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GULF TIMES
BUSINESS



AVIATION SPECIAL : Page 4

Industry's 2025 performance hinges on lower jet fuel price, efficiency gains

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Al-Kuwari meets Hong Kong financial secretary in Davos



HE the Minister of Finance Ali bin Ahmed al-Kuwari met Paul Chan, Financial Secretary of the Government of Hong Kong Special Administrative Region, on the sidelines of the 2025 World Economic Forum in Davos, Switzerland, yesterday. During the meeting, bilateral relationship between the two countries and prospects for strengthening and developing them were reviewed, especially in the areas of investment, finance and economy, besides topics of mutual interest.

QCB Governor meets Lord Mayor of City of London



HE the Governor of the Qatar Central Bank (QCB), Sheikh Bandar bin Mohammed bin Saoud al-Thani met yesterday Alastair King, Lord Mayor of the City of London, on the sidelines of the World Economic Forum (WEF) Annual Meeting 2025 in Davos, Switzerland. During the meeting, they reviewed key global banking and investment developments, the QCB said.

Kyiv-based Hacken joins QFC Digital Assets Lab

By Santhosh V Perumal
Business Reporter

Hacken, a blockchain security auditor, has joined the Qatar Financial Center (QFC) Digital Assets Lab.
"Thrilled to welcome Hacken to the QFC Digital Assets Lab. Their expertise in smart contract security and regulated cybersecurity frameworks brings great value to the digital asset space," the QFC said in its social media handle X.
The Ukraine-based entity said on X: "Proud to join forces with QFC Authority as a participant in the QFC Digital Assets Lab".
"This forward-thinking initiative is shaping the future of digital assets and DLT (distributed ledger technology) by fostering innovation and collaboration," it added.
Hacken offers comprehensive security services, including smart contract audits, penetration testing, bug bounty programs, and post-deployment monitoring, combining expertise and battle-tested methodologies to protect Web3 projects globally.
Founded in 2017, Hacken has completed more than 2,000 audits, protecting over 1,500 clients. It has more than 180 partners, according to its website.
In its 2024 Web3 Security Report, Hacken said the year was pivotal for Web3 security, with losses exceeding $2.9bn across DeFi (decentralised finance), CeFi (centralised finance), gaming, and metaverse platforms. Access control vulnerabilities surged, accounting for 75% of all crypto hacks, while phishing scams led to $600mn in damages.
Hacken is contributing with its expertise in smart contract and protocol security, post-deployment monitoring and bug bounties, and cybersecurity solutions tailored for regulated virtual assets frameworks.
"Together, we're driving safer, more innovative solutions for the digital asset space," the company said.
The Digital Assets Lab aims to foster innovation, research, and development within the digital assets and DLT space.
It provides a collaborative environment for start-ups, businesses, and researchers to explore and create innovative solutions, products, and services related to digital assets and distributed ledger technologies.
The lab seeks to position Qatar as a hub for digital innovation, contribute to the growth of the digital economy and drive the adoption of emerging technologies across various sectors.
Entry to the digital assets lab is one of the pathways towards securing a full licence to operate in Qatar.
The lab, powered by the Qatar Central Bank, aims to put Qatar at the forefront of innovation and on an accelerated path to integrating disruptive technologies into the market.
The benefits of joining QFC digital assets lab include access to Qatar's ecosystem (exposure to QFC register and fintech), digital assets products, and work with experts across the globe; leverage QFC's digital assets lab infrastructure and co-working space; regulatory insights and support to commercial establishment; and no specific fees and charges.



Woqod reports QR1.05bn profit in 2024; fuel sales at record high

Woqod has reported net profit of QR1.05bn in 2024, representing an increase of 7% on an annualised basis.

The company's board has suggested a total 100% dividend with an interim 40% already been paid. The balance 60% would be paid after the general assembly meeting scheduled to be held on February 19, 2025.

The year 2024 witnessed a 6% year-on-year increase in total fuel sales volume. Total fuel sales reached a record high of 11.3bn litres compared to 10.7bn litres in 2023, mainly driven by the increase in the volume of sales of jet fuel and gasoline, which also recorded the highest annual sales volume in the company's history.

Jet fuel sales reached 6.2bn litres and Gasoline sales reached 3bn litres, an increase of 10% and 4% respectively on an annualised basis.

The company witnessed significant improvement in security and safety levels during 2024 compared with 2023, where the Loss Time Incident Frequency (LTIF) improved by 59%, while the Total Recordable Case Frequency (TRCF) improved by 19%, according to Saad Rashid al-Muhannadi, Managing Director and Chief Executive Officer of Woqod.



The year 2024 witnessed a 6% year-on-year increase in Woqod's total fuel sales volume. Total fuel sales reached a record high of 11.3bn litres compared to 10.7bn litres in 2023

Regarding the petrol stations projects, al-Muhannadi said the construction of Al Nigyan-2 station has been completed and it will be opened in 2025.

During 2025, it will witness the completion of the construction of four petrol stations and one Fahes vehicle technical inspection centre, he said, emphasising that Woqod's plan for these stations' construction is based on a dynamic plan wherein stations are built on as and when required basis. Due to its strong performance accumulated over the years, Woqod has ranked 3rd among companies listed on the Qatar Stock Exchange in the field of environment, governance, and social responsibility (ESG).

Al-Kuwari takes part in panel session at WEF meeting in Davos

HE the Minister of Finance Ali bin Ahmed al-Kuwari participated in a session titled 'Navigating the Fiscal Squeeze', organised on the sidelines of the World Economic Forum (WEF) in Davos, Switzerland.
During the session, al-Kuwari highlighted the complex challenges facing fiscal policy in the current economic climate: Balancing the provision of essential public services, maintaining healthy investment levels to drive growth, and managing national debt effectively.
He emphasised that addressing these challenges requires innovative fiscal strategies that can adapt to both local and global economic shifts.
HE al-Kuwari also stressed the importance of prioritising investment in critical sectors such as infrastructure, technology, and education to promote sustainable growth, create jobs, and strengthen public-private partnerships for long-term economic progress.
The session concluded with a series of recommendations from participants on the need for greater co-ordination between fiscal and monetary policies and the importance of building resilient, future-oriented economic frameworks to navigate ongoing challenges and ensure balanced growth.
The panellists included Gita Gopinath, first deputy managing director of the International Monetary Fund.



During the session, HE the Minister of Finance Ali bin Ahmed al-Kuwari highlighted the complex challenges facing fiscal policy in the current economic climate: Balancing the provision of essential public services, maintaining healthy investment levels to drive growth, and managing national debt effectively

BUSINESS

Corporate earnings boost sentiments as QSE vaults 112 points; M-cap adds QR4.71bn

By Santhosh V Perumal
Business Reporter



Amidst uncertainty over the US' new tariff policy, the foreign funds were increasingly net buyers in the domestic bourse as the 20-stock Qatar Index shot up 1.07% to 10,619.4 points, recovering from an intraday low of 10,503 points.

Robust corporate earnings yesterday lifted sentiments in the Qatar Stock Exchange (QSE), which yesterday gained more than 112 points and its key index surpassed 10,600 levels on an across the board buying interests.

Amidst uncertainty over the US' new tariff policy, the foreign funds were increasingly net buyers in the domestic as the 20-stock Qatar Index shot up 1.07% to 10,619.4 points, recovering from an intraday low of 10,503 points.

About 60% of the traded constituents saw its shares appreciate in value in the main bourse, whose capitalisation added QR4.71bn or 0.76% to QR620.53bn on the back of large and midcap segments.

The Gulf individuals were seen increasingly net buyers in the main market, which saw as many as 200 exchange traded funds (sponsored by Doha Bank) valued at mere QR2,060 changed hands across one deal.

The foreign retail investors turned bullish, albeit at lower levels, in the main bourse, whose trade turnover and volumes were on the increase.

The Islamic index was seen gaining faster than the other indices of the main market, which saw no trading of treasury bills.

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

The Total Return Index rose 1.07%, the All Share Index by 0.89% and the All Islamic Index by 1.08% in the main market.

The telecom sector index soared 2.53%, consumer goods and services (0.99%), industrials (0.91%), banks and financial services (0.77%), transport (0.69%), real estate (0.68%) and insurance (0.62%).

Major gainers in the main market included Commercial Bank, Qamco, Ooredoo, Mesaieed Petrochemical Holding, Doha Bank, Dlala, Masraf Al Rayan, Woqod, Al Faleh Educational Holding, Aamal Company and Qatar National Cement.

Nevertheless, Qatar Cinema and Film Distribution, Gulf Warehousing, Ezdan, Dukhan Bank and Meeza were among the shakers in the main bourse.

In the venture market, both Al Mahhar Holding and Techno Q saw their shares depreciate in value.

The foreign institutions' net buying increased substantially to QR96.81mn compared to QR2.91mn on January 21.

The Gulf individual investors' net buying strengthened marginally to QR0.84mn against QR0.42mn the previous day.

The foreign individuals turned net buyers to the tune of QR0.07mn compared with net sellers of QR1.37mn on Tuesday.

However, the Qatari individuals' net selling expanded drastically to QR84.43mn against QR37.22mn on January 21.

The Gulf institutions were net sellers to the extent of QR6.92mn compared with net buyers of QR0.76mn the previous day.

The Arab individual investors were net sellers to the tune of QR5.27mn against net buyers of QR1.5mn on Tuesday.

The domestic funds turned net profit takers to the extent of QR1.11mn compared with net buyers of QR32.99mn on January 21.

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

Trade volumes in the main market soared 10% to 234.12mn shares, value by 43% to QR689.13mn and deals by 63% to 24,204.

The venture market saw a 76% plunge in trade volumes to 0.38mn equities, 76% in value to QR1mn and 68% in transactions to 48.

Qatar's ad industry ready to surge with emerging tech trends, says Omnicom chief

By Peter Alagos
Business Reporter



OAG President and Global CEO Troy Ruhanen. **PICTURE:** Thajudheen

With the expected growth of the country's advertising industry by 2025, Qatar is a uniquely positioned market with substantial potential in both the advertising and technology sectors, a top official of Omnicom Advertising Group (OAG) told *Gulf Times* in an exclusive interview.

OAG President and Global CEO Troy Ruhanen, who visited Omnicom Qatar's rebranded office in West Bay, lauded the country's strong brand identity, innovative spirit, and projected market growth to exceed $1bn in 2025, citing recently published data from market research and data group Statista.

Following the establishment of Omnicom Qatar last year, which successfully merged the company's diverse advertising, creative, events, and public relations agencies, Ruhanen emphasised the value of developing a robust local talent pool, as well as its commitment to local talent development, which he described as a key strategy for driving long-term success and innovation in the rapidly evolving market.

He said: "Our goal is to cultivate a consistent and skilled workforce within the region. By doing so, we aim not only to enhance our local operations but also to tap into the best global practices and methodologies that we have access to, ensuring that we can deliver exceptional results for our clients."

Ruhanen noted that he was particularly impressed by Qatar's rapid adoption of new technologies and its ability to operate free from bureaucratic constraints. He observed that without "established behaviours," the region can embrace new practices more quickly than others.

He also lauded Qatar's unique "we can" mindset, highlighting that the country's lack of bureaucratic constraints allows it to leapfrog ahead of others, enabling swift adoption and effective use of new tools.

On the role of emerging technologies like augmented reality in driving growth in Qatar's advertising market, Ruhanen said the country's advertising landscape is poised for significant digital transformation, with projections indicating that by 2030, between 75% and 80% of advertising expenditures in the region will be allocated to digital platforms.

"This transition is extraordinary considering that digital transformation will extend beyond just social media and performance marketing, encompassing a wide range of digital strategies," Ruhanen pointed out.

He noted that the country has strengthened its position as a regional tech hub, particularly highlighted by last year's Web Summit Qatar, which attracted more than 15,000 attendees.

Qatar's welcoming attitude toward major tech companies, such as Google, Microsoft, and Huawei fosters opportunities for collaboration and innovation, said Ruhanen, who advocates for a more dynamic strategy in the market, suggesting that the country could take the lead by shifting from merely "capturing demand" to actively "creating demand."

In a statement, Omnicom recently announced the formation of Omnicom Qatar to bring together the power of the company's advertising, creative, events and public relations agencies to meet the needs of current and prospective clients in Qatar and worldwide.

Mazen Abd Rabbo was named as Senior Vice President of the newly formed Omnicom Qatar last year and oversees Omnicom's agencies in the country, focusing on talent, cross-agency collaboration, and innovation to drive growth in Qatar and across the Middle East.

With more than 15 years in the event planning business and having resided in Qatar since 2008, Abd Rabbo has been integral to the execution of many of the country's highest-profile events. Most recently, he held leadership positions at Omnicom's event marketing agency Auditoire, serving as Vice-President for the Middle East and Managing Director of the Qatar office.

Omnicom Qatar is currently home to media communications agency OMD, events specialist Auditoire and PR group, Portland Communications with more agencies due to be added to the Omnicom Qatar stable in 2025.

Following Ruhanen's visit to Qatar, Omnicom Chairman and CEO John Wren – who recently sealed the acquisition of Interpublic Group – will visit Doha to attend Web Summit Qatar.

Trump announces private sector $500bn investment in AI infrastructure

Reuters
Washington

US President Donald Trump on Tuesday announced a private sector investment of up to $500bn to fund infrastructure for artificial intelligence (AI), aiming to outpace rival nations in the business-critical technology.

Trump said that ChatGPT's creator OpenAI, SoftBank and Oracle are planning a joint venture called Stargate, which he said will build data centres and create more than 100,000 jobs in the US.

These companies, along with other equity backers of Stargate, have committed $100bn for immediate deployment, with the remaining investment expected to occur over the next four years.

SoftBank CEO Masayoshi Son, OpenAI CEO Sam Altman and Oracle Chairman Larry Ellison joined Trump at the White House for the launch.

The first of the project's data centres are already under construction in Texas, Ellison said at the press conference. Twenty will be built, half a million square feet each, he said. The project could power AI that analyses electronic health records and helps doctors care for their patients, Ellison said.

The executives gave Trump credit for the news.

"We wouldn't have decided to do this," Son told Trump, "unless you won."

"For AGI to get built here," said Altman, referring to more powerful technology called artificial general intelligence, "we wouldn't be able to do this without you, Mr President."

It was not immediately clear whether the announcement was an update to a previously reported venture.

In March 2024, The Information, a technology news website, reported OpenAI and Microsoft were working on plans for a $100bn data centre project that would include an artificial intelligence supercomputer also called "Stargate" set to launch in 2028.

The announcement on Trump's second day in office follows the rolling back of former President Joe Biden's executive order on AI, that was intended to reduce the risks that AI poses to consumers, workers and national security.

AI requires enormous computing power, pushing demand for specialized data centres that enable tech companies to link thousands of chips together in clusters.

"They have to produce a lot of electricity, and we'll make it possible for them to get that production done very easily at their own plants if they want," Trump said.

As US power consumption rises from AI data centres and the electrification of buildings and transportation, about half of the country is at increased risk of power supply shortfalls in the next decade, the North American Electric Reliability Corp said in December.

As a candidate in 2016, Trump promised to push a $1tn infrastructure bill through Congress but did not. He talked about the topic often during his first term as president from 2017 to 2021, but never delivered on a large investment, and "Infrastructure Week" became a punchline.

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AL WASEELA FUND
December 2024

Performance

Trailing Returns	Fund (%)	QE Index (%)
MTD[1]	0.73%	1.47%
YTD[2]	4.07%	-2.40%
Since Inception	155.15%	71.25%

1 MTD is referenced from previous NAV date to this NAV date
2 YTD is referenced from 31 December 2022
3 Past Performance is no guarantee of future trends

Historical Net Asset Value

Month	Offer	Bid
November 2024	21.5065	21.2914

Fund Statistics

Beta	Standard Deviation	Tracking Error
0.76	18.5%	8.2%

Fund Manager's Report

GCC equity markets' performance were positive (S&P GCC price index up by 3.34%) during December 2024 primarily led by drop in Saudi Tadawul Index (up by 3.39%) and Dubai Market (up by 6.42%). Rest of the markets registered marginal gains:- Muscat (0.54%), Qatar (1.47%), Kuwait (1.61%). GCC markets rallied with crude rising by 2.33% due to expected recovery in demand of key markets like China while US rate cut of 25 bps soothed market sentiments. Capital expenditure spend of various GCC economies as per CY25 budget continues to remain strong helping the market remain buoyant.

In terms of sectoral performance, majority of the sectors in S&P GCC composite price Index closed in the green while materials and telecom were slight negative. Financials were the major contributor to return with Saudi banks seeing price appreciation post the rate cut. Real Estate was the 2nd best sector led by extremely positive dividend policy announced by key UAE real estate player EMAAR Group. With the increase in price this month, the S&P GCC composite price index has closed the year with returns of 3.34%. The month also saw IPO activity in Saudi Market with Almoosa Health and Nice One Beauty raising funds.

Qatar Stock Exchange registered a gain of 1.47% post two consecutive months of decline in 2024.. During the month the fund performance was up by 0.73% compared to market gain of 1.47%. While on YTD basis, the fund continues to outperform the benchmark by 6.46 %. Fund performance YTD stood at 4.07% compared to the index which was lower by -2.40% YTD, outperformance of 6.47%.

	Offer	Bid
Net Asset Value as of December 31st 2024	21.6637	21.4471

Objective

The principal objective of the fund is long term capital appreciation through investing in listed Qatar and GCC equities.

Benchmark

QE Index

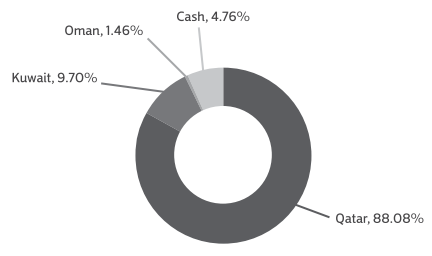
Fund Analysis

Top 5 Equity Holdings	% of NAV
Qatar National Bank	17.8%
Qatar Islamic Bank	16.0%
Industries Qatar	14.5%
Qatar Gas Transport Company	7.3%
Qatar Fuel Qsc	5.6%

Asset Allocation

Type	Last Month	This Month	% Change
Cash	6.60%	4.76%	-1.84%
Listed Equities	93.40%	95.24%	1.84%

Geographic Breakdown



Fund Information

Currency	Qatari Riyals
Launch Date	15 April 2007
Type	Open Ended
Fund Size	QAR 29,246,758
Hurdle Rate	10%
Minimum Subscription	2,500 units
Maximum Subscription	2,000,000 units
Minimum Subsequent Subscription	QAR 1,000
Subscription Fee	3.00%
Management Fee	1.50%
Performance Fee	20% over Hurdle Rate of 10%
Dealing	Monthly
Redemption Fee	1.00%
Valuation Date	End of each calendar month
Founder	The Commercial Bank of Qatar (Q.S.C) P. O. Box 3232 Doha Qatar Tel: 974 4449 0000 www.cbq.qa
Fund Manager	National Bank of Oman (SAOG)
Custodian	HSBC Bank Middle East Limited
License No of Fund	IF/7/2006
Fund Registration No at Ministry of Economy & Commerce	34169

Important Information

The above information should not be considered an offer, or solicitation, to deal in the subject fund. Investments in this fund are not deposits in, obligations of, or guaranteed or insured by National Bank of Oman (Fund Manager) or The Commercial Bank P.S.Q.C (Founder). This investment is subject to investment risks including possible loss of the principal amount invested. Unit values and income may fall or rise and past performance is not indicative of future performance. Investors should read the Articles of Association and Prospectus and seek relevant professional advice before making any investment decision.

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Al Waseela Fund

Net Asset Value	
31 December 2024	QAR 21.6637
30 November 2024	QAR 21.5065
Year-to-date Performance	4.07%
Performance since Inception	155.15%
Licence No	IF/7/2006/34169

Fund Information

Currency	Qatari Riyals
Launch Date	15th April 2007
Type	Open ended
Management Fee	1.50% per annum
Dealing Date	26th January 2025
Founder	The Commercial Bank (P.S.Q.C.)
Fund Manager	National Bank of Oman (SAOG)
Custodian	HSBC Bank Middle East Limited

For a detailed factsheet, please visit www.cbq.qa or call 4449 0000

Riyadh Air launch delayed as Boeing struggles to deliver

By Alex Macheras



Saudi Arabia's upcoming airline, Riyadh Air, has delayed its highly anticipated launch from early 2025 to the latter half of the year due to delays in the delivery of Boeing aircraft. Initially, the carrier expected to receive eight of the long-haul aircraft in 2025, but only four are now slated for delivery, forcing the adjustment of its operational timeline.
Riyadh Air, a key component of Saudi Arabia's Vision 2030 economic transformation strategy, aims to reinvent Riyadh as an aviation hub and grow the nation's tourism sector. The airline plans to eventually connect over 100 destinations worldwide by 2030 and position itself as a significant competitor to regional rivals. While the postponement is a setback, Riyadh Air is proceeding with preparations, including leasing a 787-9 aircraft named "Jamila" for pilot training, crew readiness, and certification purposes.
Boeing's delivery challenges, however, highlight a broader issue affecting the global aviation industry. The American aircraft manufacturer has struggled with supply chain constraints, labour shortages, and production bottlenecks, which have significantly slowed its ability to meet delivery schedules. Boeing delivered just 38 aircraft in December 2024, contributing to an annual total of 348 aircraft — the lowest output since the pandemic severely disrupted global aviation.
The delays have been exacerbated by quality control issues. Boeing recently resumed testing of its 737 MAX aircraft after addressing concerns related to fuselage defects, further underlining the production challenges that continue to hinder its operations. For Riyadh Air, which relies heavily on Boeing's commitments to ensure the timely rollout of its fleet, these delays have had direct operational and reputational consequences.
Yet, Boeing is not alone in facing these challenges.
Airbus, the European aerospace giant, has also been grappling with supply chain disruptions, compounded by its ambitious production goals. Airbus had aimed to deliver 720 aircraft in 2024 but fell short due to delays in obtaining critical components from suppliers.
From engine manufacturers to materials suppliers, the aviation industry's supply chain has not yet fully recovered from the pandemic's disruptions, creating a domino effect that affects both major manufacturers and the airlines dependent on their products.
One of the key drivers of these delays is the shortage of skilled labour across the aerospace supply chain. Many suppliers downsized their workforces during the pandemic and have struggled to scale up as demand for aircraft surged during the recovery. This shortage has affected everything from the production of airframe components to the delivery of critical systems like avionics and landing gear. For both Boeing and Airbus, maintaining consistent production levels has become a balancing act between managing supplier delays and meeting the expectations of airline customers eager to capitalise on the post-pandemic travel boom.
The repercussions of these delays extend far beyond the manufacturers. Airlines worldwide are finding it increasingly difficult to expand their fleets or replace older, less efficient aircraft.
Supply chain issues are likely to persist into 2025 and beyond, requiring both Boeing and Airbus to re-evaluate their production strategies and supplier relationships. Boeing, for example, has faced scrutiny not only for delivery delays but also for its handling of quality control issues. Airbus, while less affected by such controversies, has struggled to meet its aggressive production targets for the A320neo family, the workhorse of its portfolio.
For Riyadh Air, these broader industry challenges serve as a reminder of the risks involved in launching an airline during a period of significant turbulence in the aerospace sector.
Boeing has resumed flight testing of its 777X aircraft following a grounding period that began in August 2024. The pause was attributed to engine-related issues that required thorough inspections and corrective measures. With these problems addressed, Boeing has recommenced test flights, a critical step in advancing the certification process for the 777X, the next-generation variant of its long-haul, wide-body jet. The aircraft's development has already faced multiple delays, pushing its entry into service to 2025, a far cry from the originally planned 2020 timeline.
The 777X programme, which includes the 777-8 and 777-9 variants, has encountered a series of setbacks stemming from both regulatory hurdles and technical challenges.
The recent grounding followed earlier production issues and concerns raised by the Federal Aviation Administration (FAA) regarding design and testing procedures.
Despite these hurdles, Boeing has been committed to advancing the 777X as a key offering in its wide-body portfolio, positioning it as a competitor to the Airbus A350 in the lucrative long-haul market. Resuming test flights signals progress, but significant work remains to achieve full certification.
The delays in the 777X programme have had financial and operational repercussions for Boeing, as several key customers, including Emirates, have expressed frustration over the extended timelines.
Boeing's total company backlog remains substantial at $511bn, encompassing over 5,400 commercial airplanes. This significant backlog indicates a strong demand for Boeing's products, providing a foundation for potential recovery.
Newly appointed CEO Kelly Ortberg emphasised the necessity for cultural transformation and operational stabilisation within the company. Ortberg stated, "It will take time to return Boeing to its former legacy, but with the right focus and culture, we can be an iconic company and aerospace leader once again."

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

Airline industry's 2025 performance hinges on lower jet fuel price, efficiency gains

By Pratap John

The airline industry believes its overall financial performance may improve in 2025 on the back of lower jet fuel prices and efficiency gains.
Lower oil prices and resulting fuel costs are a major driver of improved prospects for airlines this year. Should these not materialise for any reason and considering the industry's thin margins, the outlook could change significantly, according to the International Air Transport Association.
However, the global average jet fuel price rose 5.6% to $99.91/barrel in the week ending January 17, compared to the week before, IATA said in its latest update.
In 2025, IATA expects jet fuel is expected to average $87/barrel (down from $99 in 2024), based on a jet fuel crack spread of $12 per barrel and a crude oil price of $75/barrel (Brent).
As a result, airlines' cumulative fuel spend is expected to be $248bn, a decline of 4.8% despite a 6% rise in the amount of fuel expected to be consumed (107bn gallons).
Fuel is expected to account for 26.4% of operating costs in 2025, down from 28.9% in 2024, IATA noted.
Cost of compliance with CORSIA (purchasing carbon credits) started to be realised in 2024 and is estimated at $700mn, rising to $1bn in 2025.
The costs for the limited quantities of sustainable aviation fuel available are expected to add $3.8bn to industry fuel costs in 2025, up from $1.7bn in 2024.
Jet fuel demand has also stabilised as air traffic has largely recovered from pandemic lows. The Energy Information Administration estimated jet fuel demand averaged about 1.65mn barrels per day (bpd) in 2024, 2% above the 2023 average of 1.617mn bpd.
IATA estimated demand for air travel this year will rise by 8%, with an estimated 40mn departures globally.
That may not, however, translate into a corresponding increase in fuel demand thanks to the deployment of more efficient aircraft, according to MarketWatch.



An airplane prepares to land at Cointrin airport in Geneva, Switzerland. Lower oil prices and resulting fuel costs are a major driver of improved prospects for airlines this year. Should these not materialise for any reason and considering the industry's thin margins, the positive outlook could change significantly, according to the International Air Transport Association.

Increased availability of SAF will be one of the larger issues affecting the airline industry in 2025, MarketWatch noted.
The Carbon Offsetting and Reduction Scheme for international aviation aims to stabilise global aircraft carbon emissions to 2020 levels. The voluntary first phase began in 2024 and runs through 2026. The second, mandatory, phase, is set to run from 2027 through 2035.
SAF is likely to provide most of the early term emission reductions in becoming more available. IATA said about 330mn gallons of SAF was produced worldwide in 2024. That's double the amount made in 2023 and output is expected to continue to rise in 2025, with IATA projecting production at 713.26mn gallons.

Beyond the Tarmac

Still, SAF production represents a fraction of the airline industry's total fuel consumption. The 330mn gallons made in 2024 is less that one day's worth of global aviation industry demand of 336mn gallons/day. IATA said the actual growth has fallen short of expectation.
Even so, SAF will become a bigger part of the jet fuel market in 2025. IATA reported 70 airlines have signed voluntary commitments to buy about 11.5bn gallons of SAF by 2030.
SAF remains more expensive than conventional jet fuel and will likely boost carriers' total fuel costs, MarketWatch said.
IATA said the industry in 2024 paid about $700mn to meet CORSIA obligations and projects that will rise to $1bn next year. SAF is expected to add $3.8bn to fuel costs in 2025 – more than double the $1.7bn addition seen this year for SAF use.
"SAF volumes are increasing, but disappointingly slowly," IATA's Director General Willie Walsh noted recently.
"But make no mistake that airlines are eager to buy SAF and there is money to be made by investors and companies who see the long-term future of decarbonisation."
Elevated fuel costs, combined with significant taxes and airport fees, often get passed on to airline consumers, affecting ticket affordability.
Projections suggest that while jet fuel prices may remain stable, they will continue to impact the cost structure of airlines.
This ongoing economic uncertainty requires the industry to navigate challenges with resilience and adaptability.

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

Qatar Airways to fly to Colombia, Venezuela from summer 2025

Qatar Airways has announced its latest expansion into the Americas with the launch of two new weekly flights on Wednesdays and Sundays to Colombia and Venezuela, starting early summer 2025.
These flights will connect the Hamad International Airport to Bogotá El Dorado International Airport (BOG) in Colombia, and then continue to Caracas Simon Bolivar International Airport (CCS) in Venezuela.
The return flight from Caracas will operate non-stop to Doha.
This new service makes Qatar Airways the "first and only airline" to offer non-stop flights from the Middle East to Colombia and the only Middle Eastern carrier operating in Venezuela.
With the addition of Bogotá and Caracas, Qatar Airways expands its Americas network to a total of 16 destinations.
Operated by Boeing 777-200LR aircraft equipped with 42 business class and 234 economy class seats, the new Bogotá and Caracas services will provide travellers from two of South America's busiest cities with convenient access to Qatar Airways' "strong global network" reaching over 170 destinations.
Qatar Airways Group Chief Executive Officer Badr Mohammed al-Meer, said: "The launch of flights to Bogotá and Caracas marks a transformative moment for Qatar Airways and for travellers to South America. As the first airline to offer non-stop service from the Middle East to Colombia and the only Middle Eastern carrier flying to Venezuela, we are creating new opportunities to connect people, cultures, and commerce.
"Passengers can look forward to experiencing Qatar Airways' world-class in-flight hospitality as we continue to reach new heights in long-haul travel with our second longest flight into the Americas. These routes embody our commitment to pioneering travel experiences and redefining global connectivity with our award-winning service."

Ryanair sees Trump as Boeing 'champion' in rivalry with Airbus

Donald Trump's return to the White House is set to give Boeing Co the boost it needs to become more competitive, according to the biggest European operator of the US planemaker's flagship 737 Max, reports Bloomberg. "Trump wants to champion those national industries," Eddie Wilson, who heads the main unit of Irish budget carrier Ryanair Holdings Plc, said in an interview in Milan. "We would like to think that Boeing will become much more aggressive in their competition" with Airbus SE.
Output at Boeing's factories tumbled in 2024 following a near-catastrophic 737 Max accident in January and a nearly two-month strike later in the year. The slowdown was a setback for Ryanair, which aims to expand its all-Boeing fleet to 800 jets by 2034.
Airbus delivered twice as many planes, with many of those going to Ryanair competitors like EasyJet Plc and Wizz Air Holdings Plc.
As the US planemaker works to stabilise its plants and return production to more-normal levels, Ryanair is set provide an update on its expectation for 2025 aircraft deliveries when it reports quarterly results on Monday, Wilson said. Chief Executive Officer Michael O'Leary said in October that the carrier was scheduled to receive 30 planes from Boeing between March and the June start of its peak summer season, but cautioned the company would be "doing well" if it received 10-15 of those.

Embraer aims to 'sell, sell, sell' planes as Boeing, Airbus stall

Bloomberg
Brasilia

Brazilian planemaker Embraer SA is showing up its larger rivals by keeping factories humming and shipments flowing.
The company is entering the year with strong momentum after a 2024 in which deliveries jumped 14%, its shares rallied 150% and its credit rating was upgraded from junk status for the first time since the pandemic. That came despite serious macroeconomic headwinds in Brazil, including double-digit interest rate hikes and a slump in the local currency.
"We are going to keep focused on sell, sell, sell," Embraer's chief executive officer, Francisco Gomes Neto, said in an interview, noting that 2025 is shaping up to be an "even better" year for the company.
The world's third-largest plane manufacturer has long-term ambitions to take on the Boeing Co and Airbus SE global duopoly, but its smaller aircraft and market cap make it a distant — if distinct — competitor. It's benefitted from a reputation for engineering excellence and a solid track record for designing new planes on tight budgets and deadlines.
Five years after Boeing cancelled plans to acquire Embraer's commercial business as the pandemic grounded the airline industry, the Sao Jose dos Campos-based company is thriving on its own in the global market for private and regional jets. It has become one of Latin America's biggest home-grown success stories in manufacturing.
The performance contrasts with its bigger rivals, as Boeing works to rebuild after a brutal year and Airbus battles persistent supply-chain snags. The dynamic could open the door for Embraer to expand its portfolio.
Neto, who has led the company since 2019, told Bloomberg that a new aircraft programme is not a near-term priority. But as recently as October, he hinted that Embraer is studying a new jet to compete with Boeing's 737 and Airbus's A320.
For now, the company is concentrating on its current lineup and looking for ways to stabilise its production cadence. Historically, deliveries tend to peak in the last quarter of the year, but Neto said he wants to even that out across the year.
"We plan to improve the levelling of delivers along all the quarters," particularly after the first three months of the year, he said.
Industry analysts are confident that the company has room to grow further in all segments, with stronger margins coming from commercial aviation and a boost in orders on the defence front, benefiting from a challenging geopolitical scenario.
The company delivered 206 aircraft in 2024, more than half of which were private jets.
Itau BBA, the research arm of Itau Unibanco Holding SA, estimates Embraer will build on that total this year by delivering as many as 220 commercial aircraft and private jets.
Military planes also are a bright spot for Embraer. Its Super Tucano attack aircraft has landed orders from a handful of nations — from Paraguay to Portugal — and its tanker-transport, the C-390 Millennium, has secured buyers in Europe and Asia, including a recent order from South Korea. It's even hoping to win business from the US military.
Embraer is poised to benefit as defence budgets rise around the world and geopolitics grow increasingly complex, said Stephen Trent, an analyst at Citigroup Inc with a buy rating on the stock.
The company faces a potential threat if US President Donald Trump applies new tariffs and Brazil retaliates in kind. Imports from North America — mostly from the US — accounted for about 56% of Embraer's components in recent years and the company also exports to the US.



But Neto played down that risk, saying a trade war would hurt companies in both countries. "We cannot say what will happen, but we trust in the common sense from both sides," he said.