AVIATION SPECIAL | Page 8

Chinese tourists are again embracing international travel

Thursday, April 25, 2024
Shawwal 16, 1445 AH

GULF TIMES BUSINESS

FINTECH SUPPORT : Page 4

QCB issues regulations for digital insurer activities in Qatar

Qatar keen to boost economic ties with Bangladesh: Sheikh Mohamed

Qatar is keen to enhance bilateral investments and economic relations with Bangladesh for which the private sectors of both the countries could play a "pivotal" role, according to HE the Minister of Commerce and Industry Sheikh Mohamed bin Hamad bin Qassim al-Thani.

This was conveyed at a meeting with Salman F Rahman, Industrial and Investment Affairs adviser to the Prime Minister of Bangladesh, and Ahsanul Islam Titu, State Minister of Commerce of Bangladesh, on the sidelines of His Highness the Amir Sheikh Tamim bin Hamad al-Thani's state visit to the Asian country.

The meeting discussed topics of common interest as part of efforts to reinforce the co-operation between the two countries in commerce, investment, and industry sectors.

Highlighting that Qatari and Bangladeshi private sectors could play a pivotal role in contributing effectively to strengthening the bilateral relations; he said the improved partnerships in vital sectors would contribute to increasing trade exchange between the two countries.

Sheikh Mohamed asked Bangladeshi companies and investors to benefit from the attractive investment and economic environment that Qatar provides to foreign investments.

HE the Minister of Commerce and Industry Sheikh Mohamed bin Hamad bin Qassim al-Thani has asked Bangladeshi companies and investors to benefit from the attractive investment and economic environment Qatar provides to foreign investments.

Baladna posts 141% jump in net profit to QR48mn in Q1

Baladna has reported a whopping 141% year-on-year jump in net profit to QR48mn in the first three months of this year.

Revenues grew 23% on an annualised basis to QR313mn in the first quarter of this year.

The record net earnings growth was owing to higher sales volume across Horeca and retail channels, operational efficiency across value chain, reduction in finance costs through negotiations, strategic and efficient cost control measures and focus on operational excellence.

Baladna is strategically refining it's product portfolio while actively exploring opportunities to innovate and introduce new offerings.

Notable developments in the quarter include the production of evaporated milk to bolster the country's food security, the launch of Mango Greek yogurt, breakfast cream lite, and the relaunch of juices with improved flavours and a new look.

Regarding global expansion, Baladna is making significant progress on its upcoming project in Algeria.

This venture focuses on establishing large-scale milk production facilities, with the aim of creating shareholder value and representing a significant milestone in Baladna's global growth strategy.

Baladna is strategically refining it's product portfolio while actively exploring opportunities to innovate and introduce new offerings. Notable developments in the quarter include the production of evaporated milk to bolster the country's food security, the launch of Mango Greek yogurt, breakfast cream lite, and the relaunch of juices with improved flavours and a new look. Baladna is also making significant progress on its upcoming project in Algeria

UDC posts QR76mn net profit on QR471mn revenues in Q1

United Development Company (UDC), a leading Qatari public shareholding company and the master developer of The Pearl Island and Gewan Island, reported a net profit of QR76mn on revenues of QR471mn in the first quarter of 2024.

The net profit attributable to the equity shareholders stood at QR72mn with basic earnings per share of QR0.020.

UDC strives to achieve balance between revenue and expenses, reducing the impact of increase in financing cost in the first quarter of 2024.

The company remains steadfast in its commitment to executing projects on Gewan Island with optimism about the available prospects and opportunities, especially in promising projects like Crystal Residence and Crystal Walkway. Concurrently, several key projects are being implemented on The Pearl Island, including The Pearl International Hospital.

UDC is dedicated to delivering exceptional residential experiences and shopping opportunities, focusing on providing unique benefits for residents, investors, tourists, and visitors. This is aimed at ensuring profitable returns on investment and a seamless property investment process.

The company has succeeded in maintaining good levels of residential and retail occupancy, with ongoing projects progressing as planned.

Additionally, efforts are underway to enhance stable revenues through sales and leasing operations, with a focus on maintaining high residential occupancy rates in residential units and villa compounds on The Pearl Island.

Notably, there has been a significant growth in leasing commercial spaces on The Pearl Island and Gewan Island, confirming the attractiveness of UDC's properties for commercial investment and business activities. This aligns with the company's strategies to support retail businesses and attract visitors to The Pearl Island.

In parallel, UDC continued to showcase its property portfolio to international investors, leveraging platforms like MIPIM and the International Immigration & Property Expo 2024 in Hong Kong. These endeavours aimed to attract foreign investors by highlighting the high-quality standards, integrated services, facilities, and rewarding investment potential offered by UDC's developments. Additionally, UDC promoted attractive financing schemes tailored for international non-resident investors, facilitating seamless access to investment opportunities within its thriving property portfolio.

The company also highlights its efforts in supporting sustainability and social responsibility through partnerships with reputable organisations, such as the Autism Parents Platform, investments in sustainable transportation, and community sports events aimed at promoting healthy lifestyles and community bonding.

The first quarter of this year witnessed the successful hosting of several events, including the inaugural edition of The Pearl Food Festival, as well as the second editions of the Ramadan Bazaar and Eid Market, drawing large crowds and garnering widespread media exposure. These events not only contributed to the vibrant atmosphere of The Pearl Island but also highlighted its appeal as a destination for diverse cultural and commercial activities.

UDC Chairman Ahmed Ali al-Hammadi, and UDC President, CEO and member of the board Ibrahim Jassim al-Othman.

Commercial Bank wins two 'prestigious' accolades at 2024 *International Finance* magazine awards

Commercial Bank has won two esteemed awards at the 2024 *International Finance* magazine awards.

A leader in innovative digital banking solutions in Qatar, Commercial Bank has been recognised as the 'Fastest Growing Credit Card Issuer' and the 'Best Card Payment Service POS/ATM in Qatar' for 2024.

The *International Finance* magazine awards are a testament to Commercial Bank's unwavering commitment to excellence, innovation, and customer-centricity in the banking sector.

These accolades underscore the Bank's outstanding performance and leadership in shaping the future of financial services in Qatar.

"We are proud to receive these prestigious awards, which reflect our relentless dedication to innovation, customer satisfaction, and market leadership," said Shahnawaz Rashid, executive general manager and head (Retail Banking) at Commercial Bank. "These achievements are a testament to the hard work and dedication of our team, who continually strive to deliver exceptional value and service to our customers".

Commercial Bank's success in the fastest growing credit card issuer category can be attributed to its pioneering initiatives in the "Cards and Payments" sector. From spearheading the contactless payment revolution to introducing innovative digital wallets like 'CB Pay' and forging strategic partnerships for seamless payment experiences during major events like the FIFA World Cup, Commercial Bank has consistently led the industry through innovation and customer-centric solutions.

Dr Sudheer Nair, assistant general manager and head (Cards and Payments) at Commercial Bank said: "Our commitment to providing cutting-edge solutions and unparalleled customer experiences has been instrumental in our rapid growth. We are honoured to be recognised with these two awards, and we remain steadfast in our commitment to enhancing our services to provide an outstanding customer experience".

In the 'Best Card Payment Service POS/ATM' category, Commercial Bank's innovative approach to payment solutions has set new standards in convenience, security, and sustainability.

Pioneering initiatives such as 'Cashierless Checkout' and 'Virtual Point of Sale' (VPOS) technology have not only enhanced the banking experience for customers but also empowered merchants with seamless transaction solutions.

"Commercial Bank continues to redefine the banking landscape through innovation, technology, and customer-centricity. The Bank remains committed to providing best-in-class financial solutions and unparalleled service to its customers, driving growth and prosperity in Qatar's banking sector," the bank said.

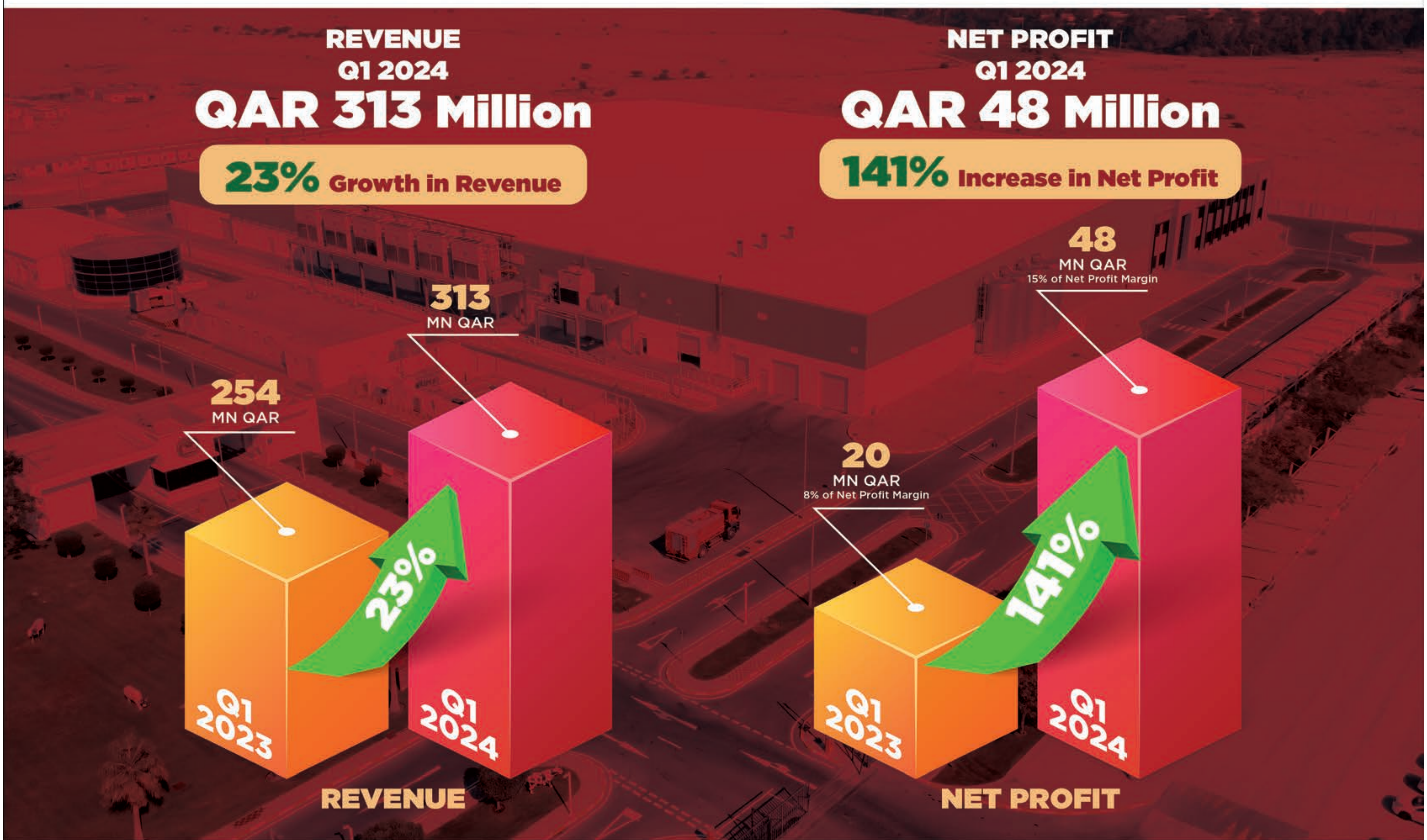
The accolades underscore Commercial Bank's outstanding performance and leadership in shaping the future of financial services in Qatar

BUSINESS

Consolidated financial results for the three months period ended 31 March 2024

BALADNA achieved a remarkable revenue growth of 23% and an outstanding net profit growth of 141% for the three months period ended on 31st March 2024.

بلـــدنا ش.م.ع.ق.
BALADNA Q.P.S.C.



Doha, Qatar, 25th April 2024: Baladna Q.P.S.C. the leading Dairy and Juice company in Qatar, disclosed its quarterly results for the three months period ended on 31st March 2024 (Q1 2024) yesterday. Baladna reported robust growth in revenue and net profit compared to the corresponding period last year.

BALADNA ANNOUNCED THE FOLLOWING:

- Baladna achieved a net revenue of QAR 313 million reflecting a significant increase of 23% compared to same period last year. Driven by strong volume growth, additional days of Ramadan in Q1 2024 comparing to Q1 2023 also boosted the revenue
- Net profit marked an outstanding increase of 141%, amounting to QAR 48 million representing a net profit margin of 15%
- Earnings per share were recorded at QAR 0.025
- The remarkable growth in revenue was recorded in all product categories and across all sales channels, strengthening the trust of its customers and consumers
- The record high growth reported in net profit was mainly driven by the following:
  - Higher sales volumes across HORECA and retail channels,
  - Operational efficiency across value chain
  - Reduction in finance cost through effective negotiations,
  - Strategic and efficient cost controls measures,
  - Focus on operational excellence

Baladna is strategically refining its product portfolio while actively exploring opportunities to innovate and introduce new offerings. Notable developments in the quarter include the production of Evaporated milk to bolster the country's food security, the launch of Mango Greek Yogurt, Breakfast Cream Lite, and the relaunch of Juices with improved flavours and a new look aimed at enhancing the consumer experience. These initiatives underscore Baladna's commitment to delivering quality products and meeting evolving consumer preferences.

With regards to international expansion, Baladna is making significant progress on its upcoming project in Algeria. This venture focuses on establishing large-scale milk production facilities, with the aim of creating substantial shareholder value and representing a significant milestone in Baladna's global growth strategy.

Driven by a commitment to operational efficiency and stringent controls on overhead costs, Baladna's management continues to underscore its primary focus on fortifying Qatar's food security and self-sufficiency. The company remains resolute in its commitment to its shareholders, striving to create value through superior product delivery, broadening its product range, and emphasizing efficiency across its value chain.

Key Operating Highlights

Increase in revenue in all product categories and sales channels as a result of increase in population and market share gain

Operational efficiency across value chain

Reduction in Finance Cost

Strategic and efficient cost controls

For the complete financial statements, please visit:
https://baladna.com/corporate
or email: ir@baladna.com

SCAN ME

www.baladna.com

BALADNA Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2024

	For the three month period ended 31 March 2024 (Unaudited) QR	31 March 2023 (Unaudited) QR
Revenue	**312,788,194**	254,445,309
Cost of revenue	**(241,195,556)**	(204,374,790)
Gross profit	**71,592,638**	50,070,519
Other income	**28,330,414**	30,034,137
Gain on investment at FVTPL	**5,484,748**	473,964
Selling and distribution expenses	**(26,219,871)**	(19,672,005)
General and administrative expenses	**(16,659,415)**	(19,079,334)
Operating profit for the period	**62,528,514**	41,827,281
Finance costs and bank charges	**(13,860,351)**	(21,657,963)
Profit before income tax	**48,668,163**	20,169,318
Income tax expense	**(313,597)**	(151,290)
Profit after tax for the period	**48,354,566**	20,018,028
Net profit attributable to:		
Equity holders of the parent	**48,250,836**	20,018,028
Non-controlling interest	**103,730**	-
	48,354,566	20,018,028
Other comprehensive income	–	–
Total comprehensive income for the period	**48,354,566**	20,018,028
Total comprehensive income attributable to:		
Equity holders of the parent	**48,250,836**	20,018,028
Non-controlling interest	**103,730**	-
	48,354,566	20,018,028
Basic and diluted earnings per share (*Expressed in QR per share*)	**0.025**	0.011

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	31 March 2024 (Unaudited) QR	31 December 2023 (Audited) QR
ASSETS		
Non-current assets		
Property, plant and equipment	**3,231,707,084**	3,188,839,696
Right-of-use assets	**118,717,144**	121,517,109
Intangible assets	**9,206,279**	7,491,787
Goodwill	**6,792,635**	6,792,635
Financial investments held at FVTPL	**395,805,430**	371,841,124
Biological assets	**180,063,865**	196,432,194
Total non-current assets	**3,942,292,437**	3,892,914,545
Current assets		
Inventories	**351,537,630**	400,329,395
Trade and other debit balances	**372,696,925**	408,503,392
Biological assets	**857,500**	2,278,900
Due from related parties	**78,726,625**	79,788,891
Cash and bank balances	**50,001,555**	59,711,283
Total current assets	**853,820,235**	950,611,861
TOTAL ASSETS	**4,796,112,672**	4,843,526,406
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	**1,901,000,000**	1,901,000,000
Legal reserve	**48,120,521**	48,120,521
Acquisition reserve	**201,123,011**	201,123,011
Retained earnings	**121,650,813**	205,519,477
Equity attributable to owners of the parent	**2,271,894,345**	2,355,763,009
Non-controlling interests	**2,464,812**	2,361,082
TOTAL EQUITY	**2,274,359,157**	2,358,124,091
LIABILITIES		
Non-current liabilities		
Islamic financing	**1,750,579,213**	1,720,822,007
Employees' end of service benefits	**16,822,012**	16,001,968
Lease liabilities	**109,586,684**	111,943,670
Total non-current liabilities	**1,876,987,909**	1,848,767,645
Current liabilities		
Current portion of Islamic financing	**157,901,923**	176,309,615
Short term financing	**92,625,937**	96,904,033
Trade and other credit balances	**288,328,500**	260,563,345
Bank overdrafts	**91,308,464**	87,645,775
Lease liabilities	**9,718,237**	10,119,346
Due to related parties	**4,882,545**	5,092,556
Total current liabilities	**644,765,606**	636,634,670
TOTAL LIABILITIES	**2,521,753,515**	2,485,402,315
TOTAL EQUITY AND LIABILITIES	**4,796,112,672**	4,843,526,406

These interim condensed consolidated financial statements were approved and authorized for issuance by the Board of Directors on 24 April 2024 and signed on their behalf by:

Mr. Ramez Mhd Ruslan Al Khayat
Managing Director

Mr. Malcolm Jordan
Chief Executive Officer

Mr. Saifullah Khan
Chief Financial Officer

SALAM INTERNATIONAL INVESTMENT LIMITED (Q.P.S.C.)

السـلام العالميـة
SALAM INTERNATIONAL

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 31 MARCH 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	31 March 2024 Not Reviewed	*31 December 2023 Audited*
ASSETS		
Property and equipment	273,621,152	260,170,628
Right-of-use assets	77,430,862	68,982,943
Intangible assets and goodwill	69,532,082	70,410,197
Investment properties	2,243,726,706	2,243,726,706
Equity-accounted investees	209,363,819	209,751,637
Investment securities	91,893,631	93,843,039
Retention receivables	34,929,295	34,137,381
Loans to associate companies	24,588,246	24,435,928
Other assets	9,894,016	10,471,620
Non-current assets	**3,034,979,809**	3,015,930,079
Inventories	280,545,666	291,948,052
Due from related parties	283,510,670	276,930,306
Retention receivables	30,261,184	30,813,534
Contract assets	149,575,902	147,850,834
Trade and other receivables	311,552,472	308,440,320
Other assets	144,052,497	128,034,642
Cash and cash equivalents	168,972,561	257,994,794
Current assets	**1,368,470,952**	1,442,012,482
Total assets	**4,403,450,761**	4,457,942,561
Equity		
Share capital	1,143,145,870	1,143,145,870
Legal reserve	319,987,382	319,987,382
Fair value reserve	(26,790,585)	(26,704,981)
Retained earnings	29,556,267	36,454,600
Equity attributable to owners of the Company	**1,465,898,934**	1,472,882,871
Non-controlling interests	234,010,360	257,787,082
Total equity	**1,699,909,294**	1,730,669,953
Liabilities		
Borrowings	1,746,307,041	1,764,089,424
Lease liabilities	65,871,250	59,155,872
Employees' end of service benefits	51,528,961	52,687,100
Retention and other payables	4,897,443	4,126,979
Non-current liabilities	**1,868,604,695**	1,880,059,375
Due to related parties	2,668,322	2,042,955
Bank overdrafts	54,781,649	50,438,787
Borrowings	346,734,422	329,724,836
Lease liabilities	10,299,438	8,149,001
Retention payables	11,154,335	10,379,358
Advances from customers	71,373,843	72,752,258
Contract liabilities	39,335,235	39,073,992
Other liabilities	108,166,128	136,581,429
Trade and other payables	190,423,400	198,070,617
Current liabilities	**834,936,772**	847,213,233
Total liabilities	**2,703,541,467**	2,727,272,608
Total equity and liabilities	**4,403,450,761**	4,457,942,561

These condensed consolidated interim financial statements were approved by the Board of Directors on 23 April 2024 and signed on its behalf by:

Abdul Salam Issa Abu Issa
Chief Executive Officer and Board Member

Hekmat Abdel FattahYounis
Chief Financial Officer

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the three months period ended 31 March 2024

	For the three months ended 31 March *2024* Not Reviewed	2023 Not Reviewed
Revenue from contract with customers	376,339,947	348,686,137
Real-estate Revenue	28,435,951	28,278,353
Total revenue	**404,775,898**	376,964,490
Operating cost	(287,692,578)	(258,160,047)
Gross profit	**117,083,320**	118,804,443
Other income	6,367,460	10,003,381
General and administrative expenses	(78,042,798)	(83,073,832)
Allowance for impairment of financial assets and contract assets	(5,591,721)	(6,590,093)
Operating profit	**39,816,261**	39,143,899
Finance costs	(34,005,232)	(36,677,597)
Finance income	5,348,786	3,211,827
Net finance cost	**(28,656,446)**	(33,465,770)
Share of profit of equity accounted investees, net of tax	2,252,459	2,718,579
Profit before tax	**13,412,274**	8,396,708
Income tax expense	(110,776)	(19,643)
Profit for the period	**13,301,498**	8,377,065
Profit attributable to:		
Owners of the Company	11,331,712	6,945,552
Non-controlling interests	1,969,786	1,431,513
Profit for the period	**13,301,498**	8,377,065
Earnings per share (EPS):		
Basic and diluted Earnings per share	**0.010**	0.006

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the three months period ended 31 March 2024

	For the three months ended 31 March *2024* Not Reviewed	2023 Not Reviewed
Profit for the period	**13,301,498**	8,377,065
Other comprehensive income:		
Item that will not be reclassified to profit or loss:		
Equity investments at FVOCI – net change in fair value	(85,604)	(6,387,589)
Other comprehensive income for the period	**(85,604)**	(6,387,589)
Total comprehensive income for the period	**13,215,894**	1,989,476
Total comprehensive income attributable to:		
Owners of the Company	11,246,108	557,963
Non-controlling interests	1,969,786	1,431,513
Total comprehensive income for the period	**13,215,894**	1,989,476

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the three months period ended 31 March 2024

	Attributable to owners of the Company						
	Share capital	*Legal Reserve**	*Fair value reserve*	*Retained earnings*	*Total*	*Non-controlling interests*	*Total equity*
Balance as at January 1, 2024 (audited)	1,143,145,870	319,987,382	(26,704,981)	36,454,600	1,472,882,871	257,787,082	1,730,669,953
Profit for the period	-	-	-	11,331,712	11,331,712	1,969,786	13,301,498
Other comprehensive loss for the period	-	-	(85,604)	-	(85,604)	-	(85,604)
Total comprehensive income for the period	**-**	**-**	**(85,604)**	**11,331,712**	**11,246,108**	**1,969,786**	**13,215,894**
Net movement in non-controlling interests	-	-	-	-	-	87,395	87,395
Acquisition of non-controlling interests without a change in control	-	-	-	16,064,331	16,064,331	(25,833,903)	(9,769,572)
Cash dividend paid	-	-	-	(34,294,376)	(34,294,376)	-	(34,294,376)
Balance at 31, March 2024(not reviewed)	**1,143,145,870**	**319,987,382**	**(26,790,585)**	**29,556,267**	**1,465,898,934**	**234,010,360**	**1,699,909,294**
Balance as at January 1, 2023 (audited)	1,143,145,870	477,675,924	(36,661,963)	(161,840,172)	1,422,319,659	246,922,663	1,669,242,322
Profit for the period	-	-	-	6,945,552	6,945,552	1,431,513	8,377,065
Other comprehensive loss for the period	-	-	(6,387,589)	-	(6,387,589)	-	(6,387,589)
Total comprehensive income/ (Loss) for the period	-	-	(6,387,589)	6,945,552	557,963	1,431,513	1,989,476
Net movement in non-controlling interests	-	-	-	-	-	33,533	33,533
Balance at 31, March 2023(not reviewed)	1,143,145,870	477,675,924	(43,049,552)	(154,894,620)	1,422,877,622	248,387,709	1,671,265,331

*Legal Reserve will be accounted for at the year end.

BUSINESS

The QCB has affirmed its commitment to providing "outstanding and valuable" initiatives to help create a favourable environment for the financial technology sector in the country

QCB issues regulations for digital insurer activities in Qatar

In order to promote innovation in fintech, the Qatar Central Bank has issued 'Digital Insurer' regulations defining the regulatory framework for digital insurer activities in the country.

This is in line with the Third Financial Sector Strategy, Fintech Strategy, and the QCB's ongoing endeavour to regulate and develop the financial sector, in accordance with the Qatar Central Bank Law and the Regulation of Financial Institutions No 13 of 2012.

The QCB said digital insurers leverage technology to provide the best insurance services while enhancing customer experiences through effective services and smart digital solutions to enable the insurance sector to become a leader in the region.

This sector is characterised by the variety of its insurance products and services that help meet internal needs and support the expansion of the sector in domestic and external markets to achieve growth and increase profitability through insurance technology solutions and products based on insurance laws and regulations that meet the latest international standards.

Digital insurers offer many benefits including cost efficiency, faster claims processing, improved risk assessment, and enhanced competitiveness in the sector, in order to deliver best services at a lower cost.

The QCB affirmed its commitment to providing "outstanding and valuable" initiatives that help create a favourable environment for the financial technology sector in the country to grow.

The regulations support Qatar's financial sector development and enhance transparency and efficiency of transactions in the insurance sector.

Moreover, these regulations enable insurance companies to meet their customers' needs in a modern and fast manner with rapid access to different categories of customers that traditional channels may not cater to holistically.

The Qatar National Vision 2030 aims to build a digital economy, while stimulating the widespread adoption of technology and accelerating and encouraging technological innovations in various areas, including the financial sector.

Geopolitical tensions weigh as QSE index falls 45 points; M-cap melts QR1.97bn

By Santhosh V Perumal
Business Reporter

Simmering geopolitical tensions had its reflection on the Qatar Stock Exchange, which yesterday declined more than 45 points and capitalisation melted QR1.97bn.

An across the board selling, particularly at the transport and telecom counters, led the 20-stock Qatar Index to shed 0.46% to 9,665.88 points, although it touched an intraday high of 9,742 points.

The Gulf institutions turned net profit takers in the main market, whose year-to-date losses widened to 10.75%.

More than 60% of the traded constituents were in the red in the main bourse, whose capitalisation lost 0.35% to QR562.43bn on account of small cap segments.

The foreign funds were increasingly net sellers in the main market, which saw as many as 4,819 exchange traded funds (sponsored by Masraf Al Rayan and Doha Bank) valued at QR0.01mn trade across three deals.

The Gulf retail investors were seen bearish, albeit at lower levels, in the main bourse, which saw no trading of sovereign bonds.

The foreign individuals' weakened net buying had its influence on the main market, which saw no trading of treasury bills.

The Islamic index was seen declining slower than the main barometer in the main bourse, whose trade turnover and volumes were on the increase.

The Total Return Index shrank 0.46%, the All Share Index by 0.38% and the All Islamic Index by 0.37% in the main market. The transport sector index tanked 1.31%, telecom (0.61%), consumer goods and services (0.45%), industrials (0.36%), banks and financial services (0.25%), real estate (0.09%) and insurance (0.07%).

Major losers in the main market included Nakilat, Qatar Electricity and Water, Zad Holding, Al Faleh Educational Holding, Doha Insurance, Dlala, Qatar German Medical Devices, Mannai Corporation, Gulf International Services, Mesaieed Petrochemical Holding, Qamco and Ooredoo.

In the venture market, Al Mahhar Holding saw its shares depreciate in value.

Nevertheless, Qatari Investors Group, Baladna, Salam International Investment, Commercial Bank, Vodafone Qatar and Meeza were among the movers in the main bourse.

The foreign institutions' net selling strengthened considerably to QR41.3mn compared to QR29.66mn on April 23.

The Gulf institutions turned net sellers to the tune of QR39.4mn against net buyers of QR6.75mn the previous day.

The Gulf retail investors were net sellers to the extent of QR0.31mn compared with net buyers of QR0.39mn on Tuesday.

The foreign individual investors' net buying weakened noticeably to QR0.36mn against QR3.26mn on April 23.

However, the Qatari individuals net buying strengthened drastically to QR78.49mn compared to QR39.58mn the previous day.

The Arab retail investors turned net buyers to the tune of QR1.45mn against net profit takers of QR5.28mn on Tuesday.

The domestic institutions were net buyers to the extent of QR0.68mn compared with net sellers of QR15.06mn on April 23.

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

Trade volumes in the main market soared 36% to 172.24mn shares, value by 38% to QR587.33mn and deals by 10% to 17,214.

The venture market witnessed a 60% plunge in trade volumes to 0.04mn equities, 63% in value to QR0.06mn and 69% in transactions to 5.

An across the board selling, particularly at the transport and telecom counters, led the 20-stock Qatar Index to shed 0.46% to 9,665.88 points, although it touched an intraday high of 9,742 points

UNITED DEVELOPMENT COMPANY Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

as at and for the period ended 31 March 2024

UDC
المتحدة للتنمية
UNITED DEVELOPMENT CO.

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the three-month period ended 31 March 2024

	Three-month period ended 31 March	
	2024 (Unaudited) QR'000	2023 (Unaudited) QR'000
Revenue	470,707	562,757
Cost of revenue	(300,335)	(366,896)
Gross profit	170,372	195,861
Other operating income	37,209	14,128
Fair value loss on investment securities	(4,043)	(1,409)
General and administrative expenses	(76,885)	(76,551)
Sales and marketing expenses	(11,296)	(4,513)
Operating profit	115,357	127,516
Finance income	25,882	28,244
Finance costs	(66,566)	(61,234)
Net finance costs	(40,684)	(32,990)
Net, share of results of associates	905	(1,399)
Profit before tax	75,578	93,127
Income tax	(16)	(254)
Net profit for the period	75,562	92,873
Net profit for the period attributable to:		
Equity holders of the Parent	72,493	88,022
Non-controlling interests	3,069	4,851
	75,562	92,873
Earnings per share attributable to equity holders of the Parent:		
Basic and diluted earnings per share (QR)	0.020	0.025
Other comprehensive income	-	-
Total comprehensive income for the period	75,562	92,873
Total comprehensive income for the period attributable to:		
Equity holders of the Parent	72,493	88,022
Non-controlling interests	3,069	4,851
	75,562	92,873

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2024

	31 March 2024 (Unaudited) QR'000	31 December 2023 (Audited) QR'000
Assets		
Non-current assets		
Property, plant and equipment	3,481,570	3,504,202
Investment properties	10,419,345	10,432,175
Right-of-use assets	10,887	8,810
Intangible assets	6,690	7,105
Investment in associates and joint venture	14,189	16,484
Investment securities	58,770	62,813
Accounts and other receivables	447,543	482,020
Deferred costs	112,014	115,621
Total non-current assets	14,551,008	14,629,230
Current assets		
Inventories, net	83,484	97,507
Work in progress	1,987,373	1,821,456
Accounts and other receivables	1,369,318	1,285,816
Deferred costs	16,256	15,123
Cash and bank balances	1,490,112	1,726,980
Total current assets	4,946,543	4,946,882
Total assets	19,497,551	19,576,112
Equity and liabilities		
Equity		
Share capital	3,540,862	3,540,862
Legal reserve	1,770,431	1,770,431
Other reserves	1,208,727	1,208,727
Retained earnings	4,657,738	4,779,992
Equity attributable to equity holders of the parent	11,177,758	11,300,012
Non-controlling interests	67,517	65,923
Total equity	11,245,275	11,365,935

	31 March 2024 (Unaudited) QR'000	31 December 2023 (Audited) QR'000
Liabilities		
Non-current liabilities		
Loans and borrowings	4,707,208	3,842,429
Accounts and other payables	130,216	125,889
Retention payable	36,166	31,080
Deferred revenue	614,293	628,980
Employees' end-of-service benefits	61,234	59,175
Lease liabilities	9,396	7,752
Total non-current liabilities	5,558,513	4,695,305
Current liabilities		
Loans and borrowings	556,041	1,305,919
Accounts and other payables	1,901,260	1,962,947
Retention payable	166,229	176,663
Deferred revenue	67,579	67,227
Lease liabilities	2,654	2,116
Total current liabilities	2,693,763	3,514,872
Total liabilities	8,252,276	8,210,177
Total equity and liabilities	19,497,551	19,576,112

These interim condensed consolidated financial statements were approved by the Board of Directors and signed on their behalf on 24 April 2024 by:

Ibrahim Jassim Al-Othman
President and Chief Executive Officer

Ahmed Ali Al-Hammadi
Chairman of the Board

The consolidated financial statements of the Group as at 31 March 2024 are available upon request from the Company's registered office or at the Company's website www.udcqatar.com

UNITED DEVELOPMENT CO. Q.P.S.C. | UDC Tower, The Pearl Island | P.O.Box: 7256 Doha, Qatar | T: +974 4409 8400 | F: +974 4409 8500 | C.R. No. 22980 | Capital (paid in full) QR 3,540,862,500

Gulf NOCs' average low carbon investments to total $15bn-$25bn until 2026, says S&P

By Santhosh V Perumal
Business Reporter

The Gulf national oil companies' (NOCs) average low-carbon investments would have to total $15bn-$25bn annually at least until 2026 to keep up with those of global listed peers, according to Standard & Poor's (S&P), an international credit rating agency.

In its latest report, S&P also said NOCs in Gulf Co-operation Council countries can absorb the incremental investments that are necessary to move toward net zero, while maintaining solid credit metrics, assuming moderate cash calls from shareholders.

Referring to the $15-25bn investments needed, the rating agency said even after factoring these, the overall effect on NOCs' debt-to-Ebitda (earnings before interest, taxes, depreciation and amortisation) would be below 2.0x on an average.

Typically, GCC NOCs benefit from solid balance sheets and strong credit metrics, with reported average debt-to-Ebitda below 2.0x; implying that they can fund most of their projects without having to revert to external financing sources, it said.

"At the same time, we think both banks and capital markets will play a role in funding the GCC countries' energy transition. Given the size of the GCC banking systems and their capitalisation, we expect they will have the capacity to cater for the funding needs of the NOCs' low-carbon investments over the next few years if necessary," the report said.

However, S&P observed that NOCs, which are generally among the largest and internally-focused corporates in the GCC countries, are typically financed outside the local banking systems.

Even though GCC NOCs are generally cash-rich, balancing cash calls with capex requirements is key, it said, adding sizeable cash calls from governments – the ultimate shareholders in most cases – in the form of royalties, income tax, and dividends, as well as high capex requirements in core businesses could exhaust NOCs' cash balances, it cautioned.

Some GCC NOCs accelerated their sustainability targets after the 28th Conference of the Parties (COP28), which took place in the fourth quarter of 2023, it said, adding even so, it expects the overall shift in strategies to adapt to the energy transition will remain gradual as NOCs continue to prioritise their core operations – oil exploration and production.

"The GCC NOCs are as exposed to energy transition risks as their global listed peers, but their financial positions are generally stronger and benefit from operating costs per barrel of less than $10 on average," it said.

In line with global listed peers, the GCC NOCs' pathways to reducing emissions focus on decarbonising operations –through improving electrification, increasing carbon capture, and reducing upstream methane emissions – increasing investments in renewable energy and the green hydrogen supply chain, and advancing biodiversity and nature-based solutions.

"However, NOCs do not have targets for scope 3 emissions, which constitute most of their carbon footprint and include all indirect emissions that occur in the value chain, including upstream and downstream operations," it said, adding Scope 3 emissions constituted about 85-90% of the sector's total emissions globally in 2021.

The GCC NOCs have ramped up their environmental, social, and governance (ESG) disclosures, which are mainly based on voluntary guidelines, S&P noted.

According to the UN Adaptation Gap Report 2023, countries in the Middle East and North Africa (Mena) would need to spend an average of about $27bn annually over 2021-2030 – or about 0.7% of the region's GDP (gross domestic product) – to finance climate adaptation measures.

"Based on our expectation of 2%-4% real annual GDP growth in rated GCC countries over 2024-2026 and considering the UN Adaptation Gap Report's estimate for the region's funding needs, we extrapolate that GCC countries annual adaptation financing needs could reach about $25-35bn on average," it said.

QSE MARKET WATCH

COMPANY NAME	Lt Price	% Chg	Volume
Zad Holding Co	13.63	-1.59	14,473
Widam Food Co	2.11	0.05	388,865
Vodafone Qatar	1.71	1.24	17,278,694
United Development Co	1.13	-0.62	6,505,098
Salam International Investme	0.64	1.43	6,109,611
Qatar & Oman Investment Co	0.88	-1.34	656,803
Qatar Navigation	10.85	0.65	38,924
Qatar National Cement Co	3.59	-0.17	312,787
Qatar National Bank	13.90	0.00	8,606,304
Qlm Life & Medical Insurance	2.10	-0.05	8,200
Qatar Islamic Insurance Grou	8.00	0.26	43,322
Qatar Industrial Manufactur	2.67	-0.60	243,347
Qatar International Islamic	10.11	-0.88	783,850
Qatari Investors Group	1.61	2.75	4,537,104
Qatar Islamic Bank	17.62	-1.01	1,260,274
Qatar Gas Transport(Nakilat)	3.80	-3.06	2,966,044
Qatar General Insurance & Re	1.11	0.00	-
Qatar German Co For Medical	1.35	-1.53	2,890,084
Qatar Fuel Qsc	14.58	-0.68	340,632
Lesha Bank Llc	1.28	0.39	10,673,324
Qatar Electricity & Water Co	15.75	-2.72	2,315,596
Qatar Exchange Index Etf	9.73	0.00	42
Qatar Cinema & Film Distrib	2.91	0.00	-
Al Rayan Qatar Etf	2.30	-0.61	4,777
Qatar Insurance Co	2.20	0.09	430,247
Qatar Aluminum Manufacturing	1.41	-1.33	12,168,807
Ooredoo Qpsc	10.06	-1.18	1,161,440
Alijarah Holding Company Qps	0.69	0.58	3,428,841
Mazaya Real Estate Developme	0.66	0.15	1,781,074
Mesaieed Petrochemical Holdi	1.86	-1.27	7,504,557
Mekdam Holding Group	3.89	-0.26	44,662
Al Meera Consumer Goods Co	13.85	-0.43	81,982
Medicare Group	4.05	-0.49	773,468
Mannai Corporation Qpsc	3.85	-1.33	417,404
Masraf Al Rayan	2.48	-0.56	6,792,225
Industries Qatar	12.08	0.67	2,804,421
Inma Holding Company	3.85	0.34	649,282
Estithmar Holding Qpsc	1.96	0.15	1,938,978
Gulf Warehousing Company	3.38	0.81	1,351,155
Gulf International Services	2.74	-1.19	2,074,378
Al Faleh Education Holding	0.72	-2.69	66,683
Ezdan Holding Group	0.81	-0.25	4,402,469
Doha Insurance Co	2.24	-1.54	362,409
Doha Bank Qpsc	1.50	-0.13	3,942,351
Dlala Holding	1.30	-1.44	671,006
Commercial Bank Psqc	4.26	1.28	7,373,751
Barwa Real Estate Co	2.88	0.28	1,532,746
Baladna	1.32	1.54	9,481,892
Damaan Islamic Insurance Co	3.75	0.00	-
Al Khaleej Takaful Group	2.57	-0.04	671,386
Aamal Co	0.77	-0.13	1,099,003
Al Ahli Bank	3.70	0.00	-

Germany nudges up its growth forecast; ailing economy at 'turning point'

AFP
Frankfurt

The German government slightly increased its 2024 growth forecast Wednesday, saying there were signs Europe's beleaguered top economy was at a "turning point" after battling through a period of weakness.

Output is expected to expand 0.3% this year, the economy ministry said, up from a prediction of 0.2% in February.

The slightly rosier picture comes after improvements in key indicators — from factory output to business activity — boosted hopes a recovery may be getting under way.

The German economy shrank slightly last year, hit by soaring inflation, a manufacturing slowdown and weakness in trading partners, and has acted as a major drag on the 20-nation eurozone.

But releasing its latest projections, the economy ministry said in a statement there were growing indications of a "turning point".

"Signs of an economic upturn have increased significantly, especially in recent weeks," Economy Minister Robert Habeck said at a press conference.

A Lufthansa airplane takes off from Frankfurt airport (file). The German government slightly increased its 2024 growth forecast Wednesday, saying there were signs Europe's beleaguered top economy was at a "turning point" after battling through a period of weakness.

The ministry also cut its forecast for inflation this year to 2.4%, from a previous prediction of 2.8%, and sees the figure falling below 2% next year.

"The fall in inflation will lead to consumer demand — people have more money in their wallets again, and will spend this money," said Habeck.

"So purchasing power is increasing, real wages are rising and this will contribute to a domestic economic recovery." Energy prices — which surged after Russia's 2022 invasion of Ukraine — had also fallen and supply chain woes had eased, he added.

Several months ago there had been expectations of a strong rebound in 2024, with forecasts of growth above 1%, but these were dialled back at the start of the year as the economy continued to languish.

But improving signs have fuelled hopes the lumbering economy — while not about to break into a sprint — may at least be getting back on its feet.

On Wednesday a closely-watched survey from the Ifo institute showed business sentiment rising for a third consecutive month in April, and more strongly than expected. A key purchasing managers' index survey this week showed that business activity in Germany had picked up.

And last week the central bank, the Bundesbank, forecast the economy would expand slightly in the first quarter, dodging a recession, after earlier predicting a contraction.

Despite the economy's improving prospects, growth of 0.3% is still slower than other developed economies and below past rates, and officials fret it is unlikely to pick up fast in the years ahead.

Habeck has repeatedly stressed solutions are needed for deep-rooted problems facing Germany, from an ageing population to labour shortages and a transition towards greener industries that is moving too slowly.

"Germany has fallen behind other countries in terms of competitiveness," he said. "We still have a lot to do — we have to roll up our sleeves." Already facing turbulence from pandemic-related supply chain woes, the German economy's problems deepened dramatically when Russia invaded Ukraine and slashed supplies of gas, hitting the country's crucial manufacturers hard.

Spinneys' $375mn Dubai IPO draws Franklin Templeton

Bloomberg
Dubai

The family behind high-end supermarket chain Spinneys is seeking to raise as much as 1.38bn dirhams ($375mn) in a rare private sector listing in Dubai that's drawn Franklin Templeton as a cornerstone investor.

Al Seer Group LLC is selling 900mn shares at 1.42 dirhams to 1.53 dirhams apiece in the initial public offering that values the grocer at as much as 5.5bn dirhams, according to a statement. Investors snapped up all shares on offer in minutes, according to terms of the deal seen by Bloomberg News, indicating continued strong demand for regional listings. The subscription period for Spinneys 1961 Holding plc will run until April 30 for institutional investors and close a day earlier for retail buyers.

The final price is set to be announced on May 1, with shares expected to start trading a week after.

Emirates International Investment Company LLC and two subsidiaries of Franklin Templeton will be cornerstone investors in the IPO, agreeing to subscribe for a total of 275mn dirhams.

Middle Eastern listings have attracted a smattering of interest from international investors in the past. BlackRock Inc, Vanguard Group and Fidelity Investments bought into Dubai Electricity & Water Authority's 2022 IPO, while Fertiglobe plc's Abu Dhabi listing the prior year drew Singapore's GIC Pte and US hedge fund manager Jeff Ubben.

Spinneys is among the first batch of family-owned businesses to go public in the United Arab Emirates. State-owned companies have dominated listing activity in the past few years as governments seek to fund the diversification of their economies away from fossil fuels.

Last year, money exchange firm Al Ansari Financial Services PJSC listed in Dubai in one of the first IPOs by a private company in the Gulf country, while investment vehicle Investcorp Capital Plc followed in Abu Dhabi in November.

The listing will test investor appetite for privately-owned companies seeking to grow their businesses. Spinneys plans to maintain a dividend payout ratio of 70% of annual distributable profits after tax for fiscal 2024 and the following years. The company reported a profit of 254mn dirhams in 2023, up 19% from the prior year.

Owned by the Al Bwardy family, Spinneys opened its first store in 1961 and now operates 75 supermarkets under the Spinneys, Waitrose and Al Fair brands in the UAE and Oman. It plans to expand into Saudi Arabia and set up four stores by the end of the year, its chief executive officer said last week.

The grocery chain is counting on the UAE's increasingly affluent population as well as its Saudi expansion for growth opportunities.

Bloomberg QuickTake Q&A

Why yen is so weak and what that means for Japan

By Yoshiaki Nohara

The yen continues to languish near a 34-year low against the dollar, mainly because interest rates in Japan remain much lower than those in the US and elsewhere, diminishing the currency's relative allure. The downward pressure has persisted even after the Bank of Japan raised interest rates on March 19 for the first time in 17 years. Policymakers remain on guard against the possibility they may have to intervene to support the currency, as they did in 2022.

1. Why is the yen so weak?

The yen has been one of the worst performers against the dollar this year among major currencies, falling about 9%. That's mainly because of the wide gap in interest rates between Japan and the US. Japan's new policy rate is by far the lowest in the developed world, at a range of between 0% and 0.1%. Federal Reserve officials have kept the US benchmark federal funds rate in a range of 5.25% to 5.5%. That's a major gap favouring investments in the US and therefore the dollar. The gap is likely to stay intact longer than previously expected because the US economy's performance has been stronger than anticipated, and inflation has proved sticky. As a result, expectations for rate cuts by the Fed have been pushed back.

2. Will the yen stay weak or rebound?

That will largely depend on the trajectory of the interest rate gap. While the Fed delays rate cuts, BoJ Governor Kazuo Ueda said he's likely to raise interest rates again if the underlying price trend improves. Still, he also said Japan's overall policy settings will remain accommodative, meaning he's unlikely to raise rates fast or by a lot. That means any yen rebound is likely to be limited. The BoJ releases its next policy decision on April 26.

3. What does the weak yen mean for the economy?

Generally, a weaker yen helps large Japanese companies with global operations because it increases the value of repatriated overseas profits. A weak currency can also help tourism by boosting the buying power of incoming travellers. Japan hosted a record number of tourists in March as the country saw an early start to the cherry blossom season. On the downside, a soft yen makes imports of energy and food more expensive, hitting consumers. The nation's largest umbrella group of unions announced the largest wage hikes in three decades for the current fiscal year. Wage gains exceeding inflation may give consumers more confidence about spending. Prime Minister Fumio Kishida hopes one-off tax cuts starting in June will also support consumer sentiment.

4. What's next for the BoJ?

Some 41% of economists in a Bloomberg survey forecast October would be the month when the BoJ next raises rates. The BoJ is examining economic data to see if strong wage growth will spur consumption. That would make it easier for the BoJ to raise rates again, as it could claim that resilient domestic demand fueled by wage hikes is making demand-led inflation sustainable. If consumption fails to pick up despite wage growth, the economy will lose momentum, making it hard for the BoJ to justify another hike.

A man looks at an electronic board displaying the exchange rate of the Japanese yen against the US dollar along a street in Tokyo on Wednesday. The yen fell on Wednesday to its weakest levels against the dollar since 1990, with markets alert to any signs of intervention from the Japanese authorities to prop up their currency. The dollar reached as high as ¥155.17, its strongest since 1990, before falling back in choppy trading, a sign of market nervousness around the ¥155 level.

5. Could the government intervene?

The yen recently touched a fresh 34-year low versus the dollar. In Washington this month, Japanese Finance Minister Shunichi Suzuki and top currency official Masato Kanda voiced concerns about the yen's weakness. Market participants see such verbal intervention as a way to lay the groundwork for actual currency intervention. US Treasury Secretary Janet Yellen acknowledged the concerns of Japan and South Korea over sharp declines in their currencies during a trilateral meeting of finance chiefs. The last time Japan intervened in the foreign exchange market was in 2022.

QCB Governor meets Alibaba chairman

HE the Governor of the Qatar Central Bank Sheikh Bandar bin Mohamed bin Saoud al-Thani met on Wednesday with Alibaba Group Co-Founder and Chairman Joseph Tsai. During the meeting, they reviewed the latest global investment and financial developments, reports QNA.

Masraf Al Rayan launches tailored realty financing options for non-residents

Masraf Al Rayan (MAR) has launched a "specialised" real estate financing programme tailored for non-residents in a bid to stimulate international investment in Qatar's realty market.

In this regard, Masraf Al Rayan hosted an introductory roadshow in the UK, in collaboration with United Development Company (UDC) and Al Rayan Bank UK; which provided a platform for investors to learn about the opportunities in the country's real estate landscape.

Presentations were delivered by UDC, highlighting Qatar's attractions, including Pearl and Gewan Island developments. Masraf Al Rayan provided insights into its specialised financing programme for non-residents, approved by regulatory authorities, demonstrating its commitment to facilitating international investment in Qatar.

Masraf Al Rayan and UDC officials at a roadshow in the UK to attract investors to Qatar's realty sector.

"With the real estate market in Qatar poised for growth and opportunities, we are pleased to provide the international investors with financing solutions tailored specifically for this purpose and easily accessible," said Rana al-Asaad, general manager (Retail and Private Banking), Masraf Al Rayan.

This innovative financing programme underscores the bank's commitment to driving international investment and contributing to the growth of the Qatari economy, according to her.

Faisal Nasser al-Emadi, UDC executive director (Commercial), said the partnership will help expand its global reach through the collaboration with Masraf Al Rayan.

"Together, we aim to bolster Qatar's real estate sector and attract international investors to UDC's properties at The Pearl and Gewan islands," he said.

The alliance with Masraf Al Rayan not only provides access to Shariah-compliant Islamic financing solutions and a discerning clientele, but also enables it to collectively showcase Qatar as a premier destination for property investment in the region, he added.

"Through this collaboration, we highlight the Islamic financing options available to non-residents and the residency benefits that come with investing in Qatar. With UDC's diverse property portfolio, seamless community management, and commitment to sustainability, we are confident in attracting foreign investors to contribute to Qatar's thriving real estate landscape," he said.

The one-on-one meetings provided an exclusive opportunity for the participants to engage directly with the team, addressing specific questions and exploring potential investment opportunities in Qatar.

Third Arab Capital Markets conference to address innovation, AI and sustainability

Several economic and financial officials and decision-makers as well as leaders of Arab, regional and international financial institutions will assemble in Doha today for the Third Arab Capital Markets conference.

The conference, organised by The Qatar Financial Markets Authority (QFMA), in co-operation with the Union of Arab Securities Authorities (UASA), has been themed "Innovation, Artificial Intelligence (AI) and Sustainability: Opportunities and Challenges".

A group of experts and financial analysts and major investors, as well as university professors and experts in the field of AI, besides representatives of Arab and global regulatory authorities, and financial markets, are also expected to participate in the conference.

It aims to discuss the outlook of the relationship between AI and the management of Arab capital markets and the growing role of AI in the application of governance, financial sustainability and social responsibility in such markets, in addition to the increasing importance of technological innovations in managing the risks facing Arab capital markets.

Turkiye's 'orthodox' pivot makes lira a favourite for HSBC

Bloomberg
Hong Kong

Turkiye's return to a more conventional approach to monetary policy is boosting investor confidence, setting the stage for capital inflows and underpinning HSBC Holdings Plc's bullish stance on the nation's assets.

Commitment to "rules-based orthodox" policies could lead to a faster and deeper improvement in the nation's fundamentals in the second half of the year, Murat Ulgen, global head of emerging-markets research at the bank, said in an interview in Hong Kong. Inflation is expected to ease and the current-account deficit to narrow, and discussions around fiscal consolidation are "encouraging," he said in an interview.

Raising the benchmark interest rate and "normalising" monetary policy have been at the centre of a policy overhaul. President Recep Tayyip Erdogan appointed a new economic team, led by Finance and Treasury Minister Mehmet Simsek, to execute a U-turn from an approach based on ultra-low borrowing costs, which led to a spike in inflation that officials are still battling to bring under control.

"Given the fact that over the years investors have reduced their positioning in fixed income and equities, I think there is a huge room for improvement and that's why it's one of our favourite markets, on equities, credit and foreign exchange," Ulgen said. Investors are too bearish and the currency can outperform lira forward contracts over the year, which translates to "real appreciation," he said.

To be sure, inflows from overseas have remained sparse as foreigners wait to see further progress resulting from the return to policy orthodoxy. Overseas investors have bought just $87mn in Turkish lira debt this year, down from $2bn last year, according to data compiled by Bloomberg. Total foreign holdings of Turkish government debt in liras are currently about $2.5bn, markedly down from a peak of more than $70bn in 2013.

But optimism is brewing. Turkish stocks have given investors dollar returns of 33% in less than a year, with funds like Barings Asset Management looking to boost exposure. Goldman Sachs Group Inc says disinflation could be achieved in the third quarter with seasonal inflows supporting the current-account balance.

The central bank is due to hold its next rate-setting meeting on Thursday, with some analysts already pencilling in another hike. Rate setters surprised the market last month with a 500 basis-point increase in a bid to contain prices and stabilise the lira.

Officials have previously said they see Turkish headline inflation peaking at around 75% in the coming months. Policymakers are slated to present fresh projections next month. Despite currency losses this year that took the lira to a record low and a leadership change at the central bank, the governor has vowed to do "whatever it takes" to stabilise the economy.

Inflation could come down to 40% this year and halve in the year after, HSBC's Ulgen said. The bank expects the lira's declines to be contained, falling towards 34 per dollar this quarter from around 32.52 on Wednesday.

Qatar, Jordan record QR746mn trade volume in 2023

Qatar-Jordan trade volume stood at QR746mn in 2023, according to Qatar Chamber second vice-chairman Rashid bin Hamad al-Athba.

Al-Athba made the statement during a meeting with Jordan and Amman Chambers of Industry chairman Fathi al-Jaghbir and his accompanying delegation.

Qatar Chamber board members Abdulrahman al-Ansari and Shaheen al-Mohannadi, as well as several Qatari businessmen and manufacturers, also attended the meeting.

During the meeting, both sides discussed means to enhance co-operation between both entities, the investment climate, and opportunities available in both counties.

It also explored co-operation between companies from both sides in food processing, agriculture and livestock, plastic and rubber industries, timber and furniture, clothing, construction, chemicals, paper and carton, and packaging.

Al-Athba lauded the developed relations between both countries across all sectors and levels, stressing their common desire to develop these further.

He noted that Qatar is one of the largest investors in Jordan's various sectors, such as real estate, tourism, banking, healthcare, energy, and oil derivatives.

Al-Athba also said many Jordanian companies are operating in Qatar, whether in full capital or with Qatari partners, in sectors like trading, contracting, construction, interior design, maintenance, events, real estate brokerage, services, education, carpentry, and prefabricated kitchens, among others.

According to al-Athba, it is important to constantly enhance the co-operation of the private sector of both countries, noting that this will contribute to developing the bilateral trade exchange, which reached QR746mn last year compared to QR660mn in 2020, an increase of 13%.

He also emphasised the importance of activating a business council and intensifying mutual visits between business delegations from both sides.

Al-Athba encouraged Jordanian companies to take advantage of the investment climate in Qatar and the incentives offered to foreign investors.

He also highlighted that Qatar attaches great importance to the industrial sector, saying it offers a host of incentives, such as the allocation of lands, the exemption of customs duties on imported machinery, equipment and raw materials, and the exemption of income tax for a duration of up to 10 years, as well as the provision of electricity at reasonable prices.

"Qatar owns a world-class infrastructure, leading economic legislation, and a variety of incentives and opportunities in almost all sectors, especially in free and logistic zones," he said.

Al-Athba said the chamber encourages Qatari investors to explore opportunities galore in Jordan and enhance co-operation with their counterparts.

For his part, al-Jaghbir commended the fraternal relations between both countries, praising the development of the Qatar industry sector.

Al-Jaghbir underscored the significance of bolstering co-

Officials of both chambers during a meeting held in Doha yesterday.

operation between both sides in industry and streamlining procedures of exporting manufactured products. He proposed holding a joint business forum between businessmen and manufacturers in Amman to explore new horizons of co-operation and investment opportunities available in the industrial sector.

Al-Ansari, who is the chairman of the chamber's Industry Committee, emphasised the importance of strengthening co-operation between both parties in industrial fields, noting that Qatar is characterised by the provision of raw materials in petrochemical and energy sector which driven the growth in petrochemical industries. He assured the Qatari side's preparedness to examine opportunities available in Jordan in industry sector to establish joint venture whether in Qatar or in Jordan.

Boeing burns through almost $4bn in Q1

By Alex Macheras

Boeing burnt through almost $4bn of cash in the first quarter, reflecting slower 737 Max production and compensation to customers as the US plane maker grappled with the aftermath of the mid-air accident in January. The $3.9bn of free cash outflow is slightly lower than the $4-4.5bn the company had warned in March, but compares with an outflow of $786mn for the same period last year.

Boeing reported a $355mn net loss in the first quarter.

Boeing, which is grappling with multiple crises currently, reported an adjusted loss per share of $1.13, and revenue of $16.57bn in the first three months, according to a statement on Wednesday. Boeing, which didn't provide earnings guidance for the year, rose as much as 4.6% in New York after the results, for its biggest intraday gain since January 31.

Boeing's first three months of the year have been overshadowed by the fallout from the near-catastrophic Alaska Airlines accident on January 5 that's upended the company's manufacturing, financials and management. Chief Executive Officer Dave Calhoun, who plans to step down by the end of the year, told employees in a memo that Boeing is "leaving no stone unturned" as it reworks its factories, encourages workers to point out defects and slows its system to identify faults in its processes.

Boeing faces investigations by aviation regulators and the US Justice Department. Though no one was killed, the explosive loss of cabin pressure injured some on board and recalled the two fatal crashes that led to the worldwide grounding of the Max for nearly two years.

A preliminary report by the National Transportation Safety Board found that four bolts meant to fasten the panel to the fuselage were missing. A US Federal Aviation Administration audit of Boeing found "multiple instances" where it allegedly failed to meet manufacturing and quality control requirements.

Regulators have given the company until the end of May to submit a plan to improve.

Boeing said on Wednesday it was "implementing a comprehensive action plan" to address the audit's findings.

"Near term, yes, we are in a tough moment," Calhoun said in the memo. "Lower deliveries can be difficult for our customers and for our financials. But safety and quality must and will come above all else."

During the quarter, the Boeing 737 MAX programme slowed production below 38 a month, Boeing said. Boeing ended the reporting period with $7.5bn in cash and short-term securities, down from $16bn at the start of the year. The company said it still has access to $10bn in undrawn credit.

Boeing had already cautioned a few weeks ago that it would suffer a cash outflow of as much as $4.5bn in the quarter. By that measure, the earnings release offered a respite at a time when little has gone Boeing's way.

The company has been hit by a leadership exodus, civil and criminal investigations, Congressional hearings and whistle-blower revelations. Its 737 factory has slowed to a crawl as the planemaker cuts down on out-of-sequence work and drafts a 90-day plan to bolster its quality and safety for US regulators.

Boeing's recovery hinges in no small part on input from the Federal Aviation Administration, which has tightened oversight of the company in the wake of the accident. Measures include a capped output of the 737, and inspectors on the ground at Boeing factories reviewing manufacturing.

As of Tuesday, shares of Boeing had lost more than a third in value since the start of the year, the worst performer on the Dow Jones Industrial Average. Rival Airbus SE, which reports earnings on Thursday, had gained 18% in the period.

The manufacturer is being squeezed by reduced revenue and the rising cost of keeping its suppliers afloat until its production system can smoothly handle higher manufacturing rates again.

Boeing plans to build 737s at a very slow pace during the first six months of 2024, then accelerate to its previous 38-jet monthly rate later in the year, Chief Financial Officer Brian West said last month. As of March 1, it shifted inspections of the narrowbody frames to Wichita, Kansas, where they are built by supplier Spirit AeroSystems Holdings Inc.

Fuselage shipments have fallen as a result, adding to Spirit's own financial challenges. Boeing is providing a $425mn funding infusion, which Spirit is to repay over the next six months, the aerostructures supplier announced in a filing after the close of trading Tuesday.

Boeing has been the subject of 32 whistle-blower complaints with the workplace safety regulator in the United States during the past three years, newly obtained documents reveal, amid mounting scrutiny of standards at the beleaguered aircraft maker.

The figures shed light on the extent of alleged retaliation by Boeing against whistle-blowers as the Virginia-based company is facing mounting questions over its safety record and standards.

The Occupational Safety and Health Administration (OSHA), which handles claims of retaliation against workers who blow the whistle on their employer, received the complaints of retaliation between December 2020 and March of this year, according to a table of figures compiled last month by officials at the agency.

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Chinese tourists are again embracing international travel

Bloomberg
Baltimore

More than a year since China reopened its borders, some 63% of its residents say they're ready to return to exploring the world, according to a survey published yesterday, which Bloomberg previewed. They plan to venture farther afield than previously, with just 10% spurning international travel altogether—a significant shift from a year ago, when more than half of China's consumers said they had no plans to go abroad and 31% said they weren't even interested.

The return of China's travellers has long been awaited in the travel industry, which is expected to surpass pre-pandemic levels this year by contributing $11.1tn to the global economy. The March 6–19 survey by marketing solutions firm Dragon Trail International queried 1,015 mainland Chinese leisure travellers located in 127 places, including first-, second- and third-tier cities.

"We are now past the initial reopening and well into recovery," says Sienna Parulis-Cook, Dragon Trail's director of marketing and communications, "and we can see that travellers are much less hesitant about venturing outbound than they were a year ago."

As of early April, outbound trip bookings for China's week-long May holiday lagged 2019 levels by only 13%, according to Dragon Trail, and included such places as Egypt and United Arab Emirates. The China Tourism Academy predicted that global Chinese tourist numbers will reach 130mn in 2024 — 84% of levels before Covid-19 struck. In 2019, some 155mn outbound Chinese travellers spent $253bn abroad.

Destinations that have either waived the visa process for Chinese citizens or are offering electronic visas on arrival include Singapore, Malaysia, Thailand, and the Middle East and North Africa. The United Arab Emirates, Egypt and Jordan are predicted to lead the recovery in Chinese tourism, says Alina Xiang, who specialises in China as president and chief executive officer of East West Marketing.

Australia, the United Arab Emirates, the UK, Italy, New Zealand, Turkiye, Qatar and Egypt are among the destinations whose flight capacities with China surpass levels before the pandemic, according to data from the Civil Aviation Administration of China that was provided by East West Marketing.

Dragon Trail's survey shows that of 181 respondents who say they've already made overseas travel plans, 94% have booked trips to more than one destination. Some 16% said they would head to Europe.

Shopping is on the agenda for many. Nearly one-fourth said they will budget from $5,000-10,000 for shopping per trip, with 16% saying they would spend more. "It's a really an important part of the Chinese outbound travel experience," says Parulis-Cook. Retailers have suffered without such high-spending Chinese tourists.

In the first quarter, LVMH Moet Hennessy Louis Vuitton SE reported, "Chinese demand for fashion and leather goods—at home and abroad—rose almost 10%," a bright spot in an otherwise-underwhelming performance.

The US travel industry is in for a longer wait than other major tourist destinations when it comes to reaping rewards from Chinese travel. Amid delays in visa issuance, first-quarter flights between the US and China remained 78.8% below those in the same period in 2019, according to data provided by aviation analytics firm Cirium. This contrasts with a near rebound for flights between the US and the rest of Asia, just 4% below pre-pandemic levels.

Still, Chinese travellers' poor perception of the US has changed significantly since the pandemic. In 2021, 87% said they considered the US an unsafe tourist destination. In March, only 36% voiced that perception.

Travellers at Hongqiao International Airport in Shanghai. The return of China's travellers has long been awaited in the travel industry, which is expected to surpass pre-pandemic levels this year by contributing $11.1tn to the global economy.

Heathrow airport lands record first quarter

AFP
London

London's Heathrow airport handled a record number of passengers in the first quarter thanks to strong Asian demand, it said yesterday, but upcoming performance risked being hit by workers striking.

A total of 18.5mn passengers travelled through one of the world's busiest hubs in the first three months of the year, Heathrow said in a statement.

"Reflecting the strong performance, our 2024 passenger outlook has been bumped up to 82.4mn," it added.

Heathrow last year hosted 79.2mn passengers.

Wednesday's update came one day after major British union Unite said almost 800 Heathrow staff would strike for a week in May.

Unite said Heathrow faced "major disruption after management announced its intention to outsource hundreds of roles in a cost-cutting exercise".

Reacting, Heathrow said it had a "robust operating plan in place to keep the airport running smoothly".

Passengers wait for their flights at Heathrow Airport's Terminal 5 in west London (file). A total of 18.5mn passengers travelled through one of the world's busiest hubs in the first three months of the year, Heathrow said.

'Banks keen to finance SAF projects face key risks'

Bloomberg
Singapore

Banks are keen to finance sustainable aviation fuel projects, but face key risks including uncertainty over feedstock supplies and changing policy mandates around the fuel, according to Sumitomo Mitsui Banking Corp.

"We are very open" to SAF projects, Siddhartha Shrivastava, head of new energies in Asia at SMBC, said at the Argus Biofuels & Feedstocks Asia Conference in Singapore. The bank is currently advising on debt raising for several SAF projects, including in Malaysia, Sweden and the US, and is in discussions on lending in Asia and Europe, he said.

SAF, made from waste oils and agricultural feedstock, can cut carbon emissions from air travel by as much as 80%, according to the airline sector. Yet global supply of SAF currently meets barely 1% of the aviation industry's requirements, which means an enormous ramp-up in production is essential to give the industry a chance of reaching its target of carbon neutrality by 2050.

Velocys Plc, a sustainable fuel technology firm in the midst of obtaining financing for two SAF projects, said at the same conference that getting funding is "the hardest stage," according to Neville Hargreaves, a vice president at the UK firm.

Airlines must pay automatic refunds for cancelled flights under new US rules

Bloomberg
Washington

Airlines will now have to provide automatic refunds to travellers if their flights are cancelled or significantly altered under new US Department of Transportation rules.

The final regulations released yesterday outline the circumstances where passengers are entitled to refunds for all travel to, from and within the US. The goal is to make it easier for people to get money back and to make refund policies more consistent from one airline to the next.

According to the department, complaints related to airlines and ticket agents rejecting or delaying refunds made up 87% of all air travel service complaints at the height of the Covid-19 pandemic in 2020.

"Passengers deserve to get their money back when an airline owes them — without headaches or haggling," US Transportation Secretary Pete Buttigieg said in a statement.

Under the new rule, passengers will be entitled to refunds if there is a "significant change" to their flights.

These include:

- Departure or arrival time that moves by more than three hours domestically or six hours for international flights.
- Being downgraded to a lower class than originally purchased, as from first class to economy.
- Change of departure or arrival airport.
- Increase in number of connections.
- Changes to connecting airports or planes flown if they are less accommodating for people with disabilities.

Travellers will also get refunds for checked bag fees if the bag is lost and not delivered within 12 hours of a domestic flight's gate arrival. International flights will have from 15-30 hours to return a lost bag, depending on their length.

Anyone who pays for a service, such as in-flight Wi-Fi or entertainment, and doesn't receive it will also get their money back.

In addition, DOT made changes to make it easier for the passengers to receive the money they're owed by requiring prompt automatic refunds through the original form of payment, including cash.

The Airlines for America trade group said in a statement that its member carriers already abide by and often exceed regulation on consumer protection.

"US airlines are providing more options and better services while ticket prices, including ancillary revenues, are at historic lows," the group said in a release.

Also on Wednesday, the department released a final rule requiring airlines to clearly communicate their extra fees upfront for checked luggage, carry-on bags or for cancelling or changing reservations. According to DOT, airlines saw a 30% increase in revenue from baggage fees between 2018 and 2022.

"Airlines should compete with one another to secure passengers' business — not to see who can charge the most in surprise fees," Buttigieg said in a statement, adding that the rule will save travellers more than half a billion dollars a year.

Cancelled and delayed flights in Denver, Colorado, US (file). The final regulations released yesterday outline the circumstances where passengers are entitled to refunds for all travel to, from and within the US. The goal is to make it easier for people to get money back and to make refund policies more consistent from one airline to the next.