



Participants of the Qatar-Morocco Business Meeting held in Doha yesterday.

Qatar-Morocco Business Meeting looks to enhance mutual investments

Qatar Chamber held yesterday the Qatar-Morocco Business Meeting, which was co-chaired by the chamber's first vice-chairman, Mohamed bin Towar al-Kuwari, and Sonia Mezzour, vice-president of the Moroccan Exporters Association (MEA).

The meeting, which was attended by Qatar Chamber board member Mohamed bin Ahmed al-Obaidli and several businessmen from both sides, focused on co-operation relations between both sides in various economic and commercial fields, particularly in the agriculture, food, cosmetics, and painting sectors.

It also addressed the investment climate and opportunities available in both Qatar and Morocco, encouraging businessmen from both sides to explore joint ventures beneficial for both economies.

Al-Kuwari said Qatar and Morocco enjoy fraternal relations and close co-operation in all fields, particularly in economic and commercial aspects. He noted a shared

desire from both sides to expand these relations to broader vistas and increase co-operation at the private sector level.

He said both countries' trade volume reached QR931mn in 2023, reflecting a 10% increase compared to QR844mn in 2022. He noted the presence of many Moroccan companies operating in Qatar, either with full Moroccan capital or in partnership with local entities, across various sectors, such as hospitality, trading, contracting, cosmetics, fashion, and business solutions.

Al-Kuwari highlighted the abundance of high-quality and efficient Moroccan products in the Qatari market, along with a sizeable Moroccan community contributing to Qatar's ongoing growth in various positions and job roles. He noted that there are many Qatari investments in Morocco, emphasising its attractiveness as a destination for Qatari investors.

He called on Moroccan companies to enhance co-operation with their Qatari counterparts by es-

tablishing active partnerships and commercial alliances, urging them to leverage the advanced infrastructure in Qatar and the investment incentives provided for foreign investors.

Al-Kuwari underscored Qatar Chamber's support for enhancing co-operation between the Qatari private sector and its Moroccan counterpart, assuring that it encourages Qatari investors to explore the Moroccan market and the investment opportunities available there.

He also stressed the significance of activating the Qatari-Moroccan Joint Business Council, noting that it plays a vital role in developing trade between both countries and strengthening co-operation between the private sectors on both sides.

Mezzour said the delegation aims to promote Moroccan products and encourage Qatari investors to invest in her country, which offers plenty of opportunities in various sectors. She noted that the delegation comprises representatives from 15

companies working in foodstuffs, cosmetics, building materials, decoration, and others.

The MEA has a platform for halal food and cosmetic products, said Mezzour, who invited Qatari businessmen to explore these sectors. She also invited Qatari investors to visit Morocco, encouraging them to learn more about investment opportunities and meet with their Moroccan counterparts to review prospects for co-operation and partnership.

Loubna al-Qoh from the Moroccan Agency for Investment and Exports Development (AMDIE) said the meeting contributes to developing co-operation between the Moroccan and Qatari private sectors. She pointed to the directives of the wise leadership in both nations aiming to enhance co-operation relations and increase trade volume to correspond with the two countries' distinguished relations. Al-Qoh also noted that Qatar is considered as Morocco's gateway to Asia, while Morocco serves as Qatar's gateway to Africa.

Mubadala aims to double exposure to Asia by end of the decade

Bloomberg
Dubai

Mubadala Investment Co is seeking to roughly double its exposure to Asia, joining a bevy of Abu Dhabi-based entities eyeing opportunities in faster-growing emerging markets.

Across Mubadala, "out of our roughly \$300bn in assets under management, only 12% is in Asia today and we want to move that number closer to 25%," by as soon as 2030, Camilla Macapili Languille, head of the fund's life sciences and healthcare investments division said in an interview.

While investments in North America and Europe make up a chunk of Mubadala's portfolio, the Abu Dhabi-based sovereign wealth fund is shifting its attention to emerging markets where it is currently "underweight," namely in China, India, Japan and South Korea, according to Macapili Languille whose unit is in charge of international healthcare investments.

"The US will continue to be a core market for us not only for healthcare but in general for the broader private equity business," she said. Still, "we have always had an interest in Asia." Mubadala's healthcare investment division writes "smaller checks of \$200mn to \$500mn," in Asia, compared with up to \$1bn in North America and Europe, she said, "but again, we have flexibility to move up."

In the United Arab Emirates, of which Abu Dhabi is a part, companies and funds have been moving closer into the orbit of China and India, bolstering their investments and trade ties by inking agreements worth billions of dollars. The Gulf country recently joined the Brics grouping of major emerging markets, which includes both those Asian nations.

Abu Dhabi is considering announcing investment pledges worth as much as \$50bn for India, Bloomberg News has reported, with deals under discussion including stakes in key Indian infrastructure projects and state-owned assets. China has also emerged as an increasingly attractive jurisdiction, though the UAE's deal-making there has drawn scrutiny from US officials.

Mubadala is one of Abu Dhabi's three main wealth funds, charged with helping diversify its oil-rich economy. Last year, it combined its health business with G42 Healthcare, creating a new entity called M42 — the largest firm of its kind in the Middle East, according to its website.

"The overall plan for that business does include a potential initial public offering," Macapili Languille said. Although there are no immediate plans to move in that direction yet, "if an IPO were to materialize, I think that would be a great outcome for that business," she said.

Macapili Languille said dealflow within the global healthcare sector should start to stabilize this year.

"Interest rates have started to steady," she said. And despite still high levels of macro-economic and geopolitical instability, "both management teams and boards are becoming more and more comfortable operating in that environment."

BoJ signals conviction on hitting inflation goal in hawkish tilt

Reuters
Tokyo

The Bank of Japan (BoJ) maintained its ultra-easy monetary settings yesterday but signalled its growing conviction that conditions for phasing out its huge stimulus were falling into place, suggesting that an end to negative interest rates was nearing.

BoJ Governor Kazuo Ueda gave no hints on whether the bank would pull short-term interest rates out of negative territory at its upcoming meetings in March or April, as many economists expect.

But he said the likelihood of Japan sustainably achieving the bank's 2% inflation target was gradually increasing, pointing to recent steady rises in service sector prices.

"Prospects of higher wages are gradually affecting sales prices, which is leading to a gradual increase in service prices," Ueda told a press conference after the BoJ's widely expected decision to

maintain ultra-low interest rates.

"If we get further evidence that a positive wage-inflation cycle will heighten, we will examine the feasibility of continuing with the various steps we are taking under our massive stimulus programme," he said.

The remarks contrasted with those made last month, when he said there was high uncertainty on whether a positive cycle of rising wages and inflation would fall into place.

The central bank's hawkish tilt triggered a rebound in the Japanese yen and pushed up Japan's short-term government bond yield to a one-month high, as investors priced in an increasing chance of an end to negative rates in March or April.

"Ueda's comments heightened my conviction the BoJ will end negative rates in April," said Mari Iwashita, chief market economist at Daiwa Securities.

"He suggested that the BoJ doesn't need to wait too long in scrutinising this year's wage outlook. Furthermore, he no longer talks about the danger

of a premature exit," she said. Naomi Muguruma, chief market economist at Mitsubishi UFJ Morgan Stanley Securities, also said a policy change could be imminent.

"Ueda's rhetoric was in stark contrast to that seen in December, when the BoJ seemed to rule out the chance of an immediate policy shift." At a two-day meeting that ended yesterday, the BoJ maintained its short-term rate target at -0.1% and that for the 10-year bond yield around 0% under yield curve control (YCC).

Ending negative rates, which have been in place since 2016, would be a landmark shift away from former governor Haruhiko Kuroda's radical stimulus that focused on pushing up inflation to the bank's target.

Markets are closely watching the outcome of big firms' annual wage negotiations with unions concluding in mid-March, which will set the course for smaller firms' talks and determine whether wage increases become broad-based.

Russian LNG exporter seeks to raise long-term prices to Asia

Bloomberg
London

Sakhalin Energy, which operates a liquefied natural gas export plant in the Russian Far East, wants to raise long-term contract prices, threatening to push up energy costs in Japan and South Korea.

Discussions with customers in North Asia began late last year as part of a regular price review conducted every five years, according to people with knowledge of the matter. While Sakhalin Energy sees a tighter gas market now compared to when the previous review was held, the buyers haven't yet accepted the proposal for higher

rates, said the people, asking not to be named because the information was private. Sakhalin Energy LLC didn't immediately respond to a request for comment.

The move bucks a wider trend of falling prices in long-term LNG contracts. The market is expected to be oversupplied as soon as next year with the start of new projects, prompting suppliers to cut rates to lock-in customers.

The Sakhalin-2 LNG export plant is the closest to North Asia, home to the world's top buyers. The facility supplied nearly 10% of Japan's LNG needs last year, and hasn't been targeted by Western sanctions due in part to the need to ensure energy security.

Sakhalin Energy is requesting long-term LNG prices in the range of a 14% link to Brent crude, according to the people. The value of the shipments is determined as a multiple of the oil price, a common practice for contracts of the super-chilled fuel.

Contract prices are currently in the 13% range, the people added.

More than half of Sakhalin-2's exports went to Japan last year, according to ship-tracking data. Sakhalin Energy has supply contracts that last into the early-2030s with Japanese importers including Tokyo Gas Co and Kyushu Electric Power Co, according to data compiled by BloombergNEF.

Invitation to Gulf Warehousing Company (Q.P.S.C) Ordinary Assembly General Meeting

Company Details	
Name	Gulf Warehousing Company (Q.P.S.C)
Address	Ras Bu Fontas
Website	www.gwcllogistics.com
Contact Person	Suad Mohammad Abutalib
Contact Number	+974 44023508
Contact Email	suad.abutalib@gwcllogistics.com

Gulf Warehousing Company (Q.P.S.C) is honoured to invite its esteemed shareholders to attend the Ordinary General Assembly Meeting of the company. The meeting will be held on Wednesday, February 7, 2024, at 6:30 PM at the company's location (Ras Bu Fontas – Free Zone). You can also attend the meeting virtually through the Teams application. The agenda for this meeting is as follows:

Ordinary Assembly General Meeting's Agenda

- Hearing the Board of Director's report on the company's activity and its financial position for the year ending on 31/12/2023, and the auditor's report and certification on them.
- Discussing the company's budget and profit & loss account for the financial year ending on 31/12/2023 and their ratification.
- Considering the clearance of members of the Board of Directors and determining their remuneration.
- Approval of the distribution of cash dividends of 0.11 Qatari riyals per share, amounting to 11% of the nominal value.
- Discussing and approving the corporate governance report.
- Appointing the external auditor and determining his fees.
- Election of members of the Board of Directors.

Please attend, taking into account the following notes



- Esteemed shareholders are kindly requested to come to the meeting place at least one hour before the specified time and present the invitation to sign up.
- If you are unable to attend in person, please appoint someone to act on your behalf using the power of attorney slip, and stamp this power of attorney with the company's seal (in the case of companies).
- It is not permissible to authorize a person who is not a shareholder in Gulf Warehousing Company, nor is it permissible to authorize a member of the Board of Directors of Gulf Warehousing Company, nor the number of shares held by the agent may exceed 5% of the capital.
- Please present your invitation when attending.

Clarification regarding procedures for participating virtually in the meeting:
Shareholders who wish to attend the meeting virtually must send the following information and documents to the following email in advance of the meeting: AGM@gwcllogistics.com

- A copy of the identity document (Qatari ID or passport)
- Mobile phone number
- Shareholder number issued by the Qatar Stock Exchange(NIN)
- A copy of the power of attorney and supporting documents for representatives of individuals and companies.

The Microsoft Teams application link will be sent electronically via email to the shareholders who have expressed their interest to attend the meeting and whose contact details have been received, the registration process begins at 4:00 PM on Wednesday 07/02/2024. Accordingly, shareholders wishing to attend the meeting virtually are requested to send the required details early so they have the opportunity to register on time.

Abdullah Bin Fahad Bin Jassim Bin Jaber Al Thani
Chairman



CR No: 27386
Capital: QAR 586,031,480 (Fully Paid)

Russian LNG exporter seeks to raise long-term prices to Asia

Bloomberg
London

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Gulf Warehousing Company (Q.P.S.C)

Board of Director's Report

On behalf of the board of directors, it is my pleasure to present the GWC financial results for the year ended 2023. I would also like to thank my fellow board members, management and staff of GWC for their continued commitment and diligence for the company. In 2024, we aim to continue to build on GWC's 20 years of excellence in the industry and grow into new markets in the region and beyond.

The company achieved net profits of QAR 215 million for the year ended 2023. During the same period, the company Revenues scored were QAR 1,508 million. Total Assets posted for the year 2023 totaled QAR 5,197 million. EPS for the year ended 2023 recorded was QAR 0.367.

The company was established as per the Commercial Corporate Law No. 5 Year 2002, and the company amended its status as per the regulations set in Law No. 11 Year 2015 as a Qatari Public Shareholding Company.

As always, whatever we have achieved so far would not have been possible without the guidance of His Highness the Emir, His Excellency the Prime Minister, and the Minister of Commerce and Industry, who have given us their continued leadership and support. I also thank the Board of Directors, management, and staff of GWC, and our faithful shareholders and clients, for their exceptional contribution and trust in GWC. May Allah grant us all success and prosperity.

Consolidated financial statements 31 December 2023

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GULF WAREHOUSING COMPANY Q.P.S.C.

Report on the audit of the consolidated financial statements Opinion

We have audited the consolidated financial statements of Gulf Warehousing Company Q.P.S.C. (the "Company"), and its subsidiaries (together referred as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Other Information Included in the Group's 2023 Annual Report

Other information consists of the information included in the Annual Report,

Key audit matter	How our audit addresses the key audit matter
Impairment of Goodwill	
We identified the impairment of goodwill as a key audit matter due to the significance of the balance in the Group's consolidated statement of financial position and the estimation of recoverable amount of each CGU involves complex and subjective management estimates based on management's judgement of key variables.	Our audit procedures in relation to the impairment assessment of goodwill included the following: <ul style="list-style-type: none">• Obtained an understanding and evaluated the Group's impairment assessment process and evaluated the appropriateness of management's identification of the Group's CGUs.• Assessed the competence and capabilities of the management team who performed the impairment evaluation of the goodwill and evaluated the competence and objectivity of management's experts who assisted in the valuation.• Evaluated the key assumptions used in the impairment model for goodwill, including the operating cash flow projections, discount rates, and growth rates and compared them to external industry outlook reports and economic growth forecasts with the assistance of our internal experts. We assessed the reliability of cash flow forecasts through a review of actual past performance, comparison to previous forecasts and checked the mathematical accuracy.• We performed sensitivity analysis over management's key assumptions.• We assessed the appropriateness and completeness of the related disclosures in the consolidated financial statements.
As at 31 December 2023, the Group had goodwill of QR 115 million on its consolidated financial statements, contained within three cash generating units (CGUs). Logistic services QR 53 million (2022: QR 53 million), Freight forwarding services QR 45 million (2022: QR 45 million) and Qontrac Logistics Freight QR 17 million (2022: QR 17 million).	
As required by the International accounting standard ("IAS") 36 "Impairment of assets", an impairment review is performed on goodwill at least annually and when there is an indicator of impairment.	
In carrying out the impairment assessment of goodwill, management determined the recoverable amount of goodwill through the "value in use" guidance in IAS 36. The management adopted the income approach and prepared a discounted cash flow forecast to determine the recoverable amount of CGUs.	
Information regarding the goodwill is included in Note 8 to the consolidated financial statements.	

Consolidated financial statements 31 December 2023

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GULF WAREHOUSING COMPANY Q.P.S.C. DOHA, STATE OF QATAR

other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

The Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management of the Parent Company is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained,

CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 31 December 2023			
In Qatari Riyal			
	Notes	2023	2022
ASSETS			
Non-current assets			
Property, plant and equipment	4	3,707,618,029	3,038,626,709
Capital work-in-progress	5	117,233,671	343,830,527
Right-of-use of assets	6	241,582,466	213,233,398
Investment properties	7	41,476,343	41,476,343
Intangible assets and goodwill	8	120,996,868	116,783,244
Refundable deposits		18,251,000	18,251,000
		<u>4,247,158,377</u>	<u>3,772,201,221</u>
Current assets			
Inventories		10,714,681	16,342,311
Trade and other receivables	9	658,907,387	747,699,972
Cash and bank balances	10	280,182,546	238,226,527
		<u>949,804,614</u>	<u>1,002,268,810</u>
		<u>5,196,962,991</u>	<u>4,774,470,031</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Equity			
Share capital	11	586,031,480	586,031,480
Legal reserve	12	552,506,803	552,506,803
Retained earnings		1,245,389,063	1,094,452,923
Foreign currency translation reserve		(921,618)	(1,457,638)
		<u>2,383,005,728</u>	<u>2,231,533,568</u>
Attributable to equity holders of the parent		<u>2,383,005,728</u>	<u>2,231,533,568</u>
Non-controlling interests		<u>20,023,536</u>	<u>11,999,312</u>
		<u>2,403,029,264</u>	<u>2,243,532,880</u>
Total equity			
Liabilities			
Non-current liabilities			
Islamic financing	14	1,452,868,849	1,269,172,504
Lease liabilities	6	226,955,053	198,214,243
Employees' end of service benefits	15	60,212,388	57,622,254
Retention payable to contractors	16	475,107	9,915,408
		<u>1,740,511,397</u>	<u>1,534,924,409</u>
Current liabilities			
Islamic financing	14	563,615,646	522,985,271
Trade and other payables	16	473,476,978	461,751,682
Lease liabilities	6	16,329,706	11,275,789
		<u>1,053,422,330</u>	<u>996,012,742</u>
		<u>2,793,933,727</u>	<u>2,530,937,151</u>
Total liabilities			
		<u>5,196,962,991</u>	<u>4,774,470,031</u>
TOTAL EQUITY AND LIABILITIES			

These consolidated financial statements for the year ended 31 December 2023 were approved by Parent Company's Board of Directors on 23 January 2024 and were signed on its behalf by:

Abdulla Bin Fahad J J Al Thani
Chairman

Fahad Bin Hamad J J Al Thani
Vice Chairman

whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Legal and Other Regulatory Requirements

Furthermore, in our opinion, proper books of account have been kept by the Company, an inventory count has been conducted in accordance with established principles and the consolidated financial statements comply with the Qatar Commercial Companies' Law No. 11 of 2015 (as amended by Law No. 8 of 2021) and the Company's Articles of Association. We have obtained all the information and explanations we required for the purpose of our audit, and are not aware of any violations of the above mentioned law or the Articles of Association having occurred during the year, which might have had a material adverse effect on the Group's financial position or performance.

Ziad Nader
of Ernst and Young
Auditor's Registration No. 258
Date: 23 January 2024
Doha

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For year ended 31 December 2023			
In Qatari Riyal			
	Notes	2023	2022
Revenue	18	1,508,304,846	1,518,900,773
Direct cost	20	<u>(1,045,308,674)</u>	<u>(1,082,062,137)</u>
		<u>462,996,172</u>	<u>436,838,636</u>
Gross profit			
Other income	19	2,764,301	1,207,346
General and administrative expenses	20	<u>(142,716,948)</u>	<u>(130,826,382)</u>
		<u>323,043,525</u>	<u>307,219,600</u>
Operating profit			
Finance cost, net	21	<u>(101,282,953)</u>	<u>(55,601,944)</u>
		<u>221,760,572</u>	<u>251,617,656</u>
Profit before tax			
Income tax expense	22	<u>(1,619,556)</u>	<u>(2,372,741)</u>
		<u>220,141,016</u>	<u>249,244,915</u>
Profit for the year			
Other comprehensive income			
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of foreign operations		<u>536,020</u>	<u>(914,454)</u>
		<u>220,677,036</u>	<u>248,330,461</u>
Total profit and other comprehensive income			
Profit attributable to:			
Equity holders of the parent		<u>215,042,813</u>	<u>239,583,456</u>
Non-controlling interest		<u>5,098,203</u>	<u>9,661,459</u>
		<u>220,141,016</u>	<u>249,244,915</u>
Total comprehensive income attributable to:			
Equity holders of the parent		<u>215,578,833</u>	<u>238,669,002</u>
Non-controlling interest		<u>5,098,203</u>	<u>9,661,459</u>
		<u>220,677,036</u>	<u>248,330,461</u>
Earnings per share:			
Basic and diluted earnings per share	23	<u>0.367</u>	<u>0.409</u>

Note: For the complete version of the financial statements along with the notes, please visit our website at: www.gwdlogistics.com



CR: 27386. Capital: QAR 586,031,480 (fully paid)

Maligned US real estate sector draws buyers eyeing Fed’s rate cuts

Reuters
New York

Falling inflation and expectations of an economic soft landing are buoying hopes for US real estate stocks in 2024, even as the sector continues to lag the broader market.

Real estate investment trusts (REITs) were among the worst-performing sectors over the last year, with share prices weighed down by factors ranging from high interest rates to tepid demand for office space in an era of remote work. The Real Estate sector of the S&P 500 fell 3.4% in 2023, while the broad S&P 500 index soared more than 24% last year and hit a record high on Friday.

Real estate’s pain has continued into 2024, pushing the sector down 3.4% in January against a 1.4% gain for the S&P 500. Yet some investors are growing more confident the trend will reverse — especially if the Fed cuts rates as aggressively as many investors expect. REITs benefit from lower rates which reduce the cost of capital and fuel revenue growth.

“REITs were crushed by the fastest rate hiking cycle in 40 years, and are going to move in line with expectations of rate cuts,” said Justin McAuliffe, a research analyst at Gabelli Funds who remains bullish on REITs such as American Tower.

Investors have been wading back into the sector.

Global fund managers increased their exposure to REITs by 15 percentage points in December, pushing allocations to 12-month highs, according to the latest survey from BofA Global Research.

At the same time, the Schwab US REIT ETF — the largest US



Traders work on the floor of the New York Stock Exchange. Falling inflation and expectations of an economic soft landing are buoying hopes for US real estate stocks in 2024, even as the sector continues to lag the broader market.

REIT-focused exchange traded fund- saw approximately \$35mn in net inflows over the last week, its largest since October, according to data from analytics firm Vettifi.

Historically, the end of a Fed hiking cycle has been supportive for REITs. Since 1995, public REITs have gained 20.1% in the year following the last rate increase of a cycle, according to data from CenterSquare Investment Management. The S&P 500, meanwhile, gained an average of 10% in the 12 months after the Fed finished the last hike of a cycle since 1980, according to data from Putnam Investments.

“If central banks have truly turned more dovish, the setup for REITs is favourable,” CenterSquare wrote in its 2024 outlook.

Of course, the sector’s sensi-

tivity to interest rate expectations can cut both ways: while real estate stocks rallied along with the rest of the market in 2023 on expectations that the Fed would pivot to rate cuts this year, they have been hit this month as some investors recalibrated bets on how aggressively the Fed might ease.

Jeff Doerfler, director of investment management at Huntington Private Bank, said the declines make some of the stocks in the sector, such as warehouse owner Prologis, more attractive over the long term. “We’re at the start of a cycle where lower cost of capital will drive revenue growth and you’ll get an increasing amount of M&A,” said Doerfler, who is overweight REITs overall.

A taste of merger & acquisition activity came on Friday, when investment management company

Blackstone announced that it acquired Canadian real estate firm Tricon Residential for \$3.5bn, an approximately 30% premium to its most recent closing price.

Investors will get readings on the pace of inflation and the economy next week with manufacturing PMI data released on Thursday and personal consumption expenditures data released on Friday, in addition to earnings from 3M, United Airlines and Abbott Laboratories.

Many REITs do not report earnings until later in the quarter, with retail-focused company Simon Property Group scheduled to report its quarterly results February 5 and American Tower scheduled for February 21. Prologis missed analyst estimates when it reported results January 17 and cited weakness in freight demand.

QSE MARKET WATCH			
COMPANY NAME	Lt Price	% Chg	Volume
Zad Holding Co	13.51	-1.67	65,418
Widam Food Co	2.25	-0.53	433,111
Vodafone Qatar	1.87	-1.01	1,524,344
United Development Co	1.03	-0.19	8,073,557
Salam International Investme	0.67	0.15	1,037,643
Qatar & Oman Investment Co	0.91	0.00	2,000
Qatar Navigation	10.36	0.29	885,611
Qatar National Cement Co	4.14	0.00	555,032
Qatar National Bank	15.97	-1.11	3,635,431
Qim Life & Medical Insurance	2.30	0.00	1,410
Qatar Islamic Insurance Grou	8.90	1.26	509,214
Qatar Industrial Manufactur	3.05	2.42	558,613
Qatar International Islamic	10.64	-0.84	713,456
Qatari Investors Group	1.63	-0.91	1,589,737
Qatar Islamic Bank	20.03	-0.79	1,266,271
Qatar Gas Transport(Nakilat)	3.70	0.11	5,338,158
Qatar General Insurance & Re	1.16	0.00	50
Qatar German Co For Medical	1.29	-1.46	2,232,374
Qatar Fuel Qsc	16.07	0.63	1,726,382
Lesha Bank Lic	1.35	0.75	1,913,213
Qatar Electricity & Water Co	17.63	1.32	1,018,246
Qatar Exchange Index Etf	9.88	0.00	-
Qatar Cinema & Film Distrib	3.05	0.00	-
Al Rayan Qatar Etf	2.25	0.13	3,500
Qatar Insurance Co	2.27	0.84	504,867
Qatar Aluminum Manufacturing	1.27	0.40	13,155,358
Ooredoo Qpsc	10.85	0.46	789,183
Aljarah Holding Company Qps	0.77	-1.79	2,564,716
Mazaya Real Estate Developme	0.70	-0.14	5,068,556
Mesaieed Petrochemical Holdi	1.73	3.97	17,921,149
Mekdam Holding Group	4.97	-0.90	123,782
Al Meera Consumer Goods Co	13.00	-2.03	423,174
Medicare Group	5.06	-0.74	1,899,423
Mannai Corporation Qsc	3.96	0.00	166,382
Masraf Al Rayan	2.59	0.39	11,307,949
Industries Qatar	11.94	-0.75	2,914,621
Inma Holding Company	3.85	-1.05	50,412
Estithmar Holding Qpsc	2.00	-0.45	4,521,251
Gulf Warehousing Company	3.36	-1.00	1,564,055
Gulf International Services	2.80	-0.71	4,013,969
Al Faleh Education Holding	0.84	0.00	-
Ezdan Holding Group	0.83	-0.84	5,572,449
Doha Insurance Co	2.56	-0.43	375,865
Doha Bank Qpsc	1.68	0.00	4,676,156
Dilaia Holding	1.26	0.80	1,369,373
Commercial Bank Psqc	5.60	1.10	1,350,049
Barwa Real Estate Co	2.90	0.62	1,703,696
Baladna	1.14	-0.35	5,305,701
Damaan Islamic Insurance Co	3.98	-0.55	59,797
Al Khaleej Takaful Group	2.83	0.18	955,499
Aamal Co	0.87	-0.57	883,714
Al Ahil Bank	3.89	-0.26	11,600

Eurozone government bond yields edge up

Reuters
London

Eurozone government bond yields edged higher ahead of Thursday’s European Central Bank (ECB) policy meeting and after investors scaled back bets on interest-rate cuts early this year.

A significant minority of economists in a Reuters poll, 38 of 85 (45%), said the first ECB cut would come in June. Twenty-one said April, and 23 predicted it would occur in the third quarter and beyond that period.

Money markets are pricing in a very slight chance of a 25 basis points (bps) rate cut in March and less than a 60% chance in April from fully pricing such a move a week ago.

While they still discount an almost 90% chance of a 50-bps reduction by June, taking into account the repricing for March and April, they price a higher chance of a first move in June by 50 bps.

Markets bet on rate cuts for around 135 bps by year-end from 145 bps a week ago.

According to Davide Oneglia, economist at TS Lombard “wage anxiety and risks of trade bottlenecks (due to the conflict in the Middle East) reinforce ECB hawks’ ‘supply pessimism.’” Market participants label as hawks central bank officials who advocate a tight monetary policy to control inflation.

US and British forces carried out a fresh round of strikes on Monday in Yemen, targeting a Houthi

underground storage site.

The data calendar is light on Tuesday, and markets await HCOB’s Composite Purchasing Managers’ Index (PMI), compiled by S&P Global and seen as a good gauge of overall economic health, which will be released on Wednesday.

Euro zone banks expect a small rebound in the demand for mortgages and loans to companies early this year as a slump in lending shows early signs of moderating, an ECB survey showed.

Germany’s 10-year government bond yield, the euro area’s benchmark, rose 1.5 bps to 2.30% after dropping 4.5 bps the day before.

It stood roughly 20 bps above its level at the end of 2023, when markets increased bets on 2024 rate cuts up to around 170 bps in low volumes and 40 bps lower than in mid-November.

Germany’s 2-year bond yield, more sensitive to expectations for policy rates, was down one bp at 2.68%.

It was around 45 bps above its lowest level since March 2023, hit at the end of last year.

“Short-end valuations still look ambitious in our view and probably have further to correct, but the market may want to hear new impetus from (ECB president Christine) Lagarde before the next leg lower,” said Rainer Guntermann, rate strategist at Commerzbank, which forecasts the ECB to cut rates by 75 bps in 2024, starting from June.

Bond prices move inversely with yields.

Major Wall Street firms recommend investors start buying the dip after US Treasury rout

Bloomberg
New York

Two major Wall Street firms are recommending investors start buying five-year US notes after they saw their worst rout since May last week.

Morgan Stanley sees scope for a rebound in Treasuries on expectations data in the coming weeks may surprise to the downside. JPMorgan Chase & Co is suggesting investors buy five-year notes as yields have already climbed to levels last seen in December, though it warned that markets are still too aggressive in pricing for an early start to central bank interest-rate cuts.

“This is ‘the dip’ we have been looking to buy,” analysts including Matthew Hornbach, global head of macro strategy at Morgan Stanley, wrote in a note dated January 20. “With less fiscal support and much colder weather, we see

downside risks to US activity data delivered in February.”

Five-year US yields climbed 22 basis points last week, the most since the period to May 19, as traders slashed bets on interest-rate cuts from the Federal Reserve this year. Sustained pushback from central bank officials, along with healthy data on retail sales, sent the odds of a March reduction tumbling to nearly 40% on Friday. The market is now expecting five quarter-point cuts from the Fed this year, after looking for six-to-seven reductions on January 12.

Treasuries inched higher at the longer-end of the curve on Monday, while the front-end crept lower, sending two-year yields up one basis point to 4.40% and five-year yields down one basis point to 4.04%.

One Japanese investor argued that it’s better to remain cautious on bonds given the potential the Fed leaves rates unchanged this quarter. There could be “concern

growing among investors that the Fed may not pivot at all or they have bought too many bonds,” said Hideo Shimomura, a senior portfolio manager at Fivestar Asset Management Co in Tokyo.

“Don’t be the last guest at the bond party. Once the party is over, leave the room quickly,” he said.

The next set of auctions of Treasury debt, including two-, five- and seven-year notes, are slated to begin on Tuesday, setting the stage for upward pressure on yields for those segments of the market.

The bond market also faces risks with the first reading of US fourth-quarter gross domestic product on Thursday, expected to mark the strongest back-to-back quarters of growth since 2021. The Fed’s preferred gauge of underlying inflation is due Friday and is forecast to show an 11th straight month of waning annual price growth.

The data may end up reinforcing the potential that the Fed

achieves its avowed aim of a soft landing. While that should allow policymakers to deliver interest-rate cuts this year, Treasuries have been whipsawed by the potential that an easing cycle will start later and proceed more slowly than previously expected.

“There seems to be little pressure to start cutting rates imminently,” said Benjamin Schroeder, a senior rates strategist at ING Groep NV, forecasting 10-year Treasury yields to rise back up to 4.25%. “This week’s supply and the upcoming quarterly refunding could put the term premium back into focus.”

JPMorgan expects the first Fed cut to come in June, rather than the May move, which is now fully priced in by swaps contracts. Morgan Stanley sees central banks in both the US and Europe to be in focus in mid-March and forecasts markets pricing in at least one rate cut by northern hemisphere spring for most central banks.

Europe moves into a new world after crippling energy crisis

Bloomberg
Frankfurt

This month, a cold front swept across much of Europe and giant tankers that carry fuel through the Red Sea were rerouted to avoid escalating violence. That should have pushed gas prices higher. Instead, they just kept falling.

Even if it’s a step too far to give Europe the all-clear, it’s a strong sign that the worst of the nightmare that sent energy bills soaring and pushed inflation to multi-year highs is in the past. Europe is benefiting from having amassed record gas reserves last year, along with help from renewables and a relatively mild winter — some cold snaps aside.

Sluggish economic growth is also playing a part, capping demand for energy in major industrial powers such as Germany. That’s been enough to boost confidence across trading desks that the region is on a stable-enough footing to get through

the rest of the winter with gas to spare. Benchmark European prices are currently trading under €30 a megawatt-hour, about a tenth of the peak levels in 2022.

Still, having scraped through the crisis, Europe has emerged into a new reality that has its own list of challenges.

It’s now relying more on renewables, and will have to deal with the intermittency of that power generation. With the loss of Russian gas, on which it was overly dependent before the invasion of Ukraine, it’s also had to look elsewhere to fulfil its fuel needs. That means vying for a share of foreign liquefied natural gas cargoes with other parts of the world.

“Just by looking at prices, it seems that the crisis is over,” said Balint Koncz, head of gas trading at MET International in Switzerland.

“However, we are now reliant on global factors, which can change rapidly.”

“Prices could rise again, even in this heating season, if there’s a



sudden supply disruption or an extended period of cold weather,” he said.

Gas prices plunged almost 60% in 2023 and are down a further 12% so far this year, which should help to lower consumers’ energy bills. In the UK, the state-regulated price

cap will fall almost 14% by spring, consultancy Cornwall Insight estimated in December.

“This is the second winter that Europe is experiencing without Russian gas,” said Kim Fustier, HSBC Holdings Plc head of European oil & gas research. “The

fact that there is now a precedent — the 2022-2023 winter that went without any issues — is helping to calm traders’ nerves.”

Europe’s build-out of renewable energy means a dwindling share for gas in the continent’s power mix. An increase in wind turbines and solar installations has helped reduce the need for the fuel, together with a recovery in French nuclear production last year. But there’s a long road ahead, with many potential bumps. A gas pipeline transit agreement between Russia and Ukraine expires at the end of this year — and is unlikely to be renewed — meaning that the continent could get even less gas from Russia.

While there’s a massive global investment in LNG, much of the new capacity won’t come to the market until 2025 and 2026. And extreme weather events are becoming more frequent, straining power systems and sometimes boosting demand for gas.

In Asia, strong inventories mean gas prices there are also declining

at the moment, and are at the lowest since June. LNG buyers in Japan, the world’s second biggest importer of the super-chilled fuel, are actively selling shipments because they have too much. Some of those cargoes are likely to make their way to Europe.

While there are pockets of demand, particularly in India and China, those purchases are primarily driven by traders looking for a good deal.

The story is much the same in the US, where gas futures dropped about 20% last week as storage remains well above the five-year average.

Cold weather drove up power demand and froze some gas wells, but did little to boost futures. Still, issues at two key LNG passages — the Suez Canal and the drought-hit Panama Canal — are lengthening journeys, adding to the cost of shipping and stretching the global fleet of ships. While traders don’t appear to be too fussed, a prolonged disruption could change that.



India tops Hong Kong as world's fourth largest stock market

Bloomberg
Mumbai

India's stock market capitalisation has overtaken Hong Kong's for the first time as the South Asian nation's growth prospects and policy reforms make it an investor darling while global capital pours out of China.

The combined value of shares listed on Indian exchanges reached \$4.33tn as of Monday's close, versus \$4.29tn for Hong Kong, according to data compiled by Bloomberg. That makes India the fourth-biggest equity market globally. Its value crossed \$4tn for the first time on December 5, with about half of that coming in the past four years.

Equities in India have been booming, thanks to a rapidly growing retail investor base and strong corporate earnings. The world's most populous country has positioned itself as an alternative to China, attracting fresh capital from global investors and companies alike, thanks to its stable political setup and a consumption-driven economy that remains among the fastest-growing of major nations.

The relentless rally in Indian stocks has coincided with a historic slump in Hong Kong, where some of China's most influential and innovative firms are listed. Beijing's stringent anti-Covid-19 curbs, regulatory crackdowns on corporations, a property-sector crisis and geopolitical tensions with the West have all combined to erode China's appeal as the world's growth engine.



A pedestrian passes a news broadcast outside the Bombay Stock Exchange (BSE) building in Mumbai (file). The combined value of shares listed on Indian exchanges reached \$4.33tn as of Monday's close, versus \$4.29tn for Hong Kong, according to data compiled by Bloomberg.

gent anti-Covid-19 curbs, regulatory crackdowns on corporations, a property-sector crisis and geopolitical tensions with the West have all combined to erode China's appeal as the world's growth engine.

"We see India as the best structural growth story across not just emerging markets, but worldwide," said Evan Metcalf, CEO at Global X ETFs. "While China's growth has stalled and is mired in uncertainty, India has a generational opportunity to emerge as the growth engine of emerging markets. Demographics

are a key advantage, coupled with a surge in educated youth and a progressive government pursuing key structural reforms."

Meanwhile, Chinese and Hong Kong equities are suffering a rout of epic proportions, with the total market value of their stocks having tumbled by more than \$6tn since their peaks in 2021. New listings have dried up in Hong Kong, with the Asian financial hub losing its status as one of the world's busiest venues for initial public offerings.

Some strategists have been expect-

ing a turnaround. UBS Group AG sees Chinese stocks outperforming Indian peers in 2024 as battered valuations in the former suggest significant upside potential once sentiment turns, while the latter is at "fairly extreme levels," according to a November report. Bernstein expects the Chinese market to recover, and recommends taking profits on Indian stocks, which it sees as expensive, according to a note earlier this month.

On Tuesday, equities in mainland China climbed after the nation's authorities were said to consider a package of measures to stabilise the slumping market.

That said, momentum seems to be on India's side for now.

Foreigners who until recently were enamoured with the China narrative are sending their funds over to its South Asian rival. Global pension and sovereign wealth managers are also seen favouring India, according to a recent study by London-based think-tank Official Monetary and Financial Institutions Forum.

Despite a 2.8% rally yesterday, the Hang Seng China Enterprises Index — a gauge of Chinese shares listed in Hong Kong — is down more than 10% in 2024 after capping a record four-year losing streak in 2023. It is near hovering its lowest level in almost two decades, while India's stock benchmarks are trading close to record-high levels.

Uganda in talks with UAE investment firm over planned oil refinery

Reuters
Kampala

Uganda is negotiating with an investment company led by a member of Dubai's royal family to develop a planned \$4bn refinery for some of its crude oil, its energy minister said yesterday.

Uganda in July last year terminated negotiations with a consortium that included a unit of US firm Baker Hughes over its failure to mobilise financing in time.

Uganda is counting on the 60,000 barrel-per-day refinery for its nascent hydrocarbons industry.

"Expressions of interest were received from several potential investors and they were evaluated...following which a memorandum of understanding was signed on the 22 of December 2023," Minister of Energy and Mineral Development Ruth Nankabirwa said at a news conference.

Negotiations on the key commercial details between the government and United Arab Emirates-based Alpha MBM Investments started on January 16 and are expected to be completed within three months, she added.

Alpha MBM Investments' website says it is led by Sheikh Mohammed bin Maktoum bin Juma al-Maktoum, a member of Dubai's royal family.

Uganda expects to start pumping crude commercially in 2025 from fields in the Albertine rift basin in the country's west near the border with the Democratic Republic of Congo.

The fields are jointly operated by the Ugandan government via the state-run Uganda National Oil Company, China's CNOOC and France's TotalEnergies.

President Yoweri Museveni's government wants to process some of its crude domestically to boost employment and benefit from technology transfer.

Bloomberg QuickTake Q&A

Why China is considering rarely used special bonds to stimulate economy

By Bloomberg News

China's slowing economy is in dire need of more fiscal stimulus. The local governments that used to provide such support are now struggling with a debt fallout and falling income due to the property crisis. That leaves Beijing with itself as the only viable option to leverage up. Policymakers are considering \$139bn of new debt issuance under a special sovereign bond plan, Bloomberg reported — which would be only the fourth on record. If realized, this could mark the country's latest effort toward a more sustainable government borrowing model to spur growth.

1. Why are some bonds special?

China sells general bonds every year to fill the spending gap in its budget. Special sovereign bonds have been issued on rare occasions to raise cash for specific purposes. These — unlike general bonds — are not included in the country's deficit calculations. Special bonds can also be approved on an ad-hoc basis, such as when the Standing Committee of the National People's Congress — the Communist Party-controlled parliament that oversees government borrowing — meets every two months or so. In contrast, general bonds in most cases need to be factored into the budget and receive approval at the annual NPC meeting.

2. When did the government last issue special debt?

Just three new special sovereign bonds have been issued in China. The government issued

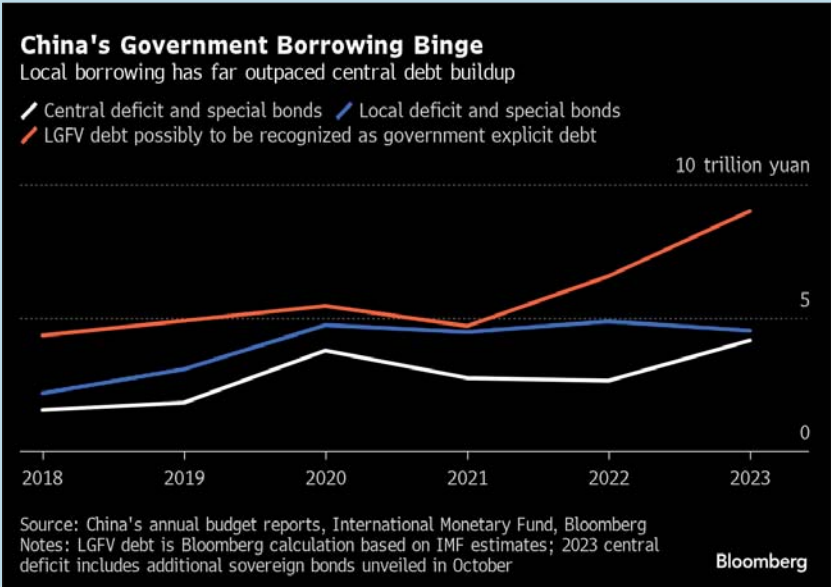
special debt during the Asian financial crisis to raise cash for its big state banks and offset losses from non-performing assets. In 2007, Beijing issued bonds to capitalize China Investment Corp, the sovereign wealth fund created to improve returns on the country's foreign exchange reserves. The most recent sale was in 2020, when the pandemic broke out, to help fund local governments' efforts in controlling the spread of Covid-19, as well as for infrastructure investment.

3. How special is the latest offering going to be?

All previous special bond sales pretty much had clear, one-off policy objectives to serve, or were intended to respond to a specific emergency like the pandemic. The one under discussion appears to address a more enduring issue: supporting the economy through government spending in infrastructure as other growth engines like consumption and private investment sputter. This suggests that this year's issuance — even with the "special" label — would serve a more general purpose. Discussions on the sale are ongoing and the plan could still change, so there may be a chance the government decides to factor it into the budget deficit, as they did last year. In October, authorities made an extremely rare move to increase the 2023 deficit through the issuance of an extra 1tn yuan (\$139bn) of sovereign bonds. Those were used to fund disaster relief and construction, which are essentially infrastructure projects.

4. What are the benefits of issuing special bonds?

Most pressingly, special bonds can help Bei-



jing keep local debt risks under control. The central government has a much healthier balance sheet than local authorities. The amount of sovereign debt outstanding is around \$4tn, less than a third of the local debt stockpile including some borrowing by local government financing vehicles, according to Bloomberg calculations based on data from the Ministry of Finance and the International Monetary Fund. Special debt also helps top leaders demonstrate their determination in stabilizing economic growth, and can boost investor confidence. Central bonds enjoy the lowest financing costs, a boon for public infrastructure projects that have very low return on investment. The

proposed bonds would also be designed to mature in several decades' time — much longer than most peers — which lowers the pressure to make payments in the short term.

5. Will the program be tapped more frequently?

Possibly. Top leaders have signalled that they want to move away from the old playbook of loading local governments with debt to drive growth and instead focus on reining in risks. Selling these new special bonds would reinforce that thinking, given it would come pretty soon after October's unusual budget

revision. "If the downward pressure on the economy stays, it is possible for such issuance to continue in 2025," said Jacqueline Rong, chief China economist at BNP Paribas SA. Market discussions have been going on since late last year about the prospects that Beijing could issue additional sovereign bonds, including "long-term construction sovereign bonds." China first sold those bonds in 1998 in the aftermath of the Asian financial crisis and massive floods in the country. It continued offering those every year through 2008. Most of that debt was included in the budget deficit, though proceeds that were in turn lent to local governments were excluded.

6. How will that affect the deficit?

Since labelling the bonds as "special" would allow the government to keep them out of its budget calculations, such an issuance would make for a deficit figure smaller than the actual spending gap. China has long tried to keep its official deficit — which excludes central and local special bonds as well as LGFV debt — around or under 3% of GDP to execute fiscal discipline and control risks. Calls to loosen the limit have grown louder from economists in recent years, and Beijing's rare decision to boost last year's budget deficit-to-GDP ratio to 3.8% was hailed by many as a step in the right direction. "The 3% red-line is not unbreakable, although the government may want to maintain deficit growth at a stable pace," said Zhou Guannan, an analyst with Huachuang Securities Co. Even if the bonds are not included in the headline deficit number, Zhou said "that will have limited impact on economic growth, as they are still a part of the broad fiscal policy."

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Estithmar Holding launches sukuk programme to propel expansion

Estithmar Holding announced the establishment of a QR3.4bn Trust Certificate Issuance Programme for trust certificates to be issued by Estithmar Sukuk Limited.

The programme, which has been rated 'qaBBB' with a stable outlook at the national scale, is expected to be admitted to the London Stock Exchange's International Securities Market (ISM).

The establishment of the programme is in line with Estithmar Holding's regional and international business expansion plan in key strategic growing sectors as it aims to attract additional funds that will further support the company's strategic planned financial



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growth. The programme, which is designed to support the company's multifaceted ventures in

Qatar, Iraq, Algeria, Kazakhstan, Maldives, and beyond, reflects the organisation's commitment to sustained growth and reinforcing its position as a strategic player in key growing sectors such as healthcare and hospitality in the global landscape.

Mohamed bin Badr al-Sadah, Group CEO, Estithmar Holding, commented on the launch of this programme, stating: "We are excited to announce the launch of this programme, which plays an instrumental role in our growth journey and further increasing value for our investors through strategic sectors in growing markets in Qatar and beyond."

Fed rate cut, stabilising property market 'positive catalysts' for Qatari banks, says analyst

By Pratap John
Business Editor

Stabilisation of the property market and Fed cutting interest rates are seen as "positive catalysts" for Qatari banking sector going forward, according to Edmond Christou, senior research analyst Bloomberg.

In his presentation at the Qatar Financial Market Forum 2024 yesterday, Christou said.

"It is not a good story for Qatari banks when the interest rate tightens, due to the structural funding mix and the reliance on the dollar,

which makes it expensive for them to source liquidity cheap and inability to pass higher rate to the borrower.

That has resulted in a margin headwind. Also, we have seen oversupply in the property, post the World Cup.

"But there is more positive news now. The property market here in getting stabilised," Christou noted.

On GCC banks' outlook, he said moderating interest rates will be very important for them. Gradual cut in Fed rates will be positive for the GCC banking sector as it will address the issue of asset quality. Oil price of at least \$80 per bar-

rel will be sufficient for liquidity across the GCC with the exception of Saudi Arabia, which according to analysts requires around \$110 per barrel to balance its budget and meeting the rising spending needs due to the infrastructure pipeline, Christou said.

Another key issue for the GCC banks in 2024 will be the infrastructure pipeline, he said.

The region has an infrastructure pipeline of \$1.7tn will result in a strong credit growth.

Of this, Saudi Arabia has the lion share of \$610bn (for construction spending over the next five years), he noted.

Mena emerging as key player in sustainable energy landscape: Al-Attiyah Foundation

The Middle East and North Africa (Mena) is set to play a pivotal role in energy transition as more than 130 countries agree to triple renewable energy capacity by 2030 at the 2023 United Nations Climate Change Conference or Conference of the Parties of the UNFCCC, more commonly known as COP28.

With 100,000 attendees, COP28 was the largest UNFCCC meeting to date. Held at the sprawling World Expo site in Dubai, it ended with significant achievements but also saw unexpected failures regarding important topics. It formally launched the operationalisation of the historic Loss and Damage (L&D) Fund with funding pledges of about \$0.7bn and adopted the Global Stocktake (GST) decision that includes a groundbreaking language regarding the weaning off fossil fuels.

However, COP28 also suffered setbacks, notably the deferral of crucial international carbon market agenda items under Article 6 and several adaptation-related topics, such as inability to take decisions on National Adaptation Plans and the Adaptation Committee report.

Alongside the formal negotiations, the conference saw the launch of several side deals and initiatives such as the Global Renewables and Energy Efficiency Pledge that seeks to triple the world's green energy capacity to 11,000GW in the next six years, thereby, reducing the reliance on fossil fuels in generating energy.

According to the pledge, countries will

"double the global average annual rate of energy efficiency improvements from around 2% to over 4% every year until 2030".

By checking the rise in emissions, governments hope to curtail global average temperature below the 2-degree Celsius temperature limit since pre-industrial times, if not the ambitious 1.5 degree Celsius of the 2015 Paris Agreement.

The Mena region's abundant renewable resources position it as a potential major supplier of green energy and carbon credits. Technologies such as solar power, hydrogen, carbon capture, utilisation, and storage (CCUS), and direct air capture (DAC) are being actively implemented and explored by countries like Qatar, Saudi Arabia, the UAE, Oman, Egypt, and Morocco.

Qatar has made a promising start to its efforts to become a major player in the emerging hydrogen economy. In 2022, QatarEnergy unveiled plans for the world's largest blue ammonia plant. Ammonia is a hydrogen carrier that can be stored as a liquid at relatively milder conditions than hydrogen, reducing the complexity and costs associated with handling and storage, making transportation feasible over long distances.

In the same year, Doha demonstrated its commitment to solar energy by bringing its Al Kharsaah Solar PV project online, the country's first large-scale solar venture. Qatar also plans to add two more solar plants with a combined capacity of 880MW

in the next two years, which potentially open doors for green hydrogen and ammonia production. Elsewhere, Saudi Arabia's Dumat Al Jandal Wind Power Plant boasts 99 turbines that generate 400MW and provides carbon-free electricity for 70,000 homes. The plant supports Saudi Arabia's climate goals, reducing nearly 1 million tonnes of CO2 annually. Construction began in September 2019 and has been connected to the grid since 2021.

Despite such strong renewable energy commitments from the Middle East and the wider region, the viability of the pledge is dependent on substantial and immediate funding for such projects from industry and government across the world.

According to analysts at the BloombergNEF, meeting the target would require a doubling of the rate of investment in renewable energy to an average of \$1,175bn a year between 2023 and 2030, from \$564bn in 2022.

It also requires power grid investment to rise to \$777bn in 2030, nearly three times as much as was spent on grids in 2022, and deploying 720 gigawatts of batteries worldwide by 2030, which is 16.1 times the total deployed at the end of 2022.

The importance of renewable energy in the race to net-zero was highlighted by industry leaders and global experts during impactful dialogue sessions and presentations at the Al-Attiyah Foundation pavilion at COP28. They can be viewed on YouTube @AlAttiyahFoundation.



CMU-Q Dean Michael Trick and QBWA vice-chairwoman Aisha Hussain Alfardan flank other QBWA members and officials during the MoU signing ceremony held recently.

CMU-Q, QBWA ink MoU to empower aspiring female entrepreneurs

Carnegie Mellon University in Qatar (CMU-Q) and the Qatari Businesswomen Association (QBWA) have signed a Memorandum of Understanding (MoU) to encourage and empower the next generation of female business leaders. The agreement was signed by CMU-Q Dean Michael Trick and QBWA vice-chairwoman Aisha Hussain Alfardan, who later spoke at the CMU-Q Dean's Lecture Series about the role of businesswomen in community development.

Trick said the agreement will provide important opportunities for students interested in entrepreneurship: "At CMU-Q, we have hundreds of female Qatari students and alumni, many of whom are driven to contribute to the business landscape. This agreement with the Qatari Businesswomen Association will provide new avenues

for our students and alumni to network and succeed in business." Alfardan, on the other hand, expressed her enthusiasm for the partnership, stating: "QBWA is committed to promoting the advancement of women in business. This MoU with CMU-Q presents a unique opportunity to guide and mentor the next generation of female leaders in Qatar, paving the way for a more inclusive and prosperous future." The MoU outlines a framework for collaboration between the two organisations. CMU-Q students will have access to mentorship, internship, and employment opportunities. In exchange, CMU-Q offers its depth of knowledge and expertise to QBWA in the fields that challenge business leaders in Qatar, fostering connections that ignite innovation and knowledge exchange.

GCC to establish a unified definition of the Gulf national product

The Gulf countries are establishing a unified definition of the Gulf national product and are identifying suitable incentives to achieve balanced competitiveness of the Gulf national products.

An extraordinary meeting of the Gulf Co-operation Council's Undersecretaries of the Ministries of Industry was yesterday convened here, which, among other items, discussed the latest developments in establishing a unified definition of the Gulf national product and its standards.

Mohamed bin Hassan al-Malki, Undersecretary of the Ministry of Commerce and Industry, chaired the meeting, which also considered the proposals presented by the GCC countries regarding defining localisation percentages and the selection of suitable incentives to achieve balanced competitiveness of the Gulf national products and supporting the private sector, and reviewing the progress made by member states in this regard.

The MoCI official acknowledged the Gulf countries' efforts in the develop-

ment and management of their economic systems and policies over the past years to diversify the economies and enhance the involvement of non-oil sectors, particularly in the industrial domain, supporting comprehensive economic and industrial integration across the GCC countries. He also participated in the first regular session of the executive office of the Gulf Organisation for Industrial Consulting (GOIC) in 2024. The meeting focused on implementing decisions made during the second regular session in 2023. It also discussed the outcomes of implemented decisions taken by the Industrial Co-operation Committee in meetings (49) and (51), which are related to the organisation's operations.



The GCC's Undersecretaries of the Ministries of Industry at the extra-ordinary meeting in Doha.



Experts at a panel session hosted by the Al-Attiyah Foundation on the sidelines of COP28.

TotalEnergies EP Qatar hosts annual Health, Safety and Environment Forum

TotalEnergies EP Qatar hosted its annual Health, Safety and Environment (HSE) Forum recently, with a focus on embedding a 'Speak Up' culture that encourages transparency in safety-related communication.

The event welcomed over 75 attendees from partner companies and contractors in the energy sector, including representatives from QatarEnergy, QatarEnergy LNG, Dolphin Energy, North Oil Company, and 17 of TotalEnergies' contractors at Al-Khalij field.

In his opening address, Mansur Zhakupov, managing director, TotalEnergies EP Qatar and country chair, emphasised the crucial role of partners and contractors in maintaining high safety performance in both operated and non-operated assets.

He stated, "Embracing transparency is key to fostering a positive work and safety environment, where each individual, irrespective of their role, is encouraged to engage actively in safety-related discussions and initiatives".

Celebrating six years without any Lost Time

Injury (LTI) at Al-Khalij in 2023 underscored this commitment and is the result of a joint effort and collective engagement for safety from Al-Khalij contractors and JV partners.

Zhakupov noted, "it is essential to remain humble in our approach to Safety and engaged at all times, refusing any form of complacency". He encouraged pursuing the efforts in cultivating a culture of reporting and learning from events, which contribute achieving the ultimate TotalEnergies' objective of zero fatality.

Zhakupov also reiterated the importance of 'Speak Up' and of the culture of transparency at all the levels of the organisation as the cornerstone of an integrated safety culture.

All Shams-Eddine, Method and Quality manager at TotalEnergies EP Qatar, introduced an interactive workshop and dialogues highlighting the 'Speak Up' campaign.

This initiative is aimed to promote a non-blame culture, and freedom of expression, encouraging open communication and active participation at all organisational levels.

Discussions centred on key levers such as social and cultural dynamics, empowerment, knowledge sharing, feedback mechanisms, recognition, and training.

Marie-Charlotte Alboussiere, vice-president (Health, Safety, Environment & Security) shared other notable achievements at Al-Khalij field, such as 15 years without any recordable injury and two years without any High Potential Incident (HIPO).

She highlighted TotalEnergies EP Qatar ISO 50001 first certification and efforts deployed to decrease Al-Khalij Greenhouse gases (GHG) intensity down to "13 kgCO2eq/boe".

"On top of our safety commitment, our ongoing efforts at Al-Khalij asset, as a responsible operator, include implementing a comprehensive Carbon Footprint Reduction (CFR) & Energy Performance roadmap, and globally reducing our footprint on environment. This includes for example programmes on Methane and on Biodiversity, which are crucial in enhancing our HSE standards alongside our partners and



The event welcomed over 75 attendees from partner companies and contractors in the energy sector, including representatives from QatarEnergy, QatarEnergy LNG, Dolphin Energy, North Oil Company, and 17 of TotalEnergies' contractors at Al-Khalij field.

contractors," Alboussiere stated. These efforts contribute to TotalEnergies' overall objectives of achieving zero fatalities, continuously reducing

the Total Recordable Incident Rate (TRIR), and also minimising the impact of the activities on environment.

Qatar's new projects expected in second half of 2024 to spur uptick in growth

By Peter Alagos
Business Reporter

Economists and leading industry experts in Qatar are anticipating that the second half of 2024 will see the announcement and release of new projects, leading to an uptick in growth.

This was expressed during a panel discussion titled 'Sustainable Development in Qatar', which was one of the highlights of the Qatar Financial Market Forum 2024, held yesterday under the theme 'Trends Shaping Emerging Markets and Sustainable Infrastructure & Mobility'.

Karima Fenaoui, Global Content Research Analyst, Bloomberg Intelligence, moderated the discussion between Muhannad Mukahhal, CEO, Standard Chartered Qatar;

Henk J Hoogendoorn, Chief of Financial Services Sector, Qatar Financial Centre Authority (QFCA); Jody Sanderson, Chief Business Officer, Doha Bank; Michael Dean, Senior Global Auto Analyst, Bloomberg Intelligence; and Sonia Baldeira, Senior Global Construction Analyst, Bloomberg Intelligence.

According to Sanderson, there is optimism for consistent growth in Qatar from 2025 onwards, particularly in areas that have not historically been the focus, such as tourism and agriculture but are part of a diversified and sustainable economy.

Mukahhal noted that developments in Qatar's energy sector and its global standing are "on track,"



The panel discussion on 'Sustainable Development in Qatar' gathered industry experts during the Qatar Financial Market Forum 2024, held in Doha yesterday under the theme 'Trends Shaping Emerging Markets and Sustainable Infrastructure & Mobility'. **PICTURE:** Shaji Kayamkulam

positioning it to attract more companies to join the ecosystem for expansion in this sector. He also lauded the high standard of healthcare and education in Qatar compared to the region, suggesting that these are areas where Qatar needs to invest more in research and development, healthcare, and education to differentiate itself from other Gulf Cooperation Council (GCC) countries. "When considering these factors, Qatar would be highly ranked," Mukahhal added.

Meanwhile, Baldeira provided an overview of the ongoing projects

in Qatar, particularly the development of smart cities and real estate in Doha. She noted that there is growing attention to transportation projects, including the addition of more trains, light trains, and improved city connections, particularly between Lusail and Doha.

Baldeira also expresses interest in a potential high-speed train project linking Doha and Riyadh, which is expected to garner international attention and corporate interest. She added that commercial real estate remains a key component in the development of smart cit-

ies, underscoring the need for increased connectivity within Doha.

Hoogendoorn lauded Qatar for its strategic efforts to position itself on the map and gain international recognition, thus attracting foreign companies amidst the current competitive landscape in the region.

He emphasised that there has been a lot of interest from international entities, particularly from China and the US, adding that people are coming to Qatar to explore how they can benefit from the growth happening in the country.

Logistics and manufacturing seen as key drivers of Qatar's economic growth

By Peter Alagos
Business Reporter

Logistics and manufacturing are among the growth sectors that are expected to play a significant part in propelling Qatar's economy further, according to a panel discussion held yesterday during the Qatar Financial Market Forum 2024.

Henk J Hoogendoorn, Chief of Financial Services Sector, Qatar Financial Centre Authority (QFCA), lauded the recent rollout of the Third National Development Strategy (NDS3) 2024-2030, saying the next phase would focus on growth sectors, enabling sectors, and resilient sectors, as well as future technologies. During the panel discussion, Hoogendoorn was joined by Muhannad Mukahhal, CEO, Standard Chartered Qatar; Jody Sanderson, Chief Business Officer, Doha Bank; Michael Dean, Senior Global Auto Analyst, Bloomberg Intelligence; and Sonia Baldeira, Senior Global

Construction Analyst, Bloomberg Intelligence. Hoogendoorn said Qatar Airways has already become the "largest cargo carrier in the world," which is "an amazing achievement." He also noted that the Qatar Free Zones is playing a vital role in the manufacturing and re-exporting industries. "I would also like to highlight education as another enabling factor; we already have 30 universities in the country, making Qatar an educational hub, so we will attract more GCC students to study here," he noted.

Hoogendoorn emphasised the importance of talent development, especially in the financial sector, and the role of local universities and international co-operation in this process. He also underscored tourism as a growth area, noting the influx of tourists for the AFC Asian Cup Qatar 2023 and the presence of many GCC nationals during the weekends, adding that Qatar aims to welcome 6mn tourists annually.

Meeting growing global energy needs and reducing emissions is difficult task: Analyst

By Pratap John
Business Editor

International energy companies have a difficult task at hand to meet the rising energy needs of an increasing global population by reducing emissions as well, noted Salih Yilmaz, senior equity research analyst at Bloomberg. He was making a presentation on 'energy transition outlook' at the Qatar Financial Market Forum 2024 yesterday.

He said the global CO2 emissions have not yet peaked. One of the challenges for the sector is what is being termed as "energy trilemma".

It is a very difficult balancing act for the energy sector. "We have the energy security, affordability and sustainability that we need to balance.

When it comes to the companies, it is important for them to try and balance between doing more shareholder returns than investments. "When we look at investments, how much of that are going back into oil and gas...and how much going into energy transition? On the energy trilemma, he further said: "This is essentially a pendulum...and the sentiments seem to be shifting between the three, depending on the time. A

couple of years ago, when we did not have to worry so much about energy security and affordability, I think we were talking a lot more about sustainability.

"But then we had the energy crisis in Europe...and we started talking more about energy security.

In the last year or so, when we had the global inflationary period, we had to be reminded of the importance of affordability as well.

"And of course, we still should be talking about sustainability, given its importance."

On oil demand, Yilmaz said: "We have a wide range of scenarios as to where the oil demand will be. But core scenarios by IEA and Opec indicate they do not see oil demand peaking before 2030. Even after a peak, it is not really coming off a cliff...it stays there for a prolonged period of time. And majority of respondents of a survey that we did last year are not expecting oil demand to peak before 2030."

On the supply side, Yilmaz said: "It is important to remember that investments in the oil and gas space are very important to even keep output steady at the current levels. We need more investments in the hydrocarbon space to meet the rising needs of an increasing global population."

'Global asset managers flocking to Doha as Ashmore launches \$200mn Qatar equity fund'

By Santhosh V Perumal
Business Reporter

With the US and Europe "drying up", global asset managers such as Ashmore are flocking to Qatar's capital market, which also has the potential to see Qatari riyal debt issuances of QR10bn in the next two to three years, according to QInvest co-chief executive officer Hussain Abdulla.

Addressing a panel session at the second Qatar Financial Market Forum, jointly organised by the Qatar Financial Centre and Bloomberg Intelligence, he said the combined gross domestic product (GDP) of the Middle East and North Africa is \$4tn, of which the GCC economies form \$2tn.

Moreover, the region's sovereign wealth funds' assets are valued more than \$2tn.

In the past, global asset managers came to the GCC to tap the enormous capital but it is not the case anymore, according to him.

"There is dryness in the US and Europe. All these asset managers are now using the GCC as a hub," he said in a specific reference to the recent agreement between Qatar Investment Authority (QIA) and Ashmore Group to launch a \$200mn corpus Qatar equity fund.

The Ashmore Qatar Equity Fund, with QIA as an anchor investor and Ashmore Group as the first partner, will play a pivotal role in enhancing investor relations, quality of disclosure, research coverage, and improve liquidity on the local bourse.



Hussain Abdulla, QInvest co-chief executive officer.

The sovereign wealth fund's active asset management initiative to seed funds by re-allocating shares in QSE listed companies to these external managers will add to the available free float in the market and create confidence among investors and encourage both local and global investment institutions to participate.

"I believe the main driver (behind the global asset managers to set base here) is the oil and

gas," he said, adding the ongoing review of the equity capital market and its legislation in Qatar have now been completed.

The local bourse had recently amended the list of securities eligible for the market making to include more stocks.

Referring to the opening up of the markets for international investors, he said it would encourage more foreign investments into the country and the move by Ashmore Group is an example.

Qatar has liberalised the foreign ownership limits in the Qatar Stock Exchange listed companies up to 100% and the country also witnessed the launch of third financial sector strategy, through which the sector is expected to contribute as much as QR84bn to Qatar's gross domestic product (GDP) by 2030.

Abdulla said the initial public offering of Meeza through book-building process, the first of its kind in the country, was fraught with challenges, especially around its timing and the pricing. However, the offer (which was oversubscribed 111%) highlighted the investors' confidence in the system.

"If there is much larger equity or IPO story, we can open up to international investors assuming we have the necessary infrastructure, especially when it comes to settlement," he said.

On the Qatari riyal issuance in the debt market, he said "with the number of banks that we have, we can easily reach QR10bn within two to three years and we need to provide liquidity"

Bank stocks laggards as questions on Fed complicate outlook

Bloomberg
New York

When earnings season kicked off for Corporate America this month, all eyes were on whether the biggest US banks could deliver bullish enough outlooks to extend last quarter's rally in their shares. They didn't, and the KBW Bank Index slumped to its worst losing streak since August.

The gauge is trailing the broader stock market in January, even after surging on Friday.

The lenders have given investors a bevy of mixed signals to digest. Many issued guidance for net interest income — a crucial source of revenue — to be lower this year amid questions around the pace of expected interest-rate cuts and the health of the economy. Credit quality is also showing signs of deteriorating. However, bankers expect investment banking will finally rebound.

Bank executives were tasked with boiling all that down into guideposts for the year ahead, no easy feat given how central the Federal Reserve's policy decisions in the coming months will be to the companies'

performance in virtually all corners of their business.

"They're trying to kind of straddle between the Fed cutting multiple times as the forward yield curve is suggesting, and perhaps a more rational one or two cuts and then sort of see it play out," said Christopher Marinac, an analyst at Janney Montgomery Scott who covers regional lenders including Truist Financial Corp and Fifth Third Bancorp.

"They're trying to kind of hedge themselves, give conservative guidance with the idea that if they're wrong and it's higher, no one will mind."

Judging by Wall Street analysts' price targets, the sector is poised to rise about 11% over the next 12 months, data compiled by Bloomberg show. That implied move has increased since the start of the year, as the shares declined and analysts revised their calls higher.

The earnings reports featured a slew of nonrecurring issues, such as assessments to refill the FDIC's coffers following last year's bank failures. Those one-time items amounted to billions of dollars in total across the largest firms. The noise pushed investors to lean even more on the firms' guidance for the year ahead.

