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US Justice Department joins probe of fake-parts scandal gripping aviation industry

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BUSINESS

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South African president's visit to Qatar bolsters strategic partnership, says QBA chairman

Ramaphosa calls on Qatari businesses to explore investment in South Africa

Qatar is a positive partner to South Africa, according to President Cyril Ramaphosa, who called on the Qatari business sector to explore all investment opportunities available in his country.

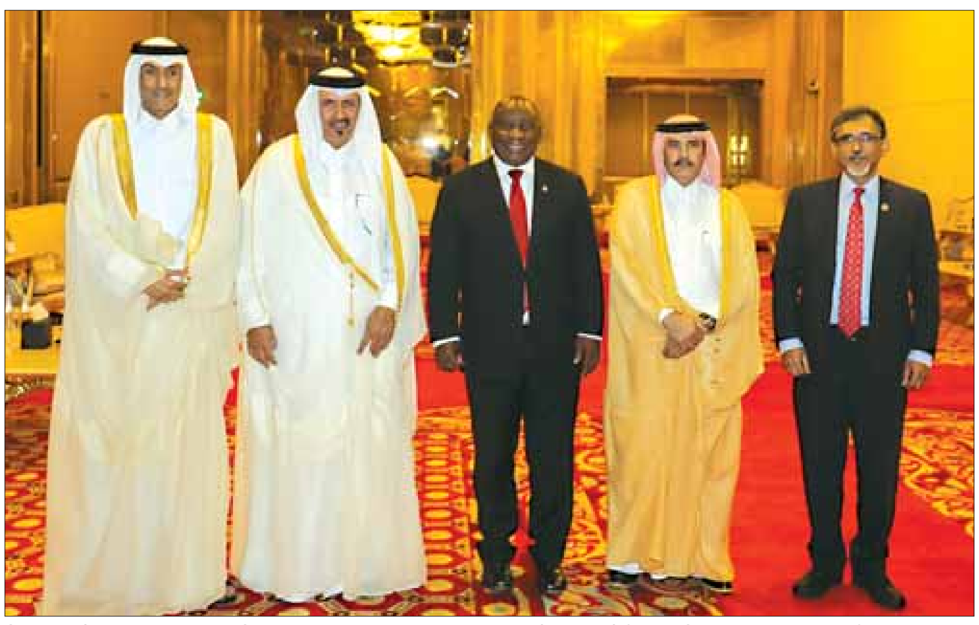
Ramaphosa made the statement yesterday during a meeting with a delegation from Qatar Chamber and the Qatari Businessmen Association (QBA).

The chamber's delegation was led by first vice-chairman Mohamed bin Towar al-Kuwari, which included second vice-chairman Rashid bin Hamad al-Athba, several board members, and several Qatari businessmen.

"We need to see Qatari investments in South Africa. There are no obstacles between both countries to expand their commercial relations," said Ramaphosa, who praised Qatar's successful organisation of the 2022 FIFA World Cup.

Ramaphosa stressed that South Africa is keen to promote bilateral relations with Qatar and is ready to build "boundless partnerships" between Qatari businessmen and their South African counterparts. His visit to Qatar, he pointed out, aims to bolster both countries' relations to cover all economic and commercial areas.

He said South Africa owns "a distinguished position" and is "rife with of opportunities" in sectors like infrastructure, industry, mining, food processing, and pharmaceuticals, among others.



South African President Cyril Ramaphosa is joined by officials of Qatar Chamber and the Qatari Businessmen Association during a meeting in Doha yesterday.

Ramaphosa said South Africa is progressive in industry and technology and has a lot of trade partners and a strong presence in major markets like the Americas and Asia, as well as a lot of trade agreements signed in the African continent.

In his remarks, al-Kuwari commended the robust and close relationship between Qatar and South Africa across various domains. He emphasised that these relations have witnessed significant growth in recent years, particularly in the fields of trade and the economy.

Al-Kuwari said Qatar-South Africa bilateral trade volume increased 33% year-on-year to reach QR1.66bn last year from QR1.25bn, which reflects "the importance of South Africa as a crucial trade partner for Qatar."

On mutual investments, al-Kuwari said both nations are dedicated to overcoming any obstacles that might impede joint ventures. They offer various facilities and incentives to attract investors and foster robust relations between Qatari and South African businessmen and companies.

Al-Kuwari highlighted that several successful South African investments are apparent in Qatar's energy sector. Furthermore, the Qatari market benefits from a diverse range of South African products, such as fruits, vegetables, and foodstuffs.

Emphasising the role of Qatar Chamber, al-Kuwari said the chamber is devoted to strengthening cooperation between the Qatari and South African private sectors and facilitating the establishment of new commercial partnerships and economic alliances in sectors of mutual interest.

HE the Minister of Commerce and Industry Sheikh Mohamed bin Hamad bin Qassim al-Thani addressing the Qatari-Egyptian Investment Forum in Cairo.

Egyptian private sector urged to take advantage of Qatar's favourable business environment

Qatar yesterday asked Egyptian businesses to take advantage of the favourable business environment and legal frameworks for foreign investors, especially in view of its global reputation and positioning as leading investment hub in the region in the post-World Cup era. HE the Minister of Commerce and Industry Sheikh Mohamed bin Hamad bin Qassim al-Thani made this statement at the Qatari-Egyptian Investment Forum, which took place in Cairo.

During his opening speech, Sheikh Mohamed emphasised the historical ties between Qatar and Egypt, acknowledging the significant developments that has been achieved through reciprocal official visits and the shared commitment of the leadership between both the countries.

The forum was highlighted as a crucial platform for discussing investment opportunities, fostering partnerships between the Qatari and Egyptian private sector, expanding reciprocal investments, and increasing bilateral trade volume.

HE Sheikh Mohamed elaborated on the recent successes in Qatar's economic diversification plan, particularly in spurring growth in the non-hydrocarbon sector and highlighted the positive impact of hosting the FIFA World Cup Qatar 2022, which elevated Qatar's global reputation and positioned it as a leading investment hub in the region.

Prominent businessmen, investors, chief executive officers, and representatives from leading Qatari and Egyptian companies across various sectors had the opportunity to engage and interact in order to establish business partnerships at the forum, which also became a venue for signing of agreements between Qatari and Egyptian private sector representatives.

Sheikh Hamad Abdulla Jassim al-Thani, Vodafone Qatar CEO, shaking hands with Yousuf Mohamed al-Jaida, QFC CEO, after the signing ceremony.

Vodafone, QFC sign agreement to provide technology solutions for Qatar businesses

Vodafone Qatar and Qatar Financial Centre (QFC) have signed a memorandum of understanding (MoU) to support the establishment of businesses in Qatar.

As a strategic partner of QFC, Vodafone will be offering the latest communication, digital, and technology services, ranging from mobile and fixed services to Internet of Things (IoT), and cybersecurity solutions, for new and existing QFC-licensed firms, addressing the technology requirements of their workforce while fostering flexibility and enhancing business agility in the workplace. Sheikh Hamad Abdulla Jassim al-Thani, Vodafone Qatar CEO, said: "We are proud to partner with QFC to offer tailored communication and digital services. This partnership reflects our ongoing commitment to support enterprises in Qatar to expand and develop their scope of services and achieve business prosperity while promoting growth and innovation in the region.

"The signing of this new agreement represents an important milestone for both organisations and will accelerate the support efforts towards new and existing businesses in Qatar."

Yousuf Mohamed al-Jaida, QFC CEO, said: "Our partnership with Vodafone Qatar marks a significant step in our mission to deliver quality services and innovative solutions to our valued clients.

"By facilitating their access to premium telecom services, we are promoting productivity and efficiency in their operations. This collaboration reinforces our commitment to fostering business growth and supporting Qatar's economic vitality."

'Power of collaboration' adds value to businesses, says Althaf

By Peter Alagos
Business Reporter

Sharing best practices coupled with optimum utilisation of digital technology in addressing climate change are key factors that would add value to any business, a top executive of a leading international retailer has said.

According to Dr Mohamed Althaf, director of LuLu Group International, many businesses globally are starting to realise the "power of collaboration," especially now that many companies are implementing sustainable practices and other initiatives that focus on environmental protection.

"Before, everybody used to excel in their business using their proprietary software or best practices. But the world is changing. Many companies are now realising the power of collaboration and the power of networking.

"Your value increases when you collaborate. And then we think that our value as a business will only increase if practices are shared by others and not when we keep it to ourselves," Dr Althaf explained.

Only recently, Dr Althaf spoke about the circular economy during the ICC UK's International Trade and Prosperity Week, which carried the theme 'Delivering Sustainable Global Value Chains."

He also further explained that LuLu is not only sharing its best practices with others, but the group is also learning from its partners and other businesses, especially since many companies are going digital, particularly with their climate agendas.

"Because of digitalisation, best practices that people are using in other industries can be easily borrowed.

Dr Mohamed Althaf, Director, LuLu Group International.

What we are trying to do now is to work on an informal basis with a lot of regulators and retailers to prioritise our agenda on climate action," Dr Althaf noted.

He stressed: "We need to believe in shared resources and shared practices. This is the only way, which is why we want to come up with an industry partnership at some stage; there is no point in competing."

Dr Althaf also emphasised that LuLu's global partnerships with the World Economic Forum (WEF), the Ellen MacArthur Foundation, and the International Chamber of Commerce (ICC) are among the factors that keep the group's focus on its climate agenda.

"We are the only members of the Ellen MacArthur Foundation from Qatar. LuLu's membership in these three organisations is among the key aspects of the group's sustainability strategy," he stressed.

BUSINESS

The Business Year to host 'Qatar Investment Conference 2023'

The Business Year, a global leader in economic intelligence, is set to host the much-anticipated 'Qatar Investment Conference 2023' on November 23 in Doha. This event will serve to assess Qatar's journey post-FIFA World Cup 2022, aligning with the ambitious Qatar National Vision 2030.

Against the backdrop of Qatar's expanding economy, the conference strategically focuses on diversification, innovation, and sustainability, spotlighting the nation's potential in pivotal sectors such as finance, technology, energy, and infrastructure. The overarching goal is to catalyse collaboration and partnerships that significantly contribute to realising Qatar National Vision 2030.

With the strategic support of the Ministry of Commerce and Industry and Qatar Chamber, the conference will feature keynote addresses from high-level speakers, such as HE the Minister of State and Chairman of Qatar Free Zones Authority Ahmad al-Sayed, who will provide an invaluable perspective on Qatar's economic landscape and its future trajectory. The first panel discussion, 'Qatar's Remarkable Journey - A Vision for Tourism and Infrastructure Development', will delve into Qatar's investments in cutting-edge infrastructure development, with a focus on the perspective of Katara Hospitality's Khaled al-Suwaidi, director of Projects, and Qatari Diar's Ahmed al-Tayeb, Chief Investment officer.

The second panel, 'Qatar Financial Sector Reshaping Technological Trends in the GCC', will highlight Qatar's leadership in the digital transformation journey. Guest speaker Sheikh Ahmed bin Khalid al-Thani, assistant governor, Financial Instruments and Payment Systems at Qatar Central Bank, along with managing directors from Sharq Insurance's David Cook, Tap Payments' Ahmed al-Munayes, and Sami Zaitoon from Moore Qatar, who will discuss how Qatar's financial institutions are positioning themselves as pioneers in the rapidly evolving regional landscape. The third and final panel, 'Innovation for Sustainable Progress - Creating Qatar's Next Business Landscape', will shed light on Qatar's commitment to sustainability and the pivotal role innovation plays in driving sustainable progress. Featuring Khalid Mohamed al-Kubaisi from Malomatia, Francisco Marmolejo from Qatar Foundation, and Santiago Bañales from Iberdrola Innovation Middle East. Together, they will explore how innovation, research and development, and forward-thinking strategies are shaping Qatar's business landscape. The event is organised with the support of the US-Qatar Business Council, the Qatari Businesswomen Association (QBWA), Moore Qatar, and sponsored by Doha Bank, Katara Hospitality, Dukhan Bank, Mohamed Bin Hamad Holding, Tarboul Industrial City, and Sharq Insurance. Other partners and supporters include Dallah Holding Media, OnlyRoses and Doha Dates.

For media inquiries and press registration, contact vanessa@thebusinessyear.com

Qatar's CPI inflation rises 2.52% year-on-year in October: PSA

By Santhosh V Perumal
Business Reporter

Higher expenses towards communication, recreation and food led Qatar's general consumer price index (CPI) inflation rise 2.52% year-on-year in October 2023, according to the official data.

Qatar's core inflation grew faster than the CPI inflation in the review period on both yearly and monthly basis, according to the Planning and Statistics Authority (PSA).

The CPI excluding "housing, water, electricity, gas and other fuels, soared 3.73% and 1.48% year-on-year and month-on-month respectively in October 2023.

Qatar's cost of living, based on CPI inflation, was up 1.08% month-on-month, in the review period.

Standard and Poor's (S&P), a global credit rating agency, recently said Qatar's CPI inflation is expected to moderate to 3% this year, further to 2% by 2024 and 1.8% by 2025 but likely to rise to 2% by 2026 against an average 5% in 2022.

The index of Communication group, which has a weight of 5.2% in the CPI basket, surged 14.5% and 0.18% on yearly and monthly basis respectively in October 2023.

The index of recreation and culture, which has an 11.1% weight in the CPI basket, soared 11.18% and 10.27% year-on-year and month-on-month respectively in October 2023.

Education, with a 5.8% weight, saw its index surge 6.72% on an annualised basis but was unchanged month-on-month in October 2023.

Food and beverages, which has a weight of 13.5% in the CPI basket, witnessed 3.86% and 0.25% expansion year-on-year and month-on-month respectively in October 2023. The index of transport, which has a 14.6% weight, grew 1.22% on a yearly basis, even as it was down 0.67% on monthly in October 2023.

The sector has the direct linkage to the dismantling of the administered prices in petrol and diesel as part of the government measures to lower the subsidies.

In October 2023, the price of super gasoline and diesel was unchanged year-on-year but premium gasoline price fell 2.56%. Against the September 2023 levels; the price of super, premium and diesel was unchanged. Miscellaneous goods and services, with a 5.7% weight, grew 1.21% and 0.16% year-on-year and month-on-month respectively this October.

However, the index of housing, water, electricity and other fuels – with a weight of 21.2% in the CPI basket – declined 2.41% and 0.59% year-on-year and month-on-month respectively in the review period.

The index of restaurants and hotels, which has a 6.6% weight, fell 2.35% year-on-year but zoomed 2.83% month-on-month in October 2023.

The clothing and footwear, which has a 5.6% weight in the CPI basket, saw its index shrink 1.35% and 0.84% on an annualised and monthly basis respectively this October.

In the case of furniture and household equipment, which has a 7.9% weight in the CPI basket, the index fell 0.22% and 2.08% respectively in October this year.

The health index, which has a 2.7% weight, was down 0.06% on a yearly basis but was up 0.08% on monthly basis in the review period.

The tobacco index, which has a 0.3% weight, was flat on yearly and monthly basis respectively in October 2023.

S African president's visit to Qatar boosts strategic partnership, says QBA chairman

QNA
Doha

HE the Chairman of the Qatari Businessmen Association (QBA) Sheikh Faisal bin Qassim al-Thani affirmed that President of the Republic of South Africa Cyril Ramaphosa's visit to the State of Qatar is one of the important visits between the two friendly countries, and aims to strengthen relations on robust basis of distinguished strategic partnership, mutual trust, and co-operation in all fields.

In an exclusive interview with Qatar News Agency (QNA), HE Sheikh Faisal underscored that South African president's visit to Doha will provide an appropriate framework for fostering existing co-operation between the two countries in various fields, given the prominent economic status of both countries regionally and internationally.

He emphasised the commitment of both countries' leaderships to exploring broader horizons for trade and economic co-operation and opening new avenues to enhance joint investments, given their considerable economic and trade potential. This collaboration is expected to yield mutual benefits and economic prosperity in all sectors, he noted.

The QBA chairman underlined that the relationship between business sectors in the two countries is based on mutual benefits under the "win-win" principle.

He pointed to potential partnerships between Qatari businessmen and their South African counterparts as a gateway to their respective regional markets. Detailing the depth of the partnership, he regarded the State of Qatar as a reliable trade partner for South Africa in the Middle East. Qatar exports to South Africa include minerals, chemicals, plastics, and polymers, while South Africa's exports to Qatar encompass chemicals, medical devices, vehicles, aircraft, ships, transport equipment, and food items like fruits and vegetables, he added.

The QBA Chairman stressed the significant role of the business sector in both countries in providing the necessary momentum to their economic relations. Over the last two years, the Association welcomed numerous South African trade delegations, ministers, and officials, reflecting both nations' commitment to removing obstacles to joint and mutual investments, particularly in the private sector, he said, noting that several memorandums of understanding have been signed in this context.

Chairman of the Qatari Businessmen Association highlighted Qatar's growing interest and openness towards Africa in its foreign strategy as evidenced by multiple agreements signed with friendly nations and private sector companies.

He urged investors in Qatar and South Africa to escalate joint investments that lay a solid foundation for global market expansion, given South Africa's presence in various markets, such as the African Continental Free Trade Area (AfCFTA), expressing confidence in the emergence of joint institutions with global dimensions between the two countries.

Bullish foreign, Gulf institutions lift QSE index 162 points

By Santhosh V Perumal
Business Reporter

The Qatar Stock Exchange (QSE) yesterday gained 162 points and its key index inched towards 10,200 levels on the back of higher demand, especially in the industrials and banking equities.

The foreign institutions turned bullish as the 20-stock Qatar Index rose 1.62% to 10,178.9 points, reflecting the optimism in the regional markets on gaining oil prices, ahead of the US Federal Reserve meeting.

The Gulf institutions were seen net buyers in the main market, whose year-to-date losses truncated to 4.7%.

More than 70% of the traded constituents extended gains in the main bourse, whose capitalisation added QR9.78bn or 1.67% to QR596.01bn with large cap segments gaining the most.

The Arab retail investors turned net buyers in the main market, which regained from an intraday low of 10,115 points.

However, the local retail investors were increasingly into net selling in the main bourse, which saw as many as 0.05mn exchange traded funds (sponsored by Masraf Al Rayan and Doha Bank) valued at QR0.15mn trade across seven deals.

The domestic funds turned net profit takers in the main market, which saw no trading of sovereign bonds and treasury bills.

The Islamic index gained slower than the other indices in the main bourse, which witnessed no trading of treasury bills.

The Total Return Index shot up 1.62%, All Share Index by 1.48% and Al Rayan Islamic Index (Price) by 1.32% in the main bourse, whose trade turnover grew amidst lower volumes.

The industrials sector index zoomed 2.01%, banks and financial services (1.88%), real estate (1.24%), telecom (1.15%) and consumer goods and services (0.54%); while transport and insurance declined 0.77% and 0.37% respectively. Major gainers in the main market included Industries Qatar, Ooredoo, QNB, Qatar Islamic Bank, Qatar Electricity and Water, Commercial Bank, Ezdan, Medicare Group, Baladna, Meeza, Qatar National Cement, QLM and Gulf Warehousing. In the venture market, Mahhar Holding saw its shares appreciate in value.

Nevertheless, Zad Holding, Milaha, Lesha Bank, Doha Bank and Qatari Investors Group were among the shakers in the main market. In the junior bourse, Al Faleh Educational Holding saw its shares depreciate in value.

The foreign institutions turned net buyers to the tune of QR47.31mn compared with net sellers of QR18.06mn on November 14. The Gulf institutions were net buyers to the extent of QR13.26mn against net profit takers of QR0.7mn the previous day.

The Arab individual investors turned net buyers to the tune of QR0.83mn compared with net sellers of QR2.76mn on Tuesday.

However, the local individuals' net selling increased significantly to QR41.86mn against QR8.07mn on November 14.

The domestic funds were net sellers to the extent of QR14.79mn compared with net buyers of QR28.96mn the previous day.

The foreign retail investors turned net sellers to the tune of QR4.12mn against net buyers of QR0.32mn on Tuesday.

The Gulf individuals were net profit takers to the extent of QR0.63mn compared with net buyers of QR0.32mn on November 14.

The Arab institutions had no major net exposure for the ninth straight session.

Trade volumes in the main market fell 3% to 251.43n shares, while value grew 3% to QR656.79mn and deals by 8% to 22,171.

The venture market witnessed a 22% jump in trade volumes to 1.35mn equities, 34% jump in value to QR1.95mn and about 1% in transactions at 127.

US retail sales dip; producer prices post biggest drop in 3-1/2 years

Reuters
Washington

US retail sales fell for the first time in seven months in October as motor vehicle purchases and spending on hobbies dropped, pointing to slowing demand at the start of the fourth quarter that further strengthened expectations the Federal Reserve is done hiking interest rates.

That was supported by other data yesterday showing the biggest decline in producer prices in three-and-a-half years in October on the back of cheaper gasoline. The reports followed on the heels of news on Tuesday that consumer prices were unchanged last month for the first time in more than a year.

These data, combined with a cooling labour market, led economists to conclude that the US central bank's current rate hiking cycle was over. Still, there is no sign that the economy is sliding into recession. The drop in sales in October was less than expected and followed three straight months of hefty gains.

"The economy is returning to a more normal pace of growth and inflation," said Bill Adams, chief economist at Comerica Bank in Dallas.

Retail sales slipped 0.1% last month, the Commerce Department's Census Bureau said. Data for September was revised higher to show sales increasing 0.9% instead of the previously reported 0.7% rise. Economists polled by Reuters had forecast retail sales would fall 0.3%.

Retail sales are mostly goods and are not adjusted for inflation. The decline was led by sales of motor vehicles and parts, which fell 1.1%. Economists attributed some of the decrease to the recently ended United Auto Workers strike, which could have limited supply. Furniture store sales dropped 2.0%, while receipts at electronics and appliance outlets rose 0.6%.

There was a 1.7% decline sales at miscellaneous retailers. Receipts at sporting goods, hobby, musical instrument and book stores fell 0.8%. Clothing store sales were unchanged.

Online sales rose 0.2%, showing little boost from Amazon's second Prime Day promotion. Sales at food services and drinking places, the only services component in the report, gained 0.3%. Economists view dining out as a key indicator of household finances.

Receipts also rose at health and personal care stores as well as food and beverage outlets.

US stocks opened higher, extending the prior session's strong rally. The dollar rose against a basket of currencies. US Treasury prices fell. Financial markets are anticipating an interest rate cut next May, according to CME Group's FedWatch Tool. Since March 2022, the Fed has raised its benchmark overnight interest rate by 525 basis points to the current 5.25-5.50% range.

Though some of the dip in retail sales last month was payback after the recent streak of strong growth, it was also a sign that consumers are feeling the heat from higher borrowing costs, with most lower-income families relying on credit cards to fund purchases after exhausting excess savings accumulated during the Covid-19 pandemic.

Excluding automobiles, gasoline, building materials and food services, retail sales rose 0.2% in October. Data for September was revised up to show these so-called core retail sales rising 0.7% instead of the previously reported 0.6%.

Core retail sales correspond most closely with the consumer spending component of GDP. Consumer spending surged in the third quarter, making a significant contribution to the economy's 4.9% annualised growth pace. The economy grew at a 2.1% rate in the second quarter.

A separate report from the Labor Department's Bureau of Labor Statistics yesterday showed the producer price index for final demand declined 0.5% in October, the largest decrease since April 2020. The PPI rose 0.4% in September.

Economists had forecast the PPI would edge up 0.1%. In the 12 months through October, the PPI increased 1.3% after rising 2.2% in September.

Goods prices dropped 1.4%, with a 15.3 plunge in gasoline prices accounting for more than 80% of the decline. Goods prices rose 0.8% in September. Food prices fell 0.2%.

Airlines in the Middle East splash cash at Dubai Airshow

By Alex Macheras

Airlines in the Middle East are splashing the cash at Dubai Airshow this week, securing all-important aircraft delivery slots, and positioning themselves for growth following record profits for most major carriers. Boeing forecasts widebody airplanes will comprise 45% of deliveries to Middle East airlines over the next 20 years the highest percentage of the 10 global regions featured in Boeing's Commercial Market Outlook (CMO) forecast. The region's fleet of dedicated freighters is also projected to more than double to 180 jets by 2042, according to the CMO, Boeing's annual long-term forecast of demand for commercial airplanes and services.

"Airlines in the Middle East have increasingly expanded their influence and reach, transforming the region into an international air transit hub," said Darren Hulst, Boeing vice-president, Commercial Marketing. "Air travel and cargo demand continue to gain momentum, driven by significant economic growth and national development plans. As airlines in the region will require efficient and versatile fleet solutions, Boeing products will be ready to meet market demands."

The forecast projects delivery of 3,025 new commercial airplanes in the Middle East by 2042, including 1,350 widebodies. Many airlines in the region provide service between major population centres in Asia, Africa and Europe via growing hubs that offer efficient connectivity. As a result, a higher proportion

of widebody aircraft are needed to carry larger passenger volumes.

Airlines including Emirates, EgyptAir, and Royal Jordanian have announced orders at this year's Dubai Airshow. EgyptAir customers will soon be flying to destinations around the globe aboard new Airbus A350-900s, after the airline disclosed an order for 10 aircraft at the Dubai Airshow. "EgyptAir is a key partner of Airbus in the Middle East and Africa. We take immense pride in this partnership aimed at furthering the aviation industry. Our focus lies in the enhancement of our fleet to embrace some of the most contemporary aircraft available," says EgyptAir Chairman and CEO Yehia Zakaria. The A350 has won over 1,000 orders from leading carriers from around the globe.

Royal Jordanian announced an order for four 787-9 Dreamliner jets as the airline expands and modernises its widebody fleet. Jordan's flag carrier also reconfirmed at the Dubai Airshow a previous order for two 787-9s, bringing its total 787-9 backlog to six.

"Our decision to add the 787-9 Dreamliners to our fleet is a proof to our dedication to providing an unparalleled travel experience," said Samer Majali, vice-chairman and CEO of Royal Jordanian. "This move aligns seamlessly with our broader strategy of fleet modernisation, emphasising fuel efficiency, sustainability and passenger comfort. As we embark on this journey, we are confident that the Dreamliner's cutting-edge technology will play a pivotal role in elevating our operational capabilities."

Since revenue service began in 2011, the 787 family has launched more than 380 new nonstop routes around the world. The 787 Dreamliner family reduces fuel use and emissions by 25% compared to the airplanes it replaces.

Royal Air Maroc announced a repeat order for the 787 Dreamliner, confirming two 787-9s in its order book as the airline grows its widebody fleet. The carrier, which currently operates nine Dreamliners, leverages the 787 family's efficiency and flexibility to expand its long-haul network.

"The two Boeing 787-9 Dreamliners will enable Royal Air Maroc to expand in the short-term its long-haul network in response to the highly favourable market conditions in 2023," said Abdelhamid Addou, Chairman and Chief Executive Officer, Royal Air Maroc. "Simultaneously, the company is actively pursuing a significant tender to quadruple the fleet before 2037."

Emirates announced a blockbuster order for 90 777X airplanes, including 55 777-9 and 35 777-8 jets. The new order, which increases Emirates' 777X family backlog to 205 planes, was announced at a signing event attended by Sheikh Ahmed bin Saeed al-Maktoum, Chairman and Chief Executive, Emirates Airline.

In addition, Emirates updated its 787 Dreamliner order book to better align future capacity to demand. The airline is buying five more 787 jets – growing its 787 backlog to 35 – while converting 30 787-9s to 20 787-8 and 10 787-10 airplanes.

"Emirates is the biggest operator of Boeing 777 aircraft, and today's order cements that position," said Sheikh Ahmed bin Saeed al-Maktoum. "We've been closely involved in the 777 program since its start up until this latest generation of 777X aircraft. The 777 has been central to Emirates' fleet and network strategy of connecting cities on all continents non-stop to Dubai. We are pleased to extend our relationship with Boeing and look forward to the first 777-9 joining our fleet in 2025."

Low-cost airline flydubai surprised everyone with an agreement to purchase 30 787-9 Dreamliners, the first time the short-haul carrier will introduce long haul, widebody jets. In a signing ceremony at the air show, the Dubai-based carrier said it plans to use the efficient 787 to open new routes and grow capacity on existing routes.

"The 787-9 is perfectly suited for the needs of flydubai as it looks to open up longer-range routes and add capacity across its network," said Stan Deal, president and CEO of Boeing Commercial Airplanes. "flydubai passengers will enjoy the Dreamliner effect, an experience like no other in the air, flying with more comfort and arriving at their destinations feeling more refreshed."

flydubai currently operates an all-737 fleet of 79 airplanes. The airline has an order backlog of 137 737s.

The Middle East single-aisle fleet is also expected to more than double as low-cost carriers (LCC) and short-haul networks continue to develop and expand. By 2042, nearly half of the region's aircraft will be single-aisle jets.

Two-thirds of new deliveries will support air traffic and cargo growth while one-third of deliveries will replace older airplanes with more fuel-efficient models. The total fleet will increase 2.4 times to 3,360 airplanes — 1,610 (48%) will be single aisles, while 1,520 (45%) will be widebodies, and the commercial fleet will generate demand for $335bn in aviation services including maintenance, repair, training and spare parts.

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

US Justice Department joins investigation of fake-parts scandal gripping aviation

Bloomberg
New York

The US Department of Justice (DoJ) has joined a group of international agencies investigating how thousands of bogus engine parts backed by forged documents ended up in planes around the world, according to people familiar with the matter, as fallout grows over a scandal that has spread across the commercial aviation industry.

The DoJ has sought information from at least one airline that received unapproved parts linked to AOG Technics Ltd, according to one of the people, who asked not to be identified because the information isn't public.

The Justice Department's involvement marks the first indication of scrutiny by law enforcement into the issue, which was reported by Bloomberg News in August. The probe is in early stages and may not result in charges. At least one non-US authority has shared information with other enforcement agencies, according to another person, indicating a coordinated effort to pursue the case across national boundaries.

The UK Civil Aviation Authority, the European Union Aviation Safety Agency, and the US Federal Aviation Administration have all warned airlines of suspect parts sold through AOG. Each regulator has been looking into the matter, although it hasn't been clear whether law enforcement agencies were involved.

AOG, an obscure London-based company, has been accused by aviation regulators of falsifying paperwork and supplying unauthorized components for CFM56 turbines, the world's most widely used jet engine, powering workhorse aircraft from Boeing Co. and Airbus SE. A lawyer previously used by AOG Technics said they no longer act for the company or its founder, Jose Alejandro Zamora Yrala. The Justice Department declined to comment. Zamora didn't immediately respond to a phone call seeking comment.

A worker tends to the engine of an aircraft in Alice Springs, Australia. The US Justice Department has joined a group of international agencies investigating how thousands of bogus engine parts backed by forged documents ended up in planes around the world, according to people familiar with the matter, as fallout grows over a scandal that has spread across the commercial aviation industry.

The FAA, which is responsible for airline safety in the US, said it refers all suspected unapproved parts cases to federal law enforcement agencies. It declined to comment on AOG Technics specifically. EASA, its counterpart in the EU, had no immediate comment.

The CAA said it's supporting the FAA and EASA in looking into the supply of unapproved parts.

The scandal has reverberated around the industry as the number of airlines finding unapproved parts on their aircraft has grown. The incidents have affected carriers from Portugal to the US and as far as Australia, underscoring the global nature of the problem and the industry's effort to contain it. Delta Air Lines Inc, American Airlines Group Inc, Southwest Airlines Co and United Airlines Holdings Inc. all found parts with suspect documents on their planes. CFM International Inc, an engine-making joint venture of General Electric Co and France's Safran SA, said last month it had found 145 engines in the global fleet that were fitted with the parts linked to AOG.

More than half of the affected engines have been removed from service, a CFM spokesman said then.

The findings came after CFM completed an "exhaustive" review of records supplied by AOG under a court order obtained by the CFM partners in September. Roughly 180 forged records have been found, with bogus parts from the supplier fitted into 145 of the 22,600 CFM56 engines in service.

EU and US officials scramble to resolve JetBlue-Schiphol spat

Bloomberg
Brussels

US and European Union (EU) officials agreed to meet again in January over an airport dispute that threatens to evict Dutch airline KLM from its long-time perch at New York's John F Kennedy International.

The spat, stemming from capacity cutbacks at Amsterdam's state-controlled Schiphol airport, risks snowballing as the US considers its response to JetBlue Airways Corp's ejection from the Dutch hub.

The two sides discussed the matter on Monday in Brussels, and with differences still outstanding, they agreed to hold another meeting in January to assess progress, a spokesperson for the European Commission said on Tuesday in e-mailed response to Bloomberg's questions.

"The commission took note of the US concerns, underlined that it is equally affecting all airlines operating in Amsterdam," the spokesperson said.

JetBlue was ejected from state-controlled Schiphol on November 2 as part of a broad reduction in capacity meant to address concerns over noise levels.

The US budget carrier, which started service to Amsterdam in August, was among the newcomers to completely lose access, while others, including KLM, saw their takeoff and landing rights cut back.

JetBlue then demanded that Air France-KLM's Dutch unit be barred from JFK in response, contending the move violates Open Skies agreements governing reciprocal access to airports.

The US airline drew support from the Department of Transportation, which called the Dutch move "unjustifiable and unreasonable."

The conflict represents a threat to Air France-KLM's long-term alliance with Delta Air Lines Inc on routes crossing the Atlantic, the Dutch unit's chief executive officer, Marjan Rintel, said Tuesday at an event in Amsterdam.

"That's really a big danger for the backbone of our group and our relation with Delta," Rintel said. She reiterated the airline's opposition to the Schiphol cutbacks, calling them "ineffective."

Before the next meeting, the EU will assess the compatibility of the Dutch move with laws governing aviation in the bloc, and decide on what steps to take next, the commission spokesperson said.

The issue is a new and important one, Magda Kopczynska, the commission's director-general for mobility and transport, said at the Amsterdam event. "We are very closely following that process," she said.

"I think it's a realistic option that the US will retaliate," said Willie Walsh, who heads the International Air Transport Association, airlines' main global lobby group.

The Dutch government is "tearing apart the fabric" of KLM's network by targeting its transit business, Walsh said, adding that the measures are "very dangerous".

It's boom times for startups trying to electrify aviation

Bloomberg
New York

Since the Wright brothers invented the airplane in 1903, one aspect of how we fly hasn't changed. Evolving plane design and improved engines aside, almost all modern aircraft have one thing in common: They're powered by combustible fuels.

That may be changing, though. Just as electric cars have started to revolutionise driving, a growing group of startups are now looking to electrify air transport.

Take Beta Technologies. Last month, the company flew a battery-operated aircraft — designed with fixed wings and vertical take-off and landing capabilities — from its Vermont headquarters to Eglin Air Force Base in Florida. The journey totalled 1,730 miles (2,780 kilometres) and marked the company's first product delivery to the US Air Force, which will pressure-test Beta's inaugural machine.

Joby Aviation, headquartered in Santa Cruz, California, delivered one of its own all-electric air taxis to Edwards Air Force Base in September; each taxi can carry one pilot and four passengers. Last year, meanwhile, Arlington, Washington-based Eviation Aircraft conducted a test flight of a nine-seater commuter plane it calls "Alice." The company said it had received almost 300 orders for Alice aircraft as of late 2022, totalling more than $2bn.

As the aviation industry faces pressure to decarbonise, electric alternatives will continue to multiply. At least 60 companies are now involved in the research and development of fixed-wing electric aircraft, according to BloombergNEF. The consultancy Roland Berger estimates there are 100 electric aviation programs in development around the world.

But major hurdles remain before the technology can go mainstream, including battery limitations, premium pricing and regulatory approval. While regulators are starting to issue preliminary OKs — more than 30 countries greenlit a two-seater electric plane

A Joby Aviation electric vertical take-off and landing (eVTOL) aircraft during an event at Edwards Air Force Base in Edwards, California. Joby Aviation delivered one of its own all-electric air taxis to Edwards Air Force Base in September; each taxi can carry one pilot and four passengers.

from Slovenian startup Pipistrel for use in pilot training — most projects are still in the test-flight phase.

Here's what you need to know about a new generation of aircraft.

Why electrify planes?

Modern air travel is dirty. The global aviation industry is responsible for roughly 800mn tonnes of carbon dioxide emissions each year, according to the International Energy Agency. That's an amount equivalent to the annual emissions of Germany. The industry's carbon footprint is expected to grow as demand for air travel rises: The International Civil Aviation Organisation, backed by the United Nations, projected a more than doubling of aviation emissions for international flights alone between 2015 and 2050.

Who is developing electric aircraft?

In addition to dozens of startups, many airline operators, from United Airlines in the US to Virgin Atlantic in the UK and Japan Airlines, are investing in electric aviation. Some have also pledged to add electric aircraft into their commercial fleets as long as those vehicles meet safety and operating standards.

Globally, the market for electric aircraft is projected to reach $37.2bn by 2030, according to market research firm MarketsandMarkets, more than quadruple an estimated $8.8bn in 2022. Lured by that outlook, startups and major manufacturers alike are entering the space. Airbus SE, the world's largest aircraft maker, embarked on its electrification journey in 2010 with a four-engine aerobatic plane. Since then, it has developed several more models. Startups including Heart Aerospace in Sweden, XPeng Motors in China and Regent Craft in the US have also rolled out electric prototypes.

What's the current state of electric aviation?

The sector includes both aircraft powered solely by batteries and those that run on hybrid-electric propulsion. One startup working on hybrid solutions is Ampaire, a company based in the Los Angeles area that converted a small Cessna plane into a hybrid model. Do so cut emissions by up 70%, according to Ampaire's calculations. The company hopes to win regulatory approval for commercial flights in the US sometime next year.

Some airlines have also set target dates for electric passenger flights. In June, United Airlines announced that flyers out of the San Francisco Bay area will be able to use a fully electric air taxi service by 2026. Air Canada plans to provide electric aviation to domestic customers starting in 2028, and has purchased 30 electric planes from Heart Aerospace that can go 124 miles (200 kilometres) on a single charge.