FED CONCERNS | Page 4

QSE index falls 68 points; M-cap erodes QR3.63bn

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Wednesday, April 17, 2024
Shawwal 8, 1445 AH
GULF TIMES
BUSINESS

RESILIENT 2024: Page 2

Oil price spike threatens 'relatively good' economic outlook, says IMF

Higher hydrocarbons extraction, chemicals and food products expansion lift IPI in February: PSA

By Santhosh V Perumal
Business Reporter

Higher extraction of hydrocarbons as well as production of chemicals and food products led Qatar's industrial production index (IPI) to jump 0.4% year-on-year this February, according to official statistics.

The country's IPI, however, fell 8.2% on a monthly basis in the review period, according to figures released by the Planning and Statistics Authority (PSA).

The PSA introduced IPI, a short-term quantitative index that measures the changes in the volume of production of a selected basket of industrial products over a given period, with respect to a base period of 2013.

The mining and quarrying index, which has a relative weight of 82.46%, shot up 1% on a yearly basis due to 1% jump in the extraction of crude petroleum and natural gas; even as there was 7.7% contraction in other mining and quarrying segments.

The sector index had seen a 9.5% contraction month-on-month in the review period owing to 9.5% plunge in extraction of crude petroleum and natural gas; whereas there was a 2.1% increase in other mining and quarrying segments.

The manufacturing index, with a relative weight of 15.85%, nevertheless fell 3.1% on a yearly basis on a 21.9% drop in the production of basic metals, 17.2% in refined petroleum products, 9.1% in printing and reproduction of recorded media, 5% in rubber and plastics products, 3.8% in beverages and 0.7% in cement and other non-metallic mineral products; even as there was a 5.3% surge in chemicals and chemical products and 2.9% in food products in February 2024.

On a monthly basis, the sector index was down 0.1% on account of a 14.3% decrease in the production of refined petroleum products, 6.2% in beverages, 3.7% in basic metals, 3.7% in cement and other non-metallic mineral products and 0.1% in rubber and plastics products in the review period.

However, there was a 5% expansion in the production of food products, 4.8% in chemicals and chemical products, and 4.7% in printing and reproduction of recorded media in February 2024.

Electricity, which has a 1.16% weight in the IPI basket, saw its index fall 3% and 11.1% year-on-year and month-on-month in the review period.

In the case of water, which has a 0.53% weight, the index was seen increasing 8.5% on an annualised basis whereas it shrank 9.5% on a monthly basis in the review period.

An oil refinery on the outskirts of Doha (file). Higher extraction of hydrocarbons as well as production of chemicals and food products led Qatar's industrial production index (IPI) to jump 0.4% year-on-year this February, according to figures released by the Planning and Statistics Authority (PSA).

Mohamed Ismail al-Emadi, Lesha Bank CEO.

Lesha Bank CEO figures among *Forbes Middle East* 'top 30 asset managers'

Lesha Bank CEO Mohamed Ismail al-Emadi has figured in the elite list of *Forbes Middle East*'s 'Top 30 asset managers', who include leaders of both independent asset management firms as well as the investment arms of financial institutions.

Al-Emadi is the only CEO from Qatar to figure in the latest edition of the 'Top 30 asset managers' list.

Unveiling the list *Forbes Middle East* said, "Asset managers are emerging as key players in the region's investment ecosystem. Companies run by these asset managers offer investors an avenue to diversify their portfolios, access professional management expertise, and participate in the region's economic growth story.

"The region's stock financial markets have been booming. In Mena, five listings, mainly in the energy and logistics sectors, contributed 58% of the total IPO proceeds raised in 2023, according to EY.

"For this year's list, we highlight 30 asset managers who manage assets on a fiduciary basis. The list includes leaders of both independent asset management firms as well as the investment arms of financial institutions. 16 of the top asset managers on this year's list are from subsidiaries of banks, and 14 of them head independent asset management firms."

During Q4, 2023, some 19 IPOs raised $4.9bn in proceeds, *Forbes Middle East* noted.

The 30 asset managers featured on this list managed over $340bn in assets in 2023, including local and international equity and debt funds, discretionary portfolios, real estate investments, REITS, and private equity.

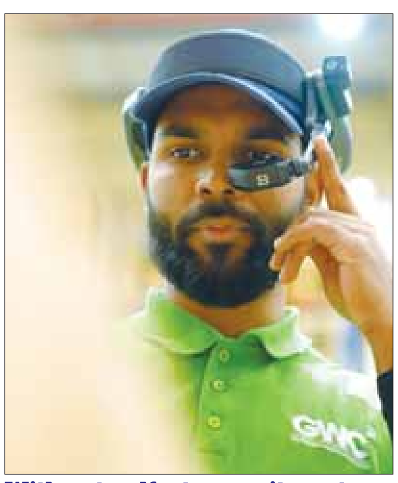
Al-Emadi has 16 years of experience in the banking sector and was appointed to his current role in 2023.

Before joining Lesha Bank, he was the group chief business officer at Masraf Al Rayan. He is also the chairman of Oryx Corniche Developments.

Lesha Bank offers high-net-worth individuals and corporates Shariah-compliant financial products and solutions, covering alternative investments focused on real estate and private equity, private banking and wealth management, corporate and institutional banking, and treasury and investments.

The company recorded $1.7bn in assets under management in 2023, *Forbes Middle East* said.

GWC launches vision-picking technology



With a steadfast commitment to innovation, GWC is the first logistics company in Qatar to implement vision-picking technology, leading the way toward a more efficient, accurate, and safe future for logistics

Gulf Warehousing Company (GWC) has unveiled its latest initiative by integrating vision-picking technology into supply chain operations.

"With a steadfast commitment to innovation, GWC is the first logistics company in Qatar to implement vision-picking technology, leading the way toward a more efficient, accurate, and safe future for logistics," the company announced yesterday.

Vision picking is a transformative, cutting-edge technology that revolutionises single and multi-order picking, using computer vision systems, cameras, and augmented reality (AR) devices to help the staff to identify and select items from warehouse locations accurately and efficiently.

The initiative optimises warehouse operations, improving accuracy through providing visual instructions that reduce human error margins; increasing efficiency by helping the staff find and pick items faster; and enhancing inventory management and visibility through real-time tracking options. The integration of vision picking in GWC's warehouse operations has resulted in a notable increase in picking speed. By automating the picking process, the technology has reduced the time and effort required by the human workforce, optimising warehouse operations, and increasing productivity.

Additionally, through its prioritisation of workplace safety and its integration with existing protocols, vision picking has provided a safer working environment for GWC's workforce.

"Our pioneering efforts in adopting innovative solutions mark a significant step forward in enhancing the logistics landscape, aligning with our commitment to Qatar's sustainable development goals. "This approach underscores our dedication to driving efficiency, accuracy, and safety in warehouse operations, ensuring unparalleled service excellence for our clients," stated GWC Group CEO Ranjeev Menon.

GWC has emerged as a leading example of innovation and adaptability amid the industry's changing dynamics, and is poised to navigate forthcoming challenges and prepared to establish pioneering standards of excellence in logistics and supply chain sector.

Ranjeev Menon, GWC Group CEO.

'Qatar leverages tourism, ICT to diversify economy'

By Peter Alagos
Business Reporter

Qatar has made significant strides in enhancing two critical areas — tourism as well as Information and Communications Technology (ICT) — since the country's successful hosting of the 2022 FIFA World Cup.

"The Qatari government has shown commendable dedication to bolstering the country's tourism sector, leveraging the global spotlight from hosting the World Cup," Zumra Group founder Nasser al-Naama told *Gulf Times*.

On the back of strategic investments in infrastructure, hospitality, and cultural attractions, al-Naama emphasised that Qatar has positioned itself as a premier destination for travellers worldwide.

These initiatives also include expanding the capacity of the Hamad International Airport (HIA), developing world-class hotels, and promoting cultural events, which have contributed to the growth of Qatar's tourism sector, al-Naama pointed out.

Earlier this year, Qatar Tourism (QT) announced that Qatar had crossed the 4mn visitor mark in 2023, exceeding the annual numbers of the past five years. The latest figures highlighted the positive momentum of the World Cup and the country's ongoing efforts and initiatives to promote its tourism sector, QT also stated.

Figures previously released by QT had revealed that since the beginning of 2023, "Saudi Arabia (25.3% of total international arrivals) topped the list of visitors to Qatar, followed by India (10.4%), Germany (4.1%), the UK (3.9%), and Kuwait (3.5%). To date, 85% of visitors chose to arrive by air, followed by land (14%), and sea (1%)."

Al-Naama also emphasised that Qatar has simultaneously recognised the pivotal role of ICT in driving economic diversification and innovation, citing the government's launch of comprehensive digitalisation programmes aimed at modernising various sectors, fostering entrepreneurship, and empowering citizens through digital literacy initiatives.

"Qatar's massive investments in advanced telecommunications infrastructure, smart city projects, and digital government services underscore the country's commitment to becoming a regional digital powerhouse," he noted.

According to al-Naama, the country's private sector has also demonstrated readiness and enthusiasm to participate in government-led initiatives aimed at advancing the tourism and ICT sectors.

"Businesses are eager to collaborate with the government in achieving Qatar's vision for sustainable growth owing to the government's supportive regulatory environment and incentives for private investment," he said.

Al-Naama also called for "continued dialogue and collaboration" between key players in the public and private sectors, which is essential in addressing any challenges and ensuring alignment with stakeholders' needs, noting Zumra Group's efforts in realising these objectives.

He emphasised that Zumra Group is "deeply committed" to contributing to Qatar's tourism sector and digitalisation journey through programmes, such as tourism enhancement and digitalisation initiatives.

"Zumra is actively involved in promoting sustainable tourism practices and enhancing visitor experiences through innovative technology solutions. We are collaborating with local stakeholders to develop immersive digital platforms that showcase Qatar's rich business environment attractions, ensuring chances and connections for investors," he said.

Al-Naama added: "Zumra is at the forefront of supporting Qatar's digital transformation agenda. We are developing cutting-edge digital solutions to address various challenges across sectors, including e-commerce, education, healthcare, and government services. Through partnerships with local and international tech firms, Zumra aims to accelerate Qatar's journey towards a knowledge-based economy."

Nasser al-Naama, Zumra Group founder.

Oil price spike threatens 'relatively good' economic outlook, says IMF

AFP
Washington

The recent oil price spike fuelled by rising Middle East tensions has the potential to derail the IMF's "relatively good" outlook for the world economy, its chief economist told AFP.

"We are projecting a global economy that is quite resilient for 2024," Pierre-Olivier Gourinchas said in an interview ahead of the publication of the International Monetary Fund's World Economic Outlook (WEO) report yesterday.

The IMF now expects the world economy to grow by 3.2% this year and next, and inflation to continue to ease from its post-pandemic high, hitting 5.9% this year, and 4.5% next year amid elevated interest rates in many countries.

"The news is relatively good," Gourinchas said.

"One of the things that could derail that path towards disinflation would be some disruption in oil prices or energy prices or commodity prices," he continued.

"So far, we've seen some pressure in oil prices, but it's way too early to figure out whether that will be sustained," he added.

"A lot of the news have been very good on the US economy over the last six months," Gourinchas said, pointing to robust US productivity growth, an immigration-driven boost in the labour supply, and "quite a bit of public spending." The rise in foreign-born workers in the US "increases the capacity of the economy to produce more and it also moderates the pressures on the labour market," he said.

"We're still expecting inflation to come down in the course of 2024, and to leave the Federal Reserve in a position where it will be able to start cutting rates later in the year," he said.

In contrast to the resilient US economy, the IMF expects European growth to continue at a more lacklustre pace in the short term, predicting 0.8% growth for the euro area this year, picking up slightly to 1.5% in 2025.

"The consequences of the energy shock are still there to some extent, although this has moderated quite a bit," Gourinchas said.

"But let's not forget that we have tight monetary policy, and that monetary policy is increasing the cost for borrowing and for households and businesses," he added.

Unlike the US, European consumers and businesses are also feeling much less confident in the health of the overall economy, according to Gourinchas.

"That means less consumption, less aggregate demand, less investment," he said. "There is no sign of overheating." Because of the rapid pace of disinflation in Europe in recent months, the IMF sees the European Central Bank's projection of a June interest rate cut as a "reasonable forecast," Gourinchas said.

In Asia, the IMF expects China's growth rate to continue to ease over the next few years due to the easing of a "post-pandemic boost to consumption and fiscal stimulus," and the ongoing weakness in the property sector, according to the WEO report.

"China is another example where you see an economy that is operating below potential," Gourinchas told AFP. "Growth is lower than what the economy can sustain."

"This is an economy that would benefit from tackling some of its supply side problems — the property sector chiefly — but can also afford to have a little bit more expansionary policies — in particular monetary policy," he added.

The IMF's WEO report also found that "the pace of convergence toward higher living standards for middle- and lower-income countries has slowed," adding that income inequality could persist if something was not done to remedy the worrying situation.

"If you're trying to catch up with advanced economies, and you start going a little bit slower, it's going to take you longer to get there," Gourinchas said.

"Countries should think about ways they can boost medium term growth, either through changes in policies, attracting foreign capital and investment or educating the population," he continued.

Higher growth would allow governments "to invest in the multiple challenges that these countries are facing, whether it's building safety nets, it's increasing education, capital, its financing the climate transition or adaptation for many of these countries," he added.

From let: IMF Chief Economist Pierre-Olivier Gourinchas and Research Department Deputy Director Petya Koeva Brooks hold a press briefing as the IMF publishes its global economic forecasts at the IMF-World Bank Group spring meetings at IMF headquarters in Washington, DC, yesterday.

China's economic recovery could falter, warns IMF

The International Monetary Fund (IMF) warned yesterday that China's economic recovery could falter without more support for its ailing property sector but maintained its growth forecast for this year at 4.6%, reports AFP.

That is below the official target set by Beijing of "around 5% " for gross domestic product (GDP) growth in 2024, and well below the double-digit increases recorded in recent decades.

The property sector in the world's second-biggest economy entered a period of unprecedented challenges in 2020, when authorities tightened developers' access to credit in a bid to reduce mounting debt.

The vital industry is now under great strain, with major companies including Evergrande and Country Garden on the verge of bankruptcy and falling prices dissuading consumers from investing in property.

"In China, without a comprehensive response to the troubled property sector, growth could falter, hurting trading partners," the IMF warned in its World Economic Outlook report.

Measures introduced by Beijing to support the sector — which has long accounted for more than a quarter of China's GDP — have had little effect so far.

The IMF's warning came on the same day Chinese authorities reported first-quarter growth of 5.3%, exceeding analysts' expectations despite persistent economic challenges.

Microsoft to invest $1.5bn in Emirati AI firm G42 for minority stake

Reuters
Dubai

Microsoft is investing $1.5bn in United Arab Emirates-based artificial intelligence (AI) firm G42, giving the US giant a minority stake and a board seat, allowing the two to deepen ties amid the global battle for tech dominance.

As part of the deal, which the two companies said was backed by assurances to the US and UAE governments over security, G42 would use Microsoft cloud services to run its AI applications.

The partnership comes amid Washington's efforts to hobble Beijing's technological advances, with the US adding four Chinese companies to an export blacklist for seeking to acquire AI chips for China's military.

Amid US concerns over its relationship with Chinese businesses, G42 had divested its investments in China and began the lengthy task of pulling out Chinese hardware, accepting constraints imposed on it by the US to work with US companies, it said in February.

Microsoft and G42, in separate statements on Tuesday, described their assurances to the US and UAE governments as a first of its kind agreement to ensure the secure, trusted and responsible development and deployment of AI. Microsoft said it was binding. The size of the stake Microsoft was taking was not disclosed.

Abu Dhabi sovereign wealth fund Mubadala and American private equity firm Silver Lake hold stakes in G42, whose chairman, Sheikh Tahnoon bin Zayed al-Nahyan, is the UAE National Security Adviser and a brother to the president.

Microsoft President Brad Smith, who will take a seat on G42's board, said: "We will combine world-class technology with world-leading standards for safe, trusted, and responsible AI, in close coordination with the governments of both the UAE and the US."

The New York Times said the deal places a series of protections on the AI products shared with G42, including an agreement to strip Chinese gear out of the Emirati firm's operations. G42 will cease using Huawei telecom equipment, which the US fears could provide a backdoor for Chinese intelligence agencies, the paper said.

G42 and Microsoft said they would jointly bring advanced AI and digital infrastructure to countries in the Middle East, Central Asia and Africa.

The two companies have collaborated multiple times over the last year, and G42 said it would use Microsoft's Azure data centres as part of its AI infrastructure to boost regional adoption. G42's Chief Executive Peng Xiao previously worked for company owned by Emirati cybersecurity firm DarkMatter.

"Microsoft's investment in G42 marks a pivotal moment in our company's journey of growth and innovation, signifying a strategic alignment of vision and execution between the two organisations," Sheikh Tahnoon said in the G42 statement.

Qatari Investors Group
مجموعة المستثمرين القطريين

QATARI INVESTORS GROUP (Q.P.S.C.)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024

Interim Condensed Consolidated Statement of Financial Position As at 31 March 2024

In Qatari Riyals

	31 March, 2024 (Unreviewed)	31 December, 2023 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	**2,131,788,938**	2,138,581,826
Right of use assets	**122,355,517**	128,236,975
Investment properties	**821,050,455**	821,050,455
Goodwill	**230,506,403**	230,506,403
Investment in associates	**33,243,229**	29,094,355
Financial investments at FVTOCI	**9,498,293**	9,498,293
Derivative Assets	**72,322,023**	70,252,773
Total non-current assets	**3,420,764,858**	3,427,221,080
Current assets		
Contract assets	**2,500,907**	7,989,629
Derivative Assets	**17,016,947**	15,611,727
Inventories	**268,174,253**	265,064,769
Prepayments and other debit balances	**62,252,276**	69,379,513
Advances to contractors and suppliers	**6,948,383**	4,847,248
Due from related parties	**11,848,303**	14,530,206
Accounts receivable	**164,110,045**	178,344,071
Cash and bank balances	**602,163,753**	733,335,910
Total current assets	**1,135,014,867**	1,289,103,073
Total assets	**4,555,779,725**	4,716,324,153
EQUITY		
Share capital	**1,243,267,780**	1,243,267,780
Legal reserve	**621,633,890**	621,633,890
Fair value reserve	**5,882,493**	5,882,493
Hedging reserves	**89,338,970**	85,864,500
Retained earnings	**989,681,741**	946,225,789
Proposed dividends	**-**	186,490,167
Equity attributable to the shareholders of the Company	**2,949,804,874**	3,089,364,619
Non-controlling interest	**(5,553,685)**	(5,116,157)
Total equity	**2,944,251,189**	3,084,248,462
LIABILITIES		
Non-current liabilities		
Bank borrowings	**856,193,487**	931,711,918
Lease liabilities	**107,739,095**	111,306,806
Employees' end of service benefits	**10,250,107**	10,639,133
Total non-current liabilities	**974,182,689**	1,053,657,857
Current liabilities		
Bank borrowings	**114,494,360**	112,341,968
Lease liabilities	**21,683,137**	21,199,912
Accounts payable	**31,544,008**	30,595,645
Due to related parties	**1,036,342**	1,530,661
Retention payables	**7,935,537**	9,145,118
Notes payable	**5,724,940**	6,674,655
Accruals and other liabilities	**454,927,523**	396,929,875
Total current liabilities	**637,345,847**	578,417,834
Total liabilities	**1,611,528,536**	1,632,075,691
Total equity and liabilities	**4,555,779,725**	4,716,324,153

These interim condensed consolidated financial statements were approved by the Board of Directors and signed on their behalf by the following on 16 April 2024:

Rashed Al Noaimi
Vice Chairman

Interim Condensed Consolidated Statement of Profit or Loss For the three months period ended 31 March 2024

In Qatari Riyals

	For the three months period ended 31 March 2024 (Unreviewed)	2023 (Unreviewed)
Revenue	**133,338,737**	134,715,353
Cost of revenue	**(63,418,299)**	(51,646,340)
Gross profit	**69,920,438**	83,069,013
Share of profit of investment in associates	**4,549,502**	7,719,188
Investment income	**1,269,400**	1,823,828
Selling and distribution expenses	**(759,617)**	(655,814)
General and administrative expenses	**(30,101,939)**	(36,062,519)
Finance costs	**(10,098,954)**	(9,141,488)
Income from deposits and saving accounts	**6,986,410**	6,448,387
Other income	**2,224,003**	2,499,125
Net profit for the period before income tax	**43,989,243**	55,699,720
Income tax expenses	**(970,819)**	(1,397,701)
Net profit for the period after income tax	**43,018,424**	54,302,019
Attributable to:		
Shareholders of the Company	**43,455,952**	54,473,867
Non-controlling interest	**(437,528)**	(171,848)
Net profit for the period after income tax	**43,018,424**	54,302,019
Basic and diluted earnings per share	**0.035**	0.044

Interim Condensed Consolidated Statement of Other Comprehensive Income For the three months period ended 31 March 2024

In Qatari Riyals

	For the three months period ended 31 March 2024 (Unreviewed)	2023 (Unreviewed)
Net profit for the period after income tax	**43,018,424**	54,302,019
Other comprehensive income		
Items may be reclassified to profit or loss in subsequent periods		
Change in fair value of cash flow hedging derivatives	**3,474,470**	(25,830,453)
Total comprehensive income for the period after income tax	**46,492,894**	28,471,566
Attributable to:		
Shareholders of the Company	**46,930,422**	28,643,414
Non-controlling interest	**(437,528)**	(171,848)
Total comprehensive income for the period after income tax	**46,492,894**	28,471,566

Interim Condensed Consolidated Statement of Changes in Equity For the three months period ended 31 March 2024

In Qatari Riyals

	Share capital	Legal reserve	Fair value reserve	Hedging reserves	Retained earnings	Proposed dividend	Attributable to the shareholders of the Company	Non-controlling interest	Total
Balance as at December 31, 2022 (Audited)	1,243,267,780	621,633,890	4,789,544	135,529,453	950,872,006	186,490,167	3,142,582,840	(5,148,920)	3,137,433,920
Net profit for the period after income tax	-	-	-	-	54,473,867	-	54,473,867	(171,848)	54,302,019
Other comprehensive income for the period	-	-	-	(25,830,453)	-	-	(25,830,453)	-	(25,830,453)
Total comprehensive income for the period after income tax	-	-	-	(25,830,453)	54,473,867	-	28,643,414	(171,848)	28,471,566
Dividends paid to the shareholders	-	-	-	-	-	(186,490,167)	(186,490,167)	-	(186,490,167)
Balance as at March 31, 2023 (Unreviewed)	1,243,267,780	621,633,890	4,789,544	109,699,000	1,005,345,873	-	2,984,736,087	(5,320,768)	2,979,415,319
Balance as at December 31, 2023 (Audited)	**1,243,267,780**	**621,633,890**	**5,882,493**	**85,864,500**	**946,225,789**	**186,490,167**	**3,089,364,619**	**(5,116,157)**	**3,084,248,462**
Net profit for the period after income tax	**-**	**-**	**-**	**-**	**43,455,952**	**-**	**43,455,952**	**(437,528)**	**43,018,424**
Other comprehensive income for the period	**-**	**-**	**-**	**3,474,470**	**-**	**-**	**3,474,470**	**-**	**3,474,470**
Total comprehensive income for the period after income tax	**-**	**-**	**-**	**3,474,470**	**43,455,952**	**-**	**46,930,422**	**(437,528)**	**46,492,894**
Dividends paid to the shareholders	**-**	**-**	**-**	**-**	**-**	**(186,490,167)**	**(186,490,167)**	**-**	**(186,490,167)**
Balance as at March 31, 2024 (Unreviewed)	**1,243,267,780**	**621,633,890**	**5,882,493**	**89,338,970**	**989,681,741**	**-**	**2,949,804,874**	**(5,553,685)**	**2,944,251,189**

Upgrading security standards with Ooredoo's new 'CCTV as a Service' for businesses

Ooredoo has announced the launch of its 'CCTV as a Service' solution, which provides an essential service for various business sectors that require constant monitoring and security of their premises. This all-inclusive security surveillance package is designed to assist businesses in meeting the Ministry of Interior's (MoI) regulations for round-the-clock IP-based security surveillance.

Understanding the need for compliant, state-of-the-art surveillance technology, Ooredoo's new service offers flexibility and scalability to adapt to future needs and regulations. It ensures real-time managed information, pay-as-you-grow cost management, and 24/7 availability with specialist support.

The service includes the deployment of active surveillance components at customer premises, local storage at customer sites, management alerts, active support, and many more innovative features. This makes it an attractive proposition for any large or small organisations seeking MoI-compliant advanced video surveillance.

Priced competitively, starting from just QR1,300 per month for a four-camera setup, the service includes all installation, cabling, NVR, and monitor. It is a comprehensive solution encompassing software, cameras, installation, after-sales support, and more, making it ideal for almost all sectors, such as hotels, banks, department stores, hospitals, education facilities, exhibition centres, residential complexes, IT data centres, utility companies, and event operators.

Thani Ali al-Malki, chief business officer at Ooredoo Qatar, said: "At Ooredoo, we are committed to providing innovative solutions that meet the evolving needs of our customers. 'CCTV as a Service' is a testament to this commitment, offering an end-to-end, managed solution that is not only MoI compliant but also scalable and flexible. This service underscores our position as a one-stop shop for business customers, aligning with our strategy as a fully Integrated ICT Provider."

For businesses who do not fall under the new MoI mandate but still seek a cost-effective security solution, Ooredoo also offers standard CCTV packages starting at just QR200 per month for a four-camera setup, which includes installation. This option provides an accessible entry point for businesses requiring essential surveillance capabilities.

In addition to the standard MoI-compliant video surveillance system, Ooredoo also offers value-added features like video analytics and integration with its Security Operations Centre (SOC), enhancing the surveillance capabilities further. The service reiterates Ooredoo's dedication to being at the forefront of technological innovation and customer service excellence.

GCC economic growth to improve to 2.8% in 2024, 4.7% in 2025 on higher oil output: World Bank

By Pratap John
Business Editor

The collective growth of GCC countries will improve to 2.8% in 2024 and 4.7% in 2025, the World Bank said in its latest regional outlook.

"The pickup in growth is mainly driven by higher oil output due to the phasing out of oil production cuts and robust growth in the non-oil sector linked to diversification efforts and reforms," the World Bank said.

Developing oil exporters (Mena region) will grow 2.8% in 2024, down from 3.1% in 2023 while growth in developing oil importers is forecasted to decrease to 2.5% in 2024, down from 3.1% in 2023.

Real GDP per capita growth arguably better reflects changes in living standards than real GDP growth, the World bank said.

In the Mena region, GDP per capita is expected to grow a modest 1.3% in 2024, which is an improvement from the 0.5% rate in 2023. This increase is driven almost entirely by the Gulf Co-operation Council economies (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates), whose GDP per capita growth in 2024 is projected to be 1%, a significant improvement from the 0.9% decline in GDP per capita in 2023.

Oil production cuts and a moderate price of oil in 2024, relative to 2022, are expected to keep surpluses in current accounts and fiscal balances in most Mena oil-exporting countries well below the high levels of 2022.

For economies in the GCC, the World Bank noted the average current account balance—the sum of net income from abroad, net transfers, and the balance of trade—is forecast to be in surplus by 7.5% of GDP in 2024 down from 8.4% of GDP in 2023.

The smaller average surplus reflects a decline in Kuwait's current account surplus to 22.7 percent of GDP in 2024 from 29.3% of GDP in 2023, which reflects increased payments to international contractors engaged in the country's Vision 2035 development plan—outlays that were partially offset by gains from a recovering tourism sector.

Current accounts in most other GCC economies are expected to change little in 2024, it said.

Among GCC economies, fiscal balances (the net of a government's revenues and spending) are projected to barely be in a surplus of 0.1% of GDP in 2024, down from a surplus of 0.5% of GDP in 2023—despite improvements in the fiscal deficit in Bahrain and Kuwait.

Forecasts for Saudi Arabia's fiscal balance indicate a worsening deficit of 2.4% of GDP in 2024 from a 2.1% deficit in 2023.

The worsening of the Saudi Arabia's fiscal deficit reflects an expected drop in oil receipts due to lower prices and production levels and increased government spending. Surpluses in other GCC countries are projected to shrink slightly, the World Bank noted.

QSE index falls 68 points; M-cap erodes QR3.63bn

By Santhosh V Perumal
Business Reporter

The foreign funds were seen increasingly into net selling as the 20-stock Qatar Index lost 0.69% to 9,853.16 points yesterday, having touched an intraday high of 9,940 points

Reflecting the Federal Reserve rate cut concerns after a stronger than expected retail push in the US and the rising geopolitical tensions, the Qatar Stock Exchange (QSE) yesterday fell more than 68 points, mainly dragged by transport and industrials sectors.

The foreign funds were seen increasingly into net selling as the 20-stock Qatar Index lost 0.69% to 9,853.16 points, having touched an intraday high of 9,940 points.

The domestic institutions were also increasingly net profit takers in the main market, whose year-to-date losses widened to 9.03%.

As much as 70% of the traded constituents were in the red in the main bourse, whose capitalisation melted QR3.63bn or 0.63% to QR571.79bn on account of midcap segments.

The Gulf institutions' lower net buying interests had its influence in the main market, which saw as many as 0.04mn exchange traded funds (sponsored by Masraf Al Rayan and Doha Bank) valued at QR0.13mn trade across nine deals.

The Arab retail investors' weakened net buying had its say in the main bourse, which saw no trading of sovereign bonds.

The Islamic stocks were seen declining slower than the other indices in the market, which saw no trading of treasury bills.

The Total Return Index shrank 0.69%, the All Share Index by 0.64% and the All Islamic Index by 0.52% in the main bourse, whose trade turnover and volumes were on the decline.

The transport sector index plummeted 2.19%, industrials (0.87%), insurance (0.65%), and banks and financial services (0.54%); while consumer goods and services gained 0.36%, real estate (0.23%) and telecom (0.05%).

Main losers in the main bourse included Inma Holding, Milaha, Mannai Corporation, Qatar General Insurance and Reinsurance, Nakilat, Dukhan Bank, Commercial Bank, Industries Qatar, Gulf International Services, Qamco, Ezdan and Mazaya Qatar.

Nevertheless, Meeza, Mekdam Holding, Medicare Group, Barwa, Gulf Warehousing and Ooredoo were among the movers in the main market. The foreign institutions' net selling strengthened significantly to QR27.38mn compared to QR17.25mn on April 15.

The domestic institutions' net profit booking grew noticeably to QR11.8mn against QR5.5mn the previous day.

The Gulf institutions' net buying declined markedly to QR21.23mn compared to QR28.15mn on Monday.

The Arab individual investors' net buying decreased perceptibly to QR0.27mn against QR5.37mn on April 15. The foreign retail investors' net buying eased notably to QR2.52mn compared to QR3.3mn the previous day.

However, the Qatari individuals turned net buyers to the tune of QR14.47mn against net sellers of QR13.69mn on Monday.

The Gulf individuals were net buyers to the extent of QR0.07mn compared with net sellers of QR0.58mn on April 15.

The Arab institutions had no major net exposure for the third straight session. Trade volumes in the main market tanked 30% to 150.82mn shares, value by 25% to QR492.26mn and deals by 27% to 15,351.

US home-building takes a step back; manufacturing turning the corner

Reuters
Washington

US single-family homebuilding tumbled in March, and while new construction remains underpinned by a severe shortage of previously owned houses for sale, a resurgence in mortgage rates is pushing potential buyers to the sidelines.

The report from the Commerce Department yesterday also showed permits for future construction of single-family houses fell to a five-month low. Residential investment rebounded in the second half of 2023 after contracting for nine straight quarters, the longest such stretch since the housing market collapse in 2006. But the recovery appears to be losing steam.

"The housing recovery has stalled for now as home builder expectations of sharply lower interest rates this year have faded," said Christopher Rupkey, chief economist at FWDBONDS. "One thing is for certain, and that is home prices are going to be on an upward, more unaffordable trend without more supply."

Single-family housing starts, which account for the bulk of home-building, dropped 12.4% to a seasonally adjusted annual rate of 1.022mn units last month, the Commerce Department's Census Bureau said.

Data for February was revised higher to show single-family starts rebounding to a rate of 1.167mn units instead of the previously reported 1.129mn units.

Single-family home building increased 21.2% on a year-on-year basis in March.

Wet weather could have impacted groundbreaking activity last month. Home-building fell in the Northeast, Midwest and the densely populated South, but rose in the West. The latest government data showed there were 757,000 housing units on the market in the fourth quarter, well below the 1.145mn units before the Covid-19 pandemic.

A survey from the National Association of Home Builders (NAHB) on Monday showed confidence among single-family home builders was unchanged at an eight-month high in April. The NAHB said: "Buyers are hesitating until they can better gauge where interest rates are headed."

The average rate on the popular 30-year fixed-rate mortgage has drifted up towards 7%, data from mortgage finance agency Freddie Mac showed, as strong reports on the labour market and inflation suggested the Federal Reserve could delay an anticipated rate cut this year. A few economists doubt that the US central bank will lower borrowing costs in 2024.

The Fed has kept its policy rate in the 5.25-5.50% range since July. It has raised the benchmark overnight interest rate by 525 basis points since March of 2022.

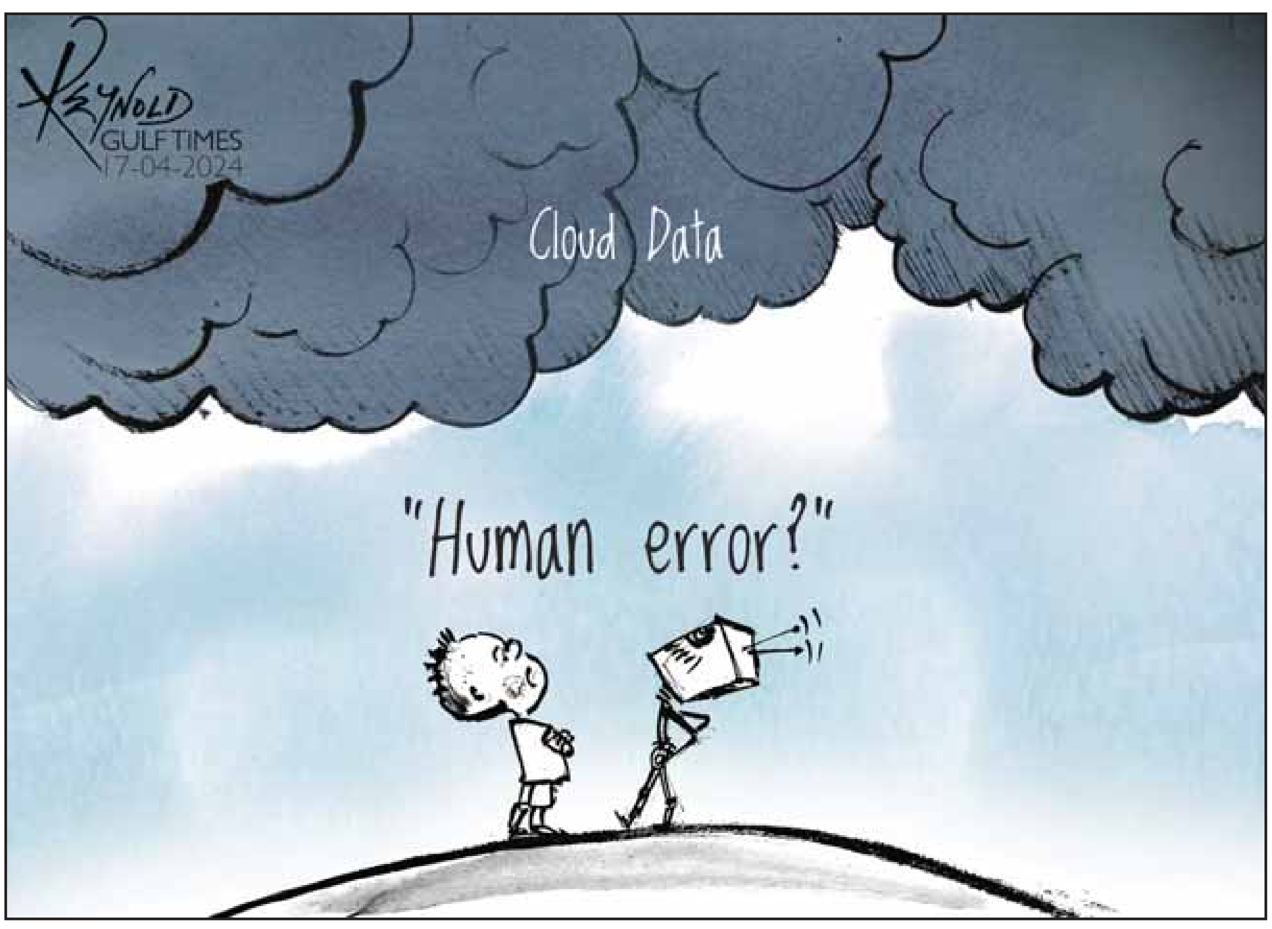
Stocks on Wall Street were trading mostly lower. The dollar was steady versus a basket of currencies. US Treasury yields rose.

Starts for housing projects with five units or more plunged 20.8% to a rate of 290,000 units, the lowest level since April 2020.

Overall housing starts plummeted 14.7%, the biggest drop since April 2020, to a rate of 1.321mn units in March.

Economists polled by Reuters had forecast starts would fall to a rate 1.487mn units.

Permits for future construction of single-family homes fell 5.7% to a rate of 973,000 units in March, the lowest since last October. That likely reflects the recent rise in mortgage rates and suggests slower home-building activity ahead.



Eurozone bond yields hit new highs

Reuters
London

Eurozone bond yields reached fresh 1-1/2-month highs yesterday after rising since the start of the week on the back of strong US data and a fall in demand for safe assets.

Bond markets have become more volatile in recent days as a clear divergence has opened up between the US and European economies, while the rise in tensions between Israel and Iran have caused investors to switch in and out of government debt, which is seen as a safe haven during uncertainty.

European Central Bank (ECB) President Christine Lagarde said yesterday the bank will cut rates soon, barring any major surprises.

She argued the impact of geopolitical events on commodity prices has not been very significant so far.

Germany's 10-year bond yield, the benchmark for the eurozone, reached 2.511%, its highest level since end-February. It was last up 6 basis points (bps) at 2.49%, within the 2.2-2.5% range it has traded in since early February.

Yields move inversely to prices.

The yield climbed 7 bps on Monday after March US retail sales data came in stronger than expected, causing investors to further trim their bets on Federal Reserve rate cuts this year, and by extension causing a slight reduction in European Central Bank rate pricing.

Investors also moved back out of bonds on Monday, having snapped up safe assets on Friday on fears of Iran's retaliation for a suspected Israeli strike on its Damascus consulate.

US 10-year Treasury yields climbed to fresh five-month highs as markets re-evaluated how quickly the Federal Reserve may cut rates given signs of strength in the economy.

"Different market analysts are seriously starting to question if there will be any US rate cuts this year," said Jussi Hiljanen, head of rates strategy at SEB.

Yet he said European yields have been trading in a range because "in the ECB Governing Council, all the members seem to be basically settled on cutting rates in June, so it's now a question of how many times will they cut rates after June".

The German 2-year bond yield rose 3 bps to 2.93%, after climbing 5 bps on Monday. Yields rose slightly after survey data from the ZEW institute showed that German business morale brightened more than expected in April, although it then fell back again.