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BUSINESS

AVIATION SPECIAL : Page 4

Flights resumption: China, India set to shape future of global aviation



# Oman-Qatar Economic Forum explores ways to unlock new investment prospects

The Oman-Qatar Economic Forum yesterday explored ways to enhance trade, investment and industrial cooperation between the two countries and unlock new prospects for the Qatari and Omani private sectors to establish investment projects in sectors of mutual interest.

HE Sheikh Faisal bin Thani bin Faisal al-Thani, Minister of Commerce and Industry, and Qais bin Mohammed al-Yousef, Minister of Commerce, Industry and Investment Promotion of Oman, inaugurated the forum, held on the sidelines of the visit of His Highness Sheikh Tamim bin Hamad al-Thani, Amir of Qatar, to Oman.

HE Sheikh Faisal bin Thani bin Faisal al-Thani, Minister of Commerce and Industry, and Qais bin Mohammed al-Yousef, Minister of Commerce, Industry and Investment Promotion of Oman, along with other dignitaries at the Oman-Qatar Economic Forum.

Pointing out that the Qatar-Oman bilateral relations have witnessed "significant" development; Sheikh Faisal said the forum represents a pivotal platform for enhancing dialogue between the public and private sectors in both countries, as it stimulates partnerships and mutual investments.

In this regard, he highlighted that the volume of trade exchange between Qatar and Oman exceeded $1.8bn by the end of 2024.

He urged businessmen and investors in Oman to leverage the unique business and investment environment in Qatar, and the promising opportunities in the key sectors designated under Qatar National Development Strategy.

During the forum, the two parties highlighted the advantages of the business environment in both countries, and discussed pathways to enhance cooperation in various fields.

The forum comprised several dialogue sessions 'A Shared Future Vision for Industrial and Logistics Integration between Qatar and Oman'; 'Tourism and Hospitality Towards Sustainability: Enhancing Tourism and Hospitality Prospects between Qatar and Oman'; and 'Technology and Digital Services: Towards an Integrated Digital Economy between Qatar and Oman'.

Bilateral meetings were held between representatives from the Qatari and Omani private sectors to unlock opportunities for cooperation and exchange of expertise, and to foster new investment partnerships in the sectors of mutual interest.

On the sidelines of the forum, Sheikh Faisal discussed with his Oman counterpart a range of topics of mutual interest and pathways to enhance cooperation in the fields of trade, investment and industry.

## Al-Kaabi meets Botswana ministers

HE the Minister of State for Energy Affairs Saad bin Sherida al-Kaabi met in Doha yesterday Bogolo Joy Kenewendo, Minister of Minerals and Energy and Noah Salakae, Minister of Transport and Infrastructure of Botswana. Discussions dealt with energy relations and cooperation between Qatar and Botswana and means to enhance them, QatarEnergy said.

## Sheikh Khalifa urges more Qatar-Oman trade alliances

Qatar Chamber chairman Sheikh Khalifa bin Jassim al-Thani has said the visit of His Highness the Amir Sheikh Tamim bin Hamad al-Thani to Oman reflects the deep-rooted fraternal relations between the two brotherly peoples and their wise leadership.

He made the statement during the Oman-Qatar Economic Forum held yesterday in Muscat on the sidelines of His Highness the Amir' state visit there. Sheikh Khalifa expressed confidence that the visit will pave the way for more joint investments with significant economic returns for both nations.

Sheikh Khalifa led a delegation of Qatar Chamber officials to the forum, comprising second vice-chairman Hamad al-Athba, several board members, the general manager, and Qatari businessmen.

The forum focused on enhancing trade and economic cooperation between the two countries, emphasising the role of the private sector in strengthening trade exchanges and fostering joint investments.

He highlighted the significant growth in Qatar-Oman trade volume, noting that the Sultanate has become one of the State's key trade and investment partners. Further, he pointed out that Qatari investments in Oman extend across various sectors, including manufacturing, food security, education, and other economic and service sectors.

He urged Omani companies to invest in Qatar and called for increased alliances and partnerships to further enhance trade exchange. He said the chambers of both countries had established the Qatar-Oman Joint Business Council, emphasising its role in promoting trade and investment relations.

He also highlighted that both countries offer an attractive investment climate, advanced legal and legislative frameworks, state-of-the-art infrastructure, and numerous competitive advantages.

"These factors will propel trade relations between the two countries to new heights, fostering enhanced communication between businessmen and companies from both sides," he added.

## QNB Group gets top recognition with *Global Finance* awards

QNB Group announced its remarkable success in the recent *Global Finance* Awards, where it has been recognised across several prestigious categories, including the country award for 'Best Bank for Sustainable Finance in Qatar', and the Middle East Regional Award for 'Best Bank for Green Bonds'.

These accolades highlight QNB Group's commitment to sustainable finance and its leadership role in mobilising capital towards projects with positive environmental and social impact.

With nine awards total, QNB Group is deemed the most highly decorated bank from the GCC.

Other Middle East regional awards received included 'Sustainable Finance Deal of the Year', 'Best Bank for Sustainable Bonds', 'Best Bank for ESG-Related Loans' and 'Best Bank for Sustainability Transparency', amongst others.

These awards reflect QNB Group's strategic focus on sustainability and its ongoing efforts to support projects that contribute to the green economy.

By offering innovative financial solutions that align with global sustainability goals, QNB is paving the way for a more sustainable future.

Commenting on this achievement, QNB Group Chief Executive Officer Abdulla Mubarak al-Khalifa stated:


**With nine awards total, QNB Group is deemed the most highly decorated bank from the GCC**

"We are honoured to receive these awards from *Global Finance*, which reinforce our commitment to sustainable finance. Our dedication to supporting sustainable projects and promoting responsible banking practices not only benefits our clients but also contributes to the overall economic development of the regions we serve."

QNB Group said it remains focused on enhancing its sustainable finance initiatives, ensuring that it continues to meet the evolving needs of its clients while fostering a greener future for all.

## Qamco posts record net profit of QR614mn in 2024, recommends total 8% dividend

Qatar Aluminum Manufacturing Company (Qamco), a 50% joint venture partner in Qatalum, has reported a record net profit of QR614mn in 2024 with earnings per share (EPS) of QR0.110.

The company registered an increase of 38% in net profit on an annualised basis and its board has recommended a 5% dividend for the second half, thus totalling 8% dividend, equating to a payout ratio of 73% of net earnings for 2024.

This improvement (in net profitability) was driven by improved revenue, lowered operating costs, and favourable inventory changes. Qamco's share of JV's revenue increased compared to 2023 and earnings before interest, taxes, depreciation and amortisation (Ebitda) increased by 15% versus 2023.

Qamco's share of Ebitda from the JV stood at QR1.12bn with an Ebitda margin of 34% in 2024 compared to 31% the previous year.

Amidst fluctuating macroeconomic environment for most part of the year, Qamco demonstrated resilience with changes in average prices being the most critical determinant driver, alongside savings achieved through the joint venture's cost-focused operations. It achieved a slight increase in production volumes, underpinned by stable current efficiency and improved amperage.

The aluminium industry benefitted from gradual increase in London Metal Exchange prices in the second half of 2024, on improved global macroeconomic conditions.

"Qamco JV has demonstrated continued resilience and delivered impressive financial performance during 2024, while maintaining our unwavering commitment to operational excellence, prudent cost management, safety, and sustainability initiatives," said Abdulrahman Ahmad al-Shaibi, its chairman. "Moving forward, we remain dedicated to leveraging our robust and sustainable business model and consolidating our core competencies across the value chains to create long-term value for shareholders."

Qamco's financial position remained steady as of December 31, 2024, with substantial cash and bank balances (includes its proportionate share of cash and bank balances from its JV). This strong position was maintained despite 2023 dividend and interim dividends in 2024.

During this period, Qamco's JV generated share of operating cash flows of QR906mn, with share of free cash flows amounting to QR729mn.

In December 2024, the joint venture successfully secured an $805mn refinancing facility with a seven-year debt repayment structure. This includes 50% of the loan to be repaid in semi-annual equal instalments, with the remaining 50% to be settled as a bullet repayment at the end of term.

"This prudent funding strategy aims to optimise the joint venture capital structure and enhance liquidity, supporting the company's long-term growth objectives," the company said, adding the competitive pricing achieved in this refinancing reflects the joint venture strong financial position and the confidence of the financial markets in the company's future prospects.

## QFC firms' assets under management expand to exceed $33bn in 2024

The Qatar Financial Centre (QFC) has reported "exceptional" growth with combined assets under management of more than $33bn in 2024 as total number of registered firms stood at 2,489.

The firms registered in 2024 represent 90 countries, with the largest number of firms coming from the UK, India, the US, Jordan, Turkiye, France, Lebanon, and Qatar. These firms span a wide range of activities and industries, including fintech, consulting services, media, IT, and wealth management.

The QFC welcomed 836 new firms in 2024, registering a 156% on an annualised basis. The enlarged QFC community has more than 11,700 employees, representing 153 nationalities.

"The exceptional growth witnessed by the QFC in 2024 reflects our commitment to provide a developed and attractive business environment for local and international companies," said QFC Authority chief executive officer Yousuf Mohamed al-Jaida.

These achievements would not have been possible without the concerted efforts of all business units, along with close co-operation with clients, key stakeholders in Qatar and the strategic local and global partners, he said.

"Over the past year, we have continued to enhance innovation and support economic growth and diversification in Qatar, and we aim to achieve more successes in the coming years," al-Jaida said.

The active participation of QFC in the first edition of the Web Summit Qatar in February 2024 was instrumental in attracting a substantial number of technology firms to its platform, which accounted for the largest share of firms registered in 2024 at 26%.

The QFC offered compelling incentives to companies that opted to register their business during the Web Summit, attracting foreign investments, contributing to economic diversification, and advancing the country's efforts in positioning Qatar as a leading technology hub in the region.

The year also saw significant progress in one of QFC's forward-thinking initiatives, the Digital Assets Lab, which commenced activities with 29 participants, developing unique digital solutions and services based on distributed ledger technology (DLT).

To support the programme, QFC issued the Digital Assets Framework to regulate digital assets, which include comprehensive and clear legal guidelines for digital assets creation and regulation, including processes related to tokenisation, legal recognition of ownership rights of encryptions and underlying assets, custody arrangements, and transfer and exchange transactions.

These initiatives align with the Qatar Fintech Strategy and reinforce the country's position as a regional leader in financial innovation.

BUSINESS

# GWC receives recognition from General Authority of Customs

Gulf Warehousing Company again been honoured by the General Authority of Customs for its compliance with the Authorised Economic Operator (AEO) standards, during an award ceremony held by the General Authority of Customs on the occasion of International Customs Day.

This recognition reflects GWC's leadership in the logistics sector in Qatar and its adherence to the best customs practices.

GWC Group Managing Director Sheikh Abdulla bin Fahad bin Jassim bin Jaber al-Thani said, "We are proud to receive this prestigious recognition once again from the General Authority of Customs. It reflects our commitment to the highest customs clearance standards and our ability to provide seamless, reliable, and world-class logistics solutions to both the public and private sectors in Qatar."

GWC is the first logistics company in Qatar to receive Authorised Economic Operator (AEO) certification in customs clearance category. It has also been accredited as an Authorised Economic Operator in the imports and exports category and has joined the GCC AEO Programme.

In September 2024, GWC received recognition from the General Authority of Customs for adhering to AEO standards in customs clearance and imports and exports services, reflecting its exceptional professionalism, dedication, and co-operation.

Previously, GWC had also been recognised twice by the General Authority of Customs as the Best Customs Brokerage Company in Qatar.

GWC's Acting Group CEO Matthew Kearns said, "This recognition further strengthens the company's track record of outstanding achievements, driving us to continue pursuing greater success, enhancing our performance and services for clients, and fostering stronger collaborative relationships with both the public and private sectors. We are grateful for the ongoing support of the General Authority of Customs and its commitment to advancing Qatar's rapidly growing logistics sector."

GWC Group Managing Director Sheikh Abdulla bin Fahad bin Jassim bin Jaber al-Thani, and Acting Group CEO Matthew Kearns.


**The recognition reflects GWC's leadership in the logistics sector in Qatar and its adherence to the best customs protocols**

# Fed holds rates steady

**Reuters**
Washington

The Federal Reserve held interest rates steady on Wednesday and gave little insight into when further reductions in borrowing costs may take place in an economy where inflation remains above target, growth continues, and the unemployment rate is low.

After several months in which inflation data have largely moved sideways, the US central bank dropped from its latest policy statement language saying that inflation "has made progress" towards the Fed's 2% inflation goal, noting only that the pace of price increases "remains elevated." Recent key inflation readings remain about half a percentage point or more above the Fed's target.

Fed officials say they largely believe the progress in lowering inflation will resume this year, but have now put rates on hold as they await data to confirm it.

"Economic activity has continued to expand at a solid pace. The unemployment rate has stabilised at a low level in recent months, and labour market conditions remain solid," the central bank's policy-setting Federal Open Market Committee said in a statement after the end of its latest two-day meeting.

"In considering the extent and timing of additional adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks," it said.

The unanimous decision to keep the overnight interest rate in the current 4.25%-4.50% range, coupled with the new statement, puts the Fed in a holding pattern as officials await further inflation and jobs data and clarity on the impact of President Donald Trump's policies.

The Trump administration already has moved to deport some undocumented immigrants and freeze federal spending, and could broaden its reach to include as soon as this weekend new import tariffs on major trading partners such as Mexico and Canada.

The decision to hold the policy rate steady was widely anticipated following three consecutive rate cuts in 2024 that reduced the Fed's benchmark rate by a full percentage point.

There is debate at the central bank about how much further rates may need to fall, with policymakers anticipating perhaps two quarter-percentage-point rate cuts over the course of the year.

Officials say they want to see if inflation continues to fall to the Fed's target in the months ahead before easing monetary policy again, while also expressing uncertainty about the effect Trump's plans will have on price pressures, the labour market and economic growth.

## QCB maintains current interest rates

The Qatar Central Bank (QCB) has decided to maintain the current interest rates for deposits, lending and repurchases based on an "assessment" of the country's current monetary policies. In a message posted on X last night, the central bank said it is maintaining the deposit rate (QCBDR) at 4.60%, lending rate (QCBLR) 5.10% and repo rate (QCBRR) 4.85%.



# QFMA affirms commitment to sustainable financial system

The Qatar Financial Markets Authority (QFMA) has affirmed its commitment to a sustainable financial system to drive responsible business practices.

Ali Beraik Shafeea, acting Director of Securities Offering and Listing Affairs Department, QFMA, made this remark at the 3rd edition of the Sustainability Forum Middle East, which was held in Bahrain.

Shafeea gave a presentation during the forum, in which he affirmed the QFMA's firm commitment to promoting a sustainable financial system and working closely with all financial market participants to drive responsible business practices.

The presentation also highlighted the QFMA's commitment to sustainability through the National Disclosure Framework for Companies, a collaborative initiative between the Qatar Central Bank (QCB), QFMA and Qatar Financial Centre Regulatory Authority (QFCRA).

He explained that the framework sets a roadmap for mandatory sustainability reporting, requiring all listed companies and some non-listed companies to disclose their emissions, risks and opportunities from Scope 1 and Scope 2 starting in 2027 and 2028, with Scope 3 reporting becoming mandatory from 2029.

He also spoke about Qatar National Vision 2030 and its four pillars (economic, social, human and environmental development), stressing that they are deeply rooted in sustainability.

He explained that the QFMA's regulatory initiatives are in line with this vision by integrating environmental, social and governance reporting standards into capital markets, ensuring greater transparency, accountability and long-term resilience.

The two-day forum discussed strategies for aligning business models with climate action, expanding climate finance, developing policy and regulatory frameworks, enhancing innovation, and accelerating technological progress.


QFMA participating in 3rd Sustainability Forum Middle East in Bahrain.

## Qatar's Rasmal Ventures, Emirates NBD's Deniz Ventures invest $7.6mn in TeamSec to advance securitisation innovation

Qatar's Rasmal Ventures and Emirates NBD Group's Deniz Ventures have announced investment of $7.6mn in TeamSec, the "world's first" AI-powered securitisation platform, to advance securitisation innovation.

With a total investment raise of $7.6mn, TeamSec aims to accelerate its growth operations, focusing on rapid expansion in the Middle East and North Africa (Mena) region.

Additionally, TeamSec also aims to diversify its product and service portfolio and enhance current service offerings.

Focused on accelerating the digital transformation of the financial sector, TeamSec is driving the creation of a more efficient and transparent financial ecosystem by digitising securitisation processes.

Through its AI and data analytics-based solutions, TeamSec seeks to create critical value for investors and financial institutions.

Rasmal Ventures' co-managing partner Alexander Wiedmer said, "TeamSec's bold vision to revolutionise the securitisation industry across the Middle East and beyond resonates strongly with us. Their mission-driven, execution-focused team exemplifies the kind of ambition and innovation we are excited to support.

"Our investment, alongside Deniz Ventures, reflects our commitment to advance fintech solutions that redefine traditional financial processes. By backing teams like TeamSec, with deep expertise in their field, we aim to accelerate digital transformation and fortify the regional financial ecosystem."

Commenting on the investment, Ahmed al-Qassim, Group Head of Wholesale Banking at Emirates NBD, said, "We recognise the immense potential securitisation holds in supporting regional growth. Our recent strategic investment in TeamSec, a fintech innovator specialising in Securitisation-as-a-Service, underscores our commitment to shaping this market and enabling its growth. We are the first investor in TeamSec, supporting the founder and team in their growth journey at an early stage."

NEOHUB CEO Gurhan Cam highlighted that TeamSec's technological infrastructure will lay the groundwork for stronger collaborations among financial institutions in the future and contribute significantly to the financial ecosystem.

Emphasising the role Emirates NBD's Corporate Venture Capital arm played in driving this investment, Neeraj Makin, Group Head of Strategy, Analytics, and Venture Capital at Emirates NBD, said: "Emirates NBD's Innovation Fund drives strategic investments in cutting-edge fintech startups like TeamSec, enabling us to deliver tailored solutions that align with our vision of being the most innovative bank for our customers. As the industry evolves, the fund ensures we stay ahead of disruptive trends while enhancing the digital experience for our clients."

Esad Erkam Koroglu, Founder and CEO of TeamSec, highlighted that this strategic investment from Deniz Ventures combined with the VC mindset and experience of the Rasmal Ventures' team, is a key enabler in achieving the company's vision.

The TeamSec deal was worked on by Soumaya Ben Beya Dridje, Partner at Rasmal Ventures and legal advisors were BTS & partners.

# London Heathrow's long-awaited expansion a step closer

**By Alex Macheras**

The UK government has formally backed Heathrow's long-debated expansion, with Chancellor Rachel Reeves announcing support for a third runway at Europe's busiest airport. In a speech focused on funding infrastructure to promote economic growth, Reeves underscored the necessity of expansion, describing it as "badly needed" to connect Britain to the world and unlock new opportunities for trade and investment.

"A third runway will unlock further growth, boost investment, increase exports, and make the UK more open and more connected," Reeves stated. She cited a Frontier Economics study, which projects that Heathrow's expansion could contribute an additional 0.43% to the UK's GDP by 2050. Reeves also confirmed the government's investment of £63mn into the Advanced Fuel Fund grant programme, aimed at accelerating the development of sustainable aviation fuel (SAF) production plants—an essential component of making the UK's aviation sector greener while ensuring its continued growth.

The expansion of Heathrow has remained one of the most contentious topics in British aviation policy for decades. From legal challenges to environmental concerns and political gridlock, the project has struggled to gain sustained momentum despite its economic potential. Yet, Reeves' statement signals a shift, aligning infrastructure policy with a broader economic strategy.

Her speech reinforced that key business

groups — including the Confederation of British Industry (CBI), the Federation of Small Businesses (FSB), and the British Chambers of Commerce (BCC) — are united in their view that a third runway is vital for the country's competitiveness. However, opposition remains fierce, with London Mayor Sadiq Khan, the Liberal Democrats, the Green Party, and environmental organisations voicing their concerns over increased emissions and noise pollution.

At its core, Heathrow is the UK's only true hub airport. It accounts for 76% of the UK's long-haul connectivity, facilitating vital trade links and enabling businesses to access global markets. Additionally, Heathrow handles 21% of the UK's total trade, contributing approximately £12.5bn in direct and indirect GDP. These figures illustrate Heathrow's indispensable role in both national and international commerce.

However, Heathrow's ability to maintain its position as a global aviation leader is increasingly under threat. Competitor airports such as Amsterdam Schiphol, Paris Charles de Gaulle, and Frankfurt have expanded their capacity, ensuring smoother connectivity and more efficient operations. Heathrow, constrained by a lack of runway space, faces increasing congestion and operational inefficiencies. Without expansion, the UK risks ceding its status as Europe's key aviation gateway.

One of the most common arguments against Heathrow's expansion is its potential environmental impact. However, aviation is already undergoing a major transformation, with sustainable aviation fuels (SAFs) and next-generation aircraft technology significantly reducing emissions. Heathrow has positioned itself as a leader in this transition, with the airport and airlines committing to net-zero aviation by 2050.

Rachel Reeves' announcement that the government will allocate £63mn to the Advanced Fuel Fund grant programme is a critical step in accelerating SAF production in the UK. As these fuels become more commercially viable, they will play a pivotal role in reducing aviation's carbon footprint. In this context, expanding Heathrow is not at odds with climate goals — it is a necessary step to ensure the UK remains competitive while advancing a cleaner aviation future.

For Heathrow's expansion to be successful, the government must also address regulatory challenges. The airport's current economic model is widely regarded as flawed. Heathrow has some of the highest passenger charges in the world, yet its service quality has declined, as evidenced by its fall from 8th place in the SkyTrax global airport rankings in 2019 to 21st in 2024. Virgin Atlantic, one of Heathrow's largest carriers, has welcomed the expansion in principle but with key conditions. A spokesperson for the airline stated:

"A thriving aviation sector is crucial to the success of the Chancellor's growth agenda. Heathrow is critical national infrastructure and the UK's only hub airport, enabling connectivity and trade to global markets, yet it remains the world's most expensive airport with a service that falls short. We are supportive of growth and expansion at Heathrow, if, and only if, there is fundamental reform to the flawed regulatory model to ensure value for money for consumers, affordability for UK plc, and support a competitive UK aviation industry." The UK must ensure that Heathrow's expansion delivers real benefits for passengers and businesses. A more cost-efficient and service-oriented approach is essential to prevent the airport from losing further ground to European competitors.

Heathrow Airport is owned by a global consortium through Heathrow Airport Holdings Ltd, which itself is held by FGP Topco Ltd. The ownership structure includes major international investors, with Ardian (22.61%), Qatar Investment Authority (20.00%), Saudi Arabia's Public Investment Fund (15.01%), GIC (11.20%), Australian Retirement Trust (11.18%), China Investment Corporation (10.00%), Ferrovial SA (5.25%), Caisse de dépôt et placement du Québec (CDPQ) (2.65%), and Universities Superannuation Scheme (USS) (2.10%). This global ownership underscores Heathrow's importance as a key economic asset with international investment confidence.

As Reeves indicated, the government expects all associated surface transport costs linked to Heathrow's expansion to be financed through private funding, rather than relying on taxpayer money. This ensures that expansion remains a commercially driven project while avoiding the financial burdens that have historically plagued large-scale UK infrastructure developments.

Rachel Reeves' announcement marks the latest chapter in the long-running Heathrow expansion debate. At a time when global competition for connectivity, trade, and investment is intensifying, the UK cannot afford to let Heathrow stagnate.

Expansion, paired with meaningful regulatory reform, has the potential to enhance Heathrow's global standing, lower passenger costs, and ensure the UK remains a leading player in the aviation industry. With sustainable aviation fuels advancing rapidly and demand for international travel continuing to rise, the long-overdue third runway could finally become a reality — cementing Heathrow's role as a key driver of Britain's economic and aviation future.

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

# Flights resumption: China and India set to shape future of global aviation

**By Pratap John**

China and India are two of the most crucial markets in the global aviation industry due to their massive populations, rapid economic growth, and increasing demand for air travel.

China is already the world's second-largest aviation market and projected to surpass the United States as the largest by the mid-2030s.

On the other hand, India is the third-largest domestic aviation market and one of the fastest-growing globally, with demand driven by a rising middle class.

Recently, China and India agreed to resume direct air services after nearly five years, India's foreign ministry said.

The in-principle agreement to resume flight services between the two countries, which are suspended since 2020 after the Covid pandemic, was taken during the recent visit of India's top diplomat Vikram Misri to Beijing, as per the country's Ministry of External Affairs.

According to reports, both sides will negotiate a framework on the flights in a meeting that will be held at an "early date", the ministry said after a meeting between India's top diplomat and Chinese Foreign Minister Wang Yi.

"The meet also agreed in principle to resume direct air services between the two countries; the relevant technical authorities on the two sides will meet and negotiate an updated framework for this purpose at an early date," as per India's Ministry of External Affairs.

Prior to the halting of air services on the India-China route, the then government-owned Air India and largest domestic carrier IndiGo was operating their flight services to China, according to CNBC TV18.

Air India had been operating to China since December 2003 while IndiGo started flying to the neighbouring China only from October 2019 connecting Chengdu from Delhi and Guangzhou with Kolkata.

Though later, the airline also announced its plans to connect Chengdu with Mumbai, the plan could not fructify.

However, just after nearly four months of the launch of these services in September 2019, all air passenger services had to be temporarily called off in March 2020 owing to the pandemic, with China no exception, CNBC TV18 said.

Though the air bubble pact during the pandemic with some 20 countries saw flights to China resuming partially as well, the border issues between the two countries kept the full aviation ties also at bay. However, as China remains India's largest trading partner, with bilateral trade reaching $101.73bn in

Travellers at the Hongqiao International Airport in Shanghai. China and India are two of the most crucial markets in the global aviation industry due to their massive populations, rapid economic growth, and increasing demand for air travel.

**Beyond the Tarmac**

financial year 2024, travellers generally fly on airlines of a third country such as Thailand, Singapore, or Hong Kong with one stop for reasons like trade, business and tourism visits.

According to prominent aviation analyst Ashwini Phadnis, the announcement will see traction among airlines from both the sides. Indian airlines have always been keen to operate to China.

In the early 2000s Air Sahara planned to start services to Guanzhou.

While that plan did not materialise, Jet Airways started a Mumbai-Shanghai-San Francisco flight in 2008. The latest announcement will see passenger flights to mainland China as Air India and IndiGo are already flying to Hong Kong.

In addition, IndiGo operates an A321F all freighter between Ezhou (a new logistic airport) and Kolkata three times a week but in some weeks the numbers go up depending on demand. IndiGo has also been operating freighter services between Guangzhou and Kolkata.

The scope for commercial airlines flying from the two countries can be gauged from the fact that at one time there were over 500 direct flights operated by airlines of the two countries, the New Delhi-based Phadnis pointed out.

With Indian airlines taking deliveries of 1,300 aircraft in the next couple of years they will look to open new routes, he said.

"With the decision to enhance people-to-people contact being taken at a senior level, at the talks between national security levels on both the sides, it is hoped that the bureaucratic paperwork required for starting flights is not a slow torturous process delaying the implementation of the decision.

"However, one factor which could be an impediment is the issue of visas for Indians wanting to go China and for Chinese nationals wanting to come here. Getting a tourist visa can be an uphill task for citizens of both the countries," Phadnis noted.

Analysts say both China and India have seen rapid urbanisation and increasing disposable incomes, leading to higher air travel demand.

Government policies, such as China's 'Belt and Road Initiative' and India's 'UDAN' regional connectivity scheme, further boost aviation expansion.

China is one of the largest outbound tourism markets.

India's international travel demand is growing, supported by rising incomes and visa reforms.

Seeing huge prospects, airlines in China and India consistently place large aircraft orders.

Chinese airlines have already placed major orders from Boeing and Airbus, with significant growth in domestic aircraft manufacturing (COMAC C919) as well.

Leading Indian carriers have also placed massive orders with both Boeing and Airbus, signalling long-term growth.

For those looking at potential investments or partnerships in this sector, the two markets offer immense opportunities.

Undoubtedly, both countries are shaping the future of global aviation.

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

# Middle Eastern carriers see 13% y-o-y demand growth for air cargo in 2024: IATA

**By Pratap John**
Business Editor

Middle Eastern carriers have seen a 13% year-on-year (y-o-y) demand growth for air cargo in 2024, according to the International Air Transport Association (IATA).

Capacity increased by 5.5% year-on-year. Year-on-year demand increased 3.3% and capacity increased 0.2% in December.

In terms of global air cargo market performance, IATA noted full-year demand for 2024, measured in cargo tonne-kilometres (CTK), increased 11.3% (12.2% for international operations) compared to 2023.

Full-year 2024 demand exceeded the record volumes set in 2021. Full-year capacity in 2024, measured in available cargo tonne-kilometres (ACTK), increased by 7.4% compared to 2023 (9.6% for international operations).

Full-year yields averaged 1.6% lower than 2023 but 39% higher than in 2019.

December 2024 brought the year to a close with continued strong performance. Global demand was 6.1% above December 2023 levels (7% for international operations). Global capacity was 3.7% above December 2023 levels (5.2% for international operations). Cargo yields were 6.6% higher than December 2023 (and 53.4% higher than in December 2019).

IATA's Director General Willie Walsh noted: "Air cargo was the standout performer in 2024 with airlines moving more air cargo than ever before. Importantly, it was a year of profitable growth. Demand, up 11.3% year-on-year, was boosted by particularly strong e-commerce and various ocean shipping restrictions.

"This combined with airspace restrictions which limited capacity on some key long-haul routes to Asia helped to keep yields at exceptionally high levels.

While average yields continued to soften from peaks in 2021-2022 they averaged 39% higher than 2019." Looking to 2025, IATA estimates growth to moderate to 5.8%, aligned with historical performance.

"Economic fundamentals point to another good year for air cargo—with oil prices on a downward trajectory and trade continuing to grow. There is no doubt, however, that the air cargo industry will be challenged to adapt to unfolding geopolitical shifts.

"The first week of the Trump administration demonstrated its strong interest in using tariffs as a policy tool that could bring a double whammy for air cargo—boosting inflation and deflating trade," said Walsh.

# Europe torn between bigger airports, climate goals

**AFP**
Paris

European airports must add terminals and runways to cope with growing air traffic despite concerns about the sector's climate impact, according to industry insiders, as Britain backed expansion plans for Heathrow.

British finance minister Rachel Reeves announced that the government supported plans for a third runway at the major international hub, despite opposition from environmentalists and some MPs from the Labour majority.

It would be a rare expansion in Europe, where countries are torn between efforts to reduce greenhouse gas emissions and the needs of a strategic sector that has seen demand grow. The International Air Transport Association (IATA), the airline industry group, and aircraft makers Boeing and Airbus expect the number of air travellers to double to 10bn per year worldwide in the next 25 years.

Asia will be the main driver of that growth but Europe's passenger numbers will increase by 2.3% per year over the next 20 years, adding 656mn travellers by 2043.

Environmental groups warn, however, that only a reduction in air traffic could help Europe reach its goal of net-zero emissions by 2050. Rising air traffic could cancel out the benefits of transitioning to sustainable aviation fuels, with European aviation emissions in 2049 potentially matching 2019 levels, according to a study by Transport & Environment (T&E) advocacy group. "The growth plans of the aviation industry are in complete contradiction with Europe's climate goals and do not address the scale of the climate crisis," said Jerome du Boucher, an aviation manager at T&E's French branch.

In western Europe, few European hubs have announced expansions, while measures have been rolled out to encourage less air travel. France abandoned plans to expand Paris Charles-de-Gaulle Airport in 2021 and is set to increase aviation taxes after banning short-haul domestic flights where train alternatives exist for trips under 2.5 hours.

In the Netherlands, authorities plan to cap annual flights at Amsterdam Schiphol airport to reduce noise pollution, with a similar measure expected in Brussels by 2032. At Paris-Orly airport, where flight numbers are already capped, operator ADP expects a 16% increase in passenger numbers between 2023 and 2035, facilitated by larger and more efficient aircraft rather than more flights.

Still, major infrastructure projects are moving forward elsewhere, particularly in sun-soaked destinations popular with low-cost airlines. A new airport is being planned in Lisbon by 2034, and Crete's Heraklion airport is undergoing significant expansion.

Industry leaders worry that Europe's airports, already struggling with saturated air traffic, will be too cramped in the future.

"The European continent is already home to half of the World's most congested airports and there is no question we are facing an airport capacity crunch in the coming decades," said Olivier Jankovec, head of airport trade association ACI Europe.

# United Air flight from Nigeria probed by US safety officials

**Bloomberg**
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The US National Transportation Safety Board is investigating a United Airlines Holdings Inc flight that turned back to Nigeria after a "sudden aircraft movement" occurred, injuring passengers and crew.

Flight 613, Boeing Co 787-8, was enroute from Lagos, Nigeria, to Washington Dulles International Airport on January 24 when the movement occurred, forcing the flight to return, the NTSB said on Monday in a post on social media platform X. United on Friday described the problem as a "technical issue," and said the flight did not involve severe turbulence.

United said four passengers and two flight attendants were seen at a hospital for "minor injuries". Nigerian aviation officials last week put the number of injured at 38. The plane had 245 passengers and 11 crew members on board. United said it was working with Nigerian officials to determine the cause of the incident. The NTSB expects to publish a preliminary report in about 30 days.

A United Airlines Boeing 787-8 aircraft. The US National Transportation Safety Board is investigating a United Airlines flight that turned back to Nigeria after a "sudden aircraft movement" occurred, injuring passengers and crew.