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Boeing CEO set to step down in overhaul sparked by safety crisis

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GULF TIMES
BUSINESS

QUALITY FOCUS: Page 2

China's tech sector seen to rival property as growth driver

QFCA designates new board of directors with Minister of Commerce and Industry as chairman

The Qatar Financial Centre Authority (QFCA) has recast its board with HE the Minister of Commerce and Industry Sheikh Mohamed bin Hamad bin Qassim al-Thani as chairman.

During its meeting on Wednesday, the cabinet approved the reform of the board, which brings together a distinguished group of individuals renowned for their expertise across various sectors.

The board comprises prominent figures, including Mansoor bin Ebrahim al-Mahmoud, Abdulaziz bin Nasser bin Mubarak al-Khalifa, Akbar al-Baker, Ahmed bin Abdullah al-Jamal, Mohamed Hassan al-Maliki, Sheikh Ali bin Alwaleed al-Thani, Ahmad Abdulla al-Muslemani, Yousuf Mohamed al-Jaida, and Robert Wigley.

"We recognise the profound implications this decision holds for Qatar's economic landscape. With the collective wisdom and experience of the new board of directors, the QFCA is poised to further advance its mission of facilitating business growth, attracting foreign investment, and nurturing a thriving financial ecosystem," said al-Jaida.

As it enters this new phase, the QFC moves forward with renewed leadership and a steadfast commitment to fostering Qatar's economic development.

Yousuf Mohamed al-Jaida, QFCA board member and chief executive officer.

QNB introduces 'FAWRAN' for fast payments within Qatar

QNB Group, the largest financial institution in the Middle East and Africa, has launched 'FAWRAN', a new payment method that will provide customers a "unique payment experience through an innovative technology" to make quick and secure payments to anyone in Qatar by using the beneficiary's mobile number or alias.

This comes as a new addition to QNB's growing extensive digital payment product services.

The FAWRAN service is supported by the real-time payment system of the Qatar Central Bank, which is the latest and most innovative entrant to Qatar's digital payments landscape.

"Customers can simply register to the service through QNB's award winning Mobile Banking and Internet Banking by simply using a Qatar Mobile Number or by choosing a unique alias name," the bank said in a statement.

Adel Ali al-Malki, senior executive vice-president, QNB Group Retail Banking, said, "We are delighted to introduce the new FAWRAN service that supports QNB customers to make fast and secure payments in a simple way.

"At QNB, we strive towards introducing new and innovative payment solutions to provide the best customer experience. FAWRAN is a new addition to our award winning digital banking suite of services. FAWRAN marks a pivotal moment in the financial industry in Qatar, offering limitless possibilities for customers. We are excited to bring this transformative technology to the forefront and look forward to witnessing its far-reaching impact on the way we manage and transfer funds."

Adding to its array of achievements, QNB recently received the 'Best Mobile App' award at the Qatar Digital Business Awards 2023.

The bank also received 'Best Digital Bank in the Middle East' and 'Best Digital Bank in Qatar' awards from *The Digital Banker*. QNB also won 'Best Bank for Digital Solutions in Qatar' award from *Euromoney* magazine, and 'Best Mobile Banking App', 'Best Payment Innovation', and 'Excellence in Product Marketing' at *MEED*'s MENA Banking Excellence Awards.

"These recognitions serve as a testament to QNB's commitment to excellence and to providing innovative banking solutions both within the region and globally," the statement said.

QNB Group currently ranks as the most valuable bank brand in the Middle East and Africa. Through its subsidiaries and associate companies, the Group extends to some 28 countries across three continents providing a comprehensive range of advanced products and services.

The total number of employees is more than 30,000 operating from approximately 900 locations, with an ATM network of over 4,800 machines.

2024 seen year of growth for Mideast M&A market: PwC

By Santhosh V Perumal
Business Reporter

Driven by economic diversification goals, decarbonisation, and a focus on localisation and value creation, 2024 will be a year of growth for the Middle East's M&A (merger and acquisition) market, according to PricewaterhouseCoopers, a multinational professional services network.

"Going into 2024, the Middle East is likely to see a robust deal making environment, as governments continue to advance their strategic agendas and diversify their economies. As the global M&A outlook improves and the macroeconomic environment stabilises, we anticipate a further surge in deals and valuations in the region," said the 2024 TransAct report by PwC Middle East.

"We anticipate that 2024 will be a year of growth and activity will be driven by economic diversification goals, decarbonisation, and a focus on localisation and value creation; as organisations transform their business models and look to expand capabilities," said Romil Radia, Deals Markets Leader, PwC Middle East.

M&A activity across the region is being driven by the intensifying economic diversification and growth of non-oil sectors, rising private sector participation and robust capital markets activity, it said.

Strong economic fundamentals, business regulations and the wider government transformation agenda continue to support deal making prospects in the Middle East, it said.

The report discusses net-zero targets and energy transition considerations that are opening up new funding opportunities for the development of critical infrastructure and technology, from hydrogen to wind, solar, and carbon capture. Moreover, there is a growing willingness and demand among companies to invest in clean energy.

Another sector with significant potential for deal making growth in 2024 is technology, with areas such as cybersecurity, cloud computing, and e-commerce well placed to attract investments.

The Middle East's active adoption of the digital revolution has further accelerated this trend, with countries like Qatar, Saudi Arabia, UAE, and Bahrain, outlining economic visions that involve substantial adoption of advanced technologies, including Gen AI.

Despite the slower growth rate experienced by the global economy, the Middle East has remained resilient, supported by solid economic fundamentals and supportive government policies, the report said, adding this resilience has boosted stability and investor confidence in the region, leading to a relatively active deal market against other regions that are more susceptible to higher interest rates and recessionary fears.

Based on the report, the market is buoyed by the region's solid economic fundamentals and supportive economic policies, with member nations undergoing digital transformation, strengthening their non-oil sectors and driving energy transition initiatives.

As businesses aim to gain a competitive edge, PwC Middle East experts suggest that they can leverage transactions, such as M&A, divestments, joint ventures, or refinancing to accelerate their progress and acquire new capabilities or strengthen their positioning in the market.

Despite notable declines in comparison to 2022, it is anticipated that the deal market will remain active and grow in many sectors in 2024 as governments continue to advance their strategic agendas and diversify their economies.

The region noted a total of 47 IPOs (initial public offerings) which generated $10.7bn, according to PwC's GCC 2023 IPO+ Watch. The energy and utilities sector led the way, with a mega IPO in the first half of 2023, followed by consumer market, health and technology sectors.

Commercial Bank first in Qatar to sign MasterCard's pledge to support environmental initiatives

■ Collaboration sees first introduction of Mastercard 'Carbon Calculator' in Qatar

Commercial Bank and Mastercard have joined hands to sign sustainability pledge that promotes environmental initiatives in Qatar.

Various commitments were signed in Doha, at an event that was attended by Group CEO of Commercial bank, Joseph Abraham; executive general manager and head (Retail Banking) at Commercial Bank, Shahnawaz Rashid; assistant general manager and head (Cards and Payments) at Commercial Bank, Dr Sudheer Nair and head (Cards Issuance, Products and Portfolio) at Commercial Bank, Srikumar Chandrot.

Present on the occasion from Mastercard were the president of Eastern Europe, Middle East and Africa (EEMEA) at Mastercard, Dimitrios Dosis; president of the Middle East and North Africa Division (Mena), Khalid Elgibali; general manager of Mena East responsible for the UAE, Pakistan, Qatar, Kuwait and Oman, JK Khalil; country manager (Qatar and Kuwait) Erdem Çakar; and account manager of Qatar, Zulkarnain Qureshi.

For Commercial Bank and Mastercard alike, accelerating the transition to a sustainable and regenerative economy for all is a key business priority.

Commercial Bank is the first in the market to sign Mastercard's Qatar Sustainable Cards Pledge, which mobilises the country's banks to switch to cards made from more sustainable materials – including recycled or bio-sourced plastics such as rPVC, rPET, or PLA1 – by 2026. Commercial Bank also signed an agreement to introduce Mastercard's 'Carbon Calculator', making them the first financial institution in Qatar to do so.

Developed by Mastercard in partnership with Swedish fintech company Doconomy, the Carbon Calculator allows consumers to receive a snapshot of the estimated carbon emissions generated by their purchases.

Commercial Bank is further joining Mastercard's 'Priceless Planet Coalition', which unites the efforts of citizens, businesses, and corporate partners to fight climate change through funding the restoration of 100m trees with the aim of contributing to the fight against climate change.

By restoring 50,000 trees across the globe in collaboration with Conservation International, the World Resources Institute (WRI) and Mastercard, Commercial Bank will help cultivate a healthier global forest ecosystem.

Commenting on this agreement, Abraham said, "We are delighted to announce our partnership with Mastercard, solidifying our commitment to sustainability and environmental stewardship in Qatar. By joining forces, we aim to leverage innovation and responsible business practices to drive positive change and create a more sustainable tomorrow for generations to come."

Dosis said, "At Mastercard, we are actively working with our global partner network to build a better future in line with our ethos of doing well by doing good. We are delighted to join forces with Commercial Bank to harness the power of our collective technology, scale, and commitment in creating a sustainable future for all."

Rashid said, "Together with Mastercard, Commercial Bank is poised to create a meaningful impact and lead by example in promoting a more sustainable and eco-conscious society. By signing this pledge, and through our innovative initiatives and collaborative efforts, we aim to reduce our environmental footprint and inspire others to join us in prioritising sustainability."

The pledge signed by Commercial Bank and Mastercard stands as a testament to the steadfast commitment to paving the way for a more sustainable future, one rooted in responsibility, innovation, and collective action.

Various commitments were signed in Doha, at an event attended by Group CEO of Commercial bank, Joseph Abraham; president of Eastern Europe, Middle East and Africa (EEMEA) at Mastercard, Dimitrios Dosis and senior executives from Commercial Bank and Mastercard.

BUSINESS

HSBC Qatar voted 'market leader' in *Euromoney* trade finance survey

HSBC Qatar has been voted "market leader" for trade services in the country for the seventh consecutive year in the 2024 *Euromoney* Trade Finance Survey. The bank also received the award for best service in the country and was voted best bank for trade finance across the Middle East. HSBC ranked first globally with 52 first-place rankings which are split into 28 market leader and 24 best service awards across all regions. The rankings represent the views of thousands of business customers on their preference for trade finance in the region. Abdul Hakeem Mostafawi (***pictured***), CEO, HSBC Qatar, said: "HSBC Trade Services are at the heart of our strategic priorities and bring local expertise and global connections to our customers.

"Our 70-year heritage in Qatar was founded on trade services where we were able to connect our customers to the world. We will continue to invest in the best technologies to ensure secure and streamlined transactions for our customers."

China's tech sector is seen to rival property as growth driver

Bloomberg
Hong Kong

China's high-tech sector is driving an increasing amount of demand for goods and services in the world's second-biggest economy, and its contribution could rival real estate by 2026, according to Bloomberg Economics.

"The high tech sector has potential to become a much more significant source of growth," economists Chang Shu and Eric Zhu wrote in a report. It's estimated to drive demand worth nearly 19% of GDP by 2026, up from 14.3% last year, and almost on par with the property sector now.

Beijing is searching for new sources of growth as it steers a transition away from a property-driven model. Officials are pursuing "high quality development," which will focus on high-tech manufacturing and innovative factors such as information technology, big data and artificial intelligence.

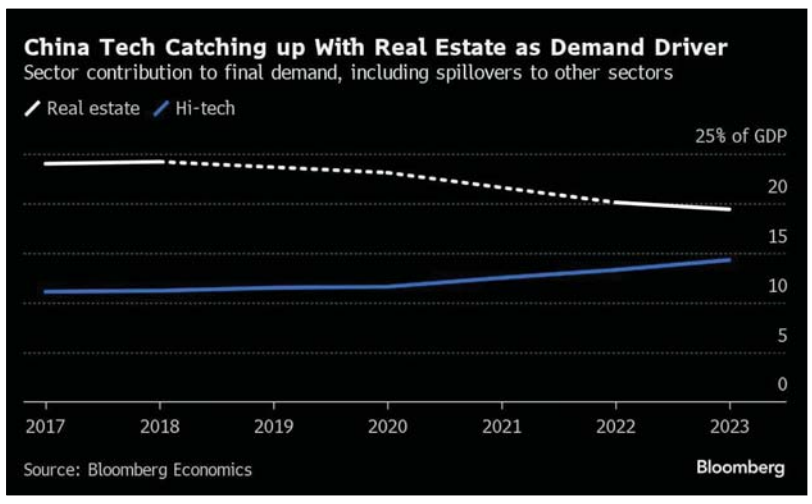
Bloomberg Economics' analysis looked at sectors including medicine, advanced equipment, IT, communications equipment and services, as well as research and development. It estimates that the final demand related to high tech was 18tn yuan ($2.5tn) in 2023, or about 14.3% of GDP. That's less than property, which drove demand worth 20.1% of GDP.

But with the property sector forecast to continue shrinking in the coming years, the fast growth of high tech industries and their increasing economic weight make them a promising growth engine, Bloomberg Economics said.

About a quarter of demand contribution from high-tech sectors comes from spillovers to other sectors, according to the report. A 1-yuan increase in the output value of high tech industries is associated with a rise of 1.3 yuan in final demand across the economy, it added.

Sustaining growth in hi-tech sectors won't be easy. A major risk is rapid technology decoupling globally, with the US and its allies imposing various forms of restrictions on advanced technology exports to China.

Under-developed market mechanisms for nurturing innovation and entrepreneurship may also limit private-sector spending, and government-led investment could lead to inefficiencies and overcapacity, the economists said.



A visitor tests a VR product during the World Artificial Intelligence Conference (WAIC) in Shanghai (file). Bloomberg Economics estimates that the final demand related to high tech was 18tn yuan ($2.5tn) in 2023, or about 14.3% of China's GDP. That's less than property, which drove demand worth 20.1% of GDP.

Bloomberg QuickTake Q&A

What is the Fed's dot plot and why does it matter?

By Alister Bull

It's almost certainly the most closely scrutinised scatter chart in world financial markets. Every three months since January 2012, the Federal Reserve has sent analysts scurrying by updating its "dot plot," which has become the de facto monetary policy forecast of the US central bank — whether the Fed wants it to be or not. It's also an important source of clues to dissent within the Fed's policymaking committee, even if it can be as cryptic as it is crucial.

1. What is plotted on the dot plot?

It's a chart showing estimates of what the federal funds rate, the short-term interest rate controlled by the Fed, should be. Members of the rate-setting Federal Open Market Committee each assign a dot for what they view as the midpoint of the rate's appropriate range at the end of each of the next three years and over the longer run. Investors focus on the median dot. As many as 19 monetary policymakers — the seven governors on the Fed Board in Washington and the presidents of the 12 regional banks — can contribute a dot.

2. What good is a projection of the Fed funds rate?

The dot plot was invented in late 2011, at a time when Fed officials were considering how to prepare markets for the shift they hoped to make away from the unprecedented array of monetary support measures they'd put in place after the financial crisis. The Fed chairman at the time, Ben Bernanke, and Janet Yellen, who served as Bernanke's deputy before a four-year stint as chair, saw the dot plot as a way of giving markets a look into the Fed's thinking beyond any immediate decision-making. FOMC statements focus mainly on current economic conditions and the immediate interest-rate target, though they've evolved over time and can be used to deliver sometimes-forceful forward guidance.

3. Why does it matter?

When the dot plot shifts, it can send a powerful message to investors on whether the US central bank expects to speed up or slow down its planned tightening of monetary policy. It also creates a benchmark that can be used to highlight differences between the Fed's official view and that of the financial markets.

4. Can I tell which Fed official offered which dot?

No. The dot plot carries no names, so there's no way to tell, say, which estimate was offered by the Fed chair (though analysts have their suspicions). The anonymous nature of the dot plot is one reason it has critics as well as fans.

The seal of the Federal Reserve Board of Governors is displayed across from the Fed building in Washington, DC. The "dot plot" has become the de facto monetary policy forecast of the US central bank.

5. What else do dot plot detractors say?

Maybe the biggest beefs are that the projections don't reflect a commitment by the FOMC to act and aren't an official consensus forecast. (Fed staff explored hammering out a consensus dot, but officials decided that it would be too hard to get agreement among so many officials with such disparate views.) Each individual member may base his or her forecast on a different economic model or set of assumptions, which means there's no consistency in how the dots are generated and no sense of the thinking behind them. Further complicating things, of the 12 regional Fed presidents, only five are voting members of the FOMC in any given year. That raises questions over how well the dots accurately reflect longer-term FOMC intentions.

6. How do Fed leaders view the dot plot?

With mixed feelings. In 2014, at her first FOMC press conference as chair, Yellen said people "should not look to the dot plot" as "the primary way in which the committee wants to or is speaking about policy to the public at large." But in 2016, after Fed officials had trimmed their forecast for the number of rate hikes that year to two from four, Yellen told reporters that the shift in dots "largely reflects a somewhat slower projected path for global growth" and a tightening in credit conditions. Jerome Powell, who took over from Yellen as chair in February 2018, often plays down the dot plot, telling lawmakers in March that it's "not a plan." But it's also proved an aid on occasion, such as last June, when policymakers refrained from hiking rates but the dot plot showed more increases to come later in 2023 — helping avoid any burst of investor exuberance over the tightening cycle being over.

Delinquencies topping 60% spell trouble for Brazil's fintechs

Bloomberg
Brasilia

Brazilian fintechs are getting hit by a wave of defaults on loans they made to customers that the nation's bigger, legacy banks wouldn't touch, causing risky layers of an asset-backed credit market to collapse.

The companies, which include Goldman Sachs-backed Open Co, Nexoos and Gyra+, are seeing delinquencies on some of their portfolios for unsecured loans top 60%, forcing them to merge, pull back on expansion plans and sell assets to survive.

It's reverberating through vehicles called FIDCs, which Brazilian firms use to raise cheaper financing. Delinquency rates in the 65.5bn reais ($13.2bn) fintech FIDC market reached 9.5% on average in January, up from the 3.5% six years earlier, according to Uqbar, a data provider that specialises in securitisation in Brazil.

That's becoming a massive problem for the companies, because they hold the subordinated tranches of FIDCs as a way to have "skin in the game," said Leandro Albuquerque, an analyst from S&P Global Ratings who follows the industry.

"The risk of delinquencies remains high especially for unsecured personal and small business loans, due to slow economic growth prospects and still high interest rates," he said. "There are still challenges on the short-term horizon for these companies."

The startups earned a following — and the backing of investors — by promising to democratise lending in a country where obtaining credit is notoriously difficult. Several of the more problematic FIDCs were raised just after the pandemic, when benchmark interest rates in Brazil were around 2% and the government was providing subsidised credit to companies and individuals, Albuquerque said. Brazilians who had never before held a bank account jumped at the fintech companies' offers, signing up for as many as six credit cards in some cases.

Three years later — with rates now in double digits — defaults are skyrocketing, marking another setback for Brazil's once-promising fintech industry.

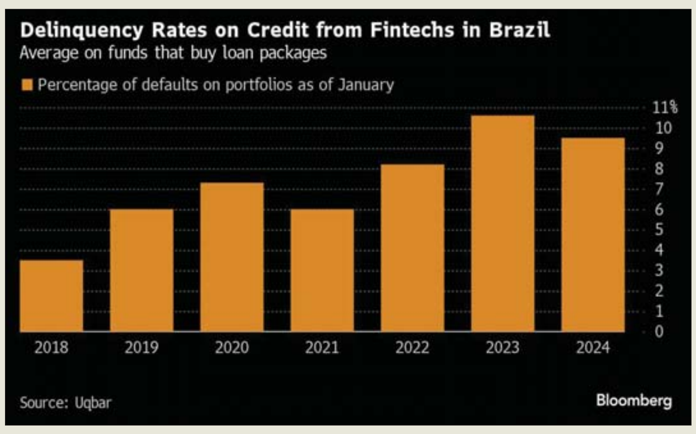
The nation has 1,627 fintechs, according to Distrito, and not all of them will survive.

In many ways, it mirrors the shift underway for the global industry of financial startups that became a favourite of venture capitalists only to be caught out when credit conditions rapidly turned tighter.

But the situation in Brazil poses implications beyond the startup world and into the often overlooked, but vital 454bn reais ($90bn) Receivables Investment Fund (or FIDC for its name in Portuguese) market, which has been growing as a go-to place for small companies to raise financing.

In some ways, the structure is similar to asset-backed securities markets widely used elsewhere. But FIDCs are unique to Brazil. Most of the market is healthy — fintech FIDCs even grew 25% in the 12 months ended in January.

Open Co declined to comment. Nexoos and Gyra+ didn't return messages seeking comment.



CLASSIFIED ADVERTISING

Qatar bourse index falls 122 points; M-cap erodes QR9bn

By Santhosh V Perumal
Business Reporter

The Qatar Stock Exchange (QSE) yesterday saw its key index plummet more than 122 points and capitalisation erode QR9bn, reflecting the global concerns, ahead of the US inflation data.

An across the board selling, particularly in the banks and industrials counters, dragged the 20-stock Qatar Index 1.2% to 10,092.68 points, although it touched an intraday high of 10,213 points.

The foreign institutions were seen net profit takers in the main market, whose year-to-date losses widened to 6.81%.

More than 89% of the traded constituents were in the red in the main bourse, whose capitalisation eroded QR8.9bn or 1.51% to QR579.03bn with large and midcap segments leading the pack of losers.

The Gulf institutions' lower net buying interests had its marginal influence in the main market, which saw as many as 0.01mn exchange traded funds (sponsored by Masraf Al Rayan and Doha Bank) valued at QR0.04mn trade across eight deals.

However, the local retail investors were increasingly net buyers in the main bourse, which saw no trading of sovereign bonds.

The Islamic index was seen declining slower than the other indices in the main market, which reported no trading of treasury bills.

The Total Return Index shed 1.19%, the All Islamic Index by 0.78% and the All Share Index by 1.37% in the main bourse, whose trade turnover and volumes were on the decline.

The banks and financial services sector index tanked 1.71%, industrials (1.36%), real estate (1.12%), transport (0.83%), consumer goods and services (0.71%), insurance (0.55%) and telecom (0.54%). Major losers in the main market included Qatar Islamic Insurance, Qatar Cinema and Film Distribution, Qatari German Medical Devices, Lesha Bank, QNB, Doha Bank, Dlala, Meeza, Industries Qatar, Gulf International Services, Estithmar Holding, Ezdan and Nakilat. In the venture market, Al Mahhar Holding saw its shares depreciate in value.

An across the board selling, particularly in the banks and industrials counters, dragged the 20-stock Qatar Index 1.2% to 10,092.68 points yesterday, although it touched an intraday high of 10,213 points

Nevertheless, Mekdam Holding, Al Meera and Qatari Investors Group were the three constituents that extended gains to investors in the main bourse.

The foreign institutions turned net sellers to the tune of QR36.72mn compared with net buyers of QR20.58mn on March 24.

The Gulf institutions' net buying decreased marginally to QR8.59mn against QR9.36mn the previous day.

However, the local retail investors' net buying increased drastically to QR42mn compared to QR0.73mn on Sunday.

The Arab individuals turned net buyers to the tune of QR6.24mn against net profit takers of QR2.15mn on March 24.

The foreign individuals' net buying strengthened markedly to QR1.38mn compared to QR0.37mn the previous day.

The Gulf individual investors' net buying expanded marginally to QR0.97mn against QR0.2mn on Sunday.

The domestic institutions' net profit booking shrank perceptibly to QR22.45mn compared to QR29.08mn on March 24.

The Arab funds had no major net exposure for the second straight session.

Trade volumes in the main market shot up 29% to 136.21mn shares, value by 68% to QR461.64mn and deals by 69% to 16,344.

The venture market saw 91% plunge in trade volumes to 0.02mn equities, 91% in value to QR0.03mn and 91% in transactions to 3.

Boeing CEO to step down in leadership overhaul sparked by safety crisis

Bloomberg
New York

Boeing Co Chief Executive Officer Dave Calhoun is stepping down at the end of the year, part of a sweeping leadership overhaul as the planemaker struggles to get a handle on a spiralling safety crisis.

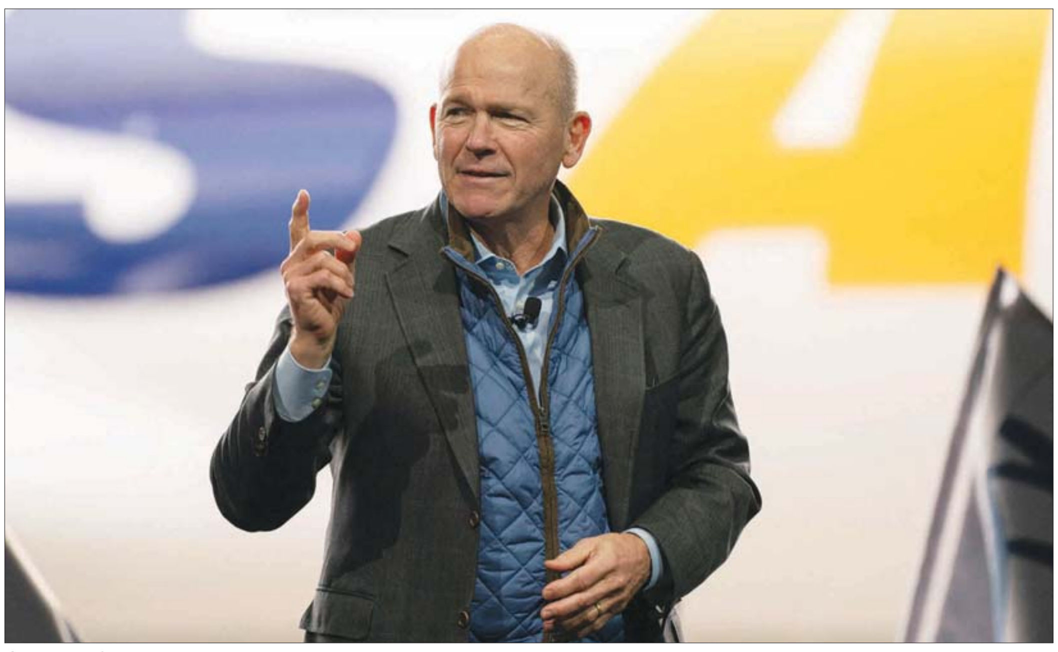
Chairman Larry Kellner will not stand for re-election, Boeing said in a statement yesterday. Stan Deal, the embattled chief of Boeing's commercial airplane division, is also departing immediately and will be replaced by Chief Operating Officer Stephanie Pope.

The shakeup reflects growing customer frustration as the crisis centring on the planemaker's manufacturing quality and safety shows no signs of receding. Kellner, Calhoun and Deal mark the highest-profile departures since a near-catastrophic incident in January involving its 737 Max jetliner plunged Boeing into an ever-deepening turmoil.

Calhoun and Deal faced growing criticism from unhappy customers after the Alaska Airlines incident exposed lapses in Boeing's manufacturing controls, and pressure had been growing on directors to revamp Boeing's senior management. Questions over their leadership reached a crescendo last week when the chief executives of major airlines asked the board to meet directly, without Calhoun present.

The move to bypass the CEO offered a signal to investors and company officials alike: The airlines were losing patience with the top brass. While the board ultimately decided to keep Calhoun on through the end of the year in order to oversee Boeing's safety overhaul, Deal's departure was more swift.

"While someone losing their job is rarely something to celebrate, we think that this is probably a wise move by the Boeing board of directors," Robert Stallard, an analyst with Vertical Research Partners, told clients Monday. "Many of Boeing's customers, suppliers and other stakeholders have arguably lost faith in the company, while its relations with the FAA and NTSB are clearly strained."


Calhoun: On the way out.

A detailed audit of Boeing and its suppliers by the US Federal Aviation Administration raised concerns about the company's safety culture, the agency's top official said last week.

Former Qualcomm chief Steve Mollenkopf, who has been on Boeing's board since 2020, will head the search for a new CEO as lead independent director, the company said.

"The new CEO will be coming into a Boeing which has been playing a reactionary defence for quite some time," Ron Epstein, an analyst with Bank of America, said in a note. "However, the best leaders are forged in fire. This may be the first real chance, in a long time, Boeing has had to clean house and reset their own narrative."

Calhoun, a long-time Boeing director and veteran of General Electric Co and Blackstone Group LP, stepped into the top role in early 2020 as the planemaker was reeling from a global grounding of the 737 Max following two crashes. He is ending a four-year stint as CEO dealing with the fallout from another near-catastrophe with the same model.

"I have been considering for some time, in discussion with our board of directors, the right time for a CEO transition at Boeing," Calhoun said in a message to employees. "The eyes of the world are on us, and I know we will come through this moment a better company, building on all the learnings we accumulated as we worked together to rebuild Boeing over the last number of years."

On Calhoun's watch, Boeing returned the 737 Max to commercial service in 2020 following a lengthy global grounding in the wake of two fatal accidents in 2018 and 2019. But the planemaker has struggled to raise production levels in the wake of the Covid pandemic as it grappled with worker turnover and with a series of quality lapses within its factories and those of suppliers.

Now Boeing faces a makeover of its senior leadership team and board as it works to re-establish quality controls and win back consumer and regulators' trust. Calhoun, 66, had laid out his succession plan late last year by elevating Pope to the role of chief operating officer — signalling an eventual end to his run as CEO.

The company's upcoming annual meeting played a role in putting those plans into motion, Calhoun told employees. Kellner, a former CEO of Continental Airlines, was contemplating stepping down after 13 years as a Boeing director and four years as chairman. He decided the CEO selection process should be led by his replacement, Mollenkopf. Calhoun told CNBC that he'd also be involved.

The moves provide "leadership continuity, which a knee-jerk change would not," analyst Cai von Rumohr of TD Cowen said Monday. He described the overhaul as a "partial step" toward changing the company's culture and rebuilding investor confidence.

He suggested directors also review whether Boeing should move its headquarters back to Seattle and give its largest union a seat on the board.

The latest changes are "a good first step in addressing the company's myriad of problems," said Stallard, of Vertical Research Partners.

Build Your House 2024, Ministry of Social Development and Family collaborate to bolster GCC construction sector

The 'Build Your House Exhibition 2024', slated from May 13 to 16 at the Qatar National Convention Centre (QNCC), will witness a strategic collaboration with the Ministry of Social Development and Family to host the second edition of the 'Gulf Housing Week Conference.'

With an anticipated attendance of over 300 exhibitor participants and insights from over 60 expert speakers, the conference promises to be a dynamic platform for knowledge exchange, collaboration, and networking. It will coincide with the Build Your House Exhibition, held directly within the exhibition area, providing a comprehensive experience for attendees.

The opening ceremony will be attended by HE the Minister of Commerce and Industry Sheikh Mohamed bin Hamad bin Qassim al-Thani and HE the Minister of Social Development and Family Maryam bint Ali bin Nasser al-Misnad.

The exhibition space will feature booths from all six GCC countries, with Qatar's booth strategically represented within the Ministry of Social Development and Family's space. Additionally, the GCC Council will host a booth, covering a total space of 800sq m and is expected to encourage cross-border collaboration, fostering a sense of unity and shared purpose within the region.

Rawad Sleem, co-founder and general manager of NeXTfairs for Exhibitions and Conferences, said the partnership aims to enrich urban and real estate life, promoting the advancement of the construction sector in the Gulf Co-operation Council (GCC) and strengthening the groundwork for a sustainable urban economy.

He said this joint effort with the ministry highlights a crucial stride towards fostering a sustainable urban economy and fostering the advancement of the construction sector.

"The fifth edition of Build Your House Exhibition, a Qatar-created event, has demonstrated a significant impact on the growth of the construction industry and Qatar's urban renaissance. The success of Build Your House Exhibition 2023 is evident in the remarkable business introductions and an impressive QR800mn in deals.

"The upcoming fifth edition will further enhance the experience for our visitors and exhibitors as we collaborate with the Ministry of Social Development and Family to present the second edition of the Gulf Housing Week Conference. This collaboration with the Ministry is a pivotal effort aimed at fortifying the foundation for a sustainable urban economy and fostering the growth and development of the construction sector."

He added: "With the participation of esteemed ministers from the GCC, Qatari homeowners, industry professionals, 300 varied companies, and decision-makers, this promises to be an inspiring and enlightening conference and exhibition.

This collaboration holds immense potential to instigate change and growth, ultimately shaping the future of cities, real estate development, and the lives of people residing in Qatar and the GCC."


The success of Build Your House Exhibition 2023 is evident in the remarkable business introductions and an impressive QR800mn in deals

Fed expected to cut interest rates, lift Biden's prospects

Reuters
Washington

The US Federal Reserve looks on track to cut interest rates as the presidential campaign season heats up, potentially delivering President Joe Biden a boost as polls show Americans dislike his handling of the economy.

The Fed could play an outsized — and potentially uncomfortable — election-year role by helping shape attitudes about stubbornly high inflation and mounting housing costs that have been a drag on Biden's reelection efforts. Rate cuts will also invite critics — Republican challenger Donald Trump chief among them — to argue an agency set up to be an independent monetary authority is tipping the political scales toward Biden.

Indeed, Trump isn't even waiting for the first rate cut to happen before making that claim, telling Fox Business last month he expects Fed Chair Jerome Powell — whom Trump installed as central bank chief in 2018 and soured on soon afterward — "to do something to probably help the Democrats... if he lowers interest rates." Trump's angst — and Biden's likely optimism — over the matter is understandable given the hefty mindshare interest rates have come to claim among consumers fatigued and angered by enduring the steepest inflation since the Reagan administration.

"Rate cuts are massively popular with people. It will really help build confidence in the economy just as people are paying closer attention to the election," said Celinda Lake, a top Biden pollster in his 2020 campaign who has recently done private polls on the Fed for a client. "People are really feeling like they are being gouged every way to Sunday."

Americans in poll after poll rank the economy at or near the top of their most important election-year issues, and the outlook US central bankers sketched at last week's meeting is rather a rosy one for Biden. Officials' projections suggest he will ride a growing economy, low unemployment, moderating inflation, and also cheaper credit into Election Day on November 5.

Investors now anticipate rate cuts at two of the four Fed meetings between now and then, in mid-June and again in mid-September, decisions that Biden could then point to as evidence the worst of inflation has passed and that could influence voter perceptions of the economy.

Though the Fed only controls an overnight borrowing rate among banks, reductions to that benchmark — set at 5.25%-to-5.50% since last July — translate quickly to lower mortgage rates, cheaper car loans and easier financing terms for small businesses. The question is whether what is anticipated — roughly half a percentage point of reductions before voters go to the polls — will be sufficient to move the needle. Lindsay Owens, head of the Groundwork Collaborative, a progressive Washington think tank, is sceptical that it will. With the unemployment rate low, the economy growing at a strong pace and inflation still a concern, the Fed will cut rates too slowly to aid Biden all that much politically, she said.

"We're in a 23-year-high interest rate environment and getting another 25-basis point cut or two before November doesn't change the fact that mortgage rates are going to be high," Owens said.

Polls repeatedly show Americans give Biden poor ratings for his handling of the US economy, due in large part to rising costs for groceries, gasoline and other necessities that have squeezed the poor and middle class. Biden has spent large parts of the last year touting the strong economy, but the effort has done little to change Americans' negative attitudes.

The University of Michigan's widely followed Consumer Sentiment Index plunged to a record low in June 2022 as inflation raged at a four-decade high of 9.1%. Sentiment is now about halfway between that and its pre-pandemic averages.

The developing dynamic between Biden, the economy and the Fed is in contrast to what former presidents Jimmy Carter and George HW Bush faced in the late 1970s and early 1990s, when inflation and Fed rate hikes arguably hurt their reelection chances. Both lost.

For the Fed, the current outlook, if it meets expectations, would be a singular triumph of its own. Aggressive rates hikes during 2022 and 2023 brought a punishing bout of inflation under control without causing a recession, and now a turn to rate cuts may be as close as the central bank comes to a declaration of victory. Biden offered a preview of sorts of how he will incorporate Fed decisions during a campaign stop in Philadelphia earlier this month.