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AVIATION SPECIAL | Page 4

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GULF TIMES

BUSINESS

AGM DISCUSSIONS : Page 2

Sheikh Mohamed bin Hamad bin Jassem bin Jaber al-Thani elected GWC chairman

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Balance between energy security and sustainability needed for effective transition: Al-Kaabi

HE the Minister of State for Energy Affairs Saad bin Sherida al-Kaabi has stressed the need for a balance between energy security, affordability, and sustainability for an effective transition.

He was participating in a panel session at India's Energy Week 2024 conference in Goa yesterday.

Al-Kaabi highlighted the challenges in navigating the volatilities, uncertainties and complexities that impact the energy industry during a special panel discussion on energy security with the participation of Hardeep Singh Puri, India's Minister of Petroleum & Natural Gas, and Housing & Urban Affairs; Vickram Bharrat, Minister of Natural Resources, Republic of Guyana, and Haitham al-Ghais, Opec Secretary-General.

Al-Kaabi emphasised that in order to face such challenges, especially in the context of the energy transition, the various stakeholders need to create a balance between energy security, affordability, and sustainability, while at the same time encouraging investments in a diverse energy mix, including renewables, natural gas, and other forms of cleaner energy



HE Minister of State for Energy Affairs Saad bin Sherida al-Kaabi participating in a special panel discussion on energy security alongside Hardeep Singh Puri, India's Minister of Petroleum & Natural Gas, and Housing & Urban Affairs; Vickram Bharrat, Minister of Natural Resources, Republic of Guyana, and Haitham al-Ghais, Opec Secretary-General.

sources to help mitigate risks associated with the volatility of energy markets.

The minister also hailed the strong energy relations between India and Qatar, noting that January 25 of this year marked the 20th anniversary of the inaugural LNG shipment to Petronet's LNG Dahej Terminal. And on February 4 this year, Petronet LNG successfully lifted the 2,000th LNG cargo from Qatar.

Energy Week 2024 is India's largest energy exhibition and conference, covering the entire energy value chain, and is expected to attract over 35,000 attendees, 350 exhibitors, and 400 speakers from more than 100 countries.

Several possible fields exist for increased co-operation with Qatar, says Swiss federal councillor

By Pratap John
Business Editor



Guy Parmelin, Switzerland's Federal Councillor.

The ongoing visit of the high-level Swiss delegation visit to Qatar will provide the platform and framework for bilateral business relationships to flourish, says delegation head and Switzerland's Federal Councillor Guy Parmelin.

"However, it is important to note that Switzerland works bottom-up. It is ultimately the businesses, which decide where to invest and who to trade with," noted Parmelin, also the head of the Swiss Federal Department of Economic Affairs, Education, and Research in an exclusive interview with *Gulf Times* in Doha yesterday.

With the Qatar National Vision 2030, the country is pursuing the goal of diversifying its economy and expanding its infrastructure, which opens numerous opportunities for Swiss companies, Parmelin said.

"There are several possible fields for an increased co-operation. Swiss companies are traditionally strong in the clean-tech sector, infrastructure sector (such as railways) or the medical sector," he pointed out.

On his current visit to Qatar, which follows a successful one to Saudi Arabia, Parmelin said, "My visit to Qatar, during which I will be accompanied by a large delegation of leading business representatives, aims to evaluate how Swiss companies can potentially contribute to the implementation of QNV 2030 and take further advantage of the solid foundation of bilateral agreements between Switzerland and Qatar to create win-win situations for our economies.

"For this, I will meet with various ministers, starting with HE the Minister of Commerce and Industry, Sheikh Mohamed bin Hamad bin Qassim al-Abdullah al-Thani. Then, together with HE the Minister of Finance, Ali bin Ahmed al-Kuwari, I will also open the financial and economic dialogue between the State Secretariat for International Finance, the State Secretariat for Economic Affairs (SECO) and the Qatari Ministry of Finance.

"Moreover, at the invitation of HE the Minister of Municipality, Abdullah bin Hamad bin Abdullah al-Attiyah my delegation and I will attend the agricultural and horticultural Expo 2023 Doha, during which I will contribute to an event on innovation in the agri-food sector. Asked whether Switzerland planned to sign new agreements with Qatar, he said 'No'.

"No new agreements are planned to

be signed, as there is already a solid foundation of bilateral agreements between Switzerland and Qatar. The Vision 2030 offers interesting opportunities for Swiss businesses. It's important to see these changes first-hand, to get a better feel for the country and also to better understand the current developments."

On the volume of current bilateral trade between Switzerland and Qatar, Parmelin said that in 2022, Qatar was Switzerland's third most important trading partner in the Middle East, with trade in goods amounting to over \$2bn.

"The highlight of the bilateral trade is its volume over the years, which has hovered around the \$1bn mark, with 2022 representing a large increase. Given the size of both our countries population, this is an impressive trade statistic," the senior Swiss minister said.

Gulf Times Exclusive

A Joint Commission on Financial and Economic Areas was established in 2022 to promote and strengthen bilateral relationship between the two countries in the areas of finance and economy for mutual benefit. The first session of the Joint Commission was held in Switzerland. The second session will be held in Doha today.

Parmelin touched upon Switzerland's renowned tourism capabilities and said, "I can highly recommend Switzerland as a tourist destination. However, Switzerland cannot determine the entry requirements on its own, since a Swiss visa is valid throughout the European 'Schengen area'.

Asked whether there are plans (for Qatar Airways) to add more destinations or enhance the number of weekly flights, Parmelin said, "This is something that is regulated by the market and the relevant authorities. Qatar Airways can apply for additional slots at any time."

Qatar-Swiss Business Forum aims to enhance co-operation

HE the Minister of Commerce and Industry Sheikh Mohamed bin Hamad bin Qassim al-Abdullah al-Thani and Switzerland Federal Councillor Guy Parmelin, also the head of the Federal Administration for Economic Affairs, Education, and Research (EAER), have jointly inaugurated the Qatari-Swiss Business Forum in Doha.

The forum aims to highlight the investment opportunities present in Qatar and Switzerland and deliberate on potential ways to strengthen co-operation and economic ties between the two countries.

Sheikh Mohamed commended on the strong and distinguished relations between Qatar and Switzerland. He emphasised that the forum's objective was to create a platform for dialogue between the government and private sectors of both countries, to explore and identify opportunities for collaboration and investment in various fields and sectors, thereby contributing to the development goals of both nations.

Swiss investors and companies were encouraged to leverage the favourable economic and investment environment provided by Qatar for foreign investors.

They were invited to establish new partnerships in crucial sectors, including pharmaceutical industries, food manufacturing, innovation, technology, and other fields to address the requirements of



HE Minister of Commerce and Industry Sheikh Mohamed bin Hamad bin Qassim al-Abdullah al-Thani and Switzerland Federal Councillor Guy Parmelin jointly inaugurated Qatari-Swiss Business Forum in Doha. The forum aims to highlight investment opportunities present in Qatar and Switzerland and deliberate on potential ways to strengthen co-operation and economic ties between the two countries.

the Qatari local market. This will enable them to expand their reach towards new markets in the region and the world.

The forum featured presentations by a number of Qatari entities including the Investment Promotion Agency Qatar (Invest Qatar), the Qatar Financial Centre and the Qatar Free Zones Authority, all of which highlighted the benefits of the business environment in both Qatar and Switzerland.

The presentations also covered topics such as the advanced legislative framework for the business environment, the incentives and promising investment opportunities that Qatar offers to foreign investors, the growth prospects of the Qatari economy, and ways to diversify economic co-operation between Qatar and Switzerland.

On the sidelines of the Qatari-Swiss Business Forum, a bilateral meeting was held between Sheikh Mohamed and Parmelin.

During the meeting, officials discussed the cooperative relations between the two countries, exploring opportunities to strengthen them, particularly in trade, investment, and industrial sectors.

UDC posts QR401.7mn profit on revenues of QR2.1bn in 2023

United Development Company (UDC), a leading Qatari public shareholding company and the master developer of The Pearl and Gewan Islands, has achieved net profit of QR401.7mn on revenues of QR2.1bn in 2023 and suggested 5.5% dividend for shareholders.

"In this transformative year, UDC has remained steadfast in its commitment to sustainable growth, focusing on robust revenue streams derived from residential sales, leasing activities, and retail leasing. Gewan Island stands as a beacon for future development, while The Pearl Island continues to evolve into a model for sustainable living," said UDC chairman Ahmed bin Ali al-Hammadi.

The Gewan Island has witnessed rapid progress in its development projects, with the commercial spaces handed over to tenants for the commencement of interior fit-out works, he said.

In parallel, the operationalisation of Corinthia Golf Club in Gewan Island and Corinthia Yacht Club in Porto Arabia, at The Pearl Island, has opened new horizons for UDC in leisure and hospitality, he added.

"Looking forward to 2024, UDC renews its commitment to completing development projects on Gewan Island, attracting investors, buyers, and tenants, and actively contributing to the Qatari economy and tourism sector," he said, adding emphasis will continue on technological advancements and sustainability measures to enrich the stakeholder experience.

UDC also plans to reactivate the operations of some of its key subsidiaries, with the aim of diversifying revenue sources, aligning with the evolving needs of the company as it transitions towards managing communities and exploring new revenue streams, according to him.

UDC president and chief executive officer Ibrahim Jassim al-Othman said, it has successfully met the annual targets for residential sales and leasing specifically at the residential projects on The Pearl Island.

"The high tenant occupancy for both residential and retail spaces reflects the growing demand for our unique offerings and demonstrates our commitment to providing value and sustainable growth," he said.

He said the achievements further encompassed Gewan Island which witnessed significant progress in the completion of development and infrastructure works as well as utility networks.

The handover of retail units to tenants for fit-out preparations also contributes to accelerating the pace of completing Crystal Residence and Crystal Walkway, setting the stage for the island's operation in 2024.

"In 2023, our overarching vision was to position The Pearl and Gewan Islands prominently on the global investment map. Through a series of targeted roadshows and meticulously planned marketing initiatives, we successfully attracted attention from international investors seeking to benefit from Qatar's residency scheme, making UDC a preferred choice for both resident and non-resident foreign investors," al-Othman said.

Highlighting the company's plans and prospects for 2024, he said the inauguration of The Pearl International Hospital and continued efforts to attract foreign investments are among its strategic goals.



Ahmed bin Ali al-Hammadi, UDC chairman, and Ibrahim Jassim al-Othman, UDC president and chief executive officer.



QCB governor participates in meeting of FSB Regional Consultative Group for Mena



HE the Governor of Qatar Central Bank (QCB) Sheikh Bandar bin Mohamed bin Saoud al-Thani took part on Tuesday in the meeting of the Financial Stability Board (FSB) Regional Consultative Group for the Middle East and North Africa (RCG Mena) held in Saudi Arabia, Riyadh. During the meeting, a range of topics on the agenda were discussed, in addition to taking appropriate decisions accordingly.

Doha chapter of ICAI elects new office bearers for 2024

The Doha Chapter of the Institute of Chartered Accountants of India (ICAI) has elected new office bearers for 2024. At its recently held 42nd annual general meeting, the new committee members are Kamlesh Tibrewal (chairperson), Kishore

Alex (vice-chairperson), Arun Somanath (secretary) and Dewaki Nandan Tibrewal (treasurer). Rakesh Bahety, Rajesh Singh, Aswathy Nandan, and Manish Kumar are the committee members. The AGM highlighted a

comprehensive review of the past year's activities by the outgoing chairperson Vignesh Kalyanraman including the adoption of accounts and the election of the new management committee. The election process was overseen by Ankit Agarwal.



New office bearers of Doha chapter of ICAI.



GWC AGM ratified all items on agenda including approval of cash dividends to shareholders of 11% of company's shares nominal value.

Sheikh Mohamed bin Hamad bin Jassem bin Jaber al-Thani elected GWC chairman

Sheikh Mohamed bin Hamad bin Jassem bin Jaber al-Thani has been elected GWC chairman at the company's AGM that held the board membership elections for the period from 2024 to 2026, in accordance with Article 27 of its constitution.

The other new members on the GWC board of directors are: Sheikh Fahad bin Hamad bin Jassim bin Jaber al-Thani, vice-chairman; Sheikh Abdullah bin Fahad bin Jassim bin Jaber al-Thani, Ahmed Mubarak al-Maaidid, Mohamed Hassan

Rafi' al-Emadi, Hanadi Anwar al-Saleh, Sultan Yousif Khater al-Sulaiti, Mohamed Abdulmonim al-Sayed and Abdulaziz Mohamed Jaber al-Sulaiti.

The company AGM was chaired by Sheikh Abdullah bin Fahad bin Jassem bin Jaber al-Thani and attended by representatives of the Ministry of Commerce and Industry and shareholders among others.

The general assembly ratified all the items on its agenda including the approval of cash dividends to shareholders of

11% of the nominal value of the company's shares, which translates into QR0.11 per share.

The AGM also discussed and approved the board of directors' report on the company's activities and its financial position during the year, and the auditor's report.

It also discussed the budget of the Group and approved it, as well as assigning the external auditor and setting their remuneration.

The assembly also approved to release the board members

from liability, and distribute rewards to each member based on the evaluation of the board committees.

Furthermore, the AGM presented a comprehensive review of the Group's compliance with the Corporate Governance Code.

GWC achieved net profits of QR215mn and total revenues of QR1.5bn in 2023.

The total operating profit reached QR323mn with an asset base of QR5.2bn.

The EPS recorded for 2023 was QR0.367.

QBWA hosts meeting with Spanish foreign affairs minister

The Qatari Businesswomen Association (QBWA) held a meeting with Spanish Minister of Foreign Affairs José Manuel Albares and his accompanying delegation, in the presence of Spanish ambassador Javier Carbajosa Sanchez.

The meeting was attended by QBWA board members Awatef al-Dafaa, Natra Said Abdulla, Amal al-Aathem, Mishael al-Ansari, and Huda Hobbi, including QBWA members Dr Tahani Saker, Mashaal al-Derham, Asma Mohamed, Aisha al-Jehani, Aysha al-Romaihi, and QBWA executive director Jiskala Khalayli.

The QBWA extended gratitude of the minister and to the Spanish embassy for organising the meeting, which discussed ways to enhance the strategic partnership between the two countries in the different sectors and explore the most prominent ways of co-operation.

The meeting also aims to build bridges of cooperation between the two countries, underlining the importance of strengthening bilateral relations with businesswomen in Qatar and the necessity of supporting and developing these relations, while confirming the

willingness of Qatari businesswomen to collaborate with their Spanish counterparts in investment opportunities that would benefit both parties.

During the meeting, Albares spoke about the importance of Qatari-Spanish relations and emphasised the need for both two sides to co-operate in various sectors. He said: "In today's interconnected world, partnerships between governments and the private sector are necessary to drive growth."

The minister also stressed the importance of the role that women play in all political, economic, and social fields to develop society and the necessity of supporting them to unleash their full potential to build a better future for the whole society.

The meeting also witnessed a presentation on the role of QBWA, particularly its primary aim of empowering women and fostering their engagement in Qatar's economic and social development. The presentation highlighted that QBWA serves as a platform for business and professional women across diverse sectors in Qatar to contribute to economic development.



Officers and members of the Qatari Businesswomen Association during a meeting with Spanish Minister of Foreign Affairs José Manuel Albares held in Doha.

GMT to have 'significant implications' on business environment and capital flows worldwide: GTA

The global minimum tax (GMT), which ensures that multinational enterprises with revenues more than 750mn euros are subject to a 15% effective minimum tax rate wherever they operate, will have "significant implications" on the business environment and the flow of capital to countries worldwide, according to a top official of the General Tax Authority (GTA).

"While Gulf countries implement modern tax systems and legislations, this significant development (global minimum tax) requires ongoing amendments to ensure the continued alignment with international standards while considering attracting both local and global investors," president of GTA Ahmed bin Issa al-Mohannadi told the third international conference on fiscal policy and economic development in Qatar, hosted by Qatar University. Highlighting that in the recent years, the world has witnessed numerous developments in the international tax system, following the adoption of new tax policies by the Organisation for Economic Co-operation and Development (OECD), the latest being the endorsement of the GMT; he said:



GTA president Ahmed bin Issa al-Mohannadi and Qatar University president Dr Omar al-Ansari at the third international conference on fiscal policy and economic development in Qatar.

"This has significant implications on the business environment and the flow of capital to countries worldwide."

The GMT, introduced by the Global Anti-Base Erosion (GloBE) Rules, is a key part of Pillar Two of the two-pillar solution, which aims to address the tax challenges arising from the globalisation and digitalisation of the economy. Quoting the World Bank 2020 report, which ranked Qatar third

globally for its favourable tax regime; al-Mohannadi said this recognition underscores Doha's position at the forefront of countries with strong tax systems, advanced digital infrastructure, and legislation in the tax field. The GTA supports national and Gulf efforts to combat tax base erosion, profit shifting, and enhance local and regional economic environment through a robust tax system that promotes

sustainable development, efficiency, and effectiveness within a legislative framework that adopts principles of governance and transparency, he said.

Qatar's Third National Development Strategy (NDS3) 2024-30 emphasises the need to build a leading regulatory environment conducive to attracting foreign direct investment and addressing regulatory challenges in the business sector through comprehensive legal and legislative reforms, according to him.

Qatar University president Dr Omar al-Ansari said it had recently introduced new academic programmes that reflect this direction, such as the minor in taxation at the College of Business and Economics.

"This programme has witnessed a high demand from undergraduate students at the college," he said, emphasising that such programmes contribute to providing the job market in Qatar and the region with graduates capable of dealing with evolving economic developments and challenges, including tax reforms and related tax policies and legislation.

Snap slides by most in a year after holiday sales disappoint

Bloomberg
California

Snap Inc plunged by the most in more than a year after the Snapchat app owner reported lower-than-projected revenue over the peak holiday season, disappointing investors just a week after much-larger rival Meta Platforms Inc posted its best sales growth in two years.

Revenue rose 5% to \$1.36bn in the fourth quarter, missing the \$1.38bn average of analysts' estimates. For the full year, growth was flat, "reflecting a challenging operating environment," the Santa Monica, California-based company said in a letter to shareholders on Tuesday.

Chief Executive Officer Evan Spiegel has been leading the company through a broad restructuring over the past two years, cutting jobs and ending projects that don't boost revenue or user growth. On Monday, Snap said it's reducing its workforce by another 10% this year, an effort that it said would reduce hierarchy and promote in-person collaboration.

Despite layoffs, Snap projected a loss in adjusted earnings before interest, tax, depreciation and amor-

isation of \$55mn to \$95mn in the current period, far bigger than the \$33mn analysts' were expecting.

Snap and Meta were badly affected by changes Apple Inc made in 2021 to its privacy settings, which made it harder for advertisers to track iPhone users. While Snap is struggling to recovery, Meta has bounced back, posting a 25% gain in sales in the fourth quarter.

Snap has overhauled its core business to improve ad targeting and measuring its effectiveness, while also increasing its direct-response advertising offerings.

In a letter to shareholders, the company said it was "encouraged by the progress we are making with our ad platform", and improved results for some advertising partners, but acknowledged that the conflict in the Middle East was a "headwind", knocking off about two percentage points of growth in the fourth quarter.

Snap has tried adding new revenue streams to varying degrees of success. Its subscription offering, Snapchat+, has already amassed 7mn paying users with an annualized revenue run rate of \$249mn - a unique feat among social media companies that have mostly failed to monetise subscribers.

Emirates blasts Boeing 'decline' as FAA inquiry reports initial findings

By Alex Macheras

The National Transportation Safety Board (NTSB) says four key bolts were "missing" when a door plug blew off an Alaska Airlines flight in mid-air last month. The Boeing 737 Max 9 jet had departed Portland, Oregon, and was climbing through 14,800 feet when the door plug explosively blew out. It resulted in a rapid depressurisation and emergency landing back at Portland.

No one was seriously hurt, but the January 5 incident has renewed major questions about quality control at Boeing and its top suppliers. In its 19-page report, the NTSB says four bolts that were supposed to hold the door plug in place were not recovered. Nevertheless, investigators say "the observed damage patterns and absence of contact damage" on the door panel and plane itself indicate the four bolts were "missing" before the door plug was ejected from the plane.

The door plug was originally installed by contractor Spirit AeroSystems in Wichita, Kansas, and then shipped to Boeing's factory in Renton, Washington, for assembly. Once it arrived in Washington, the NTSB says damaged rivets were discovered on the fuselage that required the door plug to be opened for repairs. After that work was completed by Spirit AeroSystems personnel at the Boeing plant, the bolts were not reinstalled, according to photo evidence provided to the NTSB by Boeing.

The report does not say who was respon-



sible for the failure to ensure the bolts were reinstalled. The incident has touched off another crisis for Boeing. The troubled plane-maker was still working to rebuild public trust after 346 people died in two 737 Max 8 jets that crashed in 2018 and 2019.

In a statement, Boeing said it would review the NTSB's findings expeditiously.

"Whatever final conclusions are reached, Boeing is accountable for what happened," Boeing CEO Dave Calhoun said in a statement. "An event like this must not happen on an airplane that leaves our factory. We simply must do better for our customers and their passengers." The NTSB investigation is

ongoing and may take a year or more before a final report is completed.

The Alaska Airlines 737 Max 9 incident came up during a congressional hearing on Capitol Hill on Tuesday. The administrator of the Federal Aviation Administration (FAA), Michael Whitaker, told lawmakers on the House Transportation and Infrastructure Committee that this latest 737 accident has created several issues for the FAA.

"One, what's wrong with this airplane? But two, what's going on with the production at Boeing?" Whitaker said. "There have been issues in the past. And they don't seem to be getting resolved. So we feel like we need to have a heightened level of oversight to really get after that."

Whitaker says the FAA has sent about 20 inspectors to Boeing's Washington facilities, and six to the Spirit AeroSystems factory in Wichita, Kansas, where the 737 fuselages are produced. And he said some inspectors may have to remain at those factories permanently.

"Going forward, we will have more boots on the ground closely scrutinising and monitoring production and manufacturing activities," Whitaker said. "I do anticipate we will want to keep people on the ground there. We don't know how many yet. But we do think that presence will be warranted."

The FAA had already taken an unprecedented step ordering Boeing to not increase its 737 Max production rate beyond 38 jets each month — until the FAA is satisfied Boeing's quality control measures have improved. The FAA is in the midst of a six-week

audit of production at both facilities and an employee culture survey at Boeing. Whitaker testified that the agency will wait until those are complete before making any decisions about a permanent inspection plan.

Tim Clark, the president of Emirates, has joined a chorus of airline executives in warning that Boeing is running out of time to restore its reputation following a series of safety and manufacturing blunders.

In an interview with the Financial Times, Clark said he had seen a "progressive decline" in Boeing's standards, which he put down to long-running management and governance missteps, including prioritising profit over engineering excellence.

"They've got to get their manufacturing processes under review so there are no corners cut etc. I'm sure Dave Calhoun and Stan Deal are on that," he added, referring to Boeing's CEO and head of commercial airplanes respectively. "This is the last chance saloon."

Clark isn't the first airline boss to criticize Boeing since part of the fuselage of a 737 Max 9 blew out mid-flight in early January. In an interview with CNBC last month, United CEO Scott Kirby lamented Boeing's "consistent manufacturing challenges."

"I think the Max 9 grounding is probably the straw that broke the camel's back for us," he said. "We're going to build a plan that doesn't have the Max 10 in it," he added, referring to Boeing's newer, larger 737 model. The CEOs of American and Alaska have also voiced their frustration. Here in the Middle East, Clark is one of the most high-profile

figures in aviation, having held senior roles at Emirates since the 1980s, and the Dubai-based airline is one of Boeing's biggest customers. In November, Emirates placed an order for 95 wide-body Boeing 777 and 787 jets, used for long-haul flights, valued at \$52bn in total.

Clark said that Emirates would, for the first time, send its own engineers to observe the production process of the 777 at Boeing and its supplier Spirit AeroSystems — something unprecedented in a typical manufacturer-airline relationship.

"The fact that we're having to do that is testament to what has happened," he told the *Financial Times*. Boeing "needs a root-and-branch look at how it goes about producing aeroplanes," he added.

"Will Boeing restore itself to its former glory? Of course it will. Will Boeing continue to produce and design great aeroplanes, well-put together, reliable, for the customer base? I'm sure they will. But they've got to put the house in order at the moment. And this is a major shift in the priorities."

Ryanair — Europe's largest airline and another of Boeing's biggest customers — said last week that it was putting more of its own engineers in factories that build Boeing planes to run extra checks.

CEO Michael O'Leary said he has "a lot of confidence" in Calhoun and chief financial officer Brian West to turn the company around.

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

Airlines and airports set for digital breakthrough; uptick in IT, technology spending seen

By Pratap John

In an era defined by rapid technological evolution, airlines and airports seem to be positioning themselves for a digital breakthrough.

Global Information technology provider for the air transport industry SITA says that both airports and airlines saw IT spend increase year-on-year into 2023, reaching an estimated \$10.8bn and \$34.5bn respectively, with over two-thirds of airport and airline CIOs expecting continued growth into 2024.

Airports also boosted IT spend as a percentage of revenue in 2022 and 2023 even as business benefitted from an uptick in travel demand, signalling just how crucial a role technology will play in the next-generation travel experience. According to SITA, 99% of airlines saw an uptick in IT and technology spending in 2023.

Key investment priorities included Business Intelligence (BI) and artificial intelligence (AI). With generative AI's booming popularity and utilisation in 2023, a shift is evident — airlines are investing in transformative technologies to navigate operational challenges, optimise the passenger experience, and advance environmental sustainability, making strides towards greener operations. In particular, they are exploring alternative revenue channels (with the use of BI in passenger processing for retail doubling year on year). Passenger-centric technology adoption is another key investment area with touchless identity verification, self-service solutions, and real-time monitoring gaining traction. Biometrics are becoming commonplace to help curb congestion, with 70% of airlines expecting to have biometric ID management in place by 2026, and 90% of airports investing in major programs or R&D in this area. As sustainability takes centre stage, airlines prioritise the renewal of their fleets efficiencies around aircraft turnaround and ground operations,



In an era defined by rapid technological evolution, airlines and airports seem to be positioning themselves for a digital breakthrough. (Picture courtesy: SITA)

Beyond the Tarmac

and a commitment to Sustainable Aviation Fuel (SAF). The report reveals a joined industry push towards an environmentally responsible future, with SAF adoption projected to reach 83% by 2026. By 2026, over 90% of airlines plan to have IT in place to boost the efficiency of flight operations and aircraft turnaround. Strategic investments, innovation partnerships, and sustainability initiatives underscore a collective commitment to shaping a resilient, passenger-centric, and environmentally conscious future.

Priority areas: Cybersecurity and cloud services will remain key areas of investment for airlines over the coming years, with 97% and 95% respectively having major programmes/R&D in place, an increase of approximately 5% on last

year in each case. "Three areas stand out," SITA says and adds these are aircraft maintenance (increased from 80% to 89%), business intelligence solutions (79% to 90%), and digital tags, with digital tags being a widely discussed topic in the aviation sector in recent months. As seen among airports, 'greening by IT' is an area where there is significant R&D/pilot investment planned, likely in response to upcoming regulations regarding emissions and industry milestones for carbon reduction.

Passenger identity: When it comes to passenger digital identity verification, there is clear appetite among airlines for technologies that will save time, minimise disruption, and streamline the passenger journey through the airport. According to SITA, some 44% have already implemented touchless

identity verification technologies and 35% have implemented biometrics — with a further 24% and 35% respectively planning to introduce these by 2026.

While only 17% of airlines have currently adopted a single token for passenger identification across all touchpoints, over half plan to have this in place by 2026, ushering in a more seamless digitally enabled experience. Web check-in has become almost universal, increasing to 97% implementation. Staff using mobile devices to aid check-in jumped to 72% in 2023 and automatic check-in has seen a 18% increase year on year to 58% adoption.

When it comes to bag tagging, this is still mostly done at the airport, but printing at home is the main area of growth, with 24% having implemented this now (up from 16% last year) and a further 29% planning to do so in the next three years.

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



Since commencing operations in 2014, Hamad International Airport established health and safety initiatives that would mitigate risks and improve operational performance

HIA bags ISO 45001:2018 Occupational Health & Safety Management System Certification by BSI

Qatar Company for Airports Operation and Management (MATAR) received the ISO 45001:2018 Occupational Health & Safety Management System Certification for Hamad International Airport. The certification was awarded by the BSI (British Standards Institution). To obtain the recognition, Hamad International Airport underwent a rigorous in-depth assessment which analysed the airport's health and safety processes and procedures, leadership commitment, risk management, and controls in place. Commenting on the certification, Michael McMillan, senior vice president (Facilities Management) at Hamad International Airport, said: "At Hamad International Airport, implementing health and safety best practices is embedded in our daily operations. We have focused on creating collaboration and trust within our employees and stakeholders. We consistently review and improve our processes as the airport continues to

grow, ensuring health and safety is the foundation of operational excellence and an unparalleled passenger experience." Theuns Kotze, managing director (Assurance IMETA) at BSI said: "BSI would like to congratulate the team at Hamad International Airport on their Occupational Health and Safety Management System Certification. This demonstrates the airport's commitment to prioritising employees' health and well-being, to build a culture of care and accelerate towards a more sustainable world." Since commencing operations in 2014, Hamad International Airport established health and safety initiatives that would mitigate risks and improve operational performance. With a 'Zero Accident and Zero Harm' culture, the airport has adopted a robust system of work, to ensure a work culture that supports employees and partners, showcases leadership commitment and enhances passengers' journeys through the airport.

Boeing's next crisis: Aerospace workers demanding 40% pay raise

Bloomberg
New York

Boeing Co executives have spent the past month grappling with the aftermath of a near-catastrophe on an airborne 737 Max jet. As the US planemaker works through its latest crisis tied to manufacturing lapses, a new risk looms: A labour rift 10 years in the making.

Boeing's largest union, the International Association of Machinists and Aerospace Workers, is still smarting over a 2014 deal that sacrificed pensions, locked in minimal raises and tied the hands of activists for a decade.

Union leaders will demand a 40% pay raise over three or four years, emboldened by a resurgent US labour movement, a scarcity of qualified aerospace workers and pressure on Boeing to stabilise work in its factories.

"Our goal is to negotiate a contract that we as a union leadership and our members can accept," said Jon Holden, president of IAM District 751, which represents 32,000 Seattle-area Boeing mechanics. "We don't take going on strike lightly. But we're willing to do it."

Holden sees a path to a successful deal with Boeing, he said in an interview. Even so, he's prepared to follow the lead of auto workers in Detroit, writers and actors in Hollywood, and fellow machinists at Boeing supplier Spirit AeroSystems Holdings Inc in Kansas. Each emerged from walkouts last year with significant improvements in pay and other contract terms.

A strike would shut down Boeing plants in Washington and Oregon, including assembly lines for its cash-cow 737 jets, crimping output after the current IAM contract expires in September.

With talks set to start on March



Workers at Boeing's manufacturing facility in Renton. As the US planemaker works through its latest crisis tied to manufacturing lapses, a new risk looms: A labour rift 10 years in the making.

8, labour tensions will add to the scrutiny on Boeing Chief Executive Officer Dave Calhoun. He already faces questions from lawmakers and investors over a spate of manufac-

turing problems — the latest, an issue with holes misdrilled by Spirit — while the Federal Aviation Administration has stepped up its oversight and capped production increases for

the 737 until quality improves.

"We remain focused on working with our teams to strengthen quality across our operations," Boeing said in a statement. "We believe there's a path to a new contract that addresses the needs and concerns of our people while maintaining our ability to compete in the global market."

The tactics Boeing used a decade ago to wrest pension concessions and limit pay increases to less than 1% on average loom large over the coming negotiations — they were still in place when inflation soared post-Covid.

"There's no loyalty because Boeing wasn't particularly loyal," said analyst Richard Aboulafia. "Now the labour markets have shifted radically, and they may stay that way for a long time."

Back then, the aviation titan held crucial leverage over its Seattle-area work force: a hulking new

jet program known as the 777X.

The company's commitment to its century-old base was in question after Boeing had begun assembling 787 Dreamliners in South Carolina a year earlier.

To force the IAM into contract talks that included freezing pensions, Boeing threatened to take the 777X program out of the Seattle area, inviting states around the US to compete for the factory.

While local IAM leaders saw a bluff, senior union staff in Washington, DC, took over the talks and backed down. The narrowly approved deal that resulted preserved jobs, but the fixed-pension plan was ended, and pay raises totalled 4% over the next decade.

"The anger that was experienced by our membership throughout that process in 2013 and 2014 is certainly palpable today," Holden said. "I hear it any time I'm in the factory, and from all across the spectrum."