

EBITDA SURGE | Page 7

Vodafone Qatar reports 7.5% net profit growth to QR540mn in 2023

Thursday, January 25, 2024
Rajab 13, 1445 AH

GULF TIMES
BUSINESS

AVIATION SPECIAL : Page 8

Airlines are renewing commitment to global standards for safe carriage of dangerous goods

Commercial Bank Group net profit rises 7.1% to QR3,010mn

Maintaining strong performance while successfully implementing its five-year strategic plan, Commercial Bank Group achieved a consolidated net profit of QR3,010.2mn, marking a 7.1% increase from QR2,811.1mn reported in 2022.

Commercial Bank's Board of Directors proposed a dividend distribution to shareholders of QR0.25 per share, which is 25% of the nominal share value.

The financials and proposed dividend distribution are subject to Qatar Central Bank approval and endorsement by shareholders at the Annual General Meeting, Commercial Bank said yesterday.

Commercial Bank chairman Sheikh Abdulla bin Ali bin Jabor al-Thani said, "The confirmation of Commercial Bank's 'A-' rating with a positive outlook by Fitch, and 'A-' rating with a stable outlook by S&P, reflects the proactive execution of our strategic plan and the strength of Qatar's Government and economy.

"In line with the Qatar National Vision 2030, Commercial Bank launched its inaugural Sustainable Finance Framework, which will further our commitment to support projects that enable the transition to a low carbon and climate resilient economy, as well as a positive societal impact.

"Our commitment to investing in technology and innovation has earned a number of awards, including 'Fastest-Growing Partner in Qatar" and the 'Highest Spend per Card in Qatar' at the Mastercard MENA Business Forum, highlighting our influence in the Middle East's cards and payments industry."

Commercial Bank vice-chairman Hussain Ibrahim Alfardan said, "We are pleased to report Commercial Bank's good performance for the fiscal year of 2023. Substantial growth in crucial segments has played a vital role in achieving strong financial results, highlighting our effectiveness in meeting our customers' needs.

"Looking ahead, our commitment remains strong as we work towards solidifying Commercial Bank's position as a leading banking provider in the region. We look forward to another year of achievements and contributing towards the growth and prosperity of Qatar's economy."

The Group balance sheet decreased by 2.8% (as on December 31, 2023) with total assets at QR164.6bn compared with QR169.1bn in December 2022.

The decrease was mainly due to decrease in loans and advances to customers and due from banks.

The group's loans and advances to customers decreased by 6.7% to QR91.5bn (as at December 31, 2023) compared to QR98bn in December 2022. This is due to Alternatif Bank, whose loans decreased due to the Turkish lira depreciation.

At domestic level, the decrease was partly due to government repayments of temporary overdrafts.

The Group's customer deposits decreased by 8% to QR76.5bn (as on December 31, 2023), compared with QR83.2bn in the same period in 2022. The decrease is mainly in current and call deposits.

The Group's net provisions for loans increased by 0.3% to QR990.7mn for the year ended in December 2023, from QR987.6mn in the same period in 2022.

Despite strong recoveries, Commercial Bank Group continued with prudent provisioning on NPL customers. Non-performing loan (NPL) ratio stood at 5.9% (as on December 31, 2023) from 5.3% (as on September 30, 2023) and 4.9% on December 31, 2022.

The reason for increase in NPL is due to decrease in the loans and advances exposure during the year.

Commercial Bank Group Chief Executive Officer Joseph Abraham commented, "Throughout 2023, Commercial Bank maintained its strong performance while successfully implementing our five-year strategic plan.

"In 2023, the Group achieved a consolidated net profit of QR3,010.2mn, marking a 7.1% increase from the QR2,811.1mn reported in 2022. This growth was largely driven by continuing increase in operating income, which increased by QR195.5mn as compared to 2022.

"The Group's net interest income for the year 2023 saw a slight decrease of 2.4%, to reach QR3,867.3mn, down from QR3,963.1mn in 2022. Although loan balance reduced by 6.7% year on year, the decrease in net interest income was 2.4% as we managed to increase asset yield whilst continue to manage interest cost.

"Overall fees and other income increased by 21.9% to QR1,622.2mn compared to QR1,330.9mn in 2022. This rise was mainly driven by higher investment income.

"In 2023, the Group saw an increase in its cost-to-income ratio, reaching 26.2% from 21.5% in 2022. This rise was mainly due to elevated operating expenses incurred at Alternatif Bank. The domestic bank's cost-to-income ratio remained low at 22.2%.

"The gross cost of risk increased by one basis points (bps) to 144 bps as compared to 143 bps, aligning with our 2023 guidance. However, the net cost of risk decreased by 16 bps to 105 bps as compared to 121 bps in 2022, due to strong recoveries during the year.

"Our associates continue to deliver good performance, with our profit from share of associates growing by 32.3% in 2023, amounting to QR294.2mn, up from QR222.3mn in 2022.

"The Group remains in adherence to the International Accounting Standards (IAS) 29, which require the application of hyperinflationary accounting for Alternatif Bank. As a result, a non-cash "net monetary loss" of QR335mn was recorded in the Group's income statement for the period as compared to QR189.4mn in the corresponding period in 2022.

"The domestic bank's net profit showed a growth of 9.8%, rising to QR2,860mn from QR2,603.6mn in 2022. This increase is due to higher investment income and higher recoveries during the year.

"During the year, Alternatif Bank witnessed a substantial upturn in net profit, achieving QR83.6mn in contrast to QR31.5mn net profit in the previous year. This improvement can be attributed to an improved FX and trading income, which experienced an increase of 842.8% to QR417.5mn compared to QR44.3mn in the same period last year." To Page 4

Commercial Bank's Board of Directors proposed a dividend distribution to shareholders of QR0.25 per share, which is 25% of the nominal share value. The financials and proposed dividend distribution are subject to Qatar Central Bank approval and endorsement by shareholders at the Annual General Meeting

Qatar plans to issue first sovereign green bond in near future: Al-Kuwari

Qatar is planning to issue its first sovereign green bond in the near future, HE the Minister of Finance Ali bin Ahmed al-Kuwari said in Hong Kong yesterday.

"Several of our banks have already issued green bonds and sukuk and we are keen on sharing our experiences with stakeholders", al-Kuwari said while participating in a session entitled "Charting the path to a better future" at the 2024 Asian Financial Forum in Hong Kong.

The session was chaired by Christopher Hui, Hong Kong's Secretary for Financial Services and the Treasury.

Also participating in the session were Dr Mohamed Maait, Minister of Finance, Egypt; Marko Primorac, Minister of Finance, Croatia; and Julapun Amornvivat, Deputy Minister of Finance, Thailand.

In his remarks, al-Kuwari underlined the importance of sustainable development and the development of effective strategies for its implementation by promoting investments in renewable energy and green projects.

The minister also elaborated on Qatar's commitment to invest in renewable energy, as part of the Qatar National Vision 2030.

He stated, "We are investing heavily in renewable energy at home, as part of our National Vision for 2030, and are looking for ways in which we can contribute to climate financing abroad." Page 4


HE the Minister of Finance Ali bin Ahmed al-Kuwari participating in a session entitled "Charting the path to a better future" at the 2024 Asian Financial Forum in Hong Kong.

Lesha Bank records a Net Profit of QAR 94.4 million, reflecting 25% growth in 2023

Lesha Bank LLC (Public) (the "Bank" or "Lesha Bank") unveiled its financial year results for the year ending on December 31, 2023, as approved by the Bank's board of directors. The Bank recorded a net profit of QAR 94.4 million attributed to the equity holders of the Bank, representing a 25.1% increase compared to the same period last year. The results were bolstered by growth in the Bank's key business domains, including private equity, real estate, and treasury. Additionally, recurring income from placements and fee-based income streams contributed to the positive outcome.

The Bank's diversified investment portfolio achieved an 18% growth in Assets Under Management (AUM), reaching QAR 6.2 billion. This reflects the accomplishment of the Bank's fee-based income business model over the year and the increased demand seen for tailor-made investment solutions.

Total assets of the Bank continued their upward trajectory, reaching QAR 6.3 billion, compared to QAR 5.2 billion in 2022, marking a 20% increase. Furthermore, the Bank's total investments expanded by 34% year-over-year, reaching QAR 2.7 billion from QAR 2billion. A rebound in profitability resulted in the total equity reaching QAR 1.2 billion, an increase of 9% compared to the corresponding period last year.

Return on average equity and return on average assets were stable for the year, reaching 7.97% and 1.63%, respectively. The book value reached QAR 1.1, and the earnings per share attained QAR 0.084, reflecting enhanced performance in both


HE Sheikh Faisal bin Thani Al Thani
Chairman

indicators. Additionally, the Bank maintained regulatory compliance, with the capital adequacy ratio standing at 19.45%.

HE Sheikh Faisal bin Thani Al Thani, Lesha Bank Chairman, commented: "We are delighted to share positive financial and operational achievements as we navigated securely within the global and regional business landscape in 2023. The Bank capitalized on the growth momentum and success cultivated over the years, showcasing the growth of Lesha Bank's successful business model. Overall, we made substantial progress across all indicators, maintaining focus on diversifying our portfolio, expanding our client base, and exploring new investment opportunities. We eagerly anticipate the next chapter of Lesha Bank with confidence, aiming to foster sustainable business growth and substantial value creation for our shareholders and clients."

Mohammed Ismail Al Emadi, Lesha Bank CEO, added: "We are truly honored to conclude the year 2023, marking another year of sustained profitability. This achievement is a testament to our unwavering commitment to strategic growth, profitability objectives, and offering access to global and local investment opportunities. Our responsiveness to the demands and needs of our clients has been pivotal in contributing to our ongoing success. Our achievements are a result of a prudent approach to balance


Mohammed Ismail Al Emadi
CEO

sheet and liquidity management, coupled with a commitment to building a resilient financial foundation. Moving forward, I will continue to collaborate with key stakeholders to cultivate an interactive and dynamic environment for mutual cooperation. Together, we aim to optimize our strategic vision, potentially unlocking new avenues for growth."

The press release and the full set of financial statements are available on its website at www.leshabank.com. Lesha Bank LLC (Public) is the first independent Shari'a-compliant Bank authorized by the QFC Regulatory Authority (QFCRA) and a listed entity on the Qatar Stock Exchange (QSE: QFBQ).

BUSINESS

CONSOLIDATED FINANCIAL STATEMENTS
LESHA BANK LLC (PUBLIC)
31 December 2023

Below is the extract from the full set of annual consolidated financial statements, which are available at www.leshabank.com/investor-relations/financial-statements/

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF LESHA BANK LLC (PUBLIC)

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Lesha Bank LLC (Public) (the "Bank" or "Parent") and its subsidiaries (collectively the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of income, consolidated statement of changes in owners' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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 Financial Accounting Standards (FAS) issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) as modified by the Qatar Financial Centre Regulatory Authority (QFCRA).

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.

Key Audit Matter	How our audit addressed the key audit matter
Impairment of financing assets	
At 31 December 2023, the Group's gross financing assets amounted to QAR 427 million (2022: QAR 541 million) and the total provision for impairment on the financing assets amounted to QAR 339 million (2022: QAR 336 million). The process for estimating impairment provision on credit risk associated with financing assets in accordance with FAS 30 Impairment, Credit Losses and Onerous Commitments involves significant judgement. FAS 30 requires use of the Expected Credit Loss ("ECL") model for the purposes of calculating impairment provision. ECL model requires the Group to exercise significant judgement using subjective assumptions when determining both the timing and the amounts of ECL for financing assets. The assumptions regarding the economic outlook are more uncertain which increases the level of judgment required by the Group in calculating the ECL. Due to the complexity of requirements under FAS 30, and the current situation, significance of judgements applied and the Group's exposure to financing assets forming a major portion of the Group's performance, the audit of ECL for financing assets is a key audit matter. Refer to the notes to financial statements for: • Note 4 - Significant accounting policy • Note 5 - Use of estimates and judgements • Note 26.6.5 - Inputs, assumptions and techniques used for estimating impairment	Our audit approach included testing the controls associated with the relevant processes for estimating the ECL and performing substantive procedures on such estimates. We involved our internal specialist where their specific expertise was required. Our key audit procedures were as follows: • We obtained understanding of the Group's ECL policy and the design of the controls and tested the operating effectiveness of relevant controls and governance around it. • We have checked the completeness of the data used as input for the ECL model and the mathematical accuracy through the model processes. • We assessed: - the Group's ECL policy including the criteria of staging and significant increase in credit risk with the requirements of FAS 30; - the Group's forward-looking economic variables by comparing them on a sample basis against supporting evidences, where applicable; and - the basis of determination of the management overlays against the requirements of the Group's ECL policy. • For a sample of exposures, we performed procedures to evaluate: - appropriateness of exposure at default, probability of default and loss given default in the calculation of ECL; - timely identification of exposures with a significant increase in credit risk and appropriateness of the Group's staging; and the ECL calculation. • Assessed the impairment allowance for individually impaired financial assets (stage 3) in accordance with FAS 30. • Assessed the adequacy of the Group's disclosures in relation to FAS 30 by reference to the requirements of the relevant financial reporting standards.

Other information included in the Group's 2023 Annual Report

Other information consists of the information included in the Group's Annual Report, other than the Group's consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2023 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of the management and the Board of Directors for the consolidated financial statements

The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with FAS issued by AAOIFI as modified by the QFCRA, and for such internal control as the management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the 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, 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 the 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 the Board of Directors 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 the 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 other legal and regulatory requirements

Furthermore, in our opinion, the consolidated financial statements provide the information required by the Qatar Financial Centre Authority Regulations and the Bank's Articles of Association. We are also of the opinion that proper books of account were maintained by the Bank. 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 regulations or the Articles of Association having occurred during the year, which might have had a material adverse effect on the Bank's financial position or performance

Ahmed Sayed
of Ernst & Young
Auditor's Registration No. 326

Doha, State of Qatar
Date: 24 January 2024

LESHA BANK LLC (PUBLIC)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2023 (expressed in QAR'000)

	31 December 2023	31 December 2022
ASSETS		
Cash and bank balances	2,962,937	2,368,489
Investments carried at amortised cost	100,666	174,230
Investment in funds carried at fair value	273,410	239,735
Financing assets	88,387	204,725
Investments carried at fair value	2,066,309	1,384,339
Investments in real estate	264,262	225,368
Fixed assets	17,396	21,562
Intangible assets	2,554	1,951
Assets held-for-sale	387,303	403,480
Other assets	144,849	225,917
TOTAL ASSETS	**6,308,073**	5,249,796
LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS AND EQUITY		
Liabilities		
Financing liabilities	1,862,616	742,049
Customers' balances	129,904	310,317
Liabilities held-for-sale	112,220	149,987
Other liabilities	149,229	181,843
Total Liabilities	**2,253,969**	1,384,196
Equity of Unrestricted Investment Account Holders	**2,827,095**	2,744,929
Equity		
Share capital	1,120,000	1,120,000
Share premium	80,003	80,003
Other reserve	9,439	-
Investments fair value reserve	(3,237)	(14,733)
Retained earnings / (accumulated losses)	30,206	(52,383)
Total Equity Attributable to Shareholders of the Bank	**1,236,411**	1,132,887
Non-controlling interest	(9,402)	(12,216)
Total Equity	**1,227,009**	1,120,671
TOTAL LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS AND EQUITY	**6,308,073**	5,249,796

These consolidated financial statements were authorised for issuance by the Board of Directors on 24 January 2024 and signed on its behalf by:

Faisal bin Thani Al Thani
Chairman

Mohammed Ismail Al Emadi
Chief Executive Officer

LESHA BANK LLC (PUBLIC)
CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2023 (expressed in QAR'000)

	For the year ended	
	31 December 2023	31 December 2022
CONTINUING OPERATIONS		
INCOME		
Income from financing assets	**11,422**	9,862
Income from placements with financial institutions	**133,012**	29,060
Profit on financing liabilities	**(55,694)**	(6,316)
Net income from financing assets	**88,740**	32,606
Fee income	**60,935**	64,682
Dividend income	**20,823**	15,382
Profit on Sukuk investments	**72,597**	30,298
Gain/(loss) on re-measurement of investments at fair value through income statement	**5,869**	(26,898)
Fair value loss on re-measurement of investments in real estate	**-**	(1,000)
Loss on disposal of Sukuk investments	**-**	(1,523)
Gain on disposal of equity investments	**7,387**	25,657
Loss on settlement of financing assets	**-**	(1,508)
Net foreign exchange gain	**7,668**	9,467
Other income, net	**24,011**	20,621
Total Income Before Return To Unrestricted Investment Account Holders	**288,030**	167,784
Return to unrestricted investment account holders	**(92,970)**	(52,144)
TOTAL INCOME	**195,060**	115,640
EXPENSES		
Staff costs	**(66,076)**	(58,817)
Depreciation and amortisation	**(6,129)**	(5,172)
Other operating expenses	**(21,057)**	(41,764)
TOTAL EXPENSES	**(93,262)**	(105,753)
(Provision for) / reversal of impairment on financing assets, net of recoveries	**(1,840)**	61,375
Reversal of impairment on other financial assets	**2,706**	9,425
PROFIT BEFORE INCOME TAX	**102,664**	80,687
Income tax expense	-	-
NET PROFIT FROM CONTINUING OPERATIONS	**102,664**	80,687
DISCONTINUED OPERATIONS		
(Loss)/ profit from discontinued operations, net of tax	**(6,173)**	3,797
NET PROFIT FOR THE YEAR	**96,491**	84,484
Attributable to:		
Equity holders of the Bank	**94,388**	75,470
Non-controlling interest	**2,103**	9,014
	96,491	84,484
Basic/diluted profit per share from continuing operations - QAR	**0.091**	0.083
Basic/diluted loss per share from discontinued operations - QAR	**(0.007)**	(0.005)
Basic/diluted profit per share - QAR	**0.084**	0.078

vodafone

Vodafone Qatar P.Q.S.C.

Consolidated Financial Statements and Independent Auditor's Report
As at and for the year ended 31 December 2023

BOARD OF DIRECTORS' REPORT

It is our pleasure to present Vodafone Qatar's financial results and business performance for the fiscal year concluded on December 31st, 2023.

A Glimpse into 2023

Over the past year, we have seen remarkable progress and achieved significant milestones which strengthened our ability to anticipate market trends in addition to exploring new paths and innovations. This overview sheds light on the dynamic landscape and notable achievements that shaped our journey in 2023, where we managed to position ourselves at the forefront of the telecommunication sector through our innovation capabilities and keeping abreast with global technological advancements.

Vodafone Qatar's 2023: Transformative Achievements

In 2023, technology played a prominent role in connecting our world across various areas, such as education and healthcare, in addition to reinforcing and solidifying the success opportunities of the historic event represented by the FIFA World Cup Qatar 2022. Vodafone Qatar embraced this transformation by teaming up with both Nokia to provide better broadband services and Microsoft for advanced AI insights. Partnerships were also forged with local universities, such as Qatar University, to support the next generation of innovators.

Globally, Vodafone Qatar received the World's Fastest Mobile Network award for the year 2022, according to test results based on consumer-initiated tests conducted using the 'Speedtest' service developed by the American company Ookla. This achievement was announced at the Mobile World Conference (MWS) in 2023, and it underscores Vodafone Qatar's ongoing commitment to the development of its network with the aim of always providing unparalleled connectivity experiences to its customers.

As part of our efforts to expand our innovation horizons, we launched the 'eKYC' mobile SIM activation, which uses AI facial recognition technology to provide customers with an eco-friendly and secure experience. We also introduced a delivery service which delivers our products to our customers wherever they are, in addition to launching Qatar's first Internet of Things (IoT) tracker device for consumers. These initiatives underline Vodafone Qatar's commitment to adopting advanced and contemporary solutions, as well its dedication to fostering a digitally inclusive and an environmentally conscious lifestyle. Consequently, the Company is prepared for all anticipated transformations in the coming years, with a strong awareness of its customers' evolving needs, aiming to ensure that the world is at their fingertips.

In addition to the above, Vodafone Qatar also entered a partnership with the Qatar Financial Centre (QFC) through the signing of an MoU to provide advanced services, which include, mobile and fixed services, IoT, and Cyber Security solutions. The goal of this partnership is to empower QFC-licensed enterprises for enhanced business agility and to help them succeed in achieving their objectives.

Financial Highlights

The Company reported a net profit of QR 540 million for the financial year 2023, reflecting a 7.5% increase compared to the previous year mainly driven by EBITDA growth.

Total revenue, excluding the World Cup's impact in 2022, increased by 6.1% year-on-year reaching QR 3.1 billion, due to continued growth across various business segments, including fixed broadband services, managed services, IoT and others. However, the reported total revenue for the year increased by 1.5%. Service revenue, excluding the World Cup's impact, grew by 8.9% to QR 2.8 billion, whereas reported Service Revenue increased by 5.5%.

EBITDA for the period increased to QR 1.3 billion, reflecting a growth of 4.2% compared to last year, positively impacted by the higher service revenue and the continued success of the cost optimisation programme. Consequently, the EBITDA margin reached 41.3%, expanding by 1.1ppts.

The total number of mobile customers reached 2.15 million, representing an underlying increase of 2% year-on-year.

Based on Vodafone Qatar's commitment to enhance shareholder value and the strong financial performance, the Board of Directors have recommended the distribution of a cash dividend of 11% of the nominal share value, i.e. QR 0.11 per share, which will be presented at the Company's next Annual General Assembly for approval.

A Word of Appreciation

With the conclusion of yet another successful year, the Board of Directors expresses sincere gratitude to His Royal Highness Sheikh Tamim bin Hamad Al Thani, the beloved Amir of the State of Qatar, for his insightful vision in Qatar's 2030 National Vision and for providing all the necessary foundations for the success of the telecommunications and digital transformation sectors.

We would also like to express our most earnest appreciation to the regulatory authorities represented by the Communications Regulatory Authority, the Ministry of Communications and Information Technology, the Ministry of Commerce and Industry, the Qatar Financial Markets Authority, the Qatar Stock Exchange, and the Qatar Central Securities Depository (EDAA) for creating a safe environment which inspires trust and instils a sense of security.

It is also essential to extend our utmost gratitude to our Executive Management team for their exceptional leadership, and to our dedicated employees for their concerted efforts and commitment to achieving excellence.

Lastly, we salute our valued customers and stakeholders for their continuous trust and support, which forms the foundation of Vodafone Qatar's success, and we assure them of our everlasting commitment to continue collaboration and achieve success in the coming year.

Abdulla Bin Nasser Al-Misnad
Chairman of the Board of Directors

INDEPENDENT AUDITORS' REPORT
To the Shareholders of Vodafone Qatar P.Q.S.C.
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Vodafone Qatar P.Q.S.C. (the 'Company') and its subsidiaries (together the 'Group'), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

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 IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

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 Auditors' 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 Group's 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 period. 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.

Revenue recognition and related IT systems

See Note 3,5 and 28 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
The Group reported revenue of QR 3,110,819 thousands from telecommunication and related activities. We focused on this area due to: the complexity of the Information Technology (IT) systems, volume of transactions, involvement of judgements in the application of the revenue recognition accounting standards; and inherent risk around accuracy and occurrence of revenue recorded.	Our audit approach included a combination of test of controls and substantive procedures, in particular, the following: • Obtaining an understanding of the significant revenue processes including performance of an end to end walkthroughs and identifying the relevant controls including IT systems, interfaces, revenue assurance and reports; • Testing the design, implementation and operating effectiveness of key internal controls over recording of revenue including involving our internal specialists to test key automated application and general IT controls; • Performing substantive audit procedures on significant revenue streams including analytical procedures and/or test on the accuracy of invoices on a sample basis, as applicable; • Reviewing key reconciliations performed by the management; • Assessing the appropriateness of the accounting policies adopted in revenue recognition for existing and new revenue streams (if any); • Assessing the overall presentation, structure and content of revenue related disclosures to the consolidated financial statements to determine if they are in compliance with the IFRS Accounting Standards.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditors' report thereon. Prior to the date of this auditors' report, we obtained the report of the Board of Directors which forms part of the Annual Report, and the remaining sections of the Annual Report are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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 identified above 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.

If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as the Board of Directors 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, the Board of Directors 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 the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 auditors' 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 judgement and maintain professional scepticism 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 the Board of Directors.

Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, 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 auditors' 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 auditors' 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 the 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 the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence and 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 the 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 auditors' 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 Other Legal and Regulatory Requirements

As required by the Qatar Commercial Companies Law No. 11 of 2015, whose certain provisions were subsequently amended by Law No. 8 of 2021 ("amended QCCL"), we also report that:

i) We have obtained all the information and explanations we considered necessary for the purposes of our audit.
ii) The Company has maintained proper accounting records and its consolidated financial statements are in agreement therewith.
iii) We have read the report of the Board of Directors to be included in the Annual Report, and the financial information contained therein is in agreement with the books and records of the Company.
iv) Furthermore, the physical count of the Company's inventories was carried out in accordance with established principles.
v) We are not aware of any violations of the applicable provisions of the amended QCCL or the terms of the Company's Articles of Association having occurred during the year which might have had a material effect on the Company's consolidated financial position or performance as at and for the year ended 31 December 2023.

24 January 2024
Doha
State of Qatar

Gopal Balasubramaniam
KPMG
Qatar Auditors' Registry Number 251
Licensed by QFMA: External Auditors' License No. 120153

CONSOLIDATED STATEMENT OF INCOME
For the year ended 31 December 2023

	2023	2022
	QR'000	QR'000
Revenues	3,110,819	3,065,861
Interconnection and other direct expenses	(1,052,955)	(1,024,660)
Network and other operational expenses	(464,951)	(495,474)
Employee salaries and benefits	(283,342)	(268,897)
Depreciation of property, plant and equipment	(326,877)	(339,782)
Amortisation of intangible assets	(191,462)	(191,459)
Depreciation of right-of-use assets	(112,164)	(103,740)
Expected credit losses	(23,696)	(43,245)
Finance costs	(42,396)	(29,075)
Other financing costs	(35,206)	(19,270)
Other income	12,903	6,228
Profit before tax related fees	590,673	556,487
Tax related fees	(50,629)	(54,107)
Profit for the year	540,044	502,380
Basic and diluted earnings per share (in QR per share)	0.128	0.119

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2023

	2023	2022
	QR'000	QR'000
Profit for the year	540,044	502,380
Other comprehensive income	-	-
Total comprehensive income for the year	540,044	502,380

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2023

	2023	2022
	QR'000	QR'000
Non-current assets		
Property, plant and equipment	1,934,465	1,884,890
Intangible assets	4,037,387	4,049,709
Right-of-use assets	428,599	429,538
Trade and other receivables	266,958	297,930
Total non-current assets	6,667,409	6,662,067
Current assets		
Inventories	33,928	38,222
Contract costs	13,030	17,271
Trade and other receivables	443,974	517,431
Cash and bank balances	129,785	186,770
Total current assets	620,717	759,694
Total assets	7,288,126	7,421,761
Equity		
Share capital	4,227,000	4,227,000
Legal reserve	157,787	126,369
Retained earnings	551,709	479,284
Total equity	4,936,496	4,832,653
Non-current liabilities		
Loans and borrowings	325,000	512,117
Provisions	110,433	102,065
Lease liabilities	315,251	315,181
Total non-current liabilities	750,684	929,363
Current liabilities		
Loans and borrowings	104,868	207,289
Lease liabilities	156,144	141,209
Trade and other payables	1,339,934	1,311,247
Total current liabilities	1,600,946	1,659,745
Total liabilities	2,351,630	2,589,108
Total equity and liabilities	7,288,126	7,421,761

These consolidated financial statements were approved by the Board of Directors on 24 January 2024 and were signed on its behalf by:

Abdulla Bin Nasser Al Misnad
Chairman

Rashid Fahad Al-Naimi
Managing Director

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2023

	2023	2022
	QR'000	QR'000
Operating activities		
Profit before tax related fees	590,673	556,487
Adjustments for:		
Depreciation of property, plant and equipment	326,877	339,782
Amortisation of intangible assets	191,462	191,459
Depreciation of right-of-use assets	112,164	103,740
Provision for employees' end of service benefit	14,651	13,088
Expected credit losses	23,696	43,245
Finance costs	42,396	29,075
Other financing costs	35,206	19,270
Other income	(12,903)	(6,228)
Change in operating assets and liabilities		
Decrease / (increase) in inventories	4,294	(3,494)
Decrease / (increase) in contract costs	4,241	(8,322)
Decrease / (increase) in trade and other receivables	112,053	(360,263)
(Decrease) / increase in provisions	(9,273)	3,333
(Decrease) / increase in trade and other payables	(68,110)	198,085
Cash generated from operations	1,367,427	1,119,257
Tax related fees paid	(56,478)	(32,824)
Finance costs paid	(41,934)	(27,063)
Other income received	1,245	554
Net cash flows from operating activities	1,270,260	1,059,924
Investing activities		
Purchase of property, plant and equipment	(376,433)	(587,134)
Purchase of intangible assets	(105,705)	(104,380)
Acquisition of a subsidiary, net of cash acquired	(3,584)	-
Advance paid for indefeasible right of use	(19,651)	(19,769)
Net cash flows used in investing activities	(505,373)	(711,283)
Financing activities		
Proceeds from loans and borrowings	450,000	310,000
Repayment of loans and borrowings	(740,000)	(305,000)
Dividend paid	(419,541)	(250,493)
Payment of lease liabilities	(112,331)	(105,886)
Movement in restricted bank accounts	(3,159)	(3,127)
Net cash flows used in financing activities	(825,031)	(354,506)
Net decrease in cash and cash equivalents	(60,144)	(5,865)
Cash and cash equivalents at the beginning of the year	164,678	170,543
Cash and cash equivalents at the end of the year	104,534	164,678

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2023

			Retained earnings			
	Share capital	Legal reserve	Distributable profits	Accumulated losses	Total	Total equity
	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000
Balance as at 1 January 2022	4,227,000	96,913	608,850	(336,310)	272,540	4,596,453
Profit for the year	-	-	-	502,380	502,380	502,380
Total comprehensive income for the year	-	-	-	502,380	502,380	502,380
Transfer to distributable profits	-	-	589,137	(589,137)	-	-
Transfer to legal reserve	-	29,456	(29,456)	-	(29,456)	-
Dividend for the year ended 31 December 2021	-	-	(253,620)	-	(253,620)	(253,620)
Transfer to social and sports fund	-	-	(12,560)	-	(12,560)	(12,560)
Balance as at 31 December 2022	4,227,000	126,369	902,351	(423,067)	479,284	4,832,653
Balance as at 1 January 2023	**4,227,000**	**126,369**	**902,351**	**(423,067)**	**479,284**	**4,832,653**
Profit for the year	-	-	-	540,044	540,044	540,044
Total comprehensive income for the year	-	-	-	540,044	540,044	540,044
Transfer to distributable profits	-	-	628,361	(628,361)	-	-
Transfer to legal reserve	-	31,418	(31,418)	-	(31,418)	-
Dividend for the year ended 31 December 2022	-	-	(422,700)	-	(422,700)	(422,700)
Transfer to social and sports fund	-	-	(13,501)	-	(13,501)	(13,501)
Balance as at 31 December 2023	**4,227,000**	**157,787**	**1,063,093**	**(511,384)**	**551,709**	**4,936,496**

Vodafone Qatar P.Q.S.C.
A Public Qatari Shareholding Company, by virtue of Ministerial Resolution number (160) of 2008 and in accordance with the laws of the State of Qatar, having Commercial Registration number 39656.
The complete set of consolidated financial statements of the Group for the year ended 31 December 2023 and the Auditors' report are available on the company's website www.vodafone.qa

BUSINESS

Al-Kuwari takes part in 2024 Asian Financial Forum in Hong Kong

HE the Minister of Finance, Ali bin Ahmed al-Kuwari, participated in the opening session of the 2024 Asian Financial Forum in Hong Kong. He was warmly welcomed by Dr Peter K N Lam, chairman of the Hong Kong Trade Development Council. Hong Kong Chief Executive John K C Lee and several other officials representing various countries and entities also took part in the opening session. The annual event aims to provide stakeholders with valuable insights across various socio-economic domains through an Asia-centric lens, Ministry of Finance said yesterday.

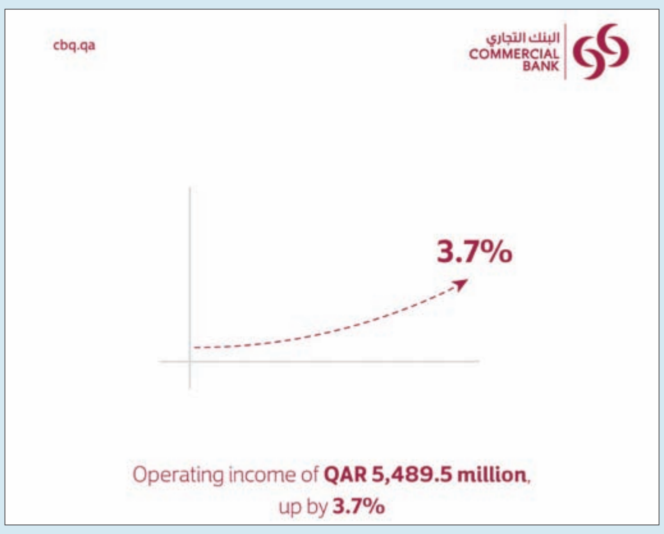
QSE MARKET WATCH

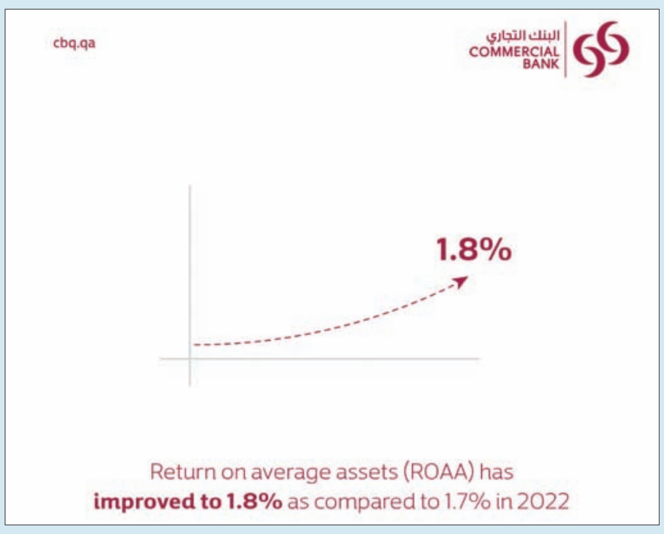
COMPANY NAME	Lt Price	% Chg	Volume
Zad Holding Co	13.70	1.41	34,286
Widam Food Co	2.22	-1.29	350,031
Vodafone Qatar	1.92	2.52	6,991,031
United Development Co	1.03	0.00	3,440,848
Salam International Investme	0.66	-1.64	2,339,953
Qatar & Oman Investment Co	0.90	-0.33	72,815
Qatar Navigation	10.25	-1.06	1,258,492
Qatar National Cement Co	4.37	5.56	5,221,639
Qatar National Bank	16.09	0.75	3,485,145
Qlm Life & Medical Insurance	2.30	0.00	12,858
Qatar Islamic Insurance Grou	8.85	-0.54	68,797
Qatar Industrial Manufactur	3.00	-1.48	723,556
Qatar International Islamic	10.75	1.03	425,282
Qatari Investors Group	1.64	0.80	2,635,496
Qatar Islamic Bank	19.81	-1.10	1,163,026
Qatar Gas Transport(Nakilat)	3.70	0.16	5,127,432
Qatar General Insurance & Re	1.16	0.00	25,604
Qatar German Co For Medical	1.26	-1.71	960,968
Qatar Fuel Qsc	15.88	-1.18	2,332,986
Lesha Bank Llc	1.37	1.41	4,209,065
Qatar Electricity & Water Co	17.70	0.40	355,140
Qatar Exchange Index Etf	9.88	0.00	572
Qatar Cinema & Film Distrib	3.05	0.00	-
Al Rayan Qatar Etf	2.24	-0.62	10,586
Qatar Insurance Co	2.27	-0.18	1,195,749
Qatar Aluminum Manufacturing	1.29	2.05	20,612,559
Ooredoo Qpsc	10.82	-0.28	564,966
Alijarah Holding Company Qps	0.79	3.66	7,459,937
Mazaya Real Estate Developme	0.70	0.43	6,250,629
Mesaieed Petrochemical Holdi	1.72	-0.35	10,209,597
Mekdam Holding Group	4.93	-0.66	203,290
Al Meera Consumer Goods Co	13.11	0.85	637,815
Medicare Group	5.03	-0.65	808,846
Mannai Corporation Qsc	3.96	0.08	352,303
Masraf Al Rayan	2.49	-3.78	34,971,679
Industries Qatar	12.25	2.60	5,752,888
Inma Holding Company	3.92	1.79	62,866
Estithmar Holding Qpsc	2.00	0.00	6,627,314
Gulf Warehousing Company	3.27	-2.59	3,719,131
Gulf International Services	2.84	1.36	7,865,678
Al Faleh Education Holding	0.84	0.00	-
Ezdan Holding Group	0.83	0.36	8,454,481
Doha Insurance Co	2.59	0.90	13,430
Doha Bank Qpsc	1.70	0.77	3,814,674
Dlala Holding	1.24	-1.82	540,346
Commercial Bank Psqc	5.64	0.66	3,293,862
Barwa Real Estate Co	2.90	-0.17	1,263,082
Baladna	1.13	-0.61	7,664,265
Damaan Islamic Insurance Co	3.98	0.00	-
Al Khaleej Takaful Group	2.90	2.69	2,871,274
Aamal Co	0.87	-0.57	1,444,644
Al Ahli Bank	3.89	0.00	-

Commercial Bank Group net profit rises 7.1% to QR3,010mn

From Page 1

Maintaining strong performance while successfully implementing its five-year strategic plan, Commercial Bank Group achieved a consolidated net profit of QR3,010.2mn, marking a 7.1% increase from QR2,811.1mn reported in 2022. Commercial Bank's Board of Directors proposed a dividend distribution to shareholders of QR0.25 per share, which is 25% of the nominal share value. The financials and proposed dividend distribution are subject to Qatar Central Bank approval and endorsement by shareholders at the Annual General Meeting, Commercial Bank said yesterday.





Petrotec in pact with Siemens to support digital transformation in Qatar's energy and utilities sectors

Petrotec (Petroleum Technology Company), a subsidiary of Al Mahhar Holding, and Siemens have entered into a strategic partnership to support Qatar's digital transformation in energy and utilities sector.

This collaboration marks a significant step in advancing the digital transformation in Qatar, harnessing the power of Siemens Xcelerator - the open digital business platform that enables customers to accelerate their digital transformation easier, faster and at scale - and Petrotec's extensive digital capabilities and builds on the company's long-term success in delivering value through technology and system integration for clients in the energy sector in Qatar.

This partnership aims to bring digitalisation to various industries, covering areas like energy management and predictive maintenance. It will also address cybersecurity for operational technology and extend to process automation and drive technology. The focus sectors include energy, utilities, and critical infrastructure.

Leveraging Petrotec's expertise and Siemens technology, the collaboration will identify and implement innovative solutions for Qatar's energy landscape.

"Combined with Petrotec's decades of engineering expertise in the energy sector, we are well positioned to continue providing our clients a wide range of technology options in order to improve efficiency, reduce emissions and to improve competitiveness," said Enzo Dellesite, chief executive officer of Al Mahhar Holding Qatar.

"Petrotec Digital" is a future-first solution that looks to enhance sustainability and operational excellence by leveraging the power of Industry 4.0 technologies. Combining its automation expertise with the technical expertise of the digital partners, Petrotec has created a unique digital ecosystem.

This ecosystem is designed to revolutionise the business by integrating digital technologies such as predictive analytics, 3D visualisation, process simulation, digital twins, smart manufacturing, industrial wireless, IIoT, balance of plant (BOP) digitisation, cloud computing, on-premises edge, IT/OT integration and cybersecurity.

Hakan Ozdemir, the chief executive officer of Siemens in Qatar, said the combination of expertise of both the companies would drive innovation, efficiency, and competitiveness in Qatar's energy landscape.

"Our strategic collaborations and a thriving partner ecosystem are dedicated to establishing Qatar as a digital and sustainable hub," he said.

Hamad Port first in GCC to get 'EcoPorts' certificate for environmental and sustainable standards

Hamad Port, Qatar's main gateway to world trade was yesterday awarded EcoPorts PERS (Port Environmental Review System) certification from the ECOSLC Foundation, becoming the first port in the Gulf Co-operation Council region to be in the global network of EcoPorts certified ports.

The global certification is granted to ports that meet the foundation's environmental and sustainable management standards, surpass assessment tests, and meet the required performance indicators.

The certificate is evidence of Hamad Port's commitment to implementing innovative practices that prioritise environmental sustainability and clean energy in its operations, in line with the Ministry of Transport's strategic plan.

Hamad Port was successful in obtaining the internationally recognised EcoPorts PERS certificate by implementing several environmentally friendly initiatives, meeting local and international standards, and passing all validation stages and rigorous tests applied by the independent auditor.

The certificate contributes to elevating the global status and reputation of Hamad Port, enhancing trade and business.

The certificate is evidence of Hamad Port's commitment to implementing innovative practices that prioritise environmental sustainability and clean energy in its operations, in line with the Ministry of Transport's plan

It also helps in raising awareness about the port's strengths and potential for continuous progress by setting goals every two years. Furthermore, it facilitates the exchange of best practices with other port networks, contributing to the overall improvement of the port.

Hamad Port has implemented several measures to protect the environment and combat climate change. These assertive initiatives include expanding green areas and safeguarding biodiversity by relocating over 12,500 pieces of coral, 14,300sq m of seaweed, and 31,700 mangrove trees and seedlings.

Moreover, the port has installed fixed and mobile environmental monitoring systems that measure ambient air quality, noise, groundwater, water quality, and marine environment.

The port is also taking a firm stance against pollution and carbon dioxide emissions by reducing the use of fuels and promoting the use of electric vehicles.

To further integrate renewable energy into its operations, the port made the bold move of transitioning its cranes to hybrid and exclusively using eco-friendly machinery such as tractors and electric RTG cranes.

Chamber official underscores importance of Qatar-Morocco private sector partnerships

Qatar and Morocco share robust relations, enabling the private sectors on both sides to establish commercial alliances and partnerships, according to Qatar Chamber board member Mohamed bin Ahmed al-Obaidli.

These collaborations would contribute to the development of trade and enhance economic and commercial cooperation for the benefit of both economies, said al-Obaidli, who urged Moroccan companies to explore Qatar's investment climate and opportunities available in various sectors.

Speaking yesterday at the opening of the Moroccan Economic Week, al-Obaidli noted that Qatar Chamber is eager to encourage Qatari businessmen and companies to explore the abundant opportunities in Morocco.

The opening ceremony was organised by the Moroccan Exporters Association (MEA), in cooperation with the Moroccan Agency for Investment and Exports Development (MADIE) and Qatar Chamber.

The event was also attended by MEA vice-president Sonia Mezzour and Moroccan ambassador Mohamed Setri, who said the economic relations between the two countries have witnessed significant development in recent years. Setri highlighted numerous memorandums of understanding (MoUs) and agreements signed to promote trade, as well as the exchange of trade missions between both sides. He also emphasised the crucial role both countries' private sectors in enhancing economic and commercial cooperation.

Mezzour emphasised that the Moroccan Economic Week, which provides a platform for the MEA to strengthen partnerships with Qatar, establishes economic alliances and joint ventures with Qatari businessmen, promotes Moroccan products in the Qatari market, and leverages the convergence of both nations in several sectors, including energy, agriculture, and tourism.

The inauguration ceremony was followed by a tour of an exhibition, which is being held on the sidelines of Moroccan Economic Week, where the participants were briefed on products from 15 Moroccan companies in the foodstuffs, cosmetics, textiles, and building materials sectors.

Al-Obaidli also urged exhibitors to explore the needs of the Qatari market and establish partnerships with their Qatari counterparts, even as he lauded the quality of the products displayed at the exhibition.

Qatar Chamber board member Mohamed bin Ahmed al-Obaidli together with MEA vice-president Sonia Mezzour and Moroccan ambassador Mohamed Setri during the opening of Moroccan Economic Week being held in Doha.

BUSINESS

'Made in Italy' technologies for Qatari agriculture on show at 2023 Expo Doha

By Peter Alagos
Business Reporter

Qatar is investing in quality agriculture and exploring opportunities for co-operation with the Italian agro-mechanical industry, the Italian Trade Agency (ITA) announced yesterday at the 2023 Expo Doha.

The most advanced machines and equipment to cultivate arid soils and to create highly automated farming models are on show at the 2023 Expo Doha, stated the ITA during a press conference to present the 2024 edition of the EIMA International, the world's largest exhibition of agricultural mechanics to be held in Bologna from November 6 to 10.

The presentation of the EIMA International was one of the highlights of 'Italian Day,' which was organised by the ITA, in co-operation with FederUnacoma – the Italian Agricultural Machinery Manufacturers Federation.

In his remarks during the presentation of EIMA International, Italian ambassador Paolo Toschi said: "Italy's official participation in 2023 Expo Doha is enriched by the presentation of the 46th edition of EIMA International.

"The trade fair and the calendar of workshops and conferences that will take place will showcase the most advanced technologies and cutting-edge solutions for modern agriculture, respecting the environment and ensuring sustainability. This technology is showing us the future of agriculture and we are proud to enhance it in Doha."

Italian ambassador Paolo Toschi. ***Right:*** FederUnacoma deputy general manager Fabio Ricci. **PICTURES:** Thajudheen

Ricci said the upcoming EIMA International is divided into 14 product category sectors and five thematic showcases, making it one of the largest sectorial exhibitions in the world with several exhibiting companies that should largely exceed 1,530 of the previous edition and an audience of 327,000 attendees.

He said, "EIMA 2024 will show all the world innovations in terms of tractors, implements, equipment, components, but also advanced electronic systems, drones, and agricultural robots to cultivate every type of territory."

Another highlight of yesterday's event was the discussion of the 'Marginal Areas and Extreme Territories: The New Challenges of Agricultural Mechanisation,' which featured FederUnacoma deputy general manager Fabio Ricci, Lorenzo Iuliano of the Technical Office of FederUnacoma, and Lorenzo Marconi of the University of Bologna.

The discussion was moderated by ITA commissioner in Doha, Paola Lisi, who said: "The quality of 'Made in Italy' products are not only referred to fashion and agri-food sectors but also highly technological sectors, such as the agricultural mechanics, which represents the excellence of the Italian industry, which is systematically promoted by the ITA through specific events addressed to selected journalists and businesspeople."

The discussion focused on the new frontiers of agricultural mechanics, which explored and promoted the technologies produced by Italian industries that best suit Qatari agriculture, as well as new prospects of mechanisation for agriculture in Arab countries.

Ricci explained a report that offers technologies that can reconcile the increase in agricultural yields with the conservation of natural resources.

Iuliano, on the other hand, focused on the vast product categories made by the Italian industries, including those for minimum tillage, speciality crops in open fields and within greenhouses, and irrigation, which have developed to reduce the impact on the soil, the use of pesticides, and water consumption. These are increasingly sophisticated machines, governed by precision electronic devices, he said.

Marconi said agriculture is strongly projected towards full automation of functions and the use of fully autonomous robots. He said one of the departments at the University of Bologna has been designing and testing agricultural robots capable of carrying out automated complex activities in the vineyard and other crops.

"The department's task is to bring these prototypes to the level of industrial production to reach those markets that focus on the quality of production and self-governing farming models," Marconi added.

Turkiye on cusp of ending rate hikes with last step up to 45%

Turkiye's central bank is set to cap off one of its longest-ever cycles of monetary tightening with a likely final hike today, as it convenes for a meeting, reports Bloomberg.
There's little drama surrounding the decision itself after policymakers said last month increases will end "as soon as possible," following seven hikes that quintupled interest rates since Erkan took over in June. In the first unanimous Bloomberg survey during the governor's term, all economists predict the benchmark will rise to 45% from 42.5%. Now that rates are close to peaking, the central bank could make greater use of its alternative tools, according to Bloomberg Economics.
Though policymakers have so far conveyed a hawkish bias, disagreement is rife among global investment banks about what might happen next, with the likes of Morgan Stanley and Goldman Sachs Group Inc expecting rate cuts in the second half of the year. JPMorgan Chase & Co sees a much longer pause and doesn't rule out more hikes ahead as inflation spirals higher. Turkiye is entering a final stretch before pivotal municipal ballots in March, putting more of a spotlight on the health of the economy with rates now at levels unimaginable before the re-election in May. Turkiye's policy path will become clearer with the central bank's fresh assessment of inflation in two weeks. The most recent projections saw price growth reaching up to 75% around May before more than halving by the end of the year.

Bloomberg QuickTake Q&A

How Red Sea crisis raises, inflation, supply chain worries anew

By Paul Wallace and Alex Longley

By attacking ships plying the Red Sea, Yemen's Iran-backed Houthi rebels have caused the biggest disruption to global trade since the Covid-19 pandemic and provoked a military response, including US and UK airstrikes on Yemen. The Houthis say they are acting in solidarity with Palestinians amid the war between Israel and Hamas. The dangers in the Red Sea have increased costs for operators still plying its waters and prompted shipping companies to reroute much of the sea's normal container, oil and natural gas traffic around the southern tip of Africa, a lengthier and more expensive journey. That's raised concerns that the crisis will feed inflation and resurrect supply-chain snarls.

1. What are the Houthis doing?

Since the middle of November the Houthis, who control northwestern Yemen, have launched a string of attacks on shipping that have included firing drones and missiles. At least 16 ships have been struck, according to Ambrey Analytics, while others have seen near misses and there's also been gunfire from small boats. They've tried to board and take control of some vessels, largely without success, although they did manage to capture the Israeli-owned car carrier Galaxy Leader in November. Many of the attacks are launched from near the Bab el-Mandeb strait that ships pass through to enter the Red Sea from the Indian Ocean. At its narrowest point, the strait, separating Yemen and Djibouti, is only 18 miles (29 kilometres) wide. The Red Sea is the only route to the Suez Canal, linking some of the world's biggest consumers of tradable goods in Europe with big suppliers in Asia.

2. Why are the Houthis attacking ships in the Red Sea?

Houthi leaders say they've mounted the attacks to support the Palestinians. They began firing drones and missiles toward Israel soon after the attack on Israel from the Gaza Strip in early October, precipitating an Israeli military campaign in Gaza. The Houthis then moved on to attacking ships. Originally, they said they were targeting vessels with links to Israel, though ships with no such direct connection were also hit. After US and UK forces began to launch airstrikes on Houthi targets in Yemen on January 12, the rebels said all US and UK interests were legitimate targets. They have said they won't back down until Israel ends its offensive.

3. Who are the Houthis?

They are rebels who seized control of Yemen's capital, Sana'a, in 2014, launching a civil war that continues to this day, although there's been a fragile truce in place since 2022. After North Yemen and South Yemen were unified in 1990, the Houthis waged a series of rebellions before successfully taking the capital. The Houthis are anti-Western and anti-Israeli.

4. Why have the US and UK bombed Yemen?

Before the latest Houthi attacks, the US and its allies patrolled Red Sea waters to tackle piracy and smuggling in a coalition called the Combined Maritime Forces. Some ships also had their own armed security guards who could fire on approaching vessels if they looked hostile. When Houthis stepped up their campaign in December, the allies set up a new "zone defence" arrangement whereby their vessels sought to protect all ships in the waterway, as opposed to providing individual escorts to a few. When the Houthi attacks continued, the US and UK initiated the strikes on Houthi targets in Yemen.

5. Why is the Red Sea so important to trade?

About 12% of global trade normally passes through the Suez Canal, and by extension the Red Sea, including as much as 30% of container traffic and more than $1tn worth of goods a year. Massive volumes of crude oil, diesel, natural gas, other petroleum products and bulk commodities from the Middle East and India pass through the Red Sea on the way to Europe. Western sanctions on Russia turned it into part of a vital trade artery for crude flowing the other direction as well, as Moscow is now selling the lion's share of its petroleum to Asia.

6. How has the Red Sea crisis impacted shipping?

As of mid-January, the average number of tankers and cargo ships transiting through the Suez Canal had fallen about 40% from the level at the start of 2023, according to data from IMF PortWatch; voyages around Africa's Cape of Good Hope had risen commensurately. The diverted journeys around Africa can take as much as 25% longer than using the Suez Canal shortcut between Asia and Europe, according to Flexport Inc Those trips are also more costly. For ship operators still willing to brave the Red Sea, insurance costs have increased tenfold. The cost of shipping containers from China to the Mediterranean Sea has more than quadrupled since late November, according to cargo booker Freightos.

7. Will the crisis disrupt supply chains and accelerate inflation?

While there's some slack in global supply lines to smooth out the impact of disruption to Red Sea traffic, the pandemic demonstrated how fragile transportation networks are when major links break down for a significant period of time. Signs are beginning to emerge that the trouble in the Red Sea is straining the system. Automakers have announced brief production halts or slowdowns at two plants in Europe. A number of retailers have flagged the risk of higher prices for consumers. European Central Bank President Christine Lagarde has said she worries that the return of supply-chain disruption could subvert the efforts of central bankers to combat inflation. There are concerns that energy flows could be disrupted at a time when Europe increasingly depends on tanker-borne gas to replace once-crucial Russian pipeline gas, though so far the impact has been minimal.

Doha Bank reports QR769mn net profit in 2023; declares 7.5% dividend

Doha Bank has reported net profit of QR769mn for the year ended 2023 and recommended a 7.5% dividend for shareholders.

Total assets reached QR101.3bn, registering an annual growth of 3.7%; while net loans and advances were flat at QR58bn, said Sheikh Fahad bin Mohamed bin Jabor al-Thani, chairman of Doha Bank.

However, the bank achieved a 5% year-on-year growth in the private sector lending in the review period.

Customer deposits grew 2.9% to QR51.6bn and the investment portfolio was QR30.4bn, recording a 21.7% growth on an annualised basis.

Sheikh Fahad said net operating income stood at QR2.8bn, while net fee and commission income grew by 1.5% to QR376mn at the end of December 2023.

"The bank continues to maintain solid capital and liquidity positions. The common equity Tier 1 (CET1) ratio remains at 12.98% and the total capital adequacy ratio is strong at 19.25%," said Sheikh Abdul Rahman bin Mohamed bin Jabor al-Thani, managing director of Doha Bank.

Liquidity coverage ratio continues to be high at 142%. The total shareholder's equity reached QR14.4bn, an increase of 2.6% year-on-year, while the earnings-per-share was QR0.25.

Sheikh Fahad bin Mohamed bin Jabor al-Thani, chairman of Doha Bank.

Doha bank group chief executive officer Sheikh Abdulrahman bin Fahad bin Faisal al-Thani.

Sheikh Abdul Rahman bin Mohamed bin Jabor al-Thani, managing director of Doha Bank.

"In challenging market conditions, Doha Bank continues to distinguish itself through its products and services. The bank also maintains a strong emphasis on the transformation and optimisation of its operations both domestically and abroad, in accordance with the bank's five-year strategy," according to the group chief executive officer Sheikh Abdulrahman bin Fahad bin Faisal al-Thani.

During the year, the bank consolidated the operations of representative offices in Sri Lanka and Canada, which were merged with the Bangladesh and London offices, respectively. The Chennai branch was merged with the Mumbai office in India.

"In 2023, the bank was successful in the merging of foreign operations, towards creating further a regional hub structure which will allow the bank to optimise the international network, towards improving further the diversification of the bank's funding sources," he said.

Stressing that the bank is working to strengthen its relationships and improving the asset quality as it waits for the private sector growth to evolve in Qatar, he said "we are expanding our resources to concentrate on the syndications and public sector side of the business."

Doha Bank completed its sustainable finance framework effectively in the first half of 2023 and received a second party opinion from Morningstar Sustainalytics, which allows it to issue Green, Social, and Sustainability Financing Instruments (depending on market opportunity and timing) as the framework's completion shows the bank's dedication to sustainability.

In line with its innovative practices, the bank launched two platforms, namely, an FX and Commodity hedging programme for corporate customers with solutions to help manage their underlying market risks, and the Qatar Trading Platform (Q-Trade) to enhance trading and brokerage services for customers. Furthermore, the bank partnered with Bank Al Habib to provide money transfers to Pakistan.

Doha Bank has been a pioneer in adopting the best practices and standards of ESG (environment, social and governance) in the region, demonstrating its commitment to creating positive impact for its stakeholders and the society at large.

Sheikh Hamad Abdulla Jassim al-Thani, Vodafone Qatar CEO.

Rashid Fahad al-Naimi, Vodafone Qatar managing director.

Abdulla Nasser al-Misnad, Vodafone Qatar chairman.

Vodafone Qatar posts 7.5% net profit growth to QR540mn in 2023

Vodafone Qatar reported a net profit of QR540mn in 2023, reflecting a 7.5% increase compared to the previous year mainly driven by EBITDA growth.

Total revenue, excluding the World Cup's impact in 2022, increased by 6.1% year-on-year (y-o-y) reaching QR3.1bn due to continued growth across various business segments, including fixed broadband services, managed services, IoT, and others. However, the reported total revenue for the year increased by 1.5%. Service revenue, excluding the World Cup's impact, grew by 8.9% to QR2.8bn, whereas reported service revenue increased by 5.5%.

EBITDA for the period increased to QR1.3bn, reflecting a 4.2% growth compared to last year, positively impacted by the higher service revenue and the continued success of the cost optimisation programme. Consequently, the EBITDA margin reached 41.3%, expanding by 1.1ppts. The total number of mobile customers reached 2.15mn, representing an underlying increase of 2% y-o-y.

Based on Vodafone Qatar's commitment to enhance shareholder value and the strong financial performance, the board of directors have recommended the distribution of a cash dividend of 11% of the nominal share value (QR0.11 per share), which will be presented at the company's next annual general assembly for approval.

Abdulla Nasser al-Misnad, Vodafone Qatar chairman, stated: "2023 has been another exceptional year where we have been able to position ourselves at the forefront of market developments as we also continue to provide consumers and businesses with unparalleled connectivity.

"A number of successful partnerships with a range of global and domestic institutions, including Nokia, Microsoft, and Qatar Financial Centre have seen the company successfully expand and innovate its portfolio whilst also embracing key sectoral advancements in the likes of AI and IoT."

He added: "Vodafone Qatar is also committed to achieving sustainability by making tangible practical efforts to contribute to the nation's growth and progress. Aligned with the global movement toward a net-zero society, we will ensure sustainability remains at the core of our operations as one of our three fundamental corporate pillars."

Rashid Fahad al-Naimi, Vodafone Qatar managing director, said: "2023 has been embodied by our strategic vision, 'Together We Can', which exemplifies our focus in delivering connectivity and an unparalleled customer experience.

"This has been seen in our collaboration with Nokia, where we inaugurated advanced fibre technology in Msheireb's Downtown Smart City District, thus creating the Middle East's first ever 'Gigacity' with speeds of up to 25 Gbps. Furthermore, our 'Giga Home' re-launch brought 'at least One Gigabit only' speeds nearly 10 times faster than the average to customers nationwide, showing that we are truly leading the way in terms of innovation, speed and customer experience."

He added: "As an organisation deeply committed to the care and development of our employees, we were also heartened to see our human resources teams secure the prestigious ISO 9001:2015 accreditation, solidifying our compliance with international standards. In line with Qatar National Vision for 2030, we look ahead to 2024 with optimism and renew our promise to deliver a world-class service while enhancing and preserving our society, culture and environment."

Sheikh Hamad Abdulla Jassim al-Thani, Vodafone Qatar CEO, noted: "In 2018, we launched our Digital 23 Strategy, with the aim of successfully transforming our business from a traditional mobile operator to a diverse, global digital player. Over five years since launch, it is heartwarming to see that we have not only achieved that aim, but we have also helped to establish Qatar as one of the most technologically advanced countries in the world. Our focus on digital transformation remains steadfast and we will continue to prioritise digital-first lifestyles which put our customers and their businesses at the core."

He added: "Our company has also garnered a number of global industry awards, including an Ookla Award, which named Vodafone Qatar as having the 'World's Fastest Mobile Network' in 2022. Furthermore, with our company enriched by another year of progress and innovation, we are confident that we have the correct strategies in place to elevate even further in 2024 and deliver further growth for our shareholders."

Domestic funds' buying interests lift sentiments as QSE gains 11 points; M-cap adds QR2.34bn

By Santhosh V Perumal
Business Reporter

The Qatar Stock Exchange (QSE) yesterday gained as much as 11 points on the back of buying interests, especially in the industrials and telecom sectors.

The domestic institutions were seen net buyers as the 20-stock Qatar Index rose 0.1% to 10,373.09 points.

The Gulf institutions' weakened net profit booking had its influence in the main market, whose year-to-date losses truncated to 4.22%.

As much as 48% of the traded constituents extended gains to investors in the main bourse, whose capitalisation added QR2.34bn or 0.39% to QR602.18bn with microcap segments gaining the most.

The Arab individuals' lower net selling had its say in the main market, which however touched an intraday high of 10,401 points.

The foreign funds continued to be net buyers but with lesser intensity in the main bourse, which saw as many as 0.01mn exchange traded funds (sponsored by Masraf Al Rayan and Doha Bank) valued at QR0.03mn trade across six deals.

The local individuals were increasingly into net selling in the main market, which saw no trading of sovereign bonds.

The Islamic index was down vis-à-vis gains in the other indices in the main bourse, which witnessed no trading of treasury bills.

The Total Return Index was up 0.1% and the All Share Index by 0.24%, while the All Islamic Index fell 0.06% in the main market, whose trade turnover and volumes were on the increase.

The industrials sector index shot up 1.61%, telecom (0.41%) and insurance (0.09%); while consumer goods and services declined 0.61%, transport (0.48%), banks and financial services (0.1%) and real estate (0.03%). Major gainers in the main market included Industries Qatar, Vodafone Qatar, Qamco, Gulf International Services, Qatar National Cement, Alijarah Holding, Al Khaleej Takaful and Lesha Bank.

Nevertheless, Masraf Al Rayan, Gulf Warehousing, Dlala, Qatari German Medical Devices, Salam International Investment, Qatar Islamic Bank, Woqod and Milaha were among the losers in the main bourse. In the venture market, Mahhar Holding saw its shares depreciate in value.

The domestic institutions turned net buyers to the tune of QR3.65mn compared with net sellers of QR1.25mn on January 23.

The Gulf institutions' net profit booking declined noticeably to QR10.23mn against QR12.33mn the previous day.

The Arab individual investors' net selling shrank markedly to QR3.75mn compared to QR5.84mn on Tuesday.

However, the local retail investors' net profit booking strengthened notably to QR11.48mn against QR9.8mn on January 23.

The Gulf individuals were net sellers to the extent of QR0.8mn compared with net buyers of QR0.12mn the previous day.

The Arab institutions turned net profit takers to the tune of QR0.08mn against no major net exposure on Tuesday.

The foreign institutions' net buying weakened perceptibly to QR21.95mn compared to QR27.59mn on January 23.

The foreign individual investors' net buying eased marginally to QR0.68mn against QR1.49mn the previous day.

Trade volumes in the main market soared 34% to 186.37mn shares, value by 26% to QR588.13mn and deals by 22% to 18,317.

The venture market saw a 6% jump in trade volumes to 0.19mn equities, 4% in value to QR0.26mn and 12% in transactions to 19.

QU College of Business and Economics to host conference on Fiscal Policies and Economic Development in Qatar

The College of Business and Economics at Qatar University (QU) will organise a two-day conference on 'Fiscal Policies and Economic Development in Qatar' on February 7 and 8.

The theme of the conference at Sheraton Grand Doha will be 'Global minimum tax and its impact on tax systems in Gulf Co-operation Council Countries'. Additionally, a workshop on 'Tax education' will be held on February 6.

Dr Rana Sobh, dean, College of Business and Economics at QU, highlighted the conference's role in maximising its impact on the local and regional business environment, addressing contemporary economic and fiscal policy issues affecting the economy and business.

The conference aims to strengthen collaboration with various government institutions, serving the financial and business communities, and align with the college's strategy to maximise its impact on society by discussing new economic issues and fiscal policies affecting the economy and business, which contribute to providing recommendations that serve decision-makers.

Dr Rana mentioned that the conference will discuss the pillar 2 of The Organisation for Economic Co-operation and Development (OECD)'s report on "Combating base erosion and profit shifting", resulting in recommendations for implementing the global minimum tax standards. The conference will focus on several aspects, including the general framework of the global minimum tax, its impact on tax policies and systems in the GCC, its influence on foreign investment flows and free zones in the GCC, and its effect on sovereign wealth funds' investments abroad.

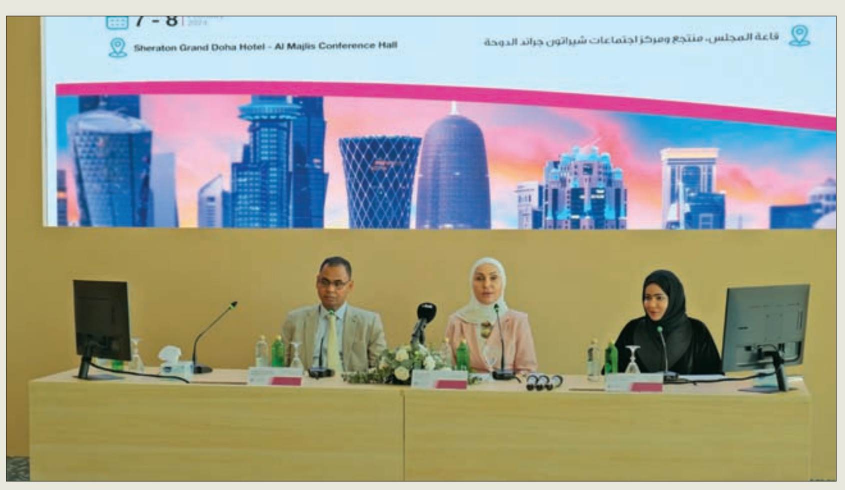
Regarding the conference's importance to QU's educational process, Dr Alanoud al-Maadid, head, Finance and Economics Department, mentioned that the conference includes a day focused on tax education. The discussions will cover academic tax education and tax education in the GCC. This event serves students enrolled in the specialised field of taxation, inaugurated last year.

Dr Alanoud al-Maadid emphasised that students' participation aims to develop their capabilities and skills through interaction, exploring employment opportunities post-graduation, and aligning with the college's focus on connecting graduates with the job market. The conference also promotes the college as a centre for tax education and research in the region.

Dr Mahmoud Abdellatif, Associate Professor of Economics and Chair of Conference Organizing Committee, provided details about the conference agenda.

The official opening on February 7 will feature dignitaries from ministries, authorities, and professional accounting and legal firms.

Ahmed al-Muhanadi, Commissioner, General Tax Authority, along with Dr Omar al-Ansari, QU President, and Prof Dr Rana Sobh will speak at the opening session.



Academics at the College of Business and Economics, Qatar University, give details of a two-day conference on 'Fiscal policies and economic development in Qatar' on February 7 and 8.

US aviation regulator expands Boeing 737 investigations

By Alex Macheras

The US Federal Aviation Administration (FAA) has recommended that airlines inspect door plugs on Boeing 737-900ER jets after a blowout this month on a Boeing 737 Max 9 with a mid-cabin exit door. In a statement, the aviation regulator said operators "are encouraged to conduct a visual inspection to ensure the door plug is restrained from any movements".

The FAA said some airlines had conducted additional inspections on the 737-900ER mid-cabin exit door plugs and had noted "findings with bolts during the maintenance inspections".

Regulators have stepped up scrutiny on Boeing after a cabin panel flew off mid-air during an Alaska Airlines Max 9 flight on January 5, leaving a gaping hole in the aircraft fuselage and forcing an emergency landing.

Boeing has been scrambling to contain the fallout from the Alaska incident. It has brought in a retired Navy admiral, Kirkland H Donald, to review its quality management systems. Important customers, including Ryanair and aircraft lessor AerCap, have in recent weeks warned that the company needs to focus on safety and quality control.

According to Boeing data, more than 500 of the 737-900ER models have been delivered to airlines globally. Leading operators include United Airlines, Alaska Airlines and Delta Air Lines. The three US carriers fly the majority of the 380 aircraft understood to have the door plug affected by the recommendation.

The FAA grounded 171 Boeing 737 Max 9

planes after the incident. Last week, the FAA said inspections of an initial group of 40 Boeing 737 Max 9 jets had been completed, a key hurdle to ending the grounding of the model.

United said it started "proactive inspections" of its Boeing 737-900ER jets last week and expected to complete them "in the next few days" without disruption to travellers. The Chicago-based carrier has 136 Boeing 737-900ER aircraft in its fleet.

Alaska said it began inspections of its 737-900ER aircraft "several days ago". It had "no findings to date" and did not expect disruption to its operations. Delta said it also "elected to take proactive measures to inspect our 737-900ER fleet" and it did not expect "any operational impact". "We remain in close communication with the Boeing team," the Atlanta-based airline added. The door plugs replace mid-cabin emergency exit doors and are installed depending on the configuration used by the respective airline operator. They are common features and have been used on both Boeing and Airbus aircraft for decades.

A Boeing spokesperson said: "We fully support the FAA and our customers in this action." The 737-900ER is more widely used than the 737 Max 9. It is an older model but has the same optional door plug design that allows for the addition of an extra emergency exit door when carriers opt to install more seats.

There are 490 Boeing 737-900ER jets in service, at least 79 of which have an active door rather than the plug because they are operated by low-cost airlines with denser cabins, according to Cirium data. The chief executive of United Airlines, one of Boeing's biggest customers, has increased the pressure on the manufacturer, warning he is rethinking a big order for new aircraft.

Scott Kirby on Tuesday said he was "disappointed" with the ongoing problems at Boeing, and called for it to take "real action".

"I am disappointed that the manufacturing challenges do keep happening at Boeing, this isn't new," he said in an interview with CNBC. "They need to take action...it needs to be real action," he said.

Kirby said the groundings meant United was rethinking a large order for the newer, larger Max 10 aircraft, production of which is running years behind and has yet to be certified by regulators. "I think the Max 9 grounding is probably the straw that broke the camel's back for us. We will at least build a plan that doesn't have the Max 10 in it," he said. United has agreed a multibillion-dollar order for 277 of the Max 10, with options for another 200.

Kirby's frustration came as United said it expected to take a financial hit from the groundings in the first quarter, and that its longer-term growth plans would be hit by Boeing delivery delays. "We are not going to grow quite as fast as we otherwise would have, because the reality is Boeing isn't going to be able to deliver us all the aeroplanes in the [promised] timeframe," he said. Kirby's comments represented some of the most significant criticism of Boeing since the crisis began earlier this month.

He said the order was not cancelled. Kirby would not be drawn on where else United would find planes to meet its ambitious growth plans. He did not say whether he had engaged in discussions with Boeing rival Airbus over a replacement order.

Speaking on United's earnings call on Tuesday, chief financial officer Michael Leskinen said it was "unrealistic" to expect the full complement of 31 Max 9 deliveries from Boeing this year, and that delays from the plane maker more broadly could be expected into 2025.

As Boeing scrambled to limit the reputational damage from the Max 9 grounding, which has come amid wider delivery delays, one of its most senior executives issued an apology to the affected airlines.

"We have let down our airline customers and are deeply sorry for the significant disruption to them, their employees and their passengers," Stan Deal, president and chief executive of Boeing Commercial Airplanes said.

Despite the financial impact from the Boeing groundings, United's shares rose nearly 7% on Tuesday after it reported fourth-quarter results that beat forecasts, highlighting its "busiest travel period in history" in late December. It reported net income of $1.81 a share on $13.6bn in revenue in the three months ended December 31, topping consensus estimates on both measures.

Boeing cannot "afford another slip-up" with its 737 Max family of aircraft and must set aside financial targets to focus solely on quality and safety, the head of one of the world's largest aircraft owners has warned.

"Given what has happened with the two fatal crashes and this incident, the financial targets have to take a back seat for Boeing and its supply chain," said Aengus Kelly, chief executive of the world's biggest aircraft leasing company AerCap, in a media interview.

"Boeing must now focus 100% on quality and safety metrics. Financial metrics are completely secondary to the future of the company at this point." Michael O'Leary, chief executive of Ryanair and one of the biggest buyers of the aircraft, said last week that the airline has doubled the number of its engineers overseeing Boeing's production lines.

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

Airlines renew commitment to global standards for safe carriage of dangerous goods

By Pratap John

Carriage of dangerous goods on aircraft poses several significant challenges and concerns due to the potential risks associated with transporting hazardous materials.

These materials, often referred to as dangerous goods or cargo, include substances or articles that can pose a risk to health, safety, property, or the environment.

Some items may endanger the safety of an aircraft or travellers on board, and these dangerous materials can either be forbidden or restricted for air transport.

These can only be transported by air if they are prepared by qualified personnel, unless exempted. However, some dangerous goods may be carried in baggage by passengers and crew if the specified requirements are met.

Industry guidelines indicate there are restrictions on carrying lithium batteries, small lithium battery powered vehicles and battery-powered mobility aids in an aircraft.

All portable electronic devices (PED) carried on an aircraft are subject to specific requirements to ensure that they do not pose a hazard to aircraft systems due to electromagnetic radiation.

PEDs, which may include electronics such as cameras, mobile phones, laptops and tablets containing batteries, when carried by passengers for personal use, should be carried in carry-on baggage.

If devices are carried in checked baggage, experts say, measures must be taken to protect the device from damage and to prevent unintentional activation and the device must be completely switched off (not in sleep or hibernation mode).

Spare lithium batteries: Spare batteries must be individually protected to prevent short circuits by placement in the original retail packaging or by otherwise insulating terminals, e.g. by taping over exposed terminals or placing each battery in a separate plastic bag or protective pouch and carried in carry-on baggage only.

Articles containing lithium cells or batteries, the primary purpose of which is to provide power to another device, e.g. power banks, are considered as spare batteries and are restricted to carry-on baggage only.

Electronic cigarettes including e-cigars and other personal vapourisers containing batteries when carried by passengers for personal use must be in carry-on baggage only.

The baggage claim area at Hartsfield-Jackson Atlanta International Airport in Georgia. Carriage of dangerous goods on aircraft poses several significant challenges and concerns due to the potential risks associated with transporting hazardous materials. These materials, often referred to as dangerous goods or cargo, include substances or articles that can pose a risk to health, safety, property, or the environment.

Beyond the Tarmac

Recharging of these devices and/or batteries on board the aircraft is not permitted and the passenger must take measures to prevent accidental activation.

For a baggage equipped with lithium battery, other than lithium button cells to be checked in, the lithium battery must be removed from the baggage and carried in the cabin; or the baggage must be carried in the cabin. Baggage where the lithium battery is designed to charge other devices and cannot be removed, is forbidden for carriage.

Recently, the International Air Transport Association (IATA) and the International Civil Aviation Organisation (ICAO) extended their long-standing co-operation on setting and implementing global standards for the safe carriage of dangerous goods by air.

IATA began issuing guidance for the carriage of Dangerous Goods on aircraft back in 1956 and has been updating and devising standards ever since.

A more formalised approach on this subject was taken at a regulatory level by the adoption of ICAO Annex 18 in January 1984. This outlines the broad principles for the international transport of dangerous goods.

'Technical Instructions for the Safe Transport of Dangerous Goods by Air' amplify the basic provisions of Annex 18 and contain all the detailed instructions necessary for the safe international transport of dangerous goods by air. In addition, they provide guidance to States for inspection and oversight.

Based on the technical instructions agreed on at government level through ICAO, IATA works with the aviation industry to develop the applicable practical tools and operational recommendations.

These are issued as the 'Dangerous Goods Regulations' and are global standards applicable to the entire value chain – manufacturers, shippers, airlines, freight forwarders and ground handlers.

These regulations include operator variations, supporting documents, tools, guidelines and notes which are essential for a practical, consistent approach to the safe acceptance, inspection, handling and carriage of dangerous goods on aircraft.

IATA's Director General Willie Walsh noted: "The safe carriage of dangerous goods has become common practice, thanks to the strict adherence to global standards and guidelines. Today's agreement ensures that dangerous goods will continue to be handled according to the highest globally applicable standards. To this effect, IATA will continue its advocacy work with key stakeholders to maintain a globally aligned, and practically focused approach to the regulated transport of dangerous goods. This will lead to more efficient and robust supply chains whilst upholding aviation's number one priority of safety".

Certainly, the carriage of dangerous goods on aircraft requires strict adherence to regulations, comprehensive training, effective communication, and a strong focus on safety to mitigate the associated risks and ensure the well-being of passengers, crew, and the general public.

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

Aviation sector seeks urgent solutions for GPS interference

Reuters
London/Washington

The aviation industry will press regulators this week for urgent action to help tackle GPS "spoofing" amid a surge in such activity, which can send commercial airliners off-course, due to conflicts in Ukraine and the Middle East. International trade body IATA and European regulator EASA have organised a meeting in Cologne, Germany, on Thursday that will bring together airlines, plane manufacturers and aviation technology firms, as well as national and regional regulatory bodies, to discuss the issue.

Spoofing might involve one country's military sending false Global Positioning System (GPS) signals to an enemy plane or drone to hinder its ability to function.

The problem for commercial aviation comes if that false signal is then picked up by a GPS receiver in a passenger plane, potentially confusing the pilot and air traffic control. And there are signs that's becoming more common.

In December, aviation advisory body OPSGROUP flagged a surge in GPS spoofing affecting private and commercial jets around the Middle East, including Iraq, Iran and Israel, and the Black Sea.

AirBaltic, which flies out of Eastern Europe's Baltic region, has also reported an increase in spoofing, as well as jamming of signals.

While technology exists to mitigate such activity, it is mostly confined to military users or those who can afford to buy it privately, like business jet owners. Certifying new technologies for civil aircraft can take up to a decade, industry officials said. But with spoofing increasing, many told Reuters there is no time to wait.

"The big challenge you always have with commercial airliners is the certification time," said Xavier Orr, CEO of Advanced Navigation, which makes anti-spoofing technology.

Export controls can be another block to making technologies available for passenger jets, defence firm Honeywell, which designs avionics solutions to jamming and spoofing, said.

According to an agenda for Thursday's meeting, both short-term and long-term solutions will be discussed, including what technologies exist and can be applied today.

The difficulty will be coming up with a coordinated approach that is acceptable to regulators and also cost-effective for airlines.

"Ultimately, stakeholders need to come together and agree on a standard," said Matthias Schaefer, the managing director of SeRo Systems GmbH, another maker of anti-spoofing tech.

IATA, the International Air Transport Association, said the meeting would focus on developing guidance for risk mitigation. The EU Aviation Safety Agency (EASA) confirmed the event was taking place, but did not respond to requests for a guest list or further details on the agenda.

JetBlue's new CEO clings to Spirit deal with few other options

Bloomberg
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Joanna Geraghty, the next chief executive officer of JetBlue Airways Corp, spoke of having "the gift of grit" in a commencement address in 2020. She's going to need it.

JetBlue said it would appeal a federal judge's decision to strike down its proposed acquisition of Spirit Airlines. The decision to appeal now sets up Geraghty, who officially takes over Jetblue in February, with two seemingly impossible paths: She either prevails over the US government and pushes through a merger with an already hobbled Spirit, or the deal flops and Geraghty has to formulate a whole new strategy to pump life into her own unprofitable and struggling airline.

The airline last made money in 2019, before the pandemic and a series of legal blows. In addition to a federal judge last week blocking the carrier's plan to acquire Spirit in a $3.8bn deal, JetBlue's route-sharing partnership with American Airlines Group Inc was shot down in the courts last year. Wall Street doesn't expect the airline to so much as break even until 2025.

"Joanna's priority has to be returning JetBlue to solid profitability and mending the balance sheet," said Savanthi Syth, a Raymond James analyst. Additionally, the airline needs to get its fixed costs under control, she said.

The new chief executive officer, who takes the job in mid-February, is already familiar with those components of the business. Geraghty, 51, became JetBlue's president and

Joanna Geraghty, new chief executive officer of JetBlue Airways.

chief operating officer in 2018. She's responsible for running the airline's day-to-day operations and for its commercial performance, network, revenue management, brand and marketing.

The executive, who declined to be interviewed for this article, is described by former colleagues as diligent and assertive. Having started her career at JetBlue in 2005 as director of the litigation and regulatory department, she was long seen as a potential heir to current CEO Robin Hayes. He named Geraghty as his successor in his surprise resignation notice on January 8 after nearly nine years at the helm.

In public speeches, Geraghty appears at ease reciting data points and company goals relative to her role, and usually gets straight to the point. That JetBlue would appoint the now-COO, an understated nuts-and-bolts executive, to the top role is likely a sign of where the airline is these days.

When the carrier started flying in 2000, based out of New York's John F Kennedy Airport, it carved out a reputation as a hip airline that operated differently than its better-established competitors. It kept ticket prices far lower than rivals, while offering amenities designed to make air travel more fun. Passengers got live satellite TV, more leg room and a promise "humanity" would return to flying.

However, bit by bit JetBlue veered toward aviation industry norms. A severe winter storm that led to scores of flight cancellations in 2007 claimed the job of its founding CEO David Neeleman. The airline then lasered in on profitability and growth, and stopped trying to offer more free perks than its rivals.

"They used to have some pizazz to them," said Jason Schloetzer, an associate professor at Georgetown University's McDonough School of Business who leads classes on evaluating companies and their performance.

"But that seems to have worked off in the recent years and they seem like any other airline."