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Deadly turbulence prompts airlines to turn to big data programme

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BUSINESS

SIGNIFICANT STEP : Page 2

QSTP firms to migrate to QFC regime with workflow pact

QCB Governor participates in Gulf Payments Company meetings

The Qatar Central Bank (QCB) Governor HE Sheikh Bandar bin Mohamed bin Saoud al-Thani yesterday participated in the meetings of the board of directors and the extraordinary general assembly of the Gulf Payments Company. During the meeting, which was conducted electronically, the agenda included discussions on the company and appropriate decisions were taken regarding it.

Qatar-China trade volume reaches QR87bn, says Chamber official

Qatar Chamber has hosted a Chinese business delegation led by Liu Qilin, chairman of China Council for the Promotion of International Trade (CCPIT) in the Province of Yunnan.

The meeting was attended by Qatar Chamber first vice-chairman Mohamed bin Towar al-Kuwari, as well as several Qatari and Chinese business owners.

During the meeting, both parties reviewed means to strengthen co-operation between the two entities and mechanisms to promote trade exchange between the two countries. They also discussed the investment climate and investment opportunities available in various sectors, especially in the food industries.

In his remarks, Qilin said the delegation aims to learn about the industry sector in Qatar and explore the commercial potential and opportunities available in Qatar and Yunnan Province, in addition to means to promote bilateral trade and the possibility of signing an agreement with Qatar Chamber.

Qatar Chamber first vice-chairman Mohamed bin Towar al-Kuwari and CCPIT chairman Liu Qilin during a meeting in Doha recently.

Qilin called on Qatar Chamber to encourage Qatari businessmen to participate in the '8th China-South Asia Exposition' and the '28th China Kunming Import & Export Fair' scheduled on July 23-30, 2024. He noted significant opportunities for investment in the sectors of green foods and food industries in China, calling on Qatari businesses to invest in Yunnan Province.

For his part, al-Kuwari lauded commercial relations between both countries, saying China is one of the most important trade partners of Qatar. Trade volume amounted to QR87bn in 2022, reflecting a 32% year-on-year growth from QR65.8bn.

Al-Kuwari emphasised that Qatari companies are interested in expanding co-operation with their Chinese counterparts and establishing commercial alliances. He stressed the chamber's interest in encouraging Qatari business owners to participate in Chinese exhibitions, noting these exhibitions offer a valuable opportunity to learn about Chinese products and promote Qatari products.

HE Abdullah bin Hamad al-Attiyah, Chairman of the Al-Attiyah Foundation and Qatar's former Minister of Energy and Industry, during the event.

Energy security in focus as Al-Attiyah Foundation hosts high-level roundtable

Top decision-makers, internationally renowned experts, and dignitaries gathered yesterday in Doha to examine current and potential factors affecting energy security during the '2nd Al-Attiyah Foundation CEO Roundtable 2024'.

Titled 'Energy Security: Future Demand and Promising Options', the high-profile event was moderated by broadcaster Axel Threlfall.

Joining in-person and virtually, the guest speakers were Charles Hendry, former Minister of State for Energy and Climate Change for the UK; Dario Liguti, director of the Sustainable Energy Division at the UN Economic Commission for Europe; Paul Salem, president and CEO of the Middle East Institute; Adam Chase, partner lead for Sustainable Energy Solutions at ERM; and Juan Vazquez, partner and managing director at Boston Consulting Group.

While energy security is not easy to define because it is a multifaceted concept, there are various dimensions of particular relevance, including physical disruption of supplies resulting from infrastructure breakdown, natural disasters, or social unrest; long-term physical availability of energy supplies to meet growing demand in the future; and deleterious effects on economic activity due to energy shortages.

The discussion delved into how ongoing global conflicts have affected energy security. The Russia-Ukraine war continues to have a major effect on the European energy outlook, particularly due to the loss of the Nord Stream pipelines from Russia to Germany.

In the months and years since the conflict began, Norway has replaced Russia as the largest gas supplier, while a combination of mild winter temperatures, and the boost of liquefied natural gas (LNG) imports from international suppliers ensured Europe could plan and survive winters.

The war has emphasised Europe's need to achieve independence from Russian fossil fuel imports and inadvertently helped the continent make bigger strides towards its energy transition targets.

Furthermore, since the conflict began, renewable power generation in Europe has increased in keeping with green energy targets and as a response to energy security fears.

According to statistics from WindEurope, the share of wind in the EU electricity mix from 2021 to 2023 rose from 14% to 19%, and annual wind energy production went from 375 TWh to 466 TWh. This jump in wind power now means 95 bcm less need for gas every year and 119mn tonnes of avoided CO2.

The panel also discussed juggling the rising demand for energy and the global need to cut greenhouse gas emissions.

According to the Energy Institute's Statistical Review of World Energy, primary energy consumption rose 1.4% yearly in the last decade. This data highlights that the world is faced with rising energy demands (and consequential CO2 emissions) and the need to reduce CO2 emissions.

Speaking at the event, HE Abdullah bin Hamad al-Attiyah, Chairman of the Al-Attiyah Foundation and Qatar's former Minister of Energy and Industry, said: "It gave me great pleasure to host the second Roundtable of 2024 and to hear valuable insights from our member CEOs and expert guest speakers. Energy security has become more prominent in recent years due to many factors including its impact on access to reliable and affordable energy."

Masraf Al Rayan and QFCA sign MoU for enhanced co-operation

Masraf Al Rayan and the Qatar Financial Centre Authority (QFCA) have signed a memorandum of understanding (MoU) for enhancing co-operation and mutual interests between the two parties.

This strategic alliance reflects the commitment of both Masraf Al Rayan and the QFC to innovation and supporting the growth of the fintech and digital assets sectors in Qatar and beyond.

Under this partnership, both parties will collaborate on numerous initiatives, leveraging their expertise to drive innovation and growth in key areas.

Masraf Al Rayan will contribute to the QFC's Digital Assets Lab and fintech initiatives through its extensive sector expertise and thought leadership in supporting and developing these initiatives.

The collaboration will include participation in knowledge-sharing sessions, workshops, and joint projects aimed at fostering innovation in fintech, digital asset technologies, Web 3.0, sustainability, and other relevant areas.

Under the supervision of Masraf Al Rayan's "Innovation Lab," this will include conducting research, developing prototypes, and seeking innovative solutions within the ecosystem of these sectors.

Additionally, both parties will leverage their expertise and technical collaboration to ensure smooth operations and adherence to regulatory standards and best practices.

The lender reaffirmed its commitment to fostering innovation and supporting the growth of the fintech and digital assets sectors.

"By combining our expertise and resources, we aim to create a positive impact and generate new opportunities for companies operating within the QFC ecosystem," said Fahad bin Abdullah al-Khalifa, group chief executive officer of Masraf Al Rayan.

The MoU marks a significant milestone in the relationship between Masraf Al Rayan and the QFC, as both parties work together to enhance the financial landscape and promote sustainable growth in Qatar and beyond.

"Their industry expertise and commitment to thought leadership will be invaluable in developing and promoting these pioneering initiatives. Together, we aim to foster innovation and position Qatar as a leading hub for digital assets and fintech solutions," said Yousuf Mohamed al-Jaida, chief executive officer of QFCA.

Masraf Al Rayan and QFC officials after signing the co-operation agreement. The strategic alliance reflects the commitment of both Masraf Al Rayan and the QFC to supporting innovation and growth of the fintech and digital assets sectors in Qatar and beyond.

Yousuf Mohamed al-Jaida, chief executive officer of QFCA and Dr Jack Lau, president, QSTP, sign the agreement.

QFC and QSTP in workflow pact; QSTP firms to migrate to QFC regime

The Qatar Financial Centre Authority (QFCA) has signed a workflow pact with Qatar Science and Technology Park (QSTP), a member of Qatar Foundation (QF), to facilitate the registration of businesses in Qatar.

As part of this agreement, all the legal entities currently registered and licensed in the QSTP free zone would migrate to the QFC's regulatory regime.

Going forward, the QFC will facilitate the registration and licensing of the QSTP entities and provide them with specific services essential to their business operations, including customer support, dispute resolution, judicial system assistance, liquidation, Ministry of Interior services, tax compliance and incentives, as well as visa and immigration support.

Furthermore, both parties will promote relevant initiatives and activities within each other's events and outreach programmes.

They will also collaborate on evaluating proposals involving joint projects that relate to their mutual development and the promotion of their respective products and services.

"This workflow agreement marks a significant step towards streamlining business setup in Qatar.

By partnering with the QSTP, we aim to foster a supportive environment for businesses across sectors, contributing to the economic diversification of the country. It also broadens our support for tech enterprises, further driving innovation and growth in Qatar's tech ecosystem," said Yousuf Mohamed al-Jaida, chief executive officer of QFCA.

Dr Jack Lau, president, QSTP, said this vital pact ensures that tech-based entities and promising entrepreneurs that leverage its ecosystem – now and in future - are provided with efficient and seamless experience, in line with the national vision of talent transformation.

"It also strengthens the QSTP's role as a key enabler of Qatar's thriving tech sector," he said.

This workflow agreement underscores the commitment of the QFC and the QSTP to drive economic diversification and growth by providing extensive support to both established and emerging companies that wish to establish a presence in Qatar.

Bulls tighten grip on QSE as index gains 28 points; M-cap adds QR1.74bn

By Santhosh V Perumal
Business Reporter

The Qatar Stock Exchange (QSE) yesterday kept up the bullish momentum for the fifth consecutive day and its key index gained as much as 28 points.

The domestic institutions were seen increasingly net buyers as the 20-stock Qatar Index rose 0.29% to 9,491.46 points, recovering from an intraday low of 9,465 points.

The industrials and insurance counters witnessed higher than average demand in the main market, whose year-to-date losses truncated further to 12.36%.

The foreign individuals were seen bullish in the main bourse, whose capitalisation added QR1.74bn or 0.32% to QR550.34bn on account of midcap segments.

The Gulf retail investors' weakened net profit booking had its marginal influence in the main market, which saw 0.07mn exchange traded funds (sponsored by Masraf Al Rayan and Doha Bank) valued at QR0.19mn trade across 24 deals.

However, the foreign funds were seen increasingly net sellers in the main bourse, which saw no trading of sovereign bonds.

The Gulf institutions were also increasingly bearish in the main market, which saw no trading of treasury bills.

The Islamic index was seen gaining slower than the main barometer in the main bourse, whose trade turnover grew amidst lower volumes.

The Total Return Index gained 0.29%, the All Share Index by 0.31% and the All Islamic Index by 0.24% in the main market.

The industrials sector index shot up 1.1%, insurance (0.51%), consumer goods and services (0.21%), telecom (0.13%) and banks and financial services (0.08%); while real estate declined 0.23% and transport was unchanged. Major gainers in the main market included Industries Qatar, Al Meera, Meeza, Qatar Insurance, Lesha Bank and Qatari German Medical Devices.

Nevertheless, Qatar General Insurance and Reinsurance, Doha Insurance, Qatar Oman Investment, Gulf Warehousing and Alijarah Holding were among the losers in the main bourse. In the venture market, Al Mahhar Holding saw its shares depreciate in value. The domestic institutions' net buying increased drastically to QR113.55mn compared to QR71.68mn on June 4.

The foreign individual investors turned net buyers to the tune of QR1.77mn against net sellers of QR0.92mn the previous day.

The Gulf retail investors' net profit booking eased marginally to QR0.05mn compared to QR0.07mn on Tuesday.

However, the foreign funds' net selling strengthened significantly to QR73.36mn against QR49.55mn on June 4.

The Gulf institutions' net profit booking expanded considerably to QR22.56mn compared to QR9.95mn the previous day.

The Qatari individual investors' net selling shot up substantially to QR15.89mn against QR8.85mn on Tuesday.

The Arab retail investors' net selling rose perceptibly to QR3.36mn compared to QR2.34mn on June 4. The Arab institutions had no major net exposure for the fourth straight session.

Trade volumes in the main market were down 3% to 151.5mn shares, while value grew 3% to QR502.73mn despite 6% lower transactions at 17,321. The venture market witnessed a 36% contraction in trade volumes to 0.07mn equities, 39% in value to QR0.11mn and 35% in deals to 11.

The domestic institutions were seen increasingly net buyers as the 20-stock Qatar Index rose 0.29% to 9,491.46 points yesterday, recovering from an intraday low of 9,465 points

Ooredoo Group upgrades cybersecurity for B2B customers; partners with SentinelOne

Ooredoo Group announced yesterday a Managed Security Service Provider (MSSP) agreement with SentinelOne as part of proactive steps to help its business customers respond to an increasingly complex threat landscape.

The collaboration aims to empower businesses across Ooredoo's footprint with state-of-the-art cybersecurity solutions tailored to their unique needs.

The collaboration aims to empower businesses across Ooredoo's footprint with state-of-the-art cybersecurity solutions tailored to their unique needs. As part of this partnership, Ooredoo will integrate Singularity Endpoint SentinelOne's innovative endpoint detection and response solution, into its comprehensive suite of cybersecurity offerings.

This advanced technology leverages artificial intelligence and machine learning to proactively detect, prevent, investigate, and remediate cyber threats in real time, providing unparalleled protection against evolving cyber risks.

The MSSP agreement will cover all of Ooredoo's operating companies, with the service being gradually launched across the entire footprint in the coming weeks. This ensures that businesses across all regions benefit from advanced cybersecurity measures. Najib Khan, Group Chief Business Services officer at Ooredoo, said: "With cyber-attacks growing in sophistication and frequency, organisations face unprecedented challenges in safeguarding their digital assets. "Through the MSSP partnership with SentinelOne, we can upgrade our cybersecurity offerings, allowing our B2B customers to focus on their core business operations while we ensure their digital environments are secure. It's a significant step in our commitment to supporting digital transformation with robust and reliable security solutions."

Meriam Elouazzani, regional director for Middle East, Turkey and Africa at SentinelOne, added: "We are excited to partner with Ooredoo to bring our industry-leading cybersecurity solutions to businesses in Qatar. By leveraging Ooredoo's extensive network and market reach, we aim to empower organisations with the tools they need to defend against advanced cyber threats effectively."

The partnership aligns with Ooredoo's strategic vision to enrich the digital lives of its customers through a comprehensive ICT portfolio, supported by skilled resources and strategic partners. It underscores Ooredoo's commitment to providing innovative, reliable, and secure solutions.

Ooredoo Qatar announces winners of its 'EnterpriseTech' during QBIC Hackathon 2024

Ooredoo Qatar has announced the winners of its 'EnterpriseTech' theme at the Qatar Business Incubation Centre (QBIC) Innovation Hackathon 2024. Dedicated to driving operational efficiency and exploring new business opportunities, the EnterpriseTech theme received numerous innovative submissions across six industry-specific categories this year.

Out of these, 14 ideas were shortlisted, and 10 teams pitched their groundbreaking solutions. Three outstanding teams emerged as winners, each receiving a QR25,000 pre-investment award and direct access to the prestigious QBIC Incubation Programme.

The winning teams showcased remarkable creativity and technical prowess. 'DataC' impressed with its enterprise-level data analysis solution powered by generative AI. 'RFxAI' introduced a sophisticated RFP response platform utilising proprietary AI LLMs, and 'Nasma' launched a dynamic freelancer marketplace connecting local businesses with top-tier marketing and creative talent.

Sabah Rabiah al-Kuwari, director, PR, Sponsorship and CSR at Ooredoo Qatar, said: "We are proud to support the QBIC Hackathon 2024, offering practical support for the teams and the event. Innovation is central to our corporate strategy, and we are committed to investing in technology and fostering young talent. The impressive participation in the hackathon highlights the incredible potential here in Qatar, and we look forward to seeing how these innovative solutions help to shape the digital future of our nation and beyond."

Business customers can leverage the Ooredoo Advantage, making Ooredoo 'Best for Business' thanks to its breadth and depth of talent, offering unparalleled fixed and mobile networks, a comprehensive portfolio of ICT services and solutions, and a trusted partnership spanning 60 years.

Lufthansa's takeover deadline of Italian national airline looms

By Alex Macheras

Carsten Spohr, CEO of the Lufthansa Group told media at the IATA Annual General Meeting that the European Commission's decision on acquiring the Italian carrier by the German conglomerate might be announced this week as Europe prepares for its upcoming elections scheduled for June 6.

The German airline group —which owns Lufthansa, SWISS, Austrian Airlines, Brussels Airlines, Eurowings, and Air Dolomiti—hopes to conclude the lengthy negotiations to include the Italian carrier in its broad portfolio of European airlines.

With the deal deadline just one month away the European Commission has put pressure on Lufthansa and the Italian Finance Ministry to draw up a remedy package that will help to protect competition between airlines on transatlantic routes.

However, Lufthansa isn't prepared to reopen its joint venture with United Airlines and Air Canada to solve the EU's issues — sparking fears that the carrier may not be able to come up with a package that meets the bloc's demands, according to a person familiar with the matter.

In November 2023, Lufthansa agreed with the Italian Economic Ministry to buy 41% of the airline shares for €325mn, potentially increasing its ownership to 100%. However, the European Commission expressed concerns about the transaction, stating

that Lufthansa's influence in Europe would become too dominant, potentially leading to anti-competitive practices.

The Lufthansa Group — already the world's third-largest airline conglomerate — would expand by adding over 90 aircraft to its fleet and gaining a major hub in Southern Europe. Italy has the third-largest economy in Europe by gross domestic product.

Regulators have launched probes into such deals by Germany's Lufthansa and British Airways owner International Airlines Group (IAG), which were announced in the first half of last year. The main concern of watchdogs is that the airlines could use the acquisitions to boost already dominant positions, with passengers losing out because of higher fares and fewer airlines competing on routes. Executives also believe that creating larger and more profitable airline groups is the only way to succeed when competing with the historically more profitable US market, which consolidated around four big airlines following the financial crisis, and deep-pocketed Gulf and Asian carriers.

Regulators in Brussels told the *Financial Times* they will seek tougher concessions from airlines, amid concerns that historically some slots were not taken up, or not used on the routes originally planned.

"Some years ago, we were sure the slots solution was fine. Maybe the results are not there," then EU antitrust commissioner Didier Reynders said in an October interview.

The crackdown by regulators follows increased prices and worries about the quality of services after the reopening of travel in the wake of the pandemic.

According to data published by the European Commission, the executive body of the EU, flying is becoming increasingly costly for consumers with average airline fares up 20-30% last summer compared with 2019.

EU officials stress all airline deals are different and scrutinised on their merits. Brussels could support the Lufthansa proposals, people familiar with the probe added.

The German airline said it was in constant exchanges with the EU to try and win support for its agreed purchase of a stake in ITA, adding that it was confident the commission would approve it as soon as possible. The chief executive of Portugal's national airline, TAP, has urged the government to retain a stake in the airline as he anticipates its planned sell-off to begin in earnest within the next few months.

Luis Rodrigues also advocates for bringing in non-aviation investors to alleviate competition concerns amid increasing unease in Brussels about the prospect of an industry dominated by a few large airline groups in the region. The Portuguese government put TAP up for sale last year, paving the way for further airline consolidation in Europe and a potential bidding war among the EU's major carriers.

The newly elected centre-right minority government, which came to power in March, has expressed a desire to sell 100% of the airline. However, Rodrigues emphasised the importance of the state maintaining a stake in the airline, particularly given Portugal's reliance on tourism.

"My recommendation would be for the Portuguese government to maintain a position, to be part of the whole development process," he said. "Just to ensure that if actors change, no one comes in with a different agenda," he added, highlighting the need to serve Portugal's autonomous regions, Madeira and the Azores.

"I think sometime in the future we may be ready for a 100% sale, but let's take it step by step." Prime Minister Luís Montenegro stated during the election campaign that a 100% stake sale should include safeguards to protect Portugal's strategic interests, such as maintaining Lisbon as a hub airport. The previous government had aimed to sell more than 50% of the company but less than 100%, keeping a stake in state hands.

Europe's three major airline groups— IAG, Air France-KLM, and Lufthansa— which own a range of subsidiaries and are looking to expand further, have shown interest in TAP amidst a sharp increase in deal-making across the sector. TAP offers strong connections to Brazil and the lucrative South American market for companies lacking a presence there, as well as a gateway into Africa through its routes to Portuguese-speaking countries like Angola and Mozambique.

IAG has already agreed to buy Spain's Air Europa, while Lufthansa has acquired a 41% stake in ITA Airways, the successor to Alitalia.

Air France has also taken a 20% stake in struggling Scandinavian airline SAS, as part of a deal involving private equity firm Castlelake and the Danish state.

Rodrigues mentioned that he expects TAP to retain its brand name and identity in any deal and suggested that the government might consider involving private equity or other investors instead of selling directly to another airline, partly to help ease competition concerns in Brussels.

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

Deadly air turbulence prompts airlines to turn to big data programme

Bloomberg
Bangkok

Airlines are expressing a greater interest in IATA's turbulence awareness programme, a data collection system that helps pilots navigate tricky weather in real time, after last month's Singapore Airlines Ltd incident that left one dead and scores injured.

Turbulence Aware was launched by IATA in 2018 to help airlines mitigate the impact of turbulence, the No 1 cause of passenger and crew injuries in the air. The programme currently has 21 airlines feeding data into the system and IATA has a goal of collecting turbulence reports from 150mn flights by the end of 2024, Nick Careen, who leads the airline body's work on safety, security and operations, said.

"There are conversations with quite a few airlines. There's been an increased interest," Careen said. "More information and more data will definitely improve the situation."

Flight SQ321 was en route from London to Singapore on May 21 when it encountered severe turbulence as it entered Thai airspace. The giant Boeing Co 777 jet made an emergency landing in Bangkok. One passenger died and many were hospitalised with serious head, neck and spinal injuries. As of Monday, 21 passengers who were on board are still receiving medical treatment at clinics in Bangkok, Singapore Air said in an update.

Singapore Air has since introduced tighter cabin restrictions during turbulence, although stopped short of compelling passengers to wear seatbelts for the whole flight.

Now, in-flight meal services will be halted when the seatbelt sign is switched on, in addition to the suspension of hot drinks. Crew members will also return to their seats and strap themselves in.

Flight SQ321 was en route from London to Singapore on May 21 when it encountered severe turbulence as it entered Thai airspace and made an emergency landing in Bangkok. Airlines are expressing a greater interest in IATA's turbulence awareness programme, a data collection system that helps pilots navigate tricky weather in real time, after last month's Singapore Airlines incident that left one dead and scores injured.

Asked whether the recent events have discouraged people from flying, Careen said he didn't think so. "That speaks volumes to the fact that most people believe and know that this industry is safe."

But he added that as "seatbelts save lives in cars, why would airlines be any different?"

Turbulence, and whether it's becoming more severe or more frequent as the climate changes, was also a broader topic of debate at IATA's annual meeting in Dubai this week.

IATA Director General Willie Walsh said he doesn't think there's a growing turbulence problem, rather that there are more flights — an expected 39mn this year versus around 20mn a year back in 2000 and 2001. "I was a pilot for 20 years, it's not as if turbulence has just developed," he said. Even so, with all the alarming headlines and social media posts, airlines are naturally reviewing procedures and paying more attention to the issue.

Korean Air Lines Co is ensuring crew have more time to prepare for landing so they can "be in their seats at the most critical times," Chief Executive Officer Cho Won-Tae said.

Emirates President Tim Clark said "there has been a greater watch on all of this" and the "industry will start being more concerned that people are in their seats and are strapped in."

IndiGo meanwhile is trialling some new software to help manage turbulence. "Passengers are reminded of the critical importance of keeping their seatbelts fastened throughout the flight, especially during turbulence," the Indian carrier said.

Ultimately though, the best advice is also common sense.

"I can only tell you as someone who has flown many years, also as a pilot, you always keep your seatbelt on," Deutsche Lufthansa AG Chief Executive Officer Carsten Spohr said.

"Go look at the cockpit anytime in the flight, the pilots have their seatbelts on. I recommend the same for all of us."

Airbus in talks to sell more than 100 widebody jets to China

Bloomberg
Paris

Airbus SE is negotiating a major sale of A330neo aircraft to China, with talks gaining momentum since President Xi Jinping visited his French counterpart Emmanuel Macron last month.

The largest Chinese airlines are considering buying more than 100 of the upgraded A330 models, according to people familiar with the matter. The terms are still being discussed and the timing is uncertain, said the people.

The negotiations underscore the increasingly stark contrast between Airbus and Boeing Co when it comes to doing business in China's crucial aviation market as geopolitical tensions between the Asian nation and the US run high.

An order of that magnitude would be significant considering it's for a single type of jet across a range of carriers, and it's been around two years since Airbus's last China transaction.

China has once again halted imports from US-based Boeing, just months after it had restarted following a five-year drought, as regulators review a cockpit voice recorder design already approved by their counterparts in the US and Europe. Meanwhile France-based Airbus benefits from its local investment in Asia's largest economy, including a factory that builds the workhorse A320neo model and another that installs interiors in the A330, and was one of the key beneficiaries of Xi's recent outreach to European leaders.

A spokesman for Airbus declined to comment. Air China Ltd, China Southern Airlines Co and China Eastern Airlines Corp didn't immediately respond to requests for comment. State-owned procurement agency, China Aviation Supplies Holding Co, didn't immediately respond to a fax seeking comment.

Any order from China would shore up the backlog for the slower selling A330neo, which is an updated version of the older A330 with new engines and wings. Airbus also makes the more advanced and longer-range A350 model that has seen a flurry of orders in the last couple of years and is sold out until almost the end of the decade.

Currently, Airbus has 165 unfilled orders for the A330neo, which made its commercial debut in 2018.

The model has struggled to win new purchase agreements in a market full of discounted, readily available used versions, according to George Ferguson, an analyst at Bloomberg Intelligence. That means the European planemaker may be more open to offering better pricing and other terms to bolster its order book at a time it's planning to ramp up A330 production, he said.

But it also comes at a time of heightened economic tensions and could get caught up in the back and forth around the European Union's investigation into Chinese subsidies for electric vehicles, which China is unhappy about.

Aviation is among the sectors Beijing has privately warned the EU could be targeted should the bloc move ahead with plans to impose tariffs on EVs made in China, according to another person familiar with the matter.

China has made those and other threats in a letter to EU trade chief Valdis Dombrovskis, said the person, who spoke on condition of anonymity.

The EU sees the process as a technical and legal one, and currently remains on course to introduce provisional tariffs next month.

Etihad and China Eastern sign JV to expand global routes

Bloomberg
Istanbul

Etihad Airways PJSC, the national carrier of the United Arab Emirates, and China Eastern Airlines Co will create a joint venture to develop routes between the UAE and Asia's largest economy.

The venture will allow the airlines to expand travel options for passengers between major Chinese cities like Shanghai and Beijing, and across the Middle East and Africa, according to a statement yesterday. It is expected to launch in early 2025 once both carriers receive regulatory sign off.

The two airlines came to an agreement after first exploring the idea last year at an aviation gathering in Istanbul, Etihad Chief Executive Officer Antonoaldo Neves said in an interview.

The accord is the first of its kind between carriers from the two regions, aiming to facilitate connectivity between two of the most important aviation markets on the planet.

The pact will allow the carriers to co-ordinate schedule and network development, Neves said.

Etihad had previously pursued an ill-fated strategy of trying to funnel more traffic through its Abu Dhabi hub by buying stakes in smaller carriers. That plan fell apart after losses piled up, and Neves said he'd not repeat that approach to expand Etihad.

Etihad and Shanghai-based China Eastern already have an agreement due to go into effect by end of this year to recognise each other's frequent flier programmes.

The latest accord underscores China's wider push to open up to more friendly nations and cooperate in areas of finance and investment. The Middle East was among the first destinations for Chinese carriers when they resumed international traffic after the Covid interruption.

"We look forward to our collaboration creating more synergies, not only in facilitating passenger travel but also in building deeper economic, trade, and cultural exchanges between China and the UAE," China Eastern Chairman Wang Zhiqing said in the statement.

Airfares set to moderate, at least in economy class, say CEOs

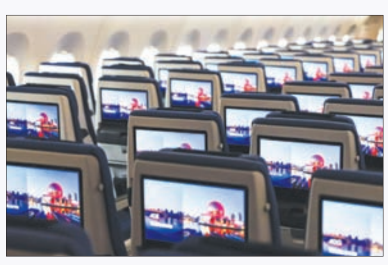
Bloomberg
Dubai

After more than a year of eye-watering airfares post-Covid, there's some good news for fliers this summer, at least for those travelling in economy — prices aren't expected to go any higher and in fact may moderate.

That was the assessment of many airline chief executives gathered in Dubai this week for IATA's annual meeting. Several singled out the UK as one place where demand is looking particularly weak.

Upcoming elections around Europe may also be suppressing people's desire to spend on travel, they said, as economic uncertainties weigh on consumer sentiment.

"In the UK, specifically in economy class, we're seeing a bit less robust demand but a strong summer overall," Virgin Atlantic Airways Ltd Chief Executive Officer Shai Weiss said. "That tells us there's a bifurcation of prospects for individuals."



An economy class aircraft cabin. After more than a year of eye-watering airfares post-Covid, there's some good news for fliers this summer, at least for those travelling in economy — prices aren't expected to go any higher and in fact may moderate.

Ryanair Holdings Plc's Michael O'Leary was one of the first to sound the alarm about softer fares last month, predicting they'd hold steady into summer even with aircraft in short supply, challenging the accepted wisdom that a lack of supply always means higher prices.

United Airlines Holdings Inc CEO Scott Kirby on Monday described the picture right now as "steady as she goes" with demand holding but not increasing, while Emirates President Tim Clark said despite strong demand going into summer, prices are "very much at an equilibrium."

IATA Director General Willie Walsh said the chance of political change in Europe was one reason people may be less inclined to travel.

The UK goes to the polls on July 4 and the European Parliament holds its elections in the coming days.

"With economy class fares I've heard a number of CEOs say pricing is a bit softer, particularly in the leisure market," said Walsh. "It's interesting, when I think back to my time as a CEO, this was often influenced by elections." Walsh oversaw the merger of British Airways and Iberia that formed IAG in 2011.

Data from aviation consultancy Cirium backs up the trend, with European domestic fares steady since last summer.