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International travel back on track demonstrating sector's resilience

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BUSINESS

DIGITAL TRANSITION : Page 2

Regional fintech conference focuses on latest trends

QSE set to migrate to new trading system from June 8

By Santhosh V Perumal
Business Reporter

The Qatar Stock Exchange (QSE) will migrate to new trading system, Millennium, from June 8; enabling derivatives trading in the future and the advent of new products for investors.

The new trading system is the offshoot of an agreement signed by the QSE with the LSEG (London Stock Exchange) in 2022. The new QSE solution will be based upon the LSEG's financial markets product suite, a robust, scalable, and high-performance technology offering, which includes trading, market data, data analytics, and market surveillance.

"Members, data vendors are required to switch their production trading, post trade and all peripheral systems (web service, equator terminals, Oracle webforms) to align with the new trading system (Millennium)," a QSE communique said.

All open orders will be cancelled by the QSE after the end of trading on June 7, 2023. Any open orders remaining in broker systems will have to be manually deleted by the brokers.

Brokers' systems are required to be connected to the new trading system (including IP address, ports, usernames, and passwords).

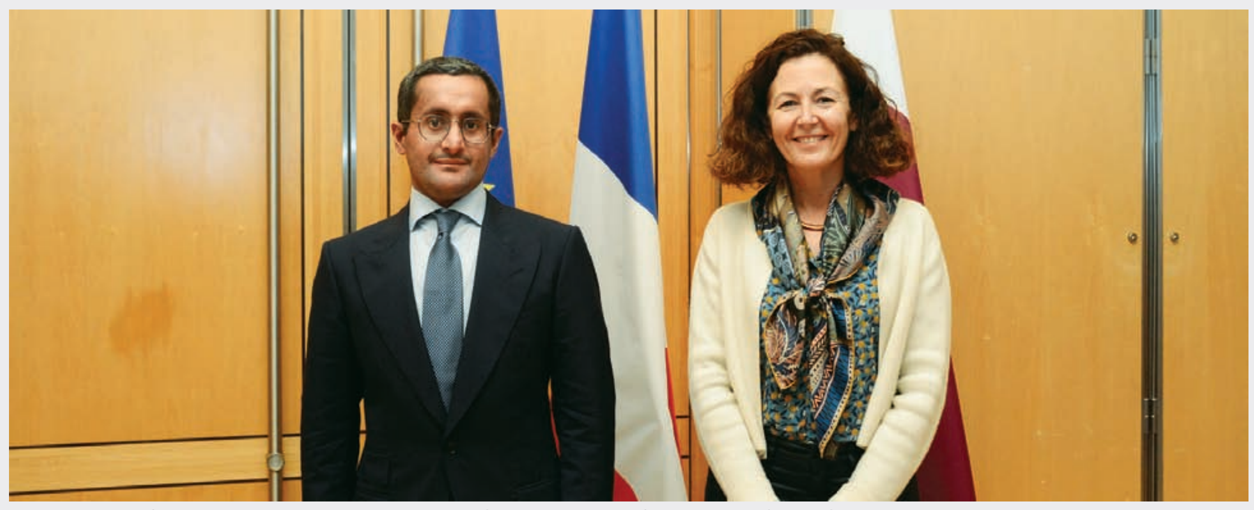
The bourse requested brokers to retain UTP Trading System configuration details in the case of a system rollback. Broker firms are requested to send a confirmation e-mail to the QSE upon successful connection to the new trading and all related systems (prior to the opening auction call).

The current trading timetable will be maintained without any change, the QSE spokesman said, adding it is the brokers' responsibility to re-enter the cancelled orders.

The new trading system enables QSE to have a proven technology solution, offering high performance, low latency matching and a powerful market surveillance solution including market data visualisation and analytics. LSEG's financial markets technology products are used by over 25 financial markets infrastructure operators across the globe, including Johannesburg Stock Exchange, Singapore Exchange and LSEG.

The new trading system enables QSE to have a proven technology solution, offering high performance, low latency matching and a powerful market surveillance solution including market data visualisation and analytics

French-Qatari Strategic Dialogue Joint Economic and Financial Subcommittee meets in Paris



The meeting of the Joint Economic and Financial Subcommittee of the French-Qatari Strategic Dialogue was held in Paris. The Qatari side was chaired during the meeting by Dr Saud Abdullah al-Attiyah, Deputy Undersecretary for Economic Affairs at the Ministry of Finance. The French side was headed by Magali Cesana, head of the Bilateral Affairs and International Business Development Department, at the French Treasury within the Minister for Economy, Finance, Industrial and Digital Sovereignty, for the French Republic. During the meeting, they discussed areas of joint co-operation between the two parties, on the financial and economic level, and French-Qatari co-operation in the field of financial support for developing countries.

Qatar banking sector's total assets up 0.6% month-on-month to QR1.891tn in April: QNBFS

By Pratap John
Business Editor

Qatar banking sector total assets grew 0.6% month-on-month (MoM), down 0.7% so far in 2023, in April to reach QR1.891tn, QNB Financial Services (QNBFS) said in a report yesterday.

Total loans provided by Qatari banks went down 0.4% MoM to QR1, 249.5bn, while deposits contracted by 0.3% to QR964.2bn in April.

According to QNBFS, the country's private sector pushed the overall credit lower.

Loans have edged down by 0.5% in 2023, compared to a growth of 3.3% in 2022. Loans grew by an average 6.7% over the past five years (2018-2022).

Loan provisions to gross loans was at 3.7% in both April and March of this year.

The deposits slide in April was mainly due to a drop by 1.5% in the private sector. Deposits have gone down by 3.5% in 2023, compared to a growth of 2.6% in 2022. Deposits grew by an average 4% over the past five years (2018-2022), QNBFS said and noted that as deposits moved down by 0.3% in April, the loans to deposits ratio (LDR) declined to 129.6% compared with 129.7% in March.

The overall loan book went down 0.4% in April. Domestic private sector loans moved down by 0.6% MoM (+0.2% in 2023) in April.

The services segment was the main reason behind the private sector loan drop. Services (contributes nearly 30% to private sector loans) declined by 1.9% MoM (0.4% in 2023), while consumption and others (contributes nearly 20% to private sector loans) moved lower by 0.4% MoM (-1.2% in 2023).

However, the real estate segment (contributes nearly 23% to private sector loans) edged up by 0.1% MoM (0.0% in 2023), while general trade (contributes nearly 21% to private sector loans) gained marginally by 0.1% MoM (+1.8% in 2023) in April.

Total public sector loans remained flat MoM (-2.3% in 2023). The government segment (represents nearly 28% of public sector loans) declined 1.0% MoM (-11.1% in 2023).

However, the government institutions' segment (represents nearly 67% of public sector loans) loan book increased 0.4% MoM (+2% in 2023), while the semi-government institutions' segment gained 0.4% MoM (-1.9% in 2023).

Outside Qatar loans moved up by 0.4% MoM (0.4% in 2023) in April, QNBFS noted.

Private sector deposits declined by 1.5% MoM (-2% in 2023) in April. On the private sector front, the companies and institutions' segment fell by 3.6% MoM (-7.5% in 2023).

However, the consumer segment increased by 0.5% MoM (+3.5% in 2023) in April.

Public sector deposits increased by 0.8% MoM (-4.1% in 2023) in April.

Looking at segment details, the government segment (represents nearly 30% of public sector deposits) was the main driver with a growth of 4.4% MoM (-4.4% in 2023), while the semi-government institutions' segment rose by 2% MoM (-18.7% in 2023). However, the government institutions' segment (represents nearly 58% of public sector deposits) moved lower by 1.1% MoM (-0.4% in 2023) in April.

Non-resident deposits shifted from its general downward trend for the second consecutive month and moved up by 0.4% MoM (-5.9% in 2023) in April.

An analyst told *Gulf Times*, "Higher interest rates could have acted as a deterrent for credit to the private sector with overall loans to the private sector declining by 0.6% in April".

USQBC executive highlights growth potential in IT, AI partnerships for Qatar-US firms

By Peter Alagos
Business Reporter

Collaboration between Qatari and US companies can provide significant opportunities for growth in areas, such as information technology (IT), cybersecurity, fintech, artificial intelligence (AI), and digital transformation, an official of US-Qatar Business Council (USQBC) Doha Office has said.

Sheikha Mayes bint Hamad al-Thani, USQBC Doha managing director, said the recently-held Qatar Economic Forum, Powered by Bloomberg has helped influence the exchange of ideas and fostering cooperation between Qatar and the US.

"Qatar has made investments in technology and innovation to diversify its economy and increase its competitiveness...during the forum, technological advancements were showcased, knowledge exchange was facilitated, and partnerships in the technology and innovation sectors were fostered," Sheikha Mayes told *Gulf Times* in an exclusive interview.

Following USQBC's participation in the forum, Sheikha Mayes highlighted several ways in which the council can support Qatari businesses in expanding their reach and establishing a presence in the US market.

She said USQBC can provide valuable intelligence and research on the US market to Qatari businesses. This includes information on industry trends, consumer preferences, regulatory requirements, and market entry strategies.

"By leveraging insights gained from the Qatar Economic Forum discussions and presentations, USQBC can help Qatari businesses identify opportunities and make informed decisions when entering the US market," she said.

According to Sheikha Mayes, USQBC actively promotes Qatari businesses in the US market to potential investors, trade partners, and customers.

By utilising the outcomes and recommendations of the forum, USQBC showcases Qatar's investment potential and business opportunities by organising targeted investment seminars, trade missions, or roadshows, which generate exposure and attract the interest of American counterparts.

Sheikha Mayes also emphasised that USQBC plays a crucial role in providing market intelligence, facilitating networking opportunities, promoting investment and trade, and granting access to resources and partnerships for Qatari businesses expanding into the US market.

"We have been engaged in various partnerships and memorandums of understanding with several government agencies. We work together on developing programmes to further enhance the attraction of business and investment to both countries. Following the forum, several outcomes and discussions will be added to these agreements," she said.

Sheikha Mayes underscored the importance of QEF, saying that it contributes significantly to shaping the business landscape by promoting dialogue and collaboration, showcasing investment opportunities, encouraging economic diversification, innovation and entrepreneurship, enhancing global visibility, and influencing policy formulation, among other things.

She said the field of energy and renewable resources, defence and security, technology and innovation, and education and research are among the specific sectors or industries that have significant potential for growth and collaboration between Qatar and the US.

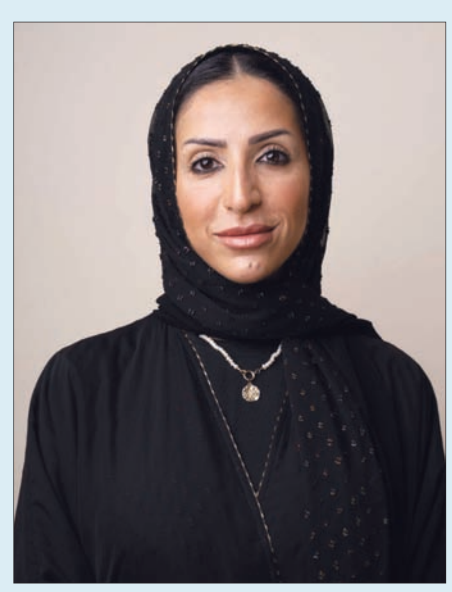
"Qatar Economic Forum contributed to the development of these sectors by providing stakeholders with a platform for sharing insights, exchanging ideas, and exploring collaborative opportunities. A forum such as this facilitates networking and matchmaking sessions, showcases success stories and best practices, and fosters dialogue between industry leaders, policymakers, and potential investors.

"As the forum highlights opportunities, discusses challenges, and promotes collaboration, it can play an important role in driving growth and fostering partnerships between Qatar and the US in these industries," she explained.

On plans for joint initiatives or programmes to enhance educational and professional development opportunities between Qatar and the US, Sheikha Mayes said USQBC is committed to continuing to support education and professional development.

"Since we began working with Georgetown University in Qatar on the accredited internship programme, we have hired and trained several students. This is something we will continue to do. In fact, we may even expand our partnerships to other educational institutions.

"It is USQBC's intention to contribute to economic diversification and job creation by supporting the growth and development of small and medium-sized enterprises (SMEs)," she said.



Sheikha Mayes bint Hamad al-Thani, USQBC Doha managing director.

UDC wins 'Best CSR in Qatar' award

Engineer Abdullatif Ali al-Yafei, UDC executive director of Public Services, accepting the honour on behalf of the company during the award ceremony.

United Development Company (UDC), the master developer of The Pearl and Gewan islands, has been honoured with the prestigious 'Best in Corporate Social Responsibility (CSR)' award at Qatar CSR Summit 2023.

This recognition highlights UDC's dedication to implementing the best sustainability initiatives and practices. It reflects the company's commitment to environmental, social, and governance (ESG) principles and its alignment with its CSR obligations and business model.

UDC's efforts in areas, such as community development across The Pearl Island, energy efficiency strategies, resource optimisation, and greenhouse gas mitigation demonstrate its commitment to the well-being of the community and the environment, as well as raising awareness about climate change.

As the first real estate company to receive this prestigious award, UDC's initiatives and sustainability practices have been recognised for their positive impact on The Pearl Island community. These practices are in line with the company's CSR strategy, which focuses on its responsibility towards employees, the community, and the environment.

UDC's Environmental and Sustainability Strategy 2026 further emphasises its commitment to integrating environmental and sustainability practices across its social, governance, and cooperative initiatives.

UDC was selected out of a pool of 100 nominees this year and got selected as the winner of the award amongst 20 winners from different sectors. The selection process involved a meticulous evaluation and recommendation by a panel of experts and faculty members from Qatar University's College of Business and Economics.

Engineer Abdullatif Ali al-Yafei, UDC executive director of Public Services, accepted the award on behalf of the company during the award ceremony, which was attended by more than 200 individuals, further highlighting the significance of this recognition.

UDC's has instituted several key initiatives. UDC introduced the Seabin Project on World Environment Day in 2021 with the objective of preserving clean waters and safeguarding marine life at The Pearl Island. This pioneering initiative, which plans to install an additional 10 seabins in various locations, has no equivalent in the region.

Since its launch, a substantial amount of 1,304.98 cbm of waste has been collected, signifying a significant environmental impact. Furthermore, UDC's waste management and recycling initiative has played a role in reducing air pollution by an estimated 86,966lbs annually.

UDC's success in employee engagement played a significant role in winning the award, showcasing the astute leadership, commitment, and guidance of UDC's management.

Ibrahim Jassim al-Othman, UDC president, CEO, and member of the board, was personally selected as one of the nine distinguished executives to receive the esteemed Sustainability Leader Award. This prestigious recognition was based on his exceptional ability to achieve ESG goals, demonstrate exemplary leadership skills, and effectively attract and retain top talent.

The SEAL Award acknowledges organisations across four award categories: environmental initiatives, sustainable innovation, sustainable products, and sustainable services. UDC's remarkable achievements aligning with these core principles and their recognition in the Sustainability Leader Award category reflect the company's commitment to sustainability and its continuous efforts to make a positive impact in these areas.

UDC introduced a unique initiative last year to actively contribute to carbon emissions reduction. As part of this initiative, tree planting is held for every new employee joining the company, with each tree symbolising their commitment to environmental sustainability. Furthermore, for every five years spent at UDC, additional trees are planted to commemorate their ongoing dedication.

In alignment with the National Climate Change Action Plan (NCCAP), which seeks to position Qatar as a frontrunner in climate change initiatives, UDC actively participates and contributes to the development of the national action plan.

Recognising the importance of addressing climate change, UDC is committed to introducing innovative technologies that will have a substantial impact on reducing carbon emissions and advancing the nation's sustainability goals.

In an effort to promote biodiversity, sustainability, and the importance of green spaces, UDC proudly unveiled The Pearl Island's inaugural community garden. Furthermore, UDC has forged a valuable partnership with the UN and collaborated with the Green Organisation to actively participate in a global campaign aiming to plant one trillion trees. As part of this remarkable endeavour, UDC successfully planted 160 trees, contributing to the collective effort of combating climate change and safeguarding the planet's natural resources.

Through its comprehensive waste management practices and innovative technologies, UDC has successfully implemented measures to conserve and preserve freshwater usage across The Pearl Island. These efforts have resulted in an impressive saving of over 2.71mn gallons of freshwater.

Regional fintech conference highlights latest trends

QNA
Doha

Chairman of Qatar Association of Certified Public Accountants Dr Hashim al-Sayed has said fintech has brought digitisation in all fields of life

The second regional fintech conference kicked off yesterday in Doha to discuss the latest trends of financial technology in the financial sector, and how regulatory agencies can effectively benefit from it in building and developing new business models and practices that serve the renewable requirements of market needs and keep abreast of global developments with the aim of providing a fertile and attractive environment for investment.

Bringing together speakers from the State of Qatar and the Middle East in the field of banking, financial services and information technology, as well as representatives of international institutions and organisations, the conference highlighted the best practices of countries that have made great progress in using this technology, in addition to the experience of Qatar.

Chairman of Qatar Association of Certified Public Accountants (QCPA) Dr Hashim al-Sayed said in a speech that fintech is one of the aspects of the fourth industrial revolution that emerged as a result of the tremendous technical development that brought digitisation in all fields of life.

He added that the financial and banking sectors comes at the forefront of the fields capitalising on technology, with customers increasingly relying on electronic applications and smart solutions in carrying out their banking and financial transactions, which changed the structure of financial services.

Al-Sayed stressed that financial technology has made a huge revolution by providing innovative and effective financial services that can be accessed by customers and companies in several fields. These services include a broad package such as transfer, payment, lending, investment, risk management, data analysis and storage, wealth management, digital savings, cloud services and others, he added.

He noted that Qatar attaches great importance to the digital services sector to strengthen its position regionally and globally in the field of financial digitisation.

Director of Corporate Affairs at the Ministry of Commerce and Industry (MoCI) Salem bin Salim al-Mannai said the conference served as an important occasion for the exchange of ideas and visions on the best processes to adopt fintech and ways to make use of it in financial and economic institutions.

He added that Qatar pays great attention to digitalising services in all sectors, which made Qatar rank first globally according to a report by the Boston Consulting Group.

Extraneous factors weigh on QSE as index tanks 184 points

By Santhosh V Perumal
Business Reporter

Reflecting the lower oil prices and apprehensions on Chinese economic data, the Qatar Stock Exchange (QSE) yesterday witnessed a huge 184 points plunge in key index and QR10bn in capitalisation.

An across the board selling – particularly in the real estate, industrials and consumer goods –led the 20-stock Qatar Index to drop 1.78% to 10,154.81 points.

The domestic institutions turned bearish in the main market, which however touched an intraday high 10,362 points.

About 74% of the traded constituents were in the red in the main bourse, whose year-to-date losses widened further to 4.93%.

The foreign individuals were seen net sellers in the main bourse, whose capitalisation tanked 1.66% to QR604.28bn, mainly on account of large and midcap segments.

The Gulf institutions were also seen as net profit takers in the main bourse, which saw a total of 0.14mn exchange traded funds (sponsored by Masraf Al Rayan and Doha Bank) valued at QR0.39mn changed hands across 20 deals.

The Gulf retail investors turned net sellers, albeit at lower levels, in the main market, which saw no trading of sovereign bonds.

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

The Total Return Index shrank 1.78%, the All Share Index by 1.78% and the Al Rayan Islamic Index (Price) by 1.53% in the main bourse, whose trade turnover and volumes soared.

The realty sector index plummeted 3.28%, industrials (2.69%), consumer goods and services (1.86%), banks and financial services (1.52%), telecom (1.35%), insurance (1.03%) and transport (0.82%).

Major shakers in the main market included Widam Food, Aamal Company, Mazaya Qatar, Inma Holding, Commercial Bank, Lesha Bank, Salam International Investment, Woqod, Baladna, Mekdam Holding, Industries Qatar, Gulf International Services, Qatari Investors Group, Barwa and Ezdan.

In the venture market, Al Faleh Educational Holding saw its shares depreciate in value.

Nevertheless, Dukhan Bank, Qatar Islamic Insurance, Doha Insurance, Medicare Group and Vodafone Qatar were among the gainers in the main market.

The domestic institutions turned net sellers to the tune of QR103.69mn against net buyers of QR23.87mn on May 30.

The foreign individual investors were net sellers to the extent of QR5.37mn compared with net buyers of QR0.65mn on Tuesday.

The Gulf institutions turned net profit takers to the tune of QR4.26mn against net buyers of QR37.61mn the previous day.

The Gulf retail investors were net sellers to the extent of QR0.54mn compared with net buyers of QR0.01mn on May 30.

The Arab institutions' net buying weakened marginally to QR0.06mn against QR0.42mn on Tuesday.

However, the foreign institutions turned net buyers to the tune of QR76.98mn compared with net sellers of QR54.53mn the previous day.

The Qatari individuals were net buyers to the extent of QR25.67mn against net profit takers of QR4.22mn on May 30.

The Arab individuals turned net buyers to the tune of QR11.13mn compared with net sellers of QR3.8mn on Tuesday.

The main market saw a more than doubled trade volumes to 510.12mn shares and value more than triple to QR2.01bn on 10% jump in deals to 25,766.

MoCI official introduces commercial entities to price evaluation and follow up-system.

MoCI organises workshops on price evaluation system for commercial establishments

The Ministry of Commerce and Industry (MoCI) has organised a series of workshops for the owners of commercial establishments to introduce them to the price evaluation and follow up-system. The workshops showcased the mechanism for managing the processes of recording and assessing the price lists of the services provided by these establishments, including restaurants, cafeterias, coffee houses, barber shops, beauty salons, and gyms.

The principle behind this system relies on enabling the owners of the establishments in the specified economic sectors to enter the system to add price lists in the designated tables, provided that the applicant is authorised to do so as per the commercial register and that the commercial licence used in the application is valid.

The workshops also addressed the entry data needed to access the price evaluation and follow up-system, as the phone number must be registered on the same personal number of the applicant, and a verification code will be sent to check on every entry, in addition to abiding by the need to fill out the approved forms in the system to add the data correctly, and photocopying the price list used by the establishment and uploaded it into the system.

Additionally, the workshops showcased the main services provided by the price assessment and follow up-system for commercial enterprises, which include registering service price lists, adding or deleting items, and increasing or decreasing the prices of the items registered in the price list.

QFBA signs MoU with Fitch Learning to boost training, professional development

QNA
Doha

The MoU was signed by QFBA director of Professional Training Majid al-Khulaifi, and commercial director, MEA, Fitch Learning, Linda O'Hara.

Qatar Finance and Business Academy has signed a memorandum of understanding (MoU) with Fitch Learning, the world's leading provider of training services. The MoU aims at co-ordinating and strengthening joint co-operation in the aspect of training and professional development. It also aims to offer consulting and broadening the scope of national programmes and specialised educational and training courses in the financial services industry, utilising the best approach and the most cutting-edge scientific standards.

The MoU was signed by QFBA director of Professional Training Majid al-Khulaifi, and commercial director, MEA at Fitch Learning, Linda O'Hara.

Al-Khulaifi emphasised that the MoU embodies the bonds of co-operation with various prestigious international training institutions, and complements the Academy's efforts to provide specialized and unique academic services and programmes. This, in turn, supports the country's ongoing efforts to build a knowledge-based economy by meeting the expectations of the evolving labour market in terms of Qatari competencies specialised in the financial and banking services industry.

The two parties' co-operation will grow, according to the MoU, by leveraging Fitch Learning's expertise and capabilities in the areas of training and professional development and utilizing them optimally in a way that serves the Academy's goals and vision while also enhancing the professional capabilities of its students, he added.

Under the MoU, both parties agreed to strengthen co-operation to broaden the scope of the Academy's open calendar programmes, national development programmes, and specialised certification programmes, as well as to provide consultations and customised programmes that would meet the needs of the community and institutions involved with financial services in the State of Qatar. This is in addition to exploring and identifying any other areas of mutual interest where collaboration may be extended and developed for the benefit of both parties.

Qatar Airways, Shell sign milestone sustainable aviation fuel deal

By Alex Macheras

Qatar Airways has signed a deal with Shell to source 3,000 metric tonnes of neat Sustainable Aviation Fuel (SAF) at Amsterdam Schiphol airport. It encompasses the existing jet fuel contract with Shell at Amsterdam which will now see Qatar Airways using at least a 5% SAF blend over the contract period for the fiscal year 2023-2024. The Qatar Airways bilateral agreement with Shell is part of a wider effort initiated by the oneworld alliance, which has set target of using Sustainable Aviation Fuel (SAF) for 10% of combined fuel volumes by 2030.

Qatar Airways is the first carrier in the Middle East and Africa to procure a large SAF amount in Europe beyond government SAF mandates. SAF offers significant potential for decarbonisation as neat SAF can reduce full lifecycle emissions by up to 80% compared to conventional jet fuel. This means that Qatar Airways will be reducing its emissions on flights from Amsterdam by approximately 7,500 tonnes of CO2 for the fiscal year.

SAF is considered the most important way to decarbonise airline operations in the next few decades, before alternatively powered aircraft can be widely deployed in commercial operations. This is why SAF developments deserve attention. Compared to conventional jet fuel, SAF can reduce up to 80% carbon emissions on a lifecycle basis, depending on the SAF technology used. Aircraft today are powered by liquid aviation fuel, made mostly from fossil fuel sources. Yet new fuels have been developed that have the potential to dramatically reduce aviation's net CO2 emissions. Although supply is currently limited (0.01% of global jet fuel use), sustainable aviation fuels are already in use today and take-up is increasing.

Aviation currently accounts for approximately 2-3% of man-made global carbon emissions, but without action, aviation could consume up to 22% of the global carbon budget by 2050. To maintain growth and at the same time address its environmental impact, the wider aviation industry has committed to reducing net aviation carbon emissions to 50% below 2005 levels by 2050. But scaling up the use of SAFs to a global market continues to be a challenge as it requires substantial investment.

In the US today, sustainable aviation fuel is approximately $6.83 a gallon, while jet fuel stands at $2.34 — this is why many airlines, including the profitable ones, are so reluctant to pay for SAF at these prices.

The International Air Transport Association, a trade group including the world's biggest airlines, set a target in 2021 to achieve net-zero emissions by 2050. SAF would account for 65% of the abatement, IATA thinks.

But the move would be costly, said Willie Walsh, the former chief executive of British Airways, who runs IATA. "It is achievable," he told a *Financial Times* conference last week. But "anyone who says the costs of transitioning to net zero are going to be low or unnoticeable I'm afraid is fooling themselves".

"Passengers will have to pay higher fares. We need to be honest with our customers", Walsh said. "Airlines are not in a financial position to absorb that cost, so ultimately it will have to be passed on to consumers."

The industry has called on governments to assist potential SAF suppliers to develop the necessary feedstock and refining systems – at least until the fledgling industry has achieved the necessary critical mass and prices drop thanks to economies of scale.

Qatar Airways Group Chief Executive, HE Akbar al-Baker, said: "At Qatar Airways, we are strongly committed to supporting the industry's effort to ramp-up the use of sustainable aviation fuel, as one of the key pillars to decarbonise the aviation industry.

Last year, we signed our first offtake agreement in the US, and now we are placing a multi-million US dollar SAF deal in Amsterdam to illustrate our SAF commitment and reiterate our calls for a more robust SAF supply chain across our global network".

"We remain steadfast in our ambitious target of 10% SAF use by 2030 and this announcement, establishes another landmark for Qatar Airways that underlines the positive outcome of the industry's collaboration which is critical to accelerating the SAF supply and achieving our target. SAF is still 3-5 times more expensive than fossil-based jet fuel. This is why it is essential for all stakeholders to play their part in facilitating research and development of SAF facilities, enhancing economies of scale, providing financing and placing supportive policies".

"Qatar Airways and Shell have a history of working together, so it is fantastic to now work together on decarbonisation as we supply them with SAF for the first time," said Jan Toschka, president of Shell Aviation. "SAF is a key lever for decarbonising aviation, but scaling its supply and use requires concerted action from across the aviation sector. Today's agreement is a great example of the collaborative actions that are required to help accelerate aviation's progress towards net zero."

More than 99% of airline emissions and approximately 50% of airport emissions are related to the combustion of jet fuel. Although increased energy efficiency and reduction in energy demand are effective ways to reduce fuel consumption and related greenhouse gas emissions, these improvements do not offer a sole solution to aviation-related emissions.

The aviation industry has a clear vision for its use of SAFs and will adopt only fuels made from feedstocks that can be grown or produced without the risk of unintended environmental and social consequences, such as competition with food production or deforestation. More than 45 airlines now have experience with SAF, and around 14bn litres of SAF are in forward purchase agreements.

Passengers of Qatar Airways are able today to compensate for their flight emissions through the purchase of high-quality carbon credits, credited under International Civil Aviation Organisation criteria, the UN's aviation body. Qatar Airways currently invests in carbon credit projects that generate renewable energy, which help in reducing carbon emissions. Qatar Airways is also working on introducing a solution which will allow passengers and customers to offset their emissions by contributing to the cost of SAF.

Elsewhere, the Biden administration, which has set industry a "grand challenge" to produce 3bn gallons a year of SAF by 2030 from less than 16mn now, says feedstock will come from agricultural waste produced alongside corn and soyabeans, and woody biomass in western states.

But until long-term demand for the fuel is guaranteed, investors will be reluctant to plough capital into new SAF production capacity, leaving costs for a niche product high.

■ *The author is an aviation analyst. Twitter handle: @AlexInAir*

International travel back on track demonstrating sector's resilience

By Pratap John

The Covid-19 pandemic severely impacted the travel and tourism sector, leading to disruptions, job losses, and economic challenges.

However, as the world recovers from the pandemic, the sector is expected to regain its significance and contribute to global economic recovery and growth.

According to global tourism body, World Travel & Tourism Council (WTTC), nearly half of the 185 countries will have either fully recovered to pre-pandemic levels or be within 95% of full recovery by the end of 2023. In 2023, the sector is forecast to reach $9.5tn, just 5% below 2019 pre-pandemic levels when travel was at its highest. Some 34 countries have already exceeded the 2019 levels.

The recovery will speed up this year as Chinese travellers re-enter the market, WTTC noted in a research paper recently. The decision by the Chinese government to reopen its borders will early this year will propel the sector and see it recover to pre-pandemic levels in 2023 and beyond. According to the research conducted by WTTC in collaboration with Oxford Economics, the global tourism body also forecasts that the sector will recover to 95% of the 2019 job level.

Travel and tourism provides 300mn jobs worldwide, the global tourism body says.

Over the next 10 years, the global tourism body is forecasting that the sector will grow its GDP contribution to $15.5tn by 2033 representing 11.6% of the global economy. By 2033, the sector will employ almost 430mn people around the world, with almost 12% of the working population employed in the sector.

Last year, despite the economic and geopolitical difficulties, the travel and tourism sector's recovery continued at pace, growing 22% year-on-year to reach $7.7tn. This recovery represented 7.6% of the global economy in 2022, the highest sector contribution since 2019, although its global GDP is still 22.9% behind its 2019 peak.

Travellers at Hartsfield-Jackson Atlanta International Airport. The Covid-19 pandemic severely impacted the travel and tourism sector, leading to disruptions, job losses, and economic challenges. However, as the world recovers from the pandemic, the sector is expected to regain its significance and contribute to global economic recovery and growth.

Beyond the Tarmac

In 2021 the global sector grew 24.7% year-on-year, and last year it grew a further 22% to reach a GDP contribution of $7.7tn.

The research shows that the ongoing conflict in Ukraine and prolonged travel restrictions imposed by a number of countries such as China had a significant impact on the global recovery. But the recent decision by the Chinese government to reopen its borders will propel the sector and see it recover to pre-pandemic levels next year. From a pre-pandemic high of more than 334mn, the Covid-19 pandemic ravaged employment in the sector which saw losses of more than 70mn to bring the total number employed in 2020 to just 264mn.

Following the recovery of 11mn jobs in 2021, the sector created 21.6mn new jobs in 2022 to reach more than 295mn globally – one in 11 jobs worldwide.

Spending from overseas visitors grew by a record 82% to reach $1.1tn in 2022, showing that international travel is firmly back on track.

WTTC President & CEO, Julia Simpson said: "The travel and tourism sector continues to recover at pace, demonstrating the resilience of the sector and the enduring desire to travel. "By the end of the year, the sector's contribution will be within touching distance of the 2019 peak. We expect 2024 to exceed 2019. Travel and tourism will be a growth sector over the next ten years."

The travel and tourism sector has a significant impact on the global economy, contributing to economic growth, job creation, foreign exchange earnings, and infrastructure development. It stimulates various sectors, such as hospitality, transportation, entertainment, and retail. As people travel, they spend money on accommodation, food, attractions, shopping, and transportation, generating revenue for businesses and governments.

The travel and tourism segment is a major employer worldwide, creating direct and indirect employment opportunities in areas like hotels, restaurants, airlines, travel agencies, tour operators, transportation services, and tourist attractions.

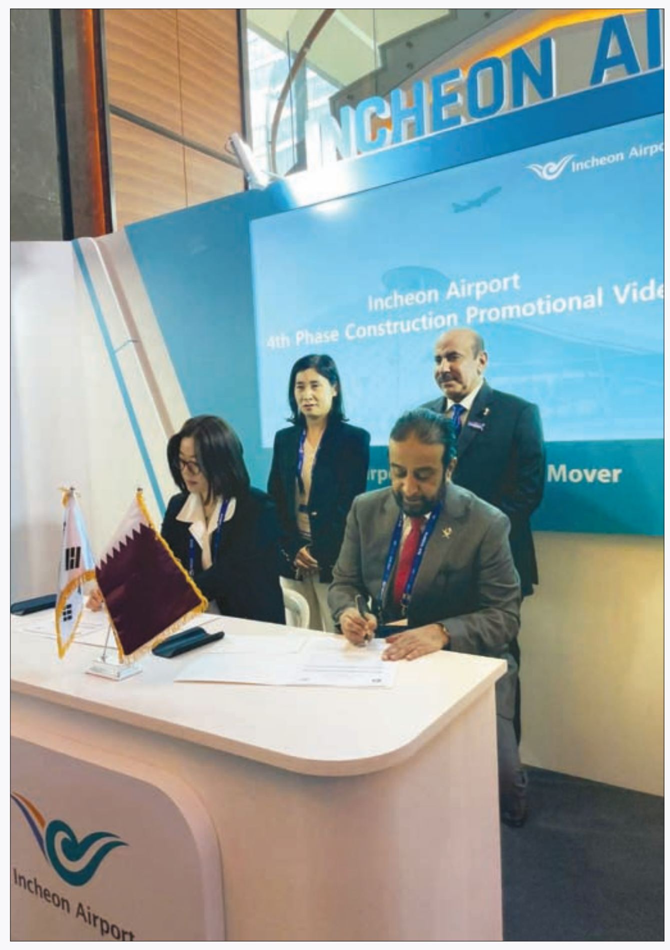
This obviously helps reduce unemployment rates and improve livelihoods, particularly in regions heavily dependent on tourism.

The sector generates foreign exchange earnings through international tourism. When visitors from other countries spend money within a destination, it contributes to the local economy and helps balance trade deficits.

Countries with attractive tourism offerings can benefit from a steady inflow of foreign currency, which supports economic stability and development. To accommodate tourists, destinations invest in infrastructure development, including airports, roads, hotels, restaurants, and recreational facilities. This leads to improvements in public services and creates a favourable environment for business and investment. Infrastructure development also benefits local communities and residents by enhancing their quality of life.

According to industry analysts, the travel and tourism sector acts as a natural catalyst for other industries such as agriculture, manufacturing, and handicrafts. As tourism grows, it jacks up the demand for local products and services, thereby benefiting various sectors of global economy.

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



Sheikh Jabor bin Hamad al-Thani, director general of Qatar Aeronautical Academy; and executive director of Incheon Airport Aviation Academy Mina Choi signed the protocol.

Qatar Aeronautical Academy, and Incheon International Airport Corp sign co-operation protocol

QNA
Seoul

Qatar Aeronautical Academy and South Korean Incheon International Airport Corp signed a co-operation protocol on the sidelines of the International Civil Aviation Organisation's (ICAO) Second Global Implementation Support Symposium (GISS) held in Seoul.

Director General Sheikh Jabor bin Hamad al-Thani and Executive Director of Incheon Airport Aviation Academy Mina Choi signed the protocol on behalf of Qatar Aeronautical Academy and Incheon International Airport Corp, respectively.

The co-operation protocol aims to strengthen the existing bilateral relations between the two sides in a way that enhances the development and implementation of their civil aviation training programmes, the implementation of joint co-operation activities and exchange of students and academic staff, as well as the hosting of training programs implemented by ICAO in both countries to support the programmes' development.

Qantas says international flying will be twice as lucrative in post-Covid era

Bloomberg
Sydney

Qantas Airways Ltd said international flying will be at least twice as lucrative in the post-Covid era, thanks to new income from marathon direct flights that crisscross the world and deep cost cuts during the pandemic.

In its first investor day in four years, the Australian airline on Tuesday laid out the projected boost from a vast fleet overhaul and a three-year turnaround plan implemented shortly after Covid grounded travel in 2020.

The forecast for bumper profit margins suggests there will be no immediate end to soaring fares on overseas flights that are supercharging airline revenues. The optimistic outlook reflects an aviation industry that was forced to become more efficient to weather the Covid crisis, a worldwide reset that is now enriching investors. Qantas said it also expects fatter margins in its domestic business, the airline's earnings engine, due to rising demand and the introduction of more efficient jets. Operating profit at the loyalty unit could double by 2030 as it expands into holidays and hotels, the carrier said.

An Airbus SE A330 aircraft operated by Qantas Airways takes off from Sydney Airport. Qantas said international flying will be at least twice as lucrative in the post-Covid era, thanks to new income from marathon direct flights that crisscross the world and deep cost cuts during the pandemic.

"This is a structurally different business than it was before Covid, operating in markets that have also changed," Qantas chief executive officer Alan Joyce said in a statement accompanying a 97-page investor presentation.

Operating profit margins at Qantas International will grow from about 5% before the pandemic to more than 8% next year, and to between 10% and 12% in following years, the airline said. Margins at the domestic business will be 18% next year and beyond, up from 13% before Covid, Qantas said.

After a multibillion dollar fleet order in 2021, Qantas can tap about 300 new Airbus SE jets and is due to receive a new aircraft every three weeks for the next three years.

The airline aims to start nonstop flights linking Sydney with London and New York in late 2025 with 12 new long-range Airbus A350s.

Singapore Air and Garuda to deepen ties and grow regional routes

Bloomberg
Singapore

Singapore Airlines Ltd and PT Garuda Indonesia are seeking to deepen ties with a commercial pact to co-ordinate on fares and flight schedules, the carriers announced.

Singapore's flag carrier and Indonesia's main airline said the arrangement, which expands on a memorandum of understanding the two signed in November 2021, will likely cover routes between Singapore and Denpasar in Bali, Jakarta, and Surabaya, a port city in Java.

The arrangement also envisages the implementation of new initiatives, including joint fare products and corporate programmes.

The deepening ties, which are subject to regulatory approvals, are a win for Singapore Airlines as the city-state's carrier widens its influence across Southeast Asia at a time many of the region's other airlines are still recovering from the financial stresses of Covid. Singapore Airlines struck a similar arrangement with Malaysia Airlines in November last year, and another via a strategic partnership with Thai Airways International Pcl in December. The partnerships will funnel ultimately more passengers from the region onto Singapore Airlines' long-distance flights between Europe and Asia, reinforcing its role as Southeast Asia's dominant carrier.

Singapore Airlines aircraft prepares to take off from Soekarno-Hatta International Airport in Jakarta. Singapore Air and PT Garuda Indonesia are seeking to deepen ties with a commercial pact to co-ordinate on fares and flight schedules, the carriers announced.