AVIATION SPECIAL | Page 8

Freight forwarders look to the sky amid Red Sea disruptions

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GULF TIMES
BUSINESS

SUPERVISORY CONCERNS : Page 4

India orders Paytm payments bank to stop conducting its business

Al-Attiyah Foundation, QFZ sign agreement to enhance collaboration

The Abdullah Bin Hamad Al-Attiyah International Foundation for Energy and Sustainable Development and Qatar Free Zones Authority (QFZ) have signed an agreement to develop their joint collaboration, aiming to provide the highest sustainability standards and encourage the commitment of companies operating within the free zones to environmental requirements and goals.

HE Abdullah bin Hamad al-Attiyah, Chairman, Al-Attiyah Foundation, and HE the Minister of State and Chairman of QFZ Dr Ahmad al-Sayed, ratified the agreement on behalf of their respective organisations at the Business Innovation Park in Ras Bufontas Free Zone.

The signing ceremony was attended by senior officials from the Al-Attiyah Foundation and QFZ and was followed by a tour of the Business Innovation Park and Ras Bufontas Free Zone.

Al-Attiyah said, "I am pleased to sign the co-operation agreement between the Al-Attiyah Foundation and the Qatar Free Zones Authority. The agreement underscores our confidence in the importance of such a joint collaboration, and our belief in QFZ's pivotal and leading role in serving the country and the community, as one of the leading authorities in attracting and facilitating investments, as well as fostering an open and innovative business environment in Qatar.

"This partnership is a manifestation of our dedication to enhancing alliances with national entities that collectively contribute to the social and economic advancement of the nation, aligning with the goals outlined in the Qatar National Vision 2030".

Al-Sayed said, "We welcome the signing of the co-operation agreement with Al-Attiyah International Foundation for Energy and Sustainable Development, the leading research institution in the field of energy and sustainability in the Middle East.

"This step is a testament to QFZ's commitment to supporting transparency principles and encouraging responsible investment through supporting and providing robust environmental, social and governance systems. This will contribute to attracting new global leading investments to establish and operate their businesses within the free zones, thereby fortifying QFZ's competitive position on a global scale".

The agreement not only formalises collaboration between the Al-Attiyah Foundation and QFZ but also facilitates the exchange of vital information, experiences, and enhancing capabilities between the two entities.

This agreement will also allow both parties to co-host sustainability-focused events such as seminars, workshops, and awareness sessions for the benefit of relevant members and the general public in the years ahead.

QFZ is making unremitting efforts towards achieving sustainability, driving environmental, social, and governance standards to create a greener future.

By implementing cutting-edge technologies and enforcing reporting requirements for businesses within the free zones, QFZ is committed to making sustainability a core principle, and fostering a green, dynamic work environment where businesses benefit from sustainable opportunities.

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Al-Kuwari meets UK deputy PM

HE the Minister of Finance Ali bin Ahmed al-Kuwari held a bilateral meeting with Oliver Dowden, Deputy Prime Minister of the United Kingdom here yesterday. During the meeting, they discussed strengthening and expanding bilateral relations between the two countries, especially in investment, finance and economy, in addition to various topics of common interest.

Moody's upgrades long-term issuer ratings of QatarEnergy, Industries Qatar, Kahramaa

By Santhosh V Perumal
Business Reporter

International credit rating agency Moody's has upgraded the long-term issuer ratings of QatarEnergy to 'Aa2' from 'Aa3', Industries Qatar (IQ) to 'Aa3' from 'A1' and Qatar General Electricity and Water (Kahramaa) to 'Aa3' from 'A1'.

However, the outlook on ratings of the three government-related institutions (GRIs) has been changed to "stable" from "positive". All three entities have significant credit linkages to government and are exposed to the domestic environment including political, economic, regulatory and social factors.

The rating action is a direct consequence of the upgrade of the sovereign rating of Qatar to 'Aa2' from 'Aa3' with a "stable" outlook.

QatarEnergy's 'Aa2' long-term issuer rating incorporates a baseline credit assessment (BCA) of 'aa2' and GRI assumptions of very high dependence on and very high support from the government.

The upgrade of the BCA to 'aa2' from 'aa3' reflects very close interlinkage between QatarEnergy and the state, as QatarEnergy contributes to more than 80% of the government's budget and is exposed to similar external risks.

QatarEnergy also has very robust credit metrics and cash generating ability.

While its revenue has a high exposure to LNG production, the demand for LNG is likely to peak significantly later than demand for other fossil fuels due to the use of LNG as a transition fuel away from more polluting primary energy sources such as coal and crude oil.

This together with QatarEnergy's financial strength and low-cost upstream operations balance its exposure to long-term risks related to carbon transition.

QatarEnergy's BCA is also supported by the significant scale of Qatar's proved gas reserves, which are the world's third largest; its strong LNG franchise, with a global market share above 20% (for Qatar's LNG exports); the low-cost nature of its operations as one of the cheapest gas producers globally as well as strong operating efficiency; and very strong financial and liquidity profiles, with a track record of maintaining strong metrics over time.

IQ's 'Aa3' long-term issuer rating reflects the combination of IQ's BCA of 'baa1' and a four-notch uplift, based on the assumption of very high dependence on and high support from the government.

The company's BCA is underpinned by its strong competitive position as a low-cost producer; very strong financial profile, with debt/EBITDA (earnings before interest, tax, depreciation and amortisation) below 1.0x through the cycle; and a high degree of integration and co-ordination between IQ and QatarEnergy, notably through board representation, shared management and QatarEnergy's control over key IQ group financial policies, as well as financial and investment decisions at the operating company level.

Kahramaa's long-term issuer rating of 'Aa3' reflects its standalone creditworthiness, as expressed by a BCA of 'baa1', and a very high level of dependence and support from the government.

Kahramaa's standalone assessment is supported by the low risk profile of its power and water transmission and distribution activities; the company's monopoly position in Qatar; a system of government subsidies based on the recovery of costs and a fair profit margin; and a conservative financial profile, characterised by low leverage.

US, Qatar can ensure responsible AI contributes to solving global challenges: Envoy

The US and Qatar can ensure responsible AI (artificial intelligence) practices not only contribute to solving global challenges, but also strengthen the bonds between the nations, according to the US envoy Timmy Davis.

"By fostering innovation and addressing the ethical dimensions of AI, the US and Qatar stand united in promoting a future where the benefits of AI are harnessed responsibly for the prosperity and security of both our nations," he told a seminar organised by the US Embassy in Qatar and the Qatar Financial Centre (QFC).

As the US and Qatar navigate the transformative landscape of AI, he said "our bilateral collaboration becomes increasingly vital."

Focused on the convergence of data protection and AI, the seminar offered invaluable insights into the fundamental aspects of data protection. It encompassed discussions addressing the regulatory landscape for AI, the role of AI in ensuring compliance with regulations, and considerations around cross-border privacy rules.

"At the QFC, we uphold the legal and moral responsibility to safeguarding private information entrusted to us by our valued stakeholders. By fostering meaningful dialogue that transcends borders and industries, we collectively strive to address regulatory challenges and set a course for the responsible and ethical use of information," QFC Authority chief executive Yousuf Mohamed al-Jaida said.

Reflecting on the dynamic intersection of data protection and AI, Daniel Patterson, Data Protection Commissioner, QFC, said, in this transformative era of rapid technological advancement, understanding the intricate interplay between data protection and AI is crucial.

"The seminar has sparked insightful discussions, exploring the challenges and opportunities within this evolving landscape, highlighting ways to ensure that privacy are upheld as we continue to propel forward in our digital evolution," he said.

The event featured a distinguished line up of experts in data protection, legal professionals, and speakers from the US National Institute of Standards and Technology, shedding light on global best practices in data privacy and protection.

Yousuf Mohamed al-Jaida, QFC chief executive officer. ***Right:*** Timmy Davis, US ambassador.

Extraneous factors play spoilsport as QSE index loses 21 points; M-cap melts QR2bn

By Santhosh V Perumal
Business Reporter

Ahead of the US Federal Reserve meeting, the Qatar Stock Exchange (QSE) yesterday extended its bearish run for the fifth straight session as its key index lost as much as 21 points and capitalisation melted in excess of QR2bn.

The transport, banking and consumer goods sectors witnessed higher than average selling as the 20-stock Qatar Index fell 0.2% to 10,089.2 points, also reflecting the geopolitical tensions.

The local retail investors were seen net profit takers in the main market, whose year-to-date losses widened further to 6.85%.

The Arab individuals' weakened net buying had its influence on the main bourse, whose capitalisation melted QR2.02bn or 0.34% to QR587.61bn with microcap cap segments leading the pack of shakers.

The Gulf and foreign institutions continued to be net sellers but with lesser intensity in the main market, which saw as many as 0.02mn exchange traded funds (sponsored by Masraf Al Rayan and Doha Bank) valued at QR0.05mn trade across seven deals.

The domestic funds were seen net buyers in the main bourse, which saw no trading of sovereign bonds.

The Islamic index made gains vis-à-vis decline in the other indices in the main market, which reported no trading of treasury bills.

The Total Return Index shed 0.21% and the All Share Index by 0.25%, while the All Islamic Index was up 0.07% in the main bourse, whose trade turnover and volumes were on the increase.

The transport sector index shrank 0.62%, banks and financial services (0.38%), consumer goods and services (0.34%) and industrials (0.14%); whereas real estate gained 0.97%, insurance (0.18%) and telecom (0.04%).

More than 59% of the traded constituents in the main market were on the decline with major losers being Commercial Bank, Qatar Oman Investment, Masraf Al Rayan, Widam Food, Gulf Warehousing, QNB and Dukhan Bank.

Nevertheless, Qatar General Insurance and Reinsurance, Lesha Bank, Doha Bank, United Development Company, Qatar Islamic Bank, QIIB, Dlala and Qatari Investors Group were among the gainers in the main bourse. In the venture market, Mahhar Holding saw its shares appreciate in value.


The transport, banking and consumer goods sectors witnessed higher than average selling as the 20-stock Qatar Index fell 0.2% to 10,089.2 points yesterday.

The local individuals turned net profit takers to the tune of QR2.24mn against net buyers of QR18.36mn on January 30.

The Arab individual investors' net buying weakened noticeably to QR0.1mn compared to QR2.1mn the previous day.

However, the domestic funds were net buyers to the extent of QR3.34mn against net sellers of QR0.53mn on Tuesday.

The foreign retail investors' net buying increased perceptibly to QR0.78mn compared to QR0.37mn on January 30.

The Gulf individual investors' net buying strengthened marginally to QR0.33mn against QR0.3mn the previous day.

The Gulf institutions' net profit booking declined significantly to QR0.16mn compared to QR11.27mn on Tuesday.

The foreign institutions' net selling weakened substantially to QR2.15mn against QR9.37mn on January 30.

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

Trade volumes in the main market were up 3% to 147.03mn shares and value by 7% to QR515.24mn, while deals fell 7% to 16,082.

The venture market saw 50% contraction in trade volumes to 0.17mn equities, 49% in value to QR0.24mn and 43% in transactions to 25.

Al-Kuwari meets Hungarian foreign and trade minister


HE the Minister of Finance Ali bin Ahmed al-Kuwari met yesterday with Minister of Foreign Affairs and Trade of the Republic of Hungary Peter Szijjarto during his current visit to Doha. The meeting discussed enhancing and expanding bilateral relations in investment, financial, and economic fields, in addition to discussing matters of mutual interest.

Al-Kaabi meets Hungary's minister of foreign affairs and trade


HE the Minister of State for Energy Affairs Saad bin Sherida al-Kaabi met in Doha yesterday Peter Szijjarto, Hungary's Minister of Foreign Affairs and Trade. Discussions during the meeting dealt with energy relations and co-operation between Qatar and Hungary, and means to enhance them.

BUSINESS

Saudi economy shrinks by 3.7% in Q4 on lower oil revenue

AFP
Riyadh

A general view in Riyadh. Saudi Arabia's economy contracted by 3.7% in the fourth quarter of 2023 compared to the previous year, reflecting a drop in oil revenue, the government's statistics agency said yesterday.

Saudi Arabia's economy contracted by 3.7% in the fourth quarter of 2023 compared to the previous year, reflecting a drop in oil revenue, the government's statistics agency said yesterday.
The decline in real gross domestic product "was due to the decrease in oil activities by 16.4%, while non-oil activities and government activities grew by 4.3 % and 3.1 % respectively, on an annual basis", the government's General Authority for Statistics said, citing preliminary estimates.
The world's biggest crude exporter is trying to transition its economy away from fossil fuels under Crown Prince Mohamed bin Salman's Vision 2030 reform agenda, which aims to position Saudi Arabia as a tourism, business and sports hub.
Oil firm Saudi Aramco — of which the government owns 90% — had reported record profits in 2022 following the spike in oil prices spurred by Russia's invasion of Ukraine.
But prices were lower last year and, after a series of supply cuts dating back to October 2022, the Gulf kingdom's daily production stands at approximately 9mn barrels per day, far below its capacity of 12mn bpd.
On Tuesday, Aramco announced that, on orders from the energy ministry, it would abandon a plan to ramp up its production capacity to 13mn bpd by 2027, a decision that analysts said could reflect uncertainty about market demand in the years to come.
Taking 2023 as a whole, real, or price-adjusted GDP was down 0.9% compared to 2022, the statistics authority said yesterday.
The finance ministry had announced in December it was expecting real GDP growth of just 0.03% in 2023 and 4.4% this year. The ministry also said it was projecting a budget deficit of 2.0% of GDP in 2023 and 1.9% of GDP this year, reflecting rising spending and lower oil revenue.

Saudi eyes reviving multibillion dollar Aramco share sale

Bloomberg
Riyadh

Aramco is the world's biggest oil exporter, with a market value of just over $2tn

Saudi Arabia is considering plans to revive a follow-on offering in Aramco as soon as February, in a multibillion-dollar deal that's likely to rank among the biggest share sales in recent years, according to people familiar with the matter.

The kingdom is working with a group of advisers and is seeking to potentially raise at least 40bn riyals ($10bn) from the share sale on the Saudi stock exchange, the people said, asking not to be identified because the information is private. A successful deal would bring in funds for Crown Prince Mohamed bin Salman's ambitious push to diversify the economy.

Plans for the new sale comes four years after Saudi Arabia raised about $30bn in Aramco's initial public offering, which was the world's largest ever stock sale.

The crown prince has increased his spending ambitions since as he pumps huge amounts of money into the new development Neom, tourism, sports and other projects.

There's no final decision on the timing of the sale and the deal could still be delayed. The Saudi government referred requests for comment to Aramco, which declined to comment.

Shares in Aramco fell as much as 2.2% yesterday in Riyadh.

The firm is the world's biggest oil exporter, with a market value of just over $2tn. The company this week surprised the market by abandoning plans to boost its oil production capacity, a dramatic u-turn that will raise questions about the company's views on demand for its oil but also free up billions of dollars of spending that can be used elsewhere.

Prince Mohamed had said in January 2021 that the government would look to sell more shares in the firm, with proceeds transferred to the kingdom's sovereign wealth fund. Those plans had been gaining momentum last year, Bloomberg reported in May.

The Saudi IPO market was relatively subdued for much of last year, though a revival in the second of half of 2023 raised hopes that the government would push on with the Aramco deal. The Riyadh bourse has had a strong start to 2024 — MBC Group, the biggest Gulf broadcaster, listed in the kingdom on January 8 and its shares have since more than doubled.

The Saudi government directly owns about 90% of Aramco, with a further 8% held by the Public Investment Fund. The fund, chaired by Prince Mohamed, was the biggest spending sovereign wealth fund globally last year. It's the key vehicle for his ambitions to reshape the Saudi economy, spending billions on everything from investing in electric car makers, creating a new airline to backing upstart golf tournaments. Aramco Chairman Yasir al-Rumayyan is also governor of the fund.

The company was ordered by the government to halt raising its oil output capacity to 13mn barrels a day. It's been ordered by the government to hold it at 12mn instead, which would leave the company with a 3mn a day buffer relative to its current production level.

While the change in the plan raises questions over Saudi Arabia's view on demand for its oil in the future, it also helps save Aramco billions of dollars. RBC Capital Markets expects the company to lower its annual budget by about $5bn from previous guidance.

Aramco hasn't said where those funds will go, but some could make their way to the government through dividend payments. The company paid $29bn in dividends in both the second and third quarters.

Salem al-Mannai, QIC Group CEO.

QIC named 'Insurer of the Year in Qatar' at Mena IR Awards

Qatar Insurance Company (QIC) has been named 'Insurer of the Year in Qatar' for the third consecutive year at the Mena IR Awards 2024.

The accolade comes in recognition of QIC's exceptional performance at the levels of product digitisation and customer service excellence over the last 12 months, offering customers the best coverage options and the unique ability to be in full control of all their insurance needs.

Salem al-Mannai, QIC Group CEO, said: "Winning this prestigious accolade for the third year in a row is a strong testament to QIC's success in maintaining its leadership position while meeting all our customers' needs by continuously offering exclusive insurance products, effective customer services, and the fastest and most effective digital services in Qatar.

"This award also reflects our customers' trust in the solutions we provide them to make their lives safer and worry-free, and this is per se a major incentive for us to keep offering the best to all our customers in Qatar, the region and beyond."

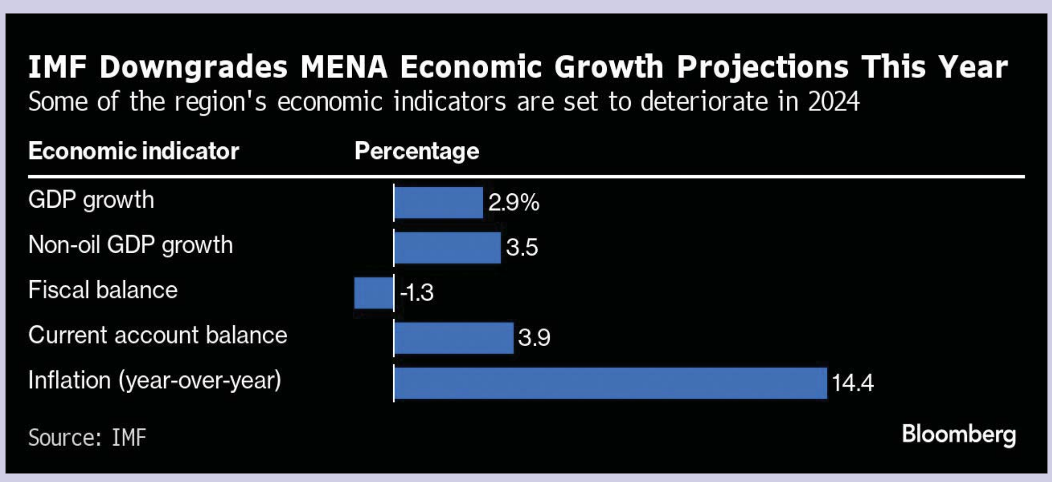
Red Sea container shipping down 30%: IMF

Container shipping through the Red Sea has dropped by nearly one-third this year as attacks by Yemen's Houthi rebels continue, the International Monetary Fund (IMF) said yesterday, reports AFP.
"Container shipping...has declined by almost 30%," said Jihad Azour, director of the IMF's Middle East and Central Asia department, adding that "the drop in trade accelerated in the beginning of this year".
The Houthis have launched more than 30 attacks on commercial shipping and naval vessels since November 19, the Pentagon said on Tuesday.
The rebels say the attacks are in solidarity with the Palestinians and in protest of the Israel-Hamas war that has been raging in the Gaza Strip since October.
The IMF's PortWatch platform indicates that the total transit volume through the Suez Canal was down 37% this year through January 16 compared with the same period a year earlier.
The canal connects the Red Sea to the Mediterranean Sea.
Houthi attacks have prompted some shipping companies to detour around southern Africa to avoid the Red Sea, a vital route that normally carries about 12% of global trade, according to the International Chamber of Shipping.
"The level of uncertainty is extremely high and the developments will determine the extent of change and shift in trade patterns in terms of volume but also in terms of sustainability," Azour told reporters in an online briefing.
"Are we on the verge of major change in trade routes or is it temporary because of the increase in costs and the deterioration of the security costs?"
The US heads a coalition to protect Red Sea shipping, and is seeking to apply diplomatic and financial pressure by redesignating the Houthis as a "terrorist" group.
The Red Sea is particularly vital for European trade.
Last week the European Union's trade commissioner said maritime traffic through the Red Sea shipping route had fallen by 22% in a month because of the rebel attacks.
The European Union is pushing to launch its own naval mission in the Red Sea to help protect international shipping. EU countries have given initial backing to the plan and are aiming to finalise it by a meeting of the bloc's foreign ministers on February 19.

IMF is downbeat on Mideast with funding need at $186bn

Bloomberg
Dubai/Washington

The International Monetary Fund (IMF) said shockwaves from the Israel-Hamas war could long reverberate through Middle Eastern economies and have already contributed to a $30bn rise in their financing needs this year.
Total funding requirements over 2024 now amount to $186bn for emerging market and middle-income economies in the Middle East and North Africa, according to the IMF, up from $156bn in 2023. Relative to the fund's projections in October, that's an increase equal to about 6 percentage points of their fiscal revenues, which it said is mostly attributable to Egypt and Tunisia.
The burden is growing as a result of "the deterioration in the current-account situation" and reflects spillovers from the war in Gaza, according to Jihad Azour, the IMF director for the Middle East, North Africa and Central Asia. "It's more that impact than anything else," he said in interview yesterday.
Apart from the conflict's toll in lives, the financial strain will worsen the sting for a region that already received the steepest growth downgrade of any in the world in the IMF's latest global outlook released this week.
Under the assumption that the "high-intensity" phase of the war subsides by the end of this quarter, the Washington-based fund now sees the economies of the Middle East and North Africa expanding 2.9% this year, a decrease of half a percentage point from its October forecast. Worse may be yet to come if the conflict spreads or drags on.
Israeli officials have said that military operations in Gaza may continue for all of 2024 — and perhaps longer.
"Any extension of the conflict in its duration or expansion into other countries, any pressure on trade or in the security in the oil and gas market may trigger an impact on the outlook," Azour said.
The attack on Israel on October 7 triggered the conflict, roiling the wider region.
Since then, US bases in Iraq and Syria have come under regular fire from Iran-supported groups. Hezbollah, also backed by Iran, is exchanging fire with Israeli forces almost daily across the Israel-Lebanon border.
Yemen-based Houthis, meanwhile, have caused mayhem in the shipping world with attacks on vessels around the southern Red Sea. They say they won't back down until Israel pulls out of Gaza, even after the US and the UK struck their positions in Yemen.
"We started seeing in December last year the first signals" of an increase in the cost of shipping and insurance through the Red Sea, but the drop in trade volumes accelerated at the beginning of 2024, Azour said separately in an online briefing.
Trade is suffering from "the high level of uncertainty," which is also a drag on demand for energy that's affecting the oil market, according to Azour.
"The two major issues this year are the risk of escalation and the uncertainty on the developments in the region," he said. "The risks are immense and the uncertainties are high."
"The war is having a limited impact on the global economy so far. But in the region: Lebanon, Syria and Iran could face even more dollar shortages and higher prices. Jordan is worried about a refugee influx and needs aid to prevent an economic crisis. Iraq's banking system is receiving new US sanctions by the day. Egypt combines all these problems, from a free-falling currency to the possibility of losses by banks in the likely event of a big devaluation. If all, or even some, of these crises blow up, a regional nightmare can turn into a global headache," says Ziad Daoud, chief emerging-markets economist, Bloomberg Economics.
The pressures are playing out in the current account, the broadest measure of trade and investment, as declines in tourism and receipts from commerce cut into inflows. Compared to the IMF's October projections, this year's current account balance of the Mideast and North Africa is set to shrink by about $25bn, or 0.7 percentage point of their aggregate gross domestic product.
Higher financing needs will prove a particular challenge for countries like Egypt, which is all but shut out of the international bond markets.
"The wave of shock" coursing across the region is likely to have consequences that could last for years to come, according to Azour.
"We cannot measure it," he said. "We don't know how this conflict is going to evolve but this is definitely an issue that — in the medium-term — will have an impact on the region."



India orders Paytm payments bank to stop its business

Bloomberg
New Delhi

The Reserve Bank of India yesterday ordered Paytm Payments Bank Ltd, a unit of One97 Communications Ltd, to stop its popular mobile wallet business along with other activities, citing persistent non-compliance and supervisory concerns.

The regulator said the firm, which processes transactions for India's digital payments giant Paytm, must stop its banking activities after February 29. Existing customers, however, can withdraw their funds and use up the balance in the prepaid cards or wallets without any restrictions, the RBI said.

The latest decision comes nearly two years after the regulator barred the bank, from taking on new customers because it violated certain rules, Bloomberg News had reported. Founder Vijay Shekhar Sharma had then said the bank is fully compliant with Indian rules.

The RBI had asked the bank, which operates under a restricted licence that doesn't allow it to lend but accept deposits up to 200,000 rupees ($2,408.4) per account, to stop onboarding customers pending an audit of its information technology system.

Yesterday, the woes for the bank seemed to have worsened with the regulator making scathing observations about its business.

"The comprehensive system audit report and subsequent compliance validation report of the external auditors revealed persistent non-compliances and continued material supervisory concerns in the bank, warranting further supervisory action," the RBI said in a statement on its website.

The RBI said the bank will not be allowed to take any further deposits or conduct credit transactions or carry out top ups on any customer accounts, prepaid instruments, wallets, cards for paying road tolls after February 29. Interest, cashbacks, or refunds can be credited anytime.

Also, special purpose accounts of parent firm One97 Communications Ltd and Paytm Payments Services Ltd, used to make settlements are to be terminated at the earliest and no later than February 29, the RBI said. All settlements in the pipeline will have to be completed by March 15, the central bank added.

Workers adjust a hoarding of Paytm, a digital payments firm, in Ahmedabad (file). The Reserve Bank of India yesterday ordered Paytm Payments Bank Ltd, a unit of One97 Communications Ltd, to stop its popular mobile wallet business along with other activities, citing persistent non-compliance and supervisory concerns.

QSE MARKET WATCH

COMPANY NAME	Lt Price	% Chg	Volume
Zad Holding Co	13.70	0.74	79,444
Widam Food Co	2.18	-1.49	240,807
Vodafone Qatar	1.90	0.16	10,803,982
United Development Co	1.04	1.76	7,012,526
Salam International Investme	0.65	-0.31	196,576
Qatar & Oman Investment Co	0.89	-1.67	18,728
Qatar Navigation	10.35	-0.29	719,413
Qatar National Cement Co	4.27	-0.88	433,343
Qatar National Bank	15.51	-1.21	4,144,620
Qlm Life & Medical Insurance	2.30	0.00	33,575
Qatar Islamic Insurance Grou	8.90	0.00	61,450
Qatar Industrial Manufactur	2.95	-0.51	426,487
Qatar International Islamic	10.44	1.26	1,267,332
Qatari Investors Group	1.72	1.24	8,074,391
Qatar Islamic Bank	19.50	1.67	2,615,647
Qatar Gas Transport(Nakilat)	3.47	-0.86	10,592,410
Qatar General Insurance & Re	1.11	6.87	9,841
Qatar German Co For Medical	1.23	0.66	2,618,833
Qatar Fuel Qsc	15.70	-0.57	365,003
Lesha Bank Llc	1.28	2.00	8,001,880
Qatar Electricity & Water Co	17.33	0.12	662,962
Qatar Exchange Index Etf	9.93	0.00	1,200
Qatar Cinema & Film Distrib	3.05	0.00	-
Al Rayan Qatar Etf	2.22	-0.45	17,885
Qatar Insurance Co	2.30	-0.35	879,580
Qatar Aluminum Manufacturing	1.28	0.00	8,587,106
Ooredoo Qpsc	10.70	0.00	1,461,479
Alijarah Holding Company Qps	0.77	-0.77	1,561,741
Mazaya Real Estate Developme	0.68	-0.29	2,743,325
Mesaieed Petrochemical Holdi	1.68	-0.77	6,372,776
Mekdam Holding Group	4.71	-1.07	547,822
Al Meera Consumer Goods Co	12.91	-0.31	86,761
Medicare Group	4.84	-0.21	1,810,436
Mannai Corporation Qsc	3.93	-0.36	813,646
Masraf Al Rayan	2.35	-1.51	15,299,610
Industries Qatar	12.00	0.00	3,264,126
Inma Holding Company	3.87	-0.15	56,426
Estithmar Holding Qpsc	1.98	-0.95	2,019,294
Gulf Warehousing Company	3.25	-1.43	678,192
Gulf International Services	2.82	-0.60	3,043,383
Al Faleh Education Holding	0.81	0.00	92,421
Ezdan Holding Group	0.81	-0.25	5,843,900
Doha Insurance Co	2.60	0.00	-
Doha Bank Qpsc	1.70	1.91	738,696
Dlala Holding	1.24	1.64	2,457,697
Commercial Bank Psqc	5.25	-1.87	2,286,098
Barwa Real Estate Co	2.89	0.87	2,188,356
Baladna	1.12	-0.18	2,033,016
Damaan Islamic Insurance Co	3.97	-0.15	5,400
Al Khaleej Takaful Group	2.84	-0.87	609,491
Aamal Co	0.87	0.70	1,889,967
Al Ahli Bank	4.00	0.00	-

China home sales slump persists after Evergrande liquidation

Bloomberg
Hong Kong

The sharp slowdown in China's home sales dragged on in January, even after policymakers stepped up efforts to arrest the slump.

The value of new home sales from the 100 biggest real estate companies slid 34.2% from a year earlier to 235bn yuan ($33bn), following a 34.6% decline in December, according to preliminary data from China Real Estate Information Corp January's sales were down 48% from the previous month, a record low in recent years.

The property downturn has been a major headwind for China's economy, ratcheting up pressure on developers that are struggling to repay debts and complete projects. China Evergrande Group received a liquidation order from a Hong Kong court Monday, marking the largest collapse in the three-year real estate crisis.

Regulators have added more measures to bolster the country's property and stock markets. One key step was broadening the use of commercial real estate loans for developers to help them repay other debt.

"Policymakers doubled down the pressure on banks to increase their property loans, but the credit risks banks are willing to take is limited," according to Larry Hu, head of China economics at Macquarie Group Ltd. The key thing to watch is if and when the central government steps in to take responsibility to stop the contagion, he added.

An Evergrande sign is seen near residential buildings at an Evergrande residential complex in Beijing. The sharp slowdown in China's home sales dragged on in January, even after policymakers stepped up efforts to arrest the slump.

Authorities recently called on local governments to back developers' financing needs, including drafting a list of projects eligible for funding. Some financial firms are responding, with Ping An Bank Co putting 41 developers on a list of builders eligible for its support, Bloomberg News reported.

In several cities including Qingdao and Chongqing, local governments have compiled "white list" development projects that require funding support.

Other recent steps include relaxing homebuying curbs in Beijing and Shanghai, two of the country's biggest housing markets.

Samsung reports sharp drop in operating profits

APF
Seoul

Samsung Electronics yesterday reported a 34.57 % drop in operating profits for the fourth quarter of 2023, as the company struggles with weak demand for consumer devices, AFP.

The company is the flagship subsidiary of South Korean giant Samsung Group, by far the largest of the family-controlled conglomerates that dominate business in Asia's fourth-largest economy.

Operating profit from the October to December period was 2.82tn won ($2.1bn), down from 4.31tn won a year earlier, Samsung said in a statement.

Sales for the last three months of 2023 dipped 3.8% to 67.78tn won, while a net profit of 6.34tn won was down 73.4% from a year earlier.

The firm — one of the world's largest makers of memory chips and smartphones — blamed weak demand, but offered an optimistic outlook for 2024.

"As demand for smartphones and PCs gradually recovers in 2024, advanced processes are expected to drive an approach to 2022 levels in the foundry market," it said.

Samsung said there were "various potential obstacles, including interest rate policies and geopolitical issues" that could hit 2024 growth, but said it was optimistic nonetheless.

Samsung is one of the world's two biggest memory chipmakers and among the few companies worldwide that manufacture premium high-bandwidth memory (HBM) chips tailored for artificial intelligence processors.

The company earlier this month released its latest Galaxy smartphones with new AI features as it tries to win back its spot as the world's biggest phone seller from Apple.

Samsung's figures come after South Korea's SK Hynix — the world's second-largest memory chip maker — announced this month that it had returned to profit after four consecutive quarters of losses.

ChatGPT creator OpenAI's CEO, Sam Altman reportedly met with the leaders of Samsung and SK Hynix in South Korea last week, according to Seoul's Yonhap news agency.

South Korea last year said it would build the "world's largest" chip centre using $230bn of private investment mostly from Samsung Electronics.

Bloomberg QuickTake Q&A

Why China's Xi is pushing 'high-quality development'

By Bloomberg News

When China's economy was finally unshackled from the world's strictest Covid-19 controls in late 2022, hopes were high that it would roar back to help power global growth. Instead, the country has faced a confluence of problems: a property crisis, flagging exports, sluggish consumer spending and towering local government debt. The risk of a Japan-style deflationary malaise has led to an exodus of foreign capital, but President Xi Jinping has been unwilling to pull out the big stimulus guns. Some of that reluctance stems from a desire to promote the high-tech and green industries of the future, and avoid another bout of unsustainable, debt-fuelled growth. A phrase that's cropped up in many of Xi's recent speeches seems to sum up his approach: "high-quality development."

1. What does Xi mean by "high-quality development"?

The term is considered to underscore the quality of economic growth instead of the absolute pace. When Xi first used the term during a key party congress in 2017, he said China's economy is transitioning away from a "high-speed growth phase." He highlighted the importance of lifting productivity and improving the structure of the economy, as he called for more efficient and sustainable development. An analysis of Communist Party publications since then shows that progress in six key areas is often cited as required, including making the economy greener, more innovated and balanced.

2. Why does the phrase matter?

Key strategies put forward by Xi underpin China's economic and political policy making. Understanding the phrases he uses for those can offer insight into how Beijing intends to shape the world's second-largest economy, from the intent to boost self-sufficiency with the "dual circulation" strategy to the focus on narrowing the wealth gap with the "common prosperity" push. Xi's consolidation of power over the past decade means people hang on his words even more as decision making can be more opaque, and investors are left to parse through party-speak for clues. Xi uttered the phrase on at least 128 occasions in 2023, nearly double the mentions of 2022 and his most annual uses on record. That reflects its growing importance. It's also important because China has prioritised developing the economy and ensuring its fast growth in recent decades. A shift away from that could mean a fundamental change in the way officials are assessed and government agencies are incentivised, which will inevitably have implications for growth.

3. How is it playing out so far?

It's difficult to give a definite answer because the concept is so broad. In an attempt to develop a framework for assessing high-quality growth, the head of the Guangdong province's statistics authority developed some 41 metrics to evaluate everything from pollution to financial risks. In general, China has seen progress in some of the areas: the economy is increasingly powered by clean energy, and a push to develop advanced manufacturing and key technologies is bearing initial fruit. But other areas are seeing mixed results. The effort to reduce the economy's reliance on property and local government borrowing is still unfinished, but has already weighed on economic activities and consumer confidence. Household income growth is still weak, and a measure of foreign investment into China turned negative for the first time.

4. Why are investors worried?

Downplaying the expansion pace of the economy could mean that policymakers are unwilling to roll out strong stimulus. That risks magnifying the problem of weak demand, fuelling fears over the possibility of "Japanification", or China falling into a prolonged stagnation similar to what Japan experienced starting from the 1990s. Deflation worries have already deepened as prices keep falling, making it less attractive for foreign firms to invest. There's also concern the country's shift toward high-value add manufacturing may further raise trade tensions. Top officials including Premier Li Qiang stressed recently that they don't want to use massive stimulus that would boost short-term growth at the expense of risks to the future. Indeed, as People's Bank of China Governor Pan Gongsheng warned, the transition of the economy toward a healthier model will be a "long and difficult journey," which will be bad news for investors seeking quick gains. China's property market meltdown is an example of what happens when the government cracks down on debt-fuelled growth. It led to a wave of defaults and persistent declines in home prices, exacerbating pessimism among investors.

What China Means by 'High-Quality Development'
Communist Party publications cite six areas covered by the slogan

Characteristic	Ways to Measure
Innovation as a growth driver	R&D investment, labor productivity, advanced manufacturing
Coordinated development	High-tech manufacturing output, a more balanced economic structure, reduced regional imbalances
Green energy	Pollution reduction, energy conservation
Reform and opening up	Growth in foreign trade and foreign direct investment, number of countries involved with the Belt & Road Initiative
People's livelihoods	New jobs created, growth in household disposable income
Growth rate	Economic expansion should be maintained at a certain level

Source: Bloomberg analysis of party websites and publications
Bloomberg

5. How bad has it got?

For foreign firms and investors, the business climate has deteriorated markedly in recent years. Foreign companies appear less willing to re-invest profits made in the country, as tensions rise with the West and keeping cash overseas has become more attractive. A $6tn rout in China and Hong Kong stock markets shows the extent of pessimism. Despite the need for bolder actions to counter deflation, the People's Bank of China has stuck to its moderate approach toward rate cuts since the pandemic and relied on targeted easing — a strategy that has disappointed investors looking for more decisive moves. Beijing argues that the economy will become more durable over the long term, buoyed by emerging competitive industries and sectors. State media cite the country's leading role in the production of electric vehicles, batteries, 5G telecommunications equipment, mobile payments and solar cells, saying China remains an attractive market for multinational companies.

Fed holds rates steady and inches closer to cutting in future

Bloomberg
Washington

The Federal Reserve held interest rates steady for the fourth straight meeting and signalled its openness to cutting them, though not necessarily right away.

In a statement issued after their two-day meeting, Fed officials dropped their previous assertion that a rate hike was possible and instead adopted a more even-handed assessment of the future policy path.

"The Committee judges that the risks to achieving its employment and inflation goals are moving into better balance," the central bank's policy-making Federal Open Market Committee (FOMC) said yesterday.

"In considering any adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks." But in a sign that officials are not in a rush to reduce rates, the FOMC also said it "does not expect it will be appropriate to reduce the target range until it has gained greater confidence that inflation is moving sustainably toward 2%."

The decision to leave the target range for the benchmark federal funds rate unchanged at a 22-year-high of 5.25-5.5% was unanimous. The central bank also reiterated its intention to continue reducing its balance sheet by as much as $95bn per month.

In their post-meeting statement, policymakers tweaked their description of economic activity. Following stronger-than-expected economic growth in the fourth quarter, the committee described activity as "expanding at a solid pace."

Among other changes to the statement, the committee omitted language that had been included in some form since last March, calling the banking system "sound and resilient" and warning that tighter credit conditions were likely to weigh on the economy. As usual at the start of the year, the January meeting brought a rotation of new voters to the FOMC, including the presidents of the Fed's regional banks in Atlanta, Cleveland, Richmond and San Francisco.

The FOMC also used its first meeting of the year to reaffirm its long-term goals and monetary policy strategy, including its commitment to a 2% average inflation target.

The committee also updated its policies governing investments and trading by Fed staff and policymakers. It expanded the number of Fed staff who are subject to the most stringent restrictions and tightened restrictions on all staff with access to confidential FOMC information.

Across the board, the economy performed better than policymakers expected last year. Inflation fell more steeply, with the Fed's favoured measure ending the year at 2.6%. The economy expanded more quickly, with gross domestic product climbing 2.5%. And the jobs market was stronger, with the unemployment rate in December clocking in at 3.7%, generally in line with where it was when Fed officials began raising rates in March 2022.

The Bureau of Labor Statistics will release data Friday on the job market in January, the first key reading on how the economy is performing so far in 2024. Economists are anticipating a generally solid report, with payroll growth slowing a bit and unemployment ticking up just slightly.

In the run-up to Wednesday's meeting, policymakers suggested they're willing to begin contemplating rate cuts while pushing back against investors' hopes for imminent and deep reductions.

"With economic activity and labour markets in good shape and inflation coming down gradually to 2%, I see no reason to move as quickly or cut as rapidly as in the past," Fed Governor Christopher Waller said at a Brookings Institution event on January 16.

In December, policymakers projected a cumulative 75 basis points of cuts this year, according to their median forecast. They'll next update those forecasts in March.

The Fed is trying to accomplish something it's arguably only pulled off once in its more than its 100-year history: corral inflation through tighter credit without crashing the US into a recession.

What's more, it's trying to complete that task during a presidential election year and in a country that's deeply divided politically.

Several Democratic Party lawmakers - including Senate Banking Committee Chair Sherrod Brown, and Massachusetts Senator and former presidential candidate Elizabeth Warren - wrote to Powell this week urging him to lower interest rates.

SEC's SPAC rules set to limit rosy projections

Bloomberg
Washington

The US Securities and Exchange Commission headquarters in Washington, DC. The SEC's new rules tightening SPACs' disclosure requirements come into force as soon as later this year.

At the height of the SPAC boom, liberated startups capitalised on the ability to tout lofty goals about the years ahead without much of a risk of legal fallout.

Now, the US Securities and Exchange Commission (SEC)'s new rules tightening SPACs' disclosure requirements are set to clamp down on such forecasts when they come into force as soon as later this year. In hindsight, some companies that merged with blank-check vehicles during the pandemic-era boom may wish they hadn't talked up their fortunes so optimistically.

Hydrogen-fuelled vehicle maker Hyzon Motors Inc and health-litigation firm MSP Recovery Inc are among the SPACs from the boom whose results have fallen short of projections made while marketing their prospective debuts.

In February 2021, Hyzon projected making than more than 3,000 vehicles by 2023. This past November, it said that number will top out at 20. And while MSP Recovery — operating as LifeWallet — trumpeted a 2023 net-income forecast of more than $630mn when its SPAC pact was announced in 2021, in the nine months through September it lost more than $600mn.

Representatives for Hyzon and MSP didn't immediately respond to requests for comment.

Companies marketing SPAC mergers under the new rules would no longer have the same legal protections they were afforded in the past, and many in the industry say it's just the beginning of a new, stricter era for blank-check companies.

"These rules are the first step in the SEC's tightening of the reins for SPACs," said Shivani Poddar, a litigation partner at Herrick, Feinstein LLP. "The parties involved in SPACs will assume more liability than ever before with these increased disclosure requirements."

The move is intended to extend investor protections to such alternative methods of going public, SEC Chair Gary Gensler has said. Less sophisticated traders, like the retail investors who spawned the meme stock craze, may not understand the uncertainty inherent in company forecasts made ahead of a listing via SPAC merger.

The new rules mean firms involved in deals could face increased legal threats, risking adding to the chill in the already-frosty market. The number of SPACs to IPO since 2021 has slumped to 118 after more than 860 were listed in 2020 and 2021 combined, data from SPAC Research show. Even so, the majority of the hundreds of companies that used SPAC mergers to arrange back-door entries onto major US exchanges are struggling.

One-time SPAC darlings have spiralled as investors shun money-losing firms amid the Federal Reserve's interest-rate hiking campaign. Nearly 200 of the roughly 440 former US-listed SPACs trade below $2 per share, data compiled by Bloomberg show, with 171 expected to need more money to make it through the next year.

Nikola Corp is among dozens of de-SPACs — companies that merged with SPACs — to warn about the ability to continue operating with weak balance sheets as production struggles to meet expectations. The EV maker saw shares surge during the market's heyday — it was worth more than $28bn at one point — despite falling short on promises dating back to a 2020 timetable to announce a hydrogen fuelling station deal.

Some forecasts were particularly ambitious, or at least, unusual. TMC, the metals company which went public via SPAC in September 2021 provided estimates for 2046 — a roughly 25-year look ahead. A representative for TMC didn't immediately respond to a request for comment.

"By removing the safe harbour, the SEC is essentially discouraging companies from making overly optimistic or speculative projections that they cannot reasonably support," said Omri Even-Tov, a professor at the University of California at Berkeley who co-wrote a paper on forecasts for SPAC targets.

"This can help reduce the incidence of companies using aggressive or unrealistic forecasts to enhance the appeal of their offerings, thereby protecting investors from potential misrepresentations," Even-Tov said.

Not every SPAC transaction has resulted in big losses. More than 50 ex-SPACs trade above the $10 level where blank checks typically go public.

Shares of DraftKings, which kickstarted the mania in 2020 when it defied the pandemic's IPO market shutdown and went public, have nearly quadrupled.

Such gains lend credibility to industry backers who have argued the vehicle can work for some companies in sectors like biotechnology. MoonLake Immunotherapeutics, a drug developer focused on inflammatory diseases, is among the top-performing de-SPACs, with shares roughly quadrupling from its 2022 debut.

Canada economy on track to grow 1.2% in fourth quarter of 2023

Bloomberg
Ottawa

The Canadian economy is on track to bounce back sharply in the final quarter of 2023, but record-high population growth due to strong immigration is likely masking some weakness.

Preliminary data suggest gross domestic product grew 0.3% in December, led higher by manufacturing, real estate and the oil and gas sectors, Statistics Canada reported yesterday in Ottawa. That followed a 0.2% expansion in the previous month, double the expectations of a Bloomberg survey of economists.

Overall, the industry-based numbers point to an increase of 1.2% annualised in the final three months of 2023, following a 1.1% contraction between July and September.

Although the data will likely be revised on February 29 when the income and expenditure-based figures for the fourth quarter are published, they show an economy that's still chugging along and has managed to avoid a prolonged period of contraction.

The economic growth will buy the Bank of Canada some time to put off interest rate cuts until it's confident about the downward momentum of underlying inflation. But the strength is partly due to population increases. On a per-capita basis, the Canadian economy has been shrinking.

Last week, the central bank held the policy rate at 5% for a fourth straight meeting and forecast zero growth in the fourth quarter, capping the year with 1% growth.

That's weaker than projections by economists in a Bloomberg survey of 0.4% for the quarter, and 1.1% for the year.

Governor Tiff Macklem said the discussion of monetary policy is now shifting to how long it needs to stay at the current level, and explicitly stated for the first time that the bank won't need to increase borrowing costs again if the economy evolves broadly in line with its forecasts.

Sustained cooling of core inflation, and the expected start of an easing cycle in the coming months, will determine where the economy is headed.

The bank sees growth strengthening gradually around mid-2024, with household spending picking up while exports and business investments get a boost from recovering foreign demand. It forecast 0.8% growth this year and 2.4% in 2025.

In November, the majority of the growth came from the goods-producing industries, which saw 0.6% gains, the highest growth rate since January 2023. Service industries edged up 0.1%.

The manufacturing sector jumped 0.9%, wholesale trade rose 0.7% and mining, quarrying and oil and gas extraction grew 0.3%.

While transportation and warehousing expanded 0.8% in November, the sector was one of the main drags to December output, along with construction and educational services, according to the agency's advance estimate.

The educational services sector also declined 0.3% in November due to strikes by workers in Quebec that began that month.

Information and cultural services increased 0.5%, led by the publishing and motion picture industries.

The latter saw the largest monthly increase since September 2022, benefiting from the ending of the strike by the Screen Actors Guild-American Federation of Television and Radio Artists.

The strike, which began in July last year and ended in early November, disrupted film and television productions in Canada. Many companies ramped up their productions in November.

This is the first key economic data release since the Bank of Canada's first rate decision of this year. Policymakers next set rates on March 6, after releases of January jobs and inflation data, as well as another GDP print. Economists widely expect the bank to hold rates steady again for a fifth straight meeting.

Microsoft, Alphabet and AMD struggle to meet AI expectations

Bloomberg
New York

Microsoft Corp, Alphabet Inc's Google and Advanced Micro Devices Inc — three companies working harder than nearly anyone to weave artificial intelligence into their products — are finding that investor expectations for the technology are hard to meet.

Shares of the tech giants slipped in pre-market trading yesterday, the morning after they delivered results for the last three months of 2023 and forecasts for the current quarter. Microsoft dropped as much as 2.3% in early trading. Google fell as much as 5.9% and AMD dropped up to 7.3% before markets opened in New York.

All three took pains to highlight progress on AI. In AMD's case, the company predicted that its new AI processors will generate even more sales than expected. Microsoft touted how users were embracing its AI assistants, and Google said the technology was improving its search and cloud computing services.

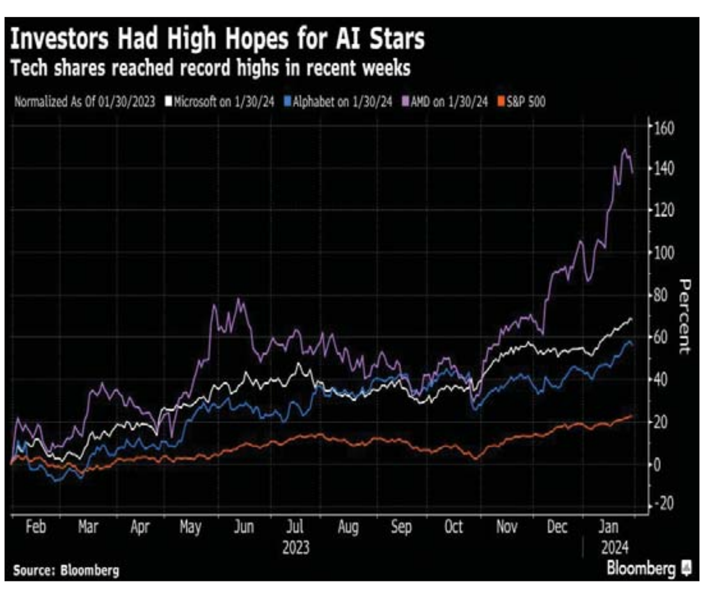
But investors had bid up shares of the companies to record highs in recent weeks, betting that an AI bonanza would quickly fuel results. What they heard on Tuesday wasn't enough to satisfy those hopes.

"Companies are continually having to prove themselves and continually prove the value proposition of AI," Katrina Dudley, a portfolio manager and analyst at Franklin Templeton, said on Bloomberg Television.

Microsoft and Google, two rivals in AI software and cloud computing, delivered mostly good news in their reports — but still elicited a ho-hum from investors.

At Microsoft, revenue increased at the fastest rate since 2022, spurred in part by AI products helping drive adoption of its data-centre services. Revenue from its Azure cloud-services unit jumped 30%.

AI demand boosted that growth rate by 6 percentage points, Chief Financial Officer Amy Hood said. That was up from 3 percentage points the previous quarter — an acceleration that that UBS Group AG analyst Karl Keirstead called "just extraordinary" on a call with company executives. Microsoft didn't disclose how much it expected AI to bolster Azure in the current period.



Despite the momentum, Wall Street wanted more clarity on how much AI will contribute to financial performance going forward, said CFRA Research analyst Angelo Zino. "Investors want them to quantify the AI potential over the next couple years," he said.

But Microsoft isn't going to follow the same pattern as Nvidia Corp, a maker of AI processors that has seen sales explode.

"In terms of AI contribution for Microsoft, that's not the way this is going to work," Zino said. "This is going to be a slower slog than maybe some might have anticipated."

In November, Microsoft released its 365 Copilot — an AI assistant for Office programs like Outlook, Word, PowerPoint and Teams. The company didn't give specifics on subscriptions for the product, but Chief Executive Officer Satya Nadella said on the conference call that adoption was "much faster" than with previous versions of the software.

With Google, softness in its core search advertising business raised concerns. But its quarterly report also sparked questions about whether it's being aggressive enough in AI — and risks falling behind Microsoft.

A slowdown in its ad business — the company's main moneymaker — also could threaten AI ambitions, said Evelyn Mitchell-Wolf, an analyst at Insider Intelligence.

"Google advertising does make up the vast majority of its revenue," she said. "As it prepares to really go full throttle on all of its carefully laid plans in AI, having that cash cow experience volatility doesn't bode well."

AMD's stock had been one of the favourite picks of investors looking for ways to bet on AI computing. Its shares have been the second-best performing stock on the Philadelphia Stock Exchange Semiconductor Index this year, following a similar performance in 2023.

That meant AMD had a high hurdle to clear with its quarterly report.

It didn't help that the chipmaker's sales forecast for the current quarter was short of most estimates. But the company said that its highly anticipated MI300 AI accelerator chip is generating much higher sales than expected.

The processor, similar to Nvidia's popular H100, helps develop AI models by bombarding them with data. Demand is high enough for the product that AMD now expects to ring up more than $3.5bn in sales this year, up from an earlier $2bn forecast.

The catch: Some on Wall Street had been predicting numbers as high as $8bn, according to Chris Caso, an analyst at Wolfe Research.

Aamal Medical in strategic partnership with Austco

Aamal Company's subsidiary Aamal Medical has signed a new strategic partnership with Austco Healthcare, a global leader in healthcare technology solutions, to modernise the patient care and healthcare staff communication in Qatar. This collaboration marks a significant milestone for both companies in their shared mission to improve healthcare outcomes and bring cutting-edge patient care to market, said Aamal Company in its regulatory filing with the Qatar Stock Exchange.

Aamal Medical has over 50 years of experience in providing comprehensive healthcare solutions and services. These include medical equipment, consultancy services, IoMT (Internet of Medical Things) connectivity and integration, medical consumables, professional preventative and corrective maintenance services, and enterprise-level healthcare project execution. Combining this expertise with Austco Healthcare's leading healthcare communications solutions, developed over 30 years of operation, this partnership will transform care delivery in Qatar, said the regulatory filing.

By implementing best-in-class nurse call systems, clinical workflow and patient engagement technologies, the partnership will further modernise the industry, benefiting both patients and medical practitioners in the region.

Gokhan Ozkan, general manager of Aamal Medical, said this reflects its wider commitment to working in collaboration with leading players in the industry to maintain a highly competitive offering while driving forward the best possible standard of care.

Lee Lister, general manager, (Middle East and Africa) at Austco Healthcare said this partnership aligns perfectly with its core values of innovation, excellence and customer-centricity.

"Together with Aamal Medical, we aim to leverage our combined strengths to provide state-of-the-art healthcare technology solutions that empower healthcare providers, improve patient experiences, and ultimately contribute to better health outcomes for the people of Qatar," he said.

Italy supports Qatar's innovation and sustainability strategy, says envoy

By Peter Alagos
Business Reporter

The ongoing International Horticultural Expo 2023 Doha Qatar and the Italian Pavilion reflect the close relations between the country and Italy, which is a partner in Qatar's strategy to innovate and achieve sustainability, Italian ambassador Paolo Toschi has said.

Speaking to *Gulf Times* on the sidelines of the recently held 'Italian Day', which was organised by the Italian Trade Agency (ITA), in co-operation with FederUnacoma – the Italian Agricultural Machinery Manufacturers Federation, Toschi said Italy's presence at the expo signifies a commitment to a sustainable future.

"The expo and the Italian Pavilion are a testimony of how our countries look at these challenges as a priority. However, they are also seen as an opportunity for investing more, innovating, and going beyond the current landscape of what is available on the market. We are bringing in scientists, companies, and government together to come up with solutions that are needed in the future," Toschi explained.


Italian ambassador Paolo Toschi. **PICTURE:** Thajudheen

The ambassador stated that the name of the Italian Pavilion is 'Garden of the Future', which is synonymous with how Italy views Expo 2023 Doha "as a laboratory of the future."

Toschi said topics, such as agriculture, innovation, and sustainability are no longer limited to farmers and other stakeholders specialising in the industry, but they also concern the general society.

"Today, there's more awareness of what we eat, the way we farm, the way we ship our products, and where we buy it from. This all affects our lives and livelihood.

"So, in all of this, I think Italy brings to the table a holistic sense. We want to bring these visions together, including culture, science, innovation, and farming in a sustainable way, combining traditional techniques and the latest technologies," Toschi emphasised.

The ambassador noted that Italy has a complete vision of providing different solutions, which are also congruent with the pillars of Qatar National Vision 2030. "And that's where we find eye-to-eye conversations with Qatar because they also do not want to isolate these elements," Toschi pointed out.

In a speech during the event, Toschi lauded HE the Prime Minister and Minister of Foreign Affairs Sheikh Mohamed bin Abdulrahman bin Jassim al-Thani for the recent announcement of the Third National Development Strategy (NDS3) 2024-2030. The NDS3 is the final stage on the path to achieving Qatar National Vision 2030.

"Qatar has decided to continuously invest in its future with a very clear vision. A strategic production and growth vision has been presented by the Prime Minister; Italy believes that this is the right way to go – to focus a strategy of growth and development on sustainability.

"We also feel that we can contribute to it. We can be part of it. We want to support and encourage that development and today, we do it by focusing on the very important field of agriculture and agricultural technology," he stated.

Qatari investments in Jordan reach $4.5bn, says Jordanian investment minister

Qatar has poured $4.5bn worth of investments into the Kingdom of Jordan, according to Jordanian Minister of Investment Kholoud Saqqaf.

Speaking at a seminar titled 'Business Environment and Investment Opportunities in Jordan', organised by the kingdom's Ministry of Investment inside the Expo Doha 2023, Saqqaf lauded the strong economic and political ties of both countries.

She emphasised that Qatari investments in Jordan have reached $4.5bn across various sectors, including banking, real estate, tourism, energy, and industry.

Saqqaf reviewed the investment climate and opportunities in Jordan, highlighting the incentives available in the country, which have positioned it as an attractive investment hub.

She noted that the ministry recently launched the 'Invest in Jordan' platform, which provides all the necessary information for potential investors. The minister also elaborated on the investment opportunities with high added value, estimated at $1.4bn across 17 promising economic sectors.

Saqqaf called on Qatari businessmen and investors to explore the country's business and investment environment, as well as the available investment opportunities, stressing the importance of providing all necessary facilitations and expediting procedures.

Jordanian Minister of Investment Kholoud Saqqaf speaking at the seminar.

Qatar Chamber officials participated in the seminar, including first vice-chairman Mohamed bin Towar al-Kuwari and second vice-chairman Rashid bin Hamad al-Athba.

They were joined by Khalifa al-Maslamani, deputy chairman of the Qatari-Jordanian Joint Business Council; Yousef al-Shamali, Jordanian Minister of Industry and Trade; and Dana Khries, the deputy of Jordanian ambassador Zaid Mufleh al-Lawzi.

In a statement, al-Kuwari lauded the robust relations between Qatar and Jordan, saying the Qatari private sector looks forward to enhancing co-operation and partnerships with its Jordanian counterpart across various economic sectors. Al-Kuwari emphasised that many Jordanian companies are operating in Qatar, whether in full capital or through alliances and partnerships with Qatari partners.

He said Jordan is an attractive investment destination, noting that Qatari businessmen have poured numerous investments in Jordan and are expressing a strong willingness to expand these investments.

Qatar industrial producers' price pressure eases in December: PSA

By Santhosh V Perumal
Business Reporter

Qatar's producers' price index (PPI), which captures the price pressure felt by the producers of goods and services, shrank both on monthly and yearly basis in December, according to the official estimates.

The country's PPI declined 0.21% month-on-month on decline in the indices of hydrocarbons and certain manufactured products as chemicals and basic metals, said the figures released by the Planning and Statistics Authority (PSA).

The PPI saw a 12.94% plunge on an annualised basis in December 2023 on hydrocarbons, chemicals, basic metals and cement.

The PPI measures inflation from the perspective of costs to industry or producers of products as it measures price changes before they reach consumers. The PSA had released a new PPI series in late 2015. With a base of 2013, it draws on an updated sampling frame and new weights.

The previous sampling frame dates from 2006, when the Qatari economy was much smaller than today and the range of products made domestically much narrower.

The mining PPI, which carries the maximum weight of 82.46%, reported a marginal 0.07% decrease month-on-month in December 2023 owing to a 0.07% fall in the average selling price of crude petroleum and natural gas.

The mining sector reported 13.58% shrinkage on a yearly basis in December 2023 on a 13.6% contraction in the average selling price of crude petroleum and natural gas.

The manufacturing sector PPI, which has a weight of 15.85% in the basket, was down 2.19% month-on-month in December 2023 on a 4.9% decline in the index of basic metals, 3.19% in chemicals and chemical products and 0.16% in beverages.

Nevertheless, there was a 1.27% increase in the index of cement and other non-metallic mineral products, 0.41% in rubber and plastics products, 0.1% in food products and 0.02% in refined petroleum products in the review period.

The sectoral PPI plunged 11.61% year-on-year in December 2023 on account of 16.52% in the index of basic metals, 15.91% in chemicals and chemical products, 8.29% in cement and other non-metallic mineral products, 0.56% in refined petroleum products and 0.16% in printing and reproduction of recorded media.

However, there was a 9.44% expansion in the index of rubber and plastics products, 3.73% in beverages and 2.95% in food products in the review period.

The index of electricity, gas, steam, and air conditioning supply reported 12.73% and 14.14% growth month-on-month and year-on-year basis respectively in December 2023.

The index of water supply was seen gaining 3.87% and 7.91% on monthly and annualised basis respectively in December 2023.


The Ooredoo team during the awards ceremony.

Ooredoo honoured with 'Plug & Play Corporate Innovation Award 2023'

Ooredoo has been honoured with the '2023 Corporate Innovation Award' at the Plug & Play Winter Summit held in Silicon Valley, which showcased the latest tech and AI trends and attracted over 3,000 attendees and 300 ground-breaking start-ups across 19 categories.

Ooredoo received the accolade for its success in developing notable projects and initiatives that have propelled it towards advancements in telecoms and related fields.

The Ooredoo and Plug & Play partnership centres around expanding business and tech acumen, which has seen them work with Quantive on a successful digital platform that is now enhancing Ooredoo's management processes to build, monitor and report KPIs, and improve its CXO and BU scorecard frameworks.

Ooredoo received the Plug & Play Corporate Award for its Internet of Things (IoT) initiatives, and the company continues to pursue new evolutions in its diverse portfolio of tech investments across networks and sustainable smart application inventions.

Global cross border money flows are picking up from a record low

Bloomberg
New York

The flow of money moving across borders is rebounding from a record low as investors prepare for interest-rate cuts globally, according to the world's largest custodian bank.

US and European investors are deploying more cash into fixed income and equity markets outside their home region, according to data from Bank of New York Mellon Corp, which has a view on nearly $50tn of assets.

It's a sea change from last year, when the prospect of ever higher rates and the risk of recession left investors cautious and anchored at home.

But with inflation and economic troubles cooling across the world and risk appetite increasing, they are keen to deploy cash elsewhere, said Jason Vitale, head of global markets trading at BNY Mellon.

"We are now seeing active investors shift back into public markets, with flows recovering into both developed and emerging markets," Vitale said in an interview. US investors represent around 60% of BNY Mellon's custody accounts, with the rest spread across Europe and the UK.

Last year US money market funds ballooned to a record as the Federal Reserve raised rates aggressively and investors flocked to safety. Meanwhile, the bias to own US equities, amid hype around artificial intelligence, meant it was the worst 12 months for cross-border flows since BNY started recording data in 2013.

While the S&P 500 Index has continued upward to hit a fresh record in January, in recent months emerging-market stocks have also recovered on the prospect of Fed cuts, and they've rebounded again this month on China's stimulus measures.

Developing-nation stocks had a record $12.1bn of inflows in the week through January 24, according to Bank of America Corp, citing EPFR data. Chinese funds had the largest inflows since July 2015 at $11.9bn, the second-highest ever. In developed markets, Japanese stocks and a European benchmark reached multi-decade highs.

Global bonds have also rallied, with record debt sales by European governments this month drawing historic demand from central banks and funds based in the Middle East and Asia.

In the $7.5tn-a-day currency market, the greater cross border flows mean there's a resurgence in hedging activity. BNY Mellon is seeing a hunt for battered currencies, in a renaissance of a so-called value-trading strategy, as investors look overseas for cheap fixed income and equity buys.

"Internationally focused strategies, relative value and macro portfolios are much more active compared to 2023," said Vitale. "We are seeing clients take more active steps to hedge their portfolios compared to the last 18 months."

BNY Mellon started Universal FX in October, a platform to help clients manage portfolios and settlement risk.

Japan explores hydrogen-powered regional flights

By Alex Macheras

Japan Airlines is courting a trio of advanced propulsion developers as it explores the possibilities of hydrogen-powered regional aviation.

The Tokyo-based airline has "basic agreements" with H2FLY, Universal Hydrogen and ZeroAvia, and that it is working with the three competing hydrogen propulsion start-ups "to study the safety, economic feasibility and maintainability for bringing hydrogen-fuelled, next-generation aircraft" to Japan.

The deals were confirmed by the start-ups, all of which are developing hydrogen-electric propulsion systems for regional aircraft.

Such systems use hydrogen in fuel cells to make electricity and power electric motors. The technologies are still under development, though all three companies achieved milestone flights in 2023 and ZeroAvia is preparing to submit a certification proposal for its ZA600 powertrain to UK aviation regulators.

ZeroAvia is also advancing its second engine platform, the ZA2000, which is a hydrogen-electric propulsion system designed for 40-90 seat regional aircraft that it plans to enter into service in 2027. That platform will be well-suited for 48-seat ATR 42s and 70-seat ATR 72s operated by Japan Air Commuter, which operates under the wing of JAL. "As part of the agreement, Japan Airlines and ZeroAvia will collaborate on assessing operational parameters for retrofit hydrogen-electric aircraft for existing and prospective routes, as well as collaborating to define pathways for regulation, retrofit operations, hydrogen fuel infrastructure and engine maintenance, repair and overhaul," ZeroAvia says.

German advanced powertrain developer H2FLY says it has "signed an agreement to explore the feasibility of our hydrogen-electric power units as a power source for JAL flights". Across its companies, JAL operates some 50 regional aircraft. Japan Air Commuter operates nine ATR 42 and two ATR 72s, according to Cirium fleets data, while Hokkaido Air System flies four ATR 42s.

Cirium shows about 60 ATRs and De Havilland Canada Dash 8 regional turboprops in operation throughout the country.

"Japan plans massive investment in hydrogen supply and also in supporting the development of hydrogen aviation, so there is clear opportunity for exploring early adoption," says James Peck, chief customer officer at ZeroAvia.

"Japan has long-shown that it is a market with an incredibly strong appetite for green aviation solutions and is home to JAL, one of the most established airlines in the world. As a partner, JAL is impressively demanding on the technical side; their operation is one of the most reliable in the world," says Paul Eremenko, Universal Hydrogen's chief executive.

Hydrogen is a high-potential technology with a specific energy-per-unit mass that is three times higher than traditional jet fuel. If generated from renewable energy through electrolysis, hydrogen emits no CO2 emissions, thereby enabling renewable energy to potentially power large aircraft over long distances but without the undesirable by-product of CO2 emissions.

Because hydrogen has a lower volumetric energy density, the visual appearance of future aircraft will likely change. This is to better accommodate hydrogen storage solutions that will be bulkier than existing jet fuel storage tanks.

Hydrogen has been safely used in the aerospace and automobile industries for decades. The aviation industry's challenge now is to take this decarbonised energy carrier and adapt it to commercial aviation's needs.

Aircraft manufacturers like Airbus and Boeing two primary uses for hydrogen:

Hydrogen propulsion: Hydrogen can be combusted through modified gas-turbine engines or converted into electrical power that complements the gas turbine via fuel cells. The combination of both creates a highly efficient hybrid-electric propulsion chain powered entirely by hydrogen.

Synthetic fuels: Hydrogen can be used to create e-fuels, which are generated exclusively through renewable energy.

The UK Civil Aviation Authority has launched a challenge for the aviation industry to help leverage the potential of hydrogen as a zero-carbon emission aviation fuel. The regulator's challenge will facilitate collaboration with industry and academia to improve understanding of hydrogen-related risks in aviation, identify gaps in policies, and propose new recommendations to develop net-zero policies.

Airbus has already modified a superjumbo A380 to test a hydrogen-powered jet engine as the European aerospace group prepares to bring a zero emissions aircraft into service by 2035. The partnership is an agreement with CFM International, a 50/50 joint company between GE and Safran Aircraft Engines, to develop an engine that can run on hydrogen. The converted test aircraft, the A380, will fly by the end of 2026.

The programme's objective is to ground and flight test a direct combustion engine fuelled by hydrogen, which Airbus is betting on to enable the company to decarbonise in line with aviation's climate change goals. The A380 flying test jet will be equipped with liquid hydrogen tanks prepared at Airbus facilities in France and Germany. Airbus will also define the hydrogen propulsion system requirements, oversee flight testing, and provide the A380 platform to test the hydrogen combustion engine in cruise phase. CFM International will modify the combustor, fuel system, and control system of a GE Passport turbofan to run completely on hydrogen. The engine itself will be mounted along the rear fuselage of the A380 test jet to allow engine emissions, including contrails, to be monitored separately from those of the engines powering the aircraft.

"This is the most significant step undertaken at Airbus to usher in a new era of hydrogen-powered flight since the unveiling of our ZEROe concepts back in September 2020," said Sabine Klauke, Airbus Chief Technical Officer. "By leveraging the expertise of American and European engine manufacturers to make progress on hydrogen combustion technology, this international partnership sends a clear message that our industry is committed to making zero-emission flight a reality."

The venture comes amid increasing pressure on the aviation industry to cut pollution and meet zero-emission targets by 2050. Before the pandemic led to the grounding of much of the world's aircraft, aviation accounted for roughly 2.4% of global emissions. "To achieve these goals by 2050 the industry has to take action now and we are," said Gael Meheust, chief executive of CFM.

"Is hydrogen harder? Yes. Is it do-able? Absolutely," said Mohamed Ali, vice-president and general manager of engineering at GE Aviation.

Executives said the decision to use an A380, the world's largest passenger airline jet that has been phased-out at many airlines around the world due to its inefficiencies, would allow engineers more room for things like the tanks and the testing equipment.

In today's aircraft, wings are where the fuel is stored, and they are in no way large enough to store the hydrogen that would be needed for a long flight. Hydrogen planes of the future could have extra-large fuselages, but more likely they will be what's called blended wing, in which the planes are shaped like large triangles. This would allow them to store more fuel, but also reduce fuel consumption to make the aircraft aerodynamics even better. Planes using hydrogen would emit only water, and initial tests suggest they can be just as fast as traditional planes, carrying more than a hundred passengers per flight over thousands of kilometres.

Most of the world's hydrogen today is produced by reforming methane from natural gas – a fossil fuel - which produces carbon dioxide. Efforts are underway to develop green hydrogen by using an electric current from a renewable source to convert water into oxygen and hydrogen and reduce emissions in its production. There are significant challenges that remain. If Europe were to fully achieve the environmental benefits of hydrogen-power – for example, for air travel, the production of clean – or green – hydrogen needs to be dramatically scaled up. Clean hydrogen is produced from water using an electric current from a renewable source, rather than from fossil fuels. Today only a tiny fraction of hydrogen used in Europe is categorically "clean."

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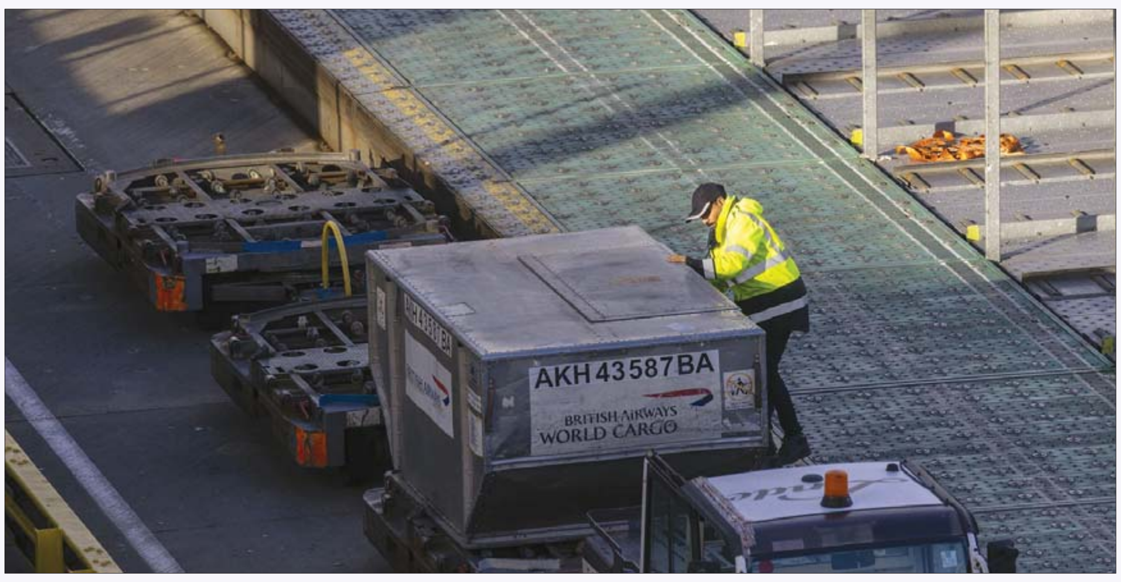
Freight forwarders are looking to the sky amid Red Sea disruptions

By Pratap John



A cargo handler prepares air freight containers for a British Airways flight at Heathrow Airport in London. More manufacturers are reportedly seeking to fly their products these days as attacks on Red Sea shipping force them to find alternate routes, a potential boon for a sector dealing with muted post-pandemic demand and overcapacity.

Sea freight has always been cost-effective for transporting large quantities of goods over long distances. While sea cargo is slower compared to air freight, it is suitable for goods, where speed is not a critical factor.

But more manufacturers are reportedly seeking to fly their products these days as attacks on Red Sea shipping force them to find alternate routes, a potential boon for a sector dealing with muted post-pandemic demand and overcapacity. The Red Sea, which leads to the Suez Canal, lies on the key east-west trade route from Asia's manufacturing hubs to Europe and onto the east coast of the Americas.

About 12% of world shipping traffic accesses the Suez Canal via its waters, according to a Reuters estimate.

Air freight is costly compared to sea freight, and not competitive for bulky, low-margin items. Such constraints have limited air cargo to less than 1% of global trade by volume, according to airline industry association IATA.

The diversion of container vessels away from the risk of attacks in the Red Sea is pushing up air freight costs as shippers try to keep Asian-produced goods on shelves despite delays to sea traffic, according to *The Financial Times*.

Logistics providers said the rerouting of ships from the Suez Canal to longer passages between Asia and the west following Houthi missile and drone attacks had generated intense interest in moving goods by a mixture of sea and air. A logistics provider said demand for this method was 25-30% higher than normal for January.

The shift in transport mode, mainly a result of decisions by big container shipping line to send ships around the Cape of Good Hope, has helped push up air freight costs. The average cost to fly 1kg of cargo from the Middle East to Europe has increased 35% in the last month to $2.03, according to Freightos, a logistics information service.

Beyond the Tarmac

As tensions in the Red Sea continue to disrupt ocean freight, retailers and manufacturers are increasingly turning to air shipping as an alternative to maintain supply chains.

The latest report from freight platform Xeneta reveals a significant increase in air cargo volumes from Vietnam to Europe, a major trade route for clothing exports.

The route witnessed a significant rise in air cargo volumes in January. This surge in demand has pushed up air shipping rates last month compared to December, 2023. This development marks the first impact of the Red Sea crisis on air freight.

The Financial Times quoted Freightos's chief marketing officer Eytan Buchman and said shippers were resorting to air because of the delays from the extended transit times via the Cape.

"One strong argument for bridging part of a supply chain by air would be to avoid the delays and uncertainties," Buchman said.

He said supply chains that could be disrupted included those for the manufacture of computers and cars and even for the making of sauces that needed a single key ingredient sourced from Asia. Although sea freight is slower compared to air cargo, container ships are the main means of worldwide transport for finished and semi-finished goods.

Ships have a much larger cargo capacity, making sea freight a more economical choice for bulk shipments.

Obviously, it is suitable for goods where speed is not a critical factor.

On the other hand, limited cargo space is available in aircraft, so it's more suitable for smaller shipments or high-value goods. Many businesses have been using a combination of both modes, known as multimodal or intermodal transportation, to optimise their logistics based on the unique characteristics of each shipment.

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

Strong Q4 performance boosts global air cargo business in 2023: IATA

By Pratap John

Air cargo demand rebounded in 2023 with a particularly strong fourth quarter performance despite economic uncertainties, according to IATA.

Full-year demand reached a level just slightly below 2022 and 2019, latest data provided by the International Air Transport Association (IATA) reveal.

Global full-year demand in 2023, measured in cargo tonne-kilometres (CTKs), was down 1.9% compared to 2022 (-2.2% for international operations).

Compared to 2019, it was down 3.6% (-3.8 for international operations).

Capacity last year, measured in available cargo tonne-kilometres (ACTKs), was 11.3% above 2022 (+9.6% for international operations). Compared to 2019 (pre-Covid) levels, capacity was up 2.5% (0.0% for international operations).

December 2023 saw an exceptionally strong performance: global demand was 10.8% above 2022 levels (+11.5% for international operations). This was the strongest annual growth performance over the past two years. Global capacity was 13.6% above 2022 levels (+14.1% for international operations).

Middle Eastern carriers reported an increase in demand of 1.6% for global and international demand in 2023 compared to 2022 and an increase in capacity of 13.5% (+13.6% for international operations).

In December, airlines in the region posted an 18.3% increase in demand for both global and international operations compared to 2022. Capacity increased 17.7% (+17.8% for international operations) during the same period.

Some indicators to note include:

■ Global cross-border trade recorded growth for the third consecutive month in October, reversing its previous downward trend.

■ December inflation in both the United States and the EU as measured by the corresponding Consumer Price Indices (CPI) stayed below 3.5% year-on-year. China's CPI, however, indicated deflation for the third consecutive month, raising concerns of an economic slowdown.

■ Both the manufacturing output and new export order Purchasing Managers Indexes (PMIs) – two leading indicators of global air cargo demand— continued to hover below the 50-mark in December, usual markers for contraction.

IATA's Director General Willie Walsh said: "Despite political and economic challenges, 2023 saw air cargo markets regain ground lost in 2022 after the extraordinary Covid peak in 2021.

Although full year demand was shy of pre-Covid levels by 3.6%, the significant strengthening in the last quarter is a sign that markets are stabilizing towards more normal demand patterns.

"That puts the industry on very solid ground for success in 2024. But with continued, and in some cases intensifying, instability in geopolitics and economic forces, little should be taken for granted in the months ahead. "The recent disruption to maritime routes in the Red Sea has seen some shippers pivot to air cargo. The increased demand saw a spike in air cargo yields on related trade lanes.

A similar spike is expected in January as disruptions intensified. "While not all cargo is suitable for air transport, it is a vital option for some of the most urgent shipments in extraordinary circumstances. And that is critical to the continuity of the global economy."

JetBlue weighs deeper cost cuts as sales outlook falls short

Bloomberg
New York

JetBlue Airways Corp is evaluating deeper cost cuts, delaying aircraft and reworking its flight network in an effort to return to profitability in the wake of the near-collapse of its planned purchase of Spirit Airlines Inc.

The initiatives, detailed on Tuesday in the carrier's latest financial report, show how incoming Chief Executive Officer Joanna Geraghty aims to bring clarity to JetBlue's uncertain future. The company forecast a bigger decline in revenue than Wall Street had expected this quarter, even as JetBlue's sales and earnings beat estimates for the end of last year.

The report highlights the challenges facing many US carriers, including persistently high costs, uneven domestic travel demand, sluggish supply chains and maintenance delays. JetBlue joined Southwest Airlines Co and Alaska Air Group Inc in slowing 2024 growth plans in response, with flying capacity down in the low-single digits this year.

The quarterly report was the final one for CEO Robin Hayes, who said earlier this month that he would step down February 12. Geraghty will become the first woman to lead a major US air carrier when she assumes the post.

JetBlue, which has long been hindered by high costs, is taking "aggressive action" to return to profit, Geraghty said in a statement. It's evaluating deeper cuts beyond its existing expense-reduction plan that it says will provide savings of

A JetBlue Airways plane lands at Fort Lauderdale-Hollywood International Airport in Florida. JetBlue is evaluating deeper cost cuts, delaying aircraft and reworking its flight network in an effort to return to profitability in the wake of the near-collapse of its planned purchase of Spirit Airlines.

as much as $200mn by the end of this year. It has also begun $300mn in steps to boost revenue, including shifting more flights to leisure destinations like the Caribbean and the Bahamas and expanded flights to Europe to capitalise on current demand trends. Revenue will fall as much as 9% this quarter from 2023, the company said. Analysts expected a 5% slide on average in estimates compiled by Bloomberg News.

JetBlue didn't offer per-share earnings guidance for the first quarter, a change from its usual practice. Non-fuel unit costs will climb as much as 11%, including spending for a new pilots' contract.

"The 2024 guidance looks mixed, with decent full-year revenue expectations, but an ex-fuel cost guide that looks a little weighty," Stephen Trent, a Citi analyst, said in a note.

The report largely sidestepped mention of the Spirit deal, which remains in limbo after a federal judge this month blocked the tie-up over antitrust concerns. The carriers had pledged to appeal the ruling before JetBlue last week warned that the merger agreement could be terminated, sparking speculation that JetBlue may be ready to walk away.

On Tuesday, JetBlue and Spirit asked the court to fast-track the appeal. As part of its cost-cutting efforts, JetBlue reached agreements to defer $2.5bn in planned aircraft spending to 2028 and later from original plans for the expenses in 2024 through 2027.

In addition to shorter term savings, the changes will provide a more consistent level of aircraft deliveries through the end of this decade and flatten annual capital spending to around $1.5bn, the carrier said.

A manufacturing defect in some Pratt & Whitney engines has grounded seven JetBlue aircraft, a number that will rise to between 13 and 15 out of service by year-end.