly believe legacy automakers can't be cost competitive with Tesla Inc.

"I'm with them," the chief executive officer responded at an industry conference last month. "That's why we split the business."

Ford's radical reorganisation last year - cleaving the electric, gaspowered and commercial vehicle operations into quasi-independent businesses - aimed to allow moretargeted investments in high-growth areas, showing how committed the automaker is about catching up in the EV

The company now is set to take the next step in that process, unveiling an

overhauled financial reporting structure for the redesigned company that lays out profit and loss for each business line. Management will host a "teach-in" for analysts and investors Thursday on Wall Street before offering full results in the first-quarter earnings report May 2.

The new-look balance sheet will give investors a more complete view of Ford's nascent EV business, including expenses and revenue - and how much money it's losing.

"Our battery electric vehicle business is a startup buried within Ford," John Lawler, the automaker's chief financial officer, said in an interview. "And now we're going to show the transparency of what that startup is. And like any startup, they're at a loss in the beginning."

The purpose of what Ford insiders call a "re-founding" of the 120-yearold company is to chase Tesla's strong margins, which are three times more than Ford's highest hopes for its EV business. Farley has also said he wants to command the kind of investor respect that has made Elon Musk's company the world's most valuable auto-

Ford is currently the No 2 seller of EVs in America, on the strength of its F-150 Lightning plug-in pickup and battery-powered Mustang Mach-E. But it is miles behind Tesla, which controls two-thirds of the US market.

Separating Ford's EV operations into its own unit - dubbed Model e - is seen as a move toward achieving those ambitions by first bringing financial accountability to the business.

"There's a lot of curiosity about Model e and how much money it's losing," David Whiston, an analyst at Morningstar Inc in Chicago, said in an interview. "That can then set expectations as to when it can become profitable and to

what degree it will be profitable." While Ford is increasing visibility into its EV unit, it's also moving away from the regional results that have been a staple of its financial reporting.

It will no longer report figures by geography for North America, Europe, South America and China. That could make it harder to compare the automaker's performance directly to some peers, such as crosstown rival General Motors Co.

"Whenever you take away transparency, people get grumpy," Joel Levington, director of credit research for Bloomberg Intelligence, said in an interview. "Here, they're adding some, but they're taking away some, too, and people are leaning toward being frustrated about it."

Ford says the reporting changes are necessary and reflect a new approach to running its business, focusing more on product types than on geographic markets. The company will still provide "colour" as necessary to explain region-specific trends, Lawler said.

Breaking out finances by business will also allow Ford to rethink how it allocates resources.

"It will sharpen our focus on who gets what capital," Cathy O'Callaghan, Ford's controller, said in an interview. "There'll be an element of competition between the three different segments about who's going to make the biggest return on that investment.

The change may give insight into Ford's progress in getting back to investment-grade credit after its ratings fell to junk in early 2020.

Expectations were building that the upgrade to blue-chip status could happen this year before Ford reported back-to-back quarters of disappointing earnings. S&P Global Ratings auto analyst Nishit Madlani believes that there is a one in three chance Ford is

upgraded this year if the company makes needed cost improvements. The automaker's ability to reach margin and cash-flow targets will be key.

Ford has pledged it will turn its EV losses into an 8% margin on earnings before interest and taxes by 2026. For the full company, Ford is aiming for a 10% Ebit margin by then.

The company currently holds a BB+ rating at S&P and Fitch Ratings, one notch shy of investment grade. Moody's ranks the company at Ba2, or two steps away from blue-chip status.

Lawler hopes that by revealing results for each of its business units, it will give the rating agencies more to chew on as they assess when to upgrade the automaker.

"Showing how we're delivering for each of those businesses and how we're allocating the capital is a plus for them," he said. "But it's not up to us. So we need to stay focused on delivering."

# UK inflation surprise pressures central bank to raise rates again

ritish inflation unexpectedly rose to 10.4% in February, pushed up by higher food prices in restaurants, according to official data which is likely to prompt the Bank of England (BoE) to raise interest rates today.

Economists polled by Reuters had forecast that the annual consumer price inflation rate would drop to 9.9% in February from January's 10.1% and move further away from October's 41-year high of 11.1%. The figures – including increases in underlying inflation measures that the BoE closely monitors – are likely to bolster the concerns of those BoE policymakers who worry that inflation will be slow to fall, even after 10

Investors had been split on whether the central bank would pause that run after the recent upheaval in the global banking sector. But financial markets yesterday fully priced in a quarterpoint increase to 4.25%.

"While the decision has at times over the last week looked to be on a knife edge, this inflation out-turn would appear to swing it in favour of a 25-basis-point hike," said Liz Martins, senior economist at HSBC

Sterling rose against the dollar and the euro after the data was published and two-year British government bond yields, which are sensitive to speculation about interest rates, jumped. The increase



The Bank of England building in the City of London. British inflation unexpectedly rose to 10.4% in February, pushed up by higher prices, according to official data which is likely to prompt the central bank to raise

in inflation contrasted with a fall in the US CPI rate to 6.0% in the 12 months to February. Eurozone inflation also eased last month to 8.5% but underlying price growth continued to accelerate.

The ONS said that an end to January promotions in restaurants was the biggest factor behind last month's rise, but shortages of salad items also played a role.

Overall inflation for food rose to 18.0%, the highest since 1977, reflecting cold weather in southern Europe and north Africa, as well as reduced production from greenhouses in northern Europe that face high energy bills.

Higher prices added 0.17 percentage points to February's inflation rate while the increased cost of food and beverages added 0.15 percentage points. Lower petrol prices helped offset some of these increases. Annual inflation in the services sector, which most policymakers view as a good measure of underlying price pressures in the economy, rose to 6.6% from 6.0% in January.

Basic wages - a big driver of services prices - rose by an annual 6.5% in the three months to January, and a survey of employers on Wednesday showed they expected to raise pay by an average of 5% this year, around double pre-pandemic rates. Core CPI which excludes energy and food is also watched closed by the BoE rose to 6.2% from 5.8% in January, versus a forecast decline to 5.7%.

"These inflation figures smell a little like the recent US experience, where it appeared that core inflation was easing rapidly a few months ago only for it to accelerate again as economic activity proved resilient," said Paul Dales, chief UK economist at Capital Economics.

However, other analysts said the increase in inflation appeared to be caused by one-off factors.

Last month, the BoE forecast headline inflation would drop below 4% by the end of 2023 and be beneath its 2% target from mid-2024 onwards, with energy prices no longer rising steeply.

The government's Office for Budget Responsibility forecast last week that inflation would fall below 3% by the end of 2023.

Some BoE policymakers have said they had tightened enough and the full impact of past rate

Finance minister Jeremy Hunt said the data showed the expected decline in inflation could not be taken for granted. "Falling inflation isn't inevitable, so we need to stick to our plan to halve it this

year," he said. On Tuesday, he told lawmakers that inflation above 10% was "dangerously high". There were some signs of decreasing price

pressures ahead. Prices paid by factories increased by 12.7% over the 12 months to February, still a big rise by historical standards but their weakest increase since September 2021. Prices charged by manufacturers rose at their weakest pace in a year, up by 12.1%.

#### ECB to look for signs of stress but banking crisis unlikely

Reuters Frankfurt

The European Cen-tral Bank (ECB) will watch for signs of stress in bank lending from the ongoing financial turmoil but a full-blown crisis is unlikely for now, the ECB's top brass said yes-

Investors are pondering whether the ECB will be able to continue raising rates to fight inflation given turmoil in the banking sector that has seen two US lenders go under and Swiss giant Credit Suisse need a last-minute rescue.

The ECB's chief economist Philip Lane said market jitters may turn out to be "a non-event" for monetary policy, or could affect it at the margins, but the odds on a crisis that completely rewrites the outlook remained long.

"We always run scenarios about...what happens when we get accelerator effects or things amplify each

But that's pretty much a time," Lane told a conference yesterday.

Speaking before Lane, ECB President Christine Lagarde said the ECB's interest rate hikes may be magnified if banks become more risk averse and start demanding higher rates when lending - likely implying the central bank would need to do less.

"If, for example, banks start to apply a larger 'intermediation wedge' meaning that at any level of the base rate they demand a higher compensation for the perceived risk they are taking on when lending

then pass-through will become stronger," Lagarde

She reaffirmed the ECB's determination to bring inflation in the eurozone to 2%, from 8.5% last month, and noted past hikes were only just starting to be passed onto the economy.

"For inflationary pressures to ease, it is important that our monetary policy works robustly in the restrictive direction," she said. "And that process is only starting to take effect now."

The ECB has increased the rate it pays on bank deposits by a record-breaking 350 basis points to 3% since July and financial markets expect a further increase to 3.5% later this year.

The central bank for the 20 countries that share the euro raised rates last week but removed from its policy message an expectation that it would increase rates again at upcoming meetings in light of the recent financial jitters.

Eurozone inflation has already started falling after hitting a peak at 10.6% last ing energy are still growing a steady pace.

Lane said he expected core prices to ease over time as lower fuel costs filter through to other sec-

"There are reasons to believe, by looking at the indirect effect of energy on core, by looking at the pipeline (pressures), that there are data points to suggest that underlying inflation measures will ease over time," Lane said.

He cautioned, however, that this expectation was predicated on growth in wages peaking this year.

## Biggest fear for trillion-dollar funds is missing next rally

**Bloomberg** New York

Some of the world's biggest investors are looking beyond interest-rate hikes, bank failures and the threat of recession to one of the greatest fears of all money managers – missing out on the next big rally.

For trillion-dollar investment groups Franklin Templeton, Invesco and JPMorgan Asset Management, the accelerating financial instability seen in Silicon Valley Bank, Credit Suisse Group AG and First Republic Bank are cues to speed up preparations.

They're convinced that an impending slowdown in the US and elsewhere will prompt central banks to switch back to looser policy, triggering a renewed surge higher in markets.

"If you miss the start of the rally, you miss the bulk of the returns," said Wylie Tollette, chief investment officer of Franklin Templeton Investment Solutions, a unit of the \$1.4tn fund manager. "It's very difficult to catch up if you miss the first week or two. Sometimes it's just days."

That imperative has large investors bulking up on longer-dated bonds, eyeing big losers of the past year like tech stocks and selectively buying riskier assets like private credit.

Bonds: "Fixed income is back," said Tollette from Hong Kong on a trip across Asia

to meet large investors. His firm is adding longer-maturity government bonds from the US, UK and Germany.

JPMorgan's investment arm has bought more long-dated Treasuries for fixedincome portfolios in recent weeks despite the prospect of losses should interest rates pop back higher. The danger of holding too few bonds when the Federal Reserve pivot sparks a rally outweighs any near-term depreciation, said Bob Michele, who as chief investment officer helps oversee \$2.5tn in assets.

"My greatest concern is not that we buy now and yields go up another 50 basis points," he said, noting that prices are still around the cheapest since the financial crisis. The bigger worry for him is being out of the market when the tide turns.

Australian Retirement Trust, one of the nation's largest pensions with \$159bn in assets, is another investor that has bought back into government debt this month.

'We've reset to a neutral position in fixed income across the fund," said Andrew Fisher, head of investment strategy for ART. The pension expects to move to an overweight position when yields go a little higher.

Stocks: Invesco, which oversees \$1.4tn in assets, anticipates the Fed will pause in the coming months before pivoting to an easing cycle later this year, triggering an equity market rally

"If the downturn to the economy oc-



curs in the back half of 2023, the stock market will be looking out to a recovery in 2024," said Kristina Hooper, the fund manager's chief global market strategist "Tech names react very well to yields going down, which is a positive overall for

Invesco will look to an overweight position in cyclical stocks and small-caps when signs of a Fed pivot become clearer, and to drop its cautious footing in large-caps and

defensive sectors, like utilities and consumer staples. Traders in futures based on the Federal Reserve's funds rate are already positioning for cuts to borrowing costs in the second half of this year.

Stocks with low price-to-earnings ratios

in developed markets like Europe, the UK and Australia offer attractive opportunities, according to Rob Arnott, chairman and founder of Research Affiliates LLC.

"I would have risk exposure in non-US

markets both developed and emerging," he said. He points to UK stocks, which trade at a price-to-earnings ratio of around 10 compared to almost 18 for the S&P 500, as a mismatch in valuations investors

from an underweight to neutral holding of stocks to avoid missing out on the early stages of a rally. Data from JPMorgan show that investors who were absent for the S&P 500's

10 best days in the two decades through

Franklin Templeton is preparing to shift

2022 received half the gains of those who were in the market for the entire period. Credit: Investment grade corporate bonds have emerged as one of the most popular overweight positions among

investors seeking yields higher than those on government bonds, with moderate risk 'You don't need to go down the credit spectrum to get yield right now,"

said Emily Roland, co-chief investment strategist for John Hancock Investment Management, which has \$610bn in assets under management. The firm has overweight positions

in investment grade corporate bonds, mortgage-backed securities and municipal notes. It will add riskier debt such as high-yield corporate bonds when deteriorating economic conditions bring forward a Fed pivot.

Mohamed El-Erian, chairman of Gramercy Funds Management and an adviser

to Allianz SE, is also looking at emerging markets.

"The credit segment in particular offers attractive opportunities," he said. "The key here is a combination of careful name selection with emphasis on balance sheets."

But moving too quickly into riskier corners of credit can have its downside, as Invesco learned this week. The fund manager was a holder of Credit Suisse's additional tier 1 bonds that were wiped out over the weekend. Currencies: The dollar will lose one key

driver of its strength when the Fed begins cutting rates, while attracting investors who run to it as a haven in a downturn. "We are likely to see a somewhat

weaker dollar just as we're likely to see a less aggressive Fed. Those two will go hand in hand," said

Invesco's Hooper.

Some investors see it going the other way. "We're in the stronger dollar camp," said John Hancock's Roland. "As global markets start to come to the realisation that recession is the most likely outcome. vou will get a bid for US dollars. It's an important element to watch and one that will be influential across assets.'

JPMorgan's Michele is also bullish on the yen as Kazuo Ueda succeeds Haruhiko Kuroda as Bank of Japan governor in April. "Ueda-san will begin a period of normal-

isation of policy and things like yield-curve control will be phased out," he said.



#### BUSINESS

# US banking sector 'stabilising' after recent turmoil: Yellen

Washington

The US banking sector is "stabilising" after the recent failures of Silicon

Valley Bank and Signature Bank rattled the industry, Treasury Secretary Janet Yellen will tell a summit on Tuesday, according to prepared remarks. The collapses caused a crisis

of confidence, with many customers of similarly sized banks withdrawing their money and depositing it in larger institutions - considered too big for the government not to bail them out if they faced failure.

But "aggregate deposit outflows from regional banks have stabilized" following authorities' moves to shore up confidence and stem contagion, according to Yellen's remarks.

"Our intervention was necessary to protect the broader US banking system," she will say in a speech to the American Bankers Association's Washington DC summit.

"And similar actions could be warranted if smaller institutions suffer deposit runs that pose the risk of contagion," she adds in the excerpts.

After SVB's collapse, the Treasury, Federal Reserve and



Janet Yellen, US Treasury Secretary.

Federal Deposit Insurance Corp set out plans to ensure its customers would be able to access their deposits.

A similar exception was announced for Signature Bank. The Fed also introduced a

financial sector.

new lending tool for banks in an effort to prevent a repeat of SVB's quick demise, and has since launched a drive with other major central banks to improve banks' access to li-

"I believe that our actions reduced the risk of further bank failures," according to Yellen's remarks.

For now, she maintains that the US banking system remains

But there are fears over which lender could be the next domino to fall, with 11 US banks announcing last week they would deposit \$30bn into First Republic amid worries surrounding the bank.

A coalition of midsized US banks has also asked federal regulators to guarantee all of their customers' deposits for two years, a move that would help to halt an "exodus of deposits" from smaller banks, Bloomberg reported Saturday.

Financial authorities have been scrambling to ease fears while worries of contagion spread to Europe, as Switzerland's second biggest bank Credit Suisse came under pres-

Rival UBS has since agreed to take over Credit Suisse in a government-brokered deal af-

ter days of market upheaval. While US and European markets picked up on Monday, analysts say investors remain wary.

But Yellen, in her speech, is set to try to reassure bankers of the Treasury Department's commitment to safeguarding the "health and competitiveness" of the community and regional banking institutions.

"You should rest assured that we will remain vigilant," according to her speech.

#### **QSE MARKET WATCH**

Volume **Company Name** Lt Price % Chg **Zad Holding Co** 16.00 66.616 Widam Food Co 65,023 1.25 -0.32 2,464,645 -0.36 1.04 4,630,135 0.52 5.345.736 653,880 0.52 -0.19 -0.59 329,478 8.45 -1.11 90,484 4,397.658 **Qatar National Bank** 15.80 Qlm Life & Medical Insurance 3.00 3.45 2,024,717 2.09 57.084 dustrial Manufacturin 0.73 9.65 827.430 **Qatari Investors Group** 1.72 -7.63 3.987.575 Qatar Islamic Bani 2,697,013 17.62 0.74 0.03 2,516,845 ral Insurance & Rein 118.385 **Qatar German Co For Medical** 0.84 2.83 6.592.588 16.47 **Qatar Fuel Qsc** 0.43 349,967 -2.42 3,248,701 Qatar Electricity & Water Co 380,100 Qatar Exchange Index Etf 1.59 14,404 r Cinema & Film Distribution 3.40 0.00 614 Al Rayan Qatar Etf 406,956 0.96 Qatar Insurance Co 1.10 709,462 ım Manufacturing 1.49 15,608,812 Ooredoo Qpsc 9.30 2.42 1.914.938 ng Company Qps 0.64 6,617,391 0.79 lazaya Real Estate Dev 1.46 7,700,175 1,764,994 Mekdam Holding Group 7.10 369.529 43,059 14.72 0.27 Medicare Group 0.08 ai Corporation Qsc 1,466,451 **Masraf Al Rayan** 2.62 -0.30 8.727.059 12.83 7,247,877 **Industries Qatar** 5.16 4.36 1,036,815 3.23 34,314,210 3.70 16,766 5.898.635 **Gulf International Services** 1.75 3.25 1.08 -0.55 9,262 5,544,335 4.533.686 **Doha Bank Qpsc** 1.59 3,654,954 0.73 -3.33 -1.35 3,505,482 Baladna 2.596.139 3.71 25,227 -0.78 1.88 0.54 1,301,357 283,049 Al Ahli Bank

#### Asia tracks Wall St rally as Fed decision replaces bank worries

**AFP** 

Hona Kona

Asia extended a global equities rally yesterday as more pledges of government support soothed worries over the banking sector and provided some much-needed stability after more than a week of upheaval. The dialling down of volatility allowed traders to turn their focus on the US Federal Reserve's policy decision later in the day, with the recent turmoil fuelling hope it will hold off on an expected sharp hike in interest rates. With the recent crisis blamed on the central bank's steep hike in borrowing costs over the past year, pressure is building on officials to pause their monetary tightening campaign, with

many observers even tipping several cuts by the end of the year. While that would deal a blow to the Fed's fight against elevated inflation, such a move is seen by observers as crucial to reinforcing stability and

preventing another blow-up in the

US and European markets surged at least 1% on Tuesday, building on Monday's advances, as investors cheered comments from US Treasury Secretary Janet Yellen reiterating support for lenders after the collapse of two regional banks earlier this month. The downing of Silicon Valley Bank and Signature Bank forced authorities to promise customers would not lose their cash in a bid to prevent a run on other

"Our intervention was necessary to

protect the broader US banking system, and similar actions could be warranted if smaller institutions suffer deposit runs that pose the risk of contagion," Yellen told an American Bankers Association conference in Washington. She added that the government was "resolutely committed" to ensuring stability and that "the public should have confidence in our banking system".OANDA's Edward Moya said in a note: "It is a clear message from multiple officials that they are not taking this banking turmoil lightly and that they will probably be proactive when the next major risk arises." The US and European rally filtered through to Asia, where banks were among the big gainers with tech firms. Hong Kong was boosted by a bump in

as well as e-commerce titans Alibaba and JD.com.

Tokyo was up nearly 2% as investors returned from a public holiday, while Seoul, Singapore, Sydney and Taipei were up by more than 1%. Shanghai, Wellington, Mumbai, Bangkok and Manila also rose.

London opened lower as data showed UK inflation unexpectedly accelerated to 10.4% on-year in February, from 10.1% the month before.

The data saw sterling rally and will put pressure on the Bank of England to keep lifting rates, which could further hurt the economy.

Paris and Frankfurt were also down. National Australia Bank's Rodrigo Catril said: "The reassurances and stability measures provided by authorities in recent days appear to be having an

enduring positive effect." He pointed to the biggest two-day plunge this year in the VIX "fear index".

"Markets are seemingly becoming more comfortable with the idea that authorities have probably done enough to prevent a systemic banking crisis. The improvement in risk appetite has also triggered a repricing of Fed and (European Central Bank) rate hike

Eyes are now on the Fed's rate decision later in the day, with analysts split over whether it will announce a 25 basispoint hike or pause in order to ease pressure on the banking system. With the Fed's game plan jolted by the recent turmoil. City Index's Matt Simpson said the post-meeting news conference "could be the icing on the cake, as it is an opportunity for

(Fed boss) Jerome Powell to finetune the message and reshape market expectations".

"It is not uncommon to see markets reverse their direction at the press conference, and a key thing to look out for is how his tone compares to his recent testimony, which was very hawkish indeed."

Apart from the pound's gains, there was little movement in currency markets as traders bide their time ahead of the Fed decision, though the yen and euro held their recent gains against the dollar owing to the repricing of the US rates outlook.

In Tokyo, the Nikkei 225 closed up 1.9% to 27,466.61 points; Hong Kong Hang Seng Index ended up 1.7% to 19.591.43 points and Shanghai Composite closed up 0.3% to 3,265.75 points yesterday.

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# Qatar bourse key index surges towards 10,000 levels on buy support

**By Santhosh V Perumal** 

head of the US Federal Reserve meeting, the bal bourses, including the Oatar Stock Exchange were on an upward trajectory for the second straight session and its key index gained more than 103 points to

inch towards 10,000 levels. The Gulf institutions were increasingly net buyers as the 20-stock Qatar Index shot up 1.04% to 9,980.02 points, reflecting the sentiments on renewed assurances from the US sovereign support amidst the banking crisis.

The market, which was skewed towards gainers, had touched an intraday high of 10,013 points.

The industrials, telecom, consumer goods and insurance counters witnessed higher than demand in the main market, whose year-to-date losses narrowed further to 6.56%.

About 69% of the traded constituents extended gains in the main bourse, whose capitalisation was seen expanding QR6.75bn or 1.18% to QR577.88bn, mainly on account of midcap segments.

The domestic institutions' weakened net selling had its influence in the main market. which saw a total of 0.42mn exchange traded funds (sponsored by Masraf Al Rayan and Doha Bank) valued at QR1.08mn changed hands across 26 deals.

However, the foreign funds were increasingly 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 rose 1.04%, All Share Index by 0.99% and Al Ravan Islamic Index (Price) by 0.95% in the main



The Gulf institutions were increasingly net buyers as the 20-stock Qatar Index shot up 1.04% to 9,980.02 points yesterday, reflecting the sentiments on renewed assurances from the US sovereign support amidst the banking crisis

bourse, whose trade turnover grew amidst lower volumes.

The industrials sector shot up 3.01%, telecom (1.71%), consumer goods and services (1.6%), insurance (1.25%), real estate (0.64%) and banks and financial services (0.17%); while transport shrank 0.18%.

Major gainers in the main market included Estithmar Holding, Qatar General Insurance and Reinsurance, Zad Holding, Industries Qatar, Inma Holding, Dukhan Bank, Qatari German Medical Devices, Gulf International Services, QLM, Qatar Insurance, Mazaya Qatar and Ooredoo. Nevertheless, Qatar Investors Group, Dlala, Lesha Bank, Commercial Bank and Qatar National Cement were among the losers in the main market. In the venture market, Al Faleh Educational Holding saw its shares depreciate in value.

The Gulf institutions' net buying increased substantiallv to QR33.27mn compared to OR21.54mn on March 21.

The domestic institutions' net

selling decreased significantly to

QR0.92mn against QR26.98mn the previous day.

However, the foreign institutions' net profit booking grew notably to QR21.04mn compared to QR19.59mn on Tuesday.

The foreign retail investors were net sellers to the tune of QR4.56mn against net buyers of QR2.32mn on March 21.

The local retail investors turned net sellers to the extent of QR4.19mn compared with net buyers of QR10.07mn the previ-

The Arab individuals were

net profit takers to the tune of QR2.27mn against net buyers of QR12.56mn on Tuesday.

The Arab institutions turned net sellers to the extent of QR0.2mn compared with no major net exposure on March 21.

The Gulf individual investors were net profit takers to the tune of QR0.09mn against net buyers of QR0.08mn the previous day.

In the main market, trade volumes were down about 1% to 176.78mn shares, whereas value surged 23% to OR545.01mn and deals by 8% to 19,806.

#### **Qatar's physicians,** nurses density surpasses developed nations, says **Alpen Capital**

By Pratap John

**Business Editor** 

The density of physicians (including dentists) and nurses in Qatar "stands among the highest" in the GCC while also surpassing developed nations such as Singapore, Alpen Capital said in a report. Qatar had more than 3.4 physicians and approximately 8.1 nurses per 1,000 people as of 2019. Alpena Capital noted. The public sector accounted for 63.8% of the physicians and 74.2% of the nurses' population in 2019.

As of 2020, Qatar had 20 hospitals with the public sector accounting for 70% of the infrastructure. The total number of hospital beds in the country stood at over 3,134 beds in 2019, recording a CAGR of 4.5% since 2016.

The public sector hospitals also held a higher bed capacity, accounting for 88.2% as of 2019. Bed density has improved from 1.0 beds per 1,000 people in 2016 to 1.1 beds per 1,000 people in 2019.

Healthcare continues to be a priority for Qatar and the government has been constantly upgrading the quality of its healthcare infrastructure and services through reform initiatives, Alpen Capital said in its report on 'GCC healthcare industry'.

The country's National Health Strategy (2018-2022) within its Vision 2030 Plan identified some 12 areas of focus including development of integrated health systems, and coverage of preventive and curative healthcare among others to deliver improved health

As part of its Healthcare Facilities Master Plan, the report noted the government aims to deliver some 48 new facilities such as primary healthcare centres, diagnostic and treatment centres, while also focusing on hospital expansions and building general and

specialised hospitals. Despite the slowdown in economy, Qatar's government increased its budget towards healthcare in 2021 and 2022 accounting for 8.5% and 9.8% of the total, respectively, to expand its infrastructure and increase focus towards quality services. The country's growing popula-

tion base, high disposable income, rising life expectancy, low infant mortality, and increasing prevalence of lifestylerelated diseases have led to an increase in the demand for healthcare services. Qatar's current healthcare expenditure (CHE) grew at a CAGR of 2.0% between 2016 and 2020 to reach \$6bn.

Growth was largely supported by a 6.9% annualised increase in spending by the private sector while government spending has remained relatively flat (0.8% CAGR) over the four-year period.

Of the total healthcare spend in 2020, 79.1% (\$4.8bn) was financed by the government. Amid rising participation from private sector, the share of government expenditure in Qatar has fallen from 82.7% in 2016 to 79.1% in 2020. Although the country's CHE as a proportion of GDP has increased to 4.2% in 2020 from 3.7% in 2016, it remains amongst the lowest in the GCC. Being one of the wealthiest nations globally, Oatar recorded the highest per capita healthcare spending at \$2,250.8 in 2020 in the GCC. Alpen Capital noted. According to Alpen Capital, CHE in the GCC is estimated to have grown at a CAGR of 9.5% between 2020 and 2022 to

reach \$104.1bn. The two-year period, when the healthcare sector was primarily combating the pandemic, recorded a high growth in inpatient and outpatient levels. Healthcare expenditure in the GCC is further projected to reach \$135.5bn in 2027, growing at a CAGR of 5.4% from

# Ooredoo Group during Mobile World Congress.

#### **Ooredoo Group, firms ink** major deals to advance digital offerings and modernise networks

Ooredoo Group has recorded successful participation at Mobile World Congress - the world's largest and most influential connectivity

A delegation of executives from the group and operating companies attended the event, holding a series of top-level meetings with industry peers and world-leading tech giants. and signing new major partnerships that aim to upgrade the world of the company's customers across a global footprint.

Aziz Aluthman Fakhroo, MD and Group CEO, Ooredoo, said: "Mobile World Congress is the ideal platform wherein we can connect with major players in our industry to cement and develop existing relationships and explore new opportunities, both key elements of our robust corporate strategy. "As an industry, we are in an exciting phase of growth with the rapid development of so many new. innovative technologies. It's vital that we, as a techco leader, remain at the forefront of this development and, in turn, share our own experiences for the benefit of our industry and customers." Ooredoo Group signed a number of new partnerships, as well as extensions

of existing partnership agreements at

Mobile World Congress 2023. The group expanded its partnership with Microsoft, enabling its operating companies to provide their business customers with additional cloud services, either individually or bundled with Ooredoo's connectivity services. The partnership, which will be rolled out throughout 2023, will encompass all of Ooredoo Group's operating companies and will consolidate Ooredoo's position as a one-stop shop for connectivity solutions and services and for third-party, cloud-based solutions and services. Two agreements were also signed with Huawei. The first agreement will see Ooredoo adopt Huawei's advanced technologies and latest wireless solutions, including 5G in Kuwait, Oman, Iraq, and Tunisia in an effort to upgrade networks and deliver an enhanced network experience for end users. The second partnership with Huawei will enable the provision of a mobile fintech platform to markets across the Ooredoo Group global footprint. Under the agreement, the two entities will co-operate for Ooredoo to provide state-of-the-art, mobile-first financial services on Huawei's platform for both consumers and merchants in Ooredoo's markets.

#### QLM honours employees at long service award ceremony

LM Life & Medical Insurance Company recently honoured its employees with longservice awards for completing service milestones of five, 10, and 15 years of

As many as 34 employees were honoured at the ceremony, which was held at the QLM headquarters in West

Turki Abdulaziz al-Subaie, chief administrative officer at QLM, said: "The long service award recognises the long-term contribution of QLM employees, and the crucial role they play in the success of the company".

'The ceremony recognises emplovees for their valuable contribution to the Company over many years of continuous service. Their commitment enables QLM to reliably service our customer portfolio, and reinforce our position in the market as the leading life and medical insurance



As many as 34 employees were honoured at the ceremony, which was held at the QLM headquarters in West Bay.

#### London losing to Paris in battle of equity markets

#### **Bloomberg**

In the competition to be the biggest stock market in Europe, Paris is starting to leave London in its wake. After becoming the region's largest centre for trading equities for the first time in November last year, the French bourse has widened the gap against rival London. With a total market capitalisation of \$3.13tn, Paris now exceeds that of the UK's capital by \$250bn, according to data compiled by Bloomberg. That's due to the French stock market strongly outperforming the UK this year, with its benchmark CAC 40 index surging 10% in local currency terms, versus just 1% for the FTSE 100. While the pound has risen slightly more than the euro against the dollar, that's done little to blunt the impact of French The French index is being boosted by

Paris Stock Market Widens Gap With London French equity market cap is now \$250 billion larger than UK Spread between France and UK exchange total market capitalization

luxury goods and consumer stocks including LVMH SE, L'Oreal SA and Hermes International, as well as

industrials such as Schneider Electric SE. Meanwhile, the FTSE 100 has been dragged down by poor performance

from mining stocks, while energy shares have only posted small gains. The market capitalisation is calculated from all shares outstanding, excluding ETFs and ADRs, according to data compiled by Bloomberg. It includes only actively traded, primary securities on the country's exchanges. The London market has faced numerous

challenges since the UK voted to leave the European Union in 2016. Valuations have plunged along with the British currency, triggering a wave of foreign acquisitions, while the market for new listings has remained in the doldrums. Large firms have started to question the advantages of keeping a primary listing in London, with some major departures including BHP Group Ltd and Ferguson Plc. Building materials company CRH Plc has also announced its intention to leave, while the market has failed to attract major initial public offerings, even from homegrown firms like Cambridgebased Arm Ltd.

## Qatar's first-ever airspace established in full today



**By Alex Macheras** 

BUSINESS

Today, Qatar's airspace is established in full after the success of the completion of the second phase of ICAO's plan for a full, first-ever establishment of airspace for Oatar.

Last year, when ICAO and its member states on the council reached a decision that Doha FIR

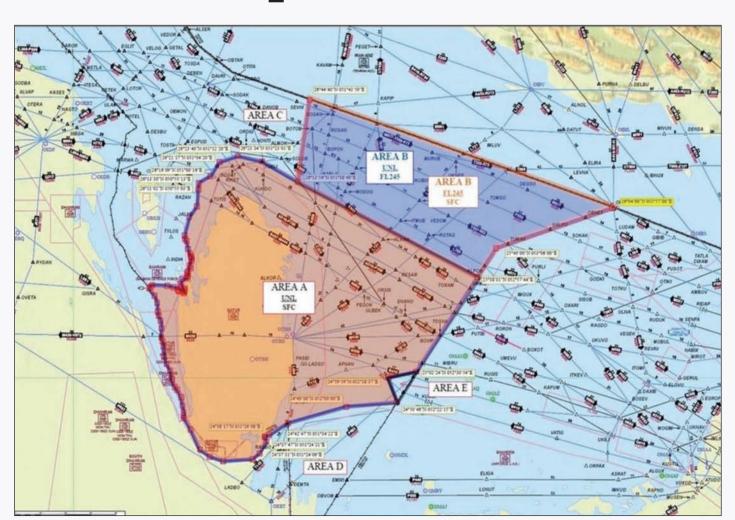
(flight information region - an airspace area) shall be established in two phases, the organisation finalised a plan that will see the airspace established in two phases. In the diagram, "Area A" of the Doha FIR would be an 'unlimited altitude' area controlled by Qatar, effective in 2022. "Area B" would be controlled by Qatar to an altitude of 24,500ft, but within 2 years, Area B would join Area A in becoming an unlimited altitude area to form the final shape of Oatar's airspace.

Following a smooth implementation of the airspace, today Qatar becomes the 'responsible authority' for the entire airspace area (FIR), combining Area A and Area B to form one large airspace area, controlled by Doha from surface level to an unlimited altitude, including over the international

ICAO's decision last year was a historic verdict for aviation in the Middle East. The UN special agency for aviation "ICAO - the International Civil Aviation Organisation" agreed to establish a brand new, first-ever airspace for the State of Qatar known as the "Doha FIR" - redrawing the skies of the world's airspace map for the first time in decades.

ICAO is the UN agency with the authority to delegate which country is responsible for the operational control of a given 'flight information region', which is known in the industry as an 'FIR' - essentially, an airspace area on the map of the

The establishment of a Doha FIR has shrunk Bahrain's existing airspace and stretches out east towards the UAE, and north towards Iran. The Doha FIR was approved by ICAO council member



countries, which include the United States, South Africa, Singapore, Greece, and Gulf neighbours Saudi Arabia and the United Arab Emirates.

It's a milestone for Qatar, as there are no examples in the modern history of the airspace map of the world changing to include a country that had no airspace (FIR) of its own.

With a new FIR of its own, Qatar has gained much-needed airspace independence, and the

country will have the ability to maximise the efficiency of air travel around Qatar to better meet the country's air travel sustainability goals. Qatar will further benefit from overflight fees paid by other airlines for using its airspace - which is common practice in aviation.

The development concludes a long process which follows ICAO's initial conclusion in June 2021

organisation then went on to spend time working with Oatar, Bahrain, UAE, Iran, and other aviation industry stakeholders to determine a final drawing of the "Doha FIR" - which was successfully established in its first phase as a working, active airspace area in early September 2022. For decades, the skies above the Middle East were disproportionally divided. Whilst most regions on earth have

in the Gulf is unusually shaped. Bahrain has held control of most of the airspace above the Gulf with its 'Bahrain FIR' that stretches from Kuwait, across the Gulf, to the bordering FIR of the United Arab

Airspace in the region had previously been determined based on where military radars had been installed, and with a history of good, 'brotherly' relations between Qatar and Bahrain, (both being Gulf Co-operation Council countries and being members of ICAO's Transit Agreement, which permits freedom of the skies). Oatar had agreed for Bahrain to continue to control and manage its disproportionally large area of airspace.

Back then, it was also acknowledged that Bahrain would continue to profit from overflight fees (the fees airlines must pay for passing through a country's airspace) of one of the busiest transit areas in the world.

In 2017, the sudden blockade on Qatar pushed the unusual distribution of airspace in the Gulf into the spotlight for the very first time.

Whilst the UAE, Saudi Arabia and Egypt joined Bahrain in announcing the immediate closure of their airspaces to all Oatari registered aircraft (found later to be a breach of ICAO's Chicago Convention), the announcement of the closure of Bahrain's airspace had been the most critical for Oatar.

Recognising the risk of having skies controlled by another country, in 2018 Qatar accelerated its formal proposal to the ICAO for the establishment of its airspace in what would become known as the Doha FIR. Following years of technical assessments, hearings and council sessions, the organisation's council has worked with technical teams to outline, facilitate, draw the coordinates of a Doha FIR and finally: implement the airspace in two separate phases.

Reflecting on the completion of the final phase of the implementation of the Doha FIR. Oatar's Minister of Transport HE Jassim bin Saif al-Sulaiti said he appreciated the efforts of the ICAO Council and thanked member states along with the civil aviation authority, technical teams, and Qatari aviation sector stakeholders who contributed to the successful implementation of Qatar's first ever

The author is an aviation analyst.

# 'Empty flights' gain attention as aviation's environmental footprint under scrutiny

**By Pratap John** 

Consider a flight that operates on less than 10% passenger capacity! In an industry that is hard pressed for funds. particularly after the Covid-19 pandemic decimated air travel it is something very difficult to comprehend. But a recent report in the UK's Guardian newspaper said that 5,000 "empty", and 35,000 flights in the United Kingdom since 2019!

Termed by some as "ghost flights", they are generally considered to be aircraft that operate on less than 10% passenger capacity, according to the International Air Transport Association (JATA). The UK story had "significant flaws", however, IATA noted.

Firstly, this period covered the pandemic, which was completely unrepresentative of a normal air transport market.

Secondly, no context was given around the numbers. 40,000 sounds a lot, but in the context of the 4,566,382 flights that took place in the United Kingdom over that period - even during the unprecedented Covid-19 collapse in traffic - that comprises less than 1% of all flights.

Of course, any flight that takes place almost empty is bad for the environment and bad for airline finances. But precisely for these reasons, airlines don't operate ghost flights without cause.

The analysis in the Guardian failed to explain that many of these flights were cargo flights, carrying vital supplies, including vaccines and personal protective equipment, during the pandemic. The cargo demand and humanitarian need justified the operation of certain flights, even with low passenger load factors.

#### **Beyond the Tarmac**



Similarly, there were a number of repatriation flights, or flights where passenger numbers were deliberately restricted to comply with Covid regulations set by governments Additionally there are always some

facilities or, as was the case during the pandemic, fly a significant number into

Flights to protect slots?

Were any of these flights simply slot blocking? The 80-20 'use-it-or-lose-it' rule was obviously not designed to work during a 95% collapse in demand, and the slot rules were cited as a potential cause of some flights having to operate unnecessarily in Europe.

But this was not the case in the United Kingdom, where the slot rules were suspended, IATA noted in a recent analysis.

There was a risk that some unnecessary flights could happen in the EU because the European Commission was too quick to restore higher slot use rates. However, for the most part during the pandemic, the slot rules were just about flexible enough that ghost flights were not a major issue.

IATA Director General Willie Walsh said: "I'm not aware of any airline company that I have worked with deliberately operating an empty flight simply to maintain

The ghost flights non-story has, however, raised important questions that need to be answered on slot allocation rules. The European Union is looking again at its

Slot Regulation, with a consultation in place leading to a potential revision of the rules in 2023. Although the revision is focusing on wider issues of competition. accessibility, and capacity, the role of slot rules in promoting greener flying is also in to reach net-zero carbon emissions, the European Union has instigated its own initiatives through the EU Green Deal.

Some politicians erroneously believe the slot system is creating ghost flights or that the slot process should be used as part of the Green Deal to prioritise the use of quieter or more fuel-efficient aircraft. Aviation is committed to exploring a multitude of options for reaching net-zero CO2, but airlines are united in their view that slot allocation decisions linked to the environment will not help the industry achieve its global sustainability objec-

"The pandemic was an exceptional period and extrapolating lessons or making policy changes based on the industry's activities during this time would be a huge category error," says Lara Maughan, IATA's head (Worldwide Airport Slots). "Fiddling with the slot process to try to promote greener flying sounds positive in theory, but in practice it would make the slot process even more complicated while having minimal environmental gain. Trying to micro-manage slots may even have a detrimental environmental impact." Part of the reason for this is the

globally co-ordinated nature of the slot



Passengers board an airplane at Tijuana International Airport in Mexico (file). Any flight that takes place almost empty is bad for the environment and bad for airline finances. But precisely for these reasons, airlines don't operate ghost flights

system. Airlines operating between two slot-coordinated airports must be able to work to a harmonised system of rules to best match demand with their planned schedule.

If one country's rules insist on operating the slot with a certain aircraft (for example for environmental reasons), then the airline may have to prioritise

a non-optimal plane for that route, regardless of volume of demand-for example a narrowbody plane over a widebody.

This, IATA said will affect consumer access and choice, and potentially impact another route that would have benefited from that aircraft choice. Any attempt to micro-manage the process at a handful

of global, slot-constrained airports will only displace aircraft elsewhere, making no overall improvement to emissions and negatively affecting the benefits of aviation connectivity for travellers and the economy.

■ Pratap John is Business Editor at Gulf Times. Twitter handle: @PratapJohn

#### EU plans to give parts of aviation industry a green label

**Bloomberg** Brussels

The European Union (EU) will put forward rules outlining how some aircraft can be considered climate-friendly under the region's green rulebook, offering a roadmap towards a cleaner future for an industry that's traditionally had a huge carbon footprint.

The Commission, the bloc's executive branch, will propose adding aircraft manufacturing and leasing to the bloc's green taxonomy if they meet strict criteria, including having zero emissions or not adding to the global fleet and meeting certain CO2 limits, according to a draft seen by Bloomberg News. From 2030, passenger aircraft will have to use a minimum 10% share of sustainable

aviation fuels, increasing by 2 percentage points each year in order to qualify for the green label, according to the draft. The commission also added rules for other transport sectors like road and maritime.

Some of Europe's biggest airline groups, including British Airways' parent IAG SA, Deutsche Lufthansa AG, Air France-KLM and Ryanair Holdings Plc have committed to net-zero emissions by 2050. But aviation is one of the hardest sectors to decarbonise given the long development times for hydrogen or electric powered aircraft, as well as a lack of propulsion methods for long-haul jets. The taxonomy is the EU's bid to create a list of economic activities that contribute toward the bloc's goal of climate neutrality by

the middle of the century,

with the hope of channelling private sector investment toward them. It also forms the bedrock of much of the bloc's environmental regulation, including the green bond standard as well as recent efforts to re-shore vital clean

technologies. But the rulebook has also been a magnet for controversy. A decision last year to include gas and nuclear power, albeit with strict conditions, infuriated environmentalists. The plan to include the aviation sector even the top performers - will likely draw more ire from green groups. Proponents say it will provide vital investment for rolling out technologies like sustainable aviation fuels. SAFs, a substitute for the fossil-based kerosene powering today's jet turbines, has

emerged as a way to make

immediate progress toward cutting CO2 emissions, given more impactful changes like hydrogen- and electric-powered planes are still on the drawing board. SAF is made without extracting more fossil fuel, and can be blended for use in existing aircraft. Airbus SE, the world's biggest aircraft maker, is betting that hydrogen-powered planes could be a solution for zero-emissions flying, and says it will have a model powered by the fuel by the middle of next decade. It plans to begin flight tests of a hydrogen combustion engine mounted on the fuselage of its A380 super-jumbo in 2026. The rules won't inhibit the production of dirtier aircraft or the increase of fleet sizes, though such activities would not be eligible for a green

#### **Virgin Orbit resumes some operations** in bid to shake off crisis

strategic opportunities, it

said in a stock exchange

**Bloomberg** London

Virgin Orbit Holdings Inc said it's targeting "an incremental resumption of operations" after temporarily halting activities last week in the wake of a failed satellite launch a few months ago that threw the ambitious space programme off course.

"Our first step will begin today of this week, when we plan to return a subset of our team to focus on critical areas for our next mission," Virgin Orbit said in a statement. "We are looking forward to getting back to our mission and returning to orbit." The company is continuing discussions with potential investors and exploring

filing Wednesday. It plans for a further resumption of operations on March 27, it said. Virgin Orbit surged as much as 74%, its biggest intraday gain yet. Before today, the stock had lost 76% this year, closing at 44 cents on Tuesday. The company said it's preparing for its next launch, without specifying when that might occur. The update comes a week after the Richard Branson-founded satellite launch firm said it would halt operations while attempting to secure more funding, throwing the future of

the business in doubt. Almost

all of Virgin Orbit's staff were

Reuters reported that Virgin

furloughed for a week.

Orbit is working on a \$200mn infusion from Texas-based venture capital investor Matthew Brown via a private share placement, citing a term

Following a meeting by Virgin Orbit's board on Tuesday, the two sides plan to close the deal on Friday, according to the non-binding term sheet, Reuters said.

Virgin Orbit is trying to emerge from a high-profile failure in January, when the attempted launch of nine small satellites out of Spaceport Cornwall suffered a mishap during flight. The rocket, which was released from underneath the wing of a Boeing 747, never reached its proposed altitude, leading to the loss of all satellites on