Sunday, February 16, 2025
Sha'ban 17, 1446 AH

GULF TIMES
BUSINESS

GROWING RELATIONS: Page 8

Qatar Chamber hosts delegation promoting China's 137th Canton Fair

Portugal sees Qatar as strategic partner; seeks investments in lithium, green hydrogen and LNG

By Santhosh V Perumal
Business Reporter

Portugal is eyeing funding from Qatar for its lithium refinery and also looking at Doha as a strategic partner for its green hydrogen, liquefied natural gas (LNG) infrastructure, solar and wind, chemicals and petrochemicals and pharmaceutical sectors.

In this regard, a delegation comprising nine companies will meet with potential investors, including the Qatar Investment Authority, starting today until February 18 at Sheraton Hotel.

"The knowledge and confidence acquired on the Qatari market from lasting years, the amazing achievements and legacy from the Qatar 2022, and new projects, support our trust and confidence on dynamic and positive outlook on collaboration between the two countries," Nuno Anahory, executive board member and director (International Relations) of Arab Portuguese Chamber of Commerce and Industry (CCIAP) told *Gulf Times*.

On lithium refinery, he said the objective is to raise funding for pre-construction and construction.

With some 60,000 tonnes of known reserves, Portugal is already Europe's biggest producer of lithium, traditionally mined for ceramics.

"I think Qatar can look to Portugal, and be a strategic partner in the extraction and processing of these raw materials," he said, adding besides lithium, there are opportunities in tin, niobium, tantalum, gold, silver, feldspar and quartz.

Highlighting that Portugal and Qatar share complementary strengths in energy, petrochemicals, chemicals, and technology sectors, presenting significant investment opportunities for collaboration; he said: "There is strong potential for Qatari investment in green hydrogen production as Portugal aims to become a major European hub, and Doha's expertise in energy infrastructure could accelerate this."

With its deep-water port and direct pipeline to Central Europe, Portugal offers a strategic entry point for Qatari LNG into the European market through its Port of Sines, which has a regasification terminal in Setubal District, and accounts for more than 55% of gas entering Portugal. It lies about 150km to the south of Lisbon.

Qatar had delivered its first LNG cargo to Portugal in 2010. The cargo, sold on the spot market, was delivered to Galp Energia SGPS at the Sines LNG terminal.

On the prospects in petrochemicals, Anahory said it include joint ventures in refining and petrochemical plants as Qatar's expertise in hydrocarbons can strengthen Portugal's industrial base and Qatar Inc. can invest in high-value petrochemicals, such as polymers and synthetic materials, for the European markets.

Highlighting the plenty of opportunities to be explored between both countries; he said Portugal has ongoing projects open for investment in infrastructure, renewable energy, technology, real estate, hospitality, football, sports, tourism, information technology, artificial intelligence and entertainment.

Stressing that Portugal developers are actively seeking investments in the real estate sector; Anahory said partnerships with investors are welcomed because the European Central Bank rules limit the capacity of the local banks to finance the existing opportunities.

The country has become a hotspot for international property investors due to its attractive combination of affordability, high quality of life, safety, and strong returns on investment, according to him.

"The Portuguese real estate market has shown resilience and consistent growth, making it an appealing destination for foreign investors," he said, adding foreigners can hold equity in the Portuguese real estate sector under the same conditions as domestic buyers.

Nuno Anahory, executive board member and director (International Relations) of Arab Portuguese Chamber of Commerce and Industry.

Qatar LNG exports reach 'record monthly high' of 7.71mn tonnes in January: GECF

By Pratap John
Business Editor

Qatar's LNG exports reached a "record monthly high" of 7.71mn tonnes in January, operating well above its designed nameplate capacity, the Gas Exporting Countries Forum (GECF) said in its latest report.

In January, LNG exports from GECF member and observer countries saw a slight y-o-y decline of 0.5% (0.09 Mt), totalling 17.81mn tonnes.

Despite this annual decrease, GECF's LNG exports increased m-o-m, reaching their highest level since January 2024.

At the country level, the decline in exports was driven by Algeria, Egypt and Nigeria, while Angola, Malaysia, Mozambique and Qatar partially offset the drop with higher LNG shipments.

In Algeria, the decline in LNG exports was due to planned maintenance at the Arzew and Skikda LNG facilities and reduced feedgas availability, due to higher domestic gas consumption.

In Egypt, LNG exports ceased in April 2024 due to declining gas production, which limited feedgas supply.

Nigeria also saw a drop in LNG exports, driven by lower feedgas availability resulting from vandalism of gas pipeline infrastructure.

Conversely, Angola and Malaysia recorded higher LNG exports, supported by improved feedgas availability.

In Angola, increased gas production contributed to the rise, while in Malaysia, the lifting of force majeure on gas supply from the Sabah-Sarawak gas pipeline to the Dua Malaysia LNG facility boosted feedgas availability.

According to Doha-headquartered GECF, in January this year, global LNG exports rose by 1.8% (0.67mn tonnes) y-o-y, reaching 37.83mn tonnes, the highest level ever recorded for January.

This increase was driven by higher LNG exports from non-GECF countries and an uptick in LNG re-exports, which offset a slight decline in exports from GECF member countries.

Non-GECF countries expanded their share of global LNG exports from 50.7% in January 2024 to 51.3% in January 2025, while LNG re-exports grew from 1.1% to 1.6%.

In contrast, the share of GECF members declined from 48.2% to 47.1%.

The US, Qatar and Australia remained the top three LNG exporters in January 2025, the forum said in its monthly report.

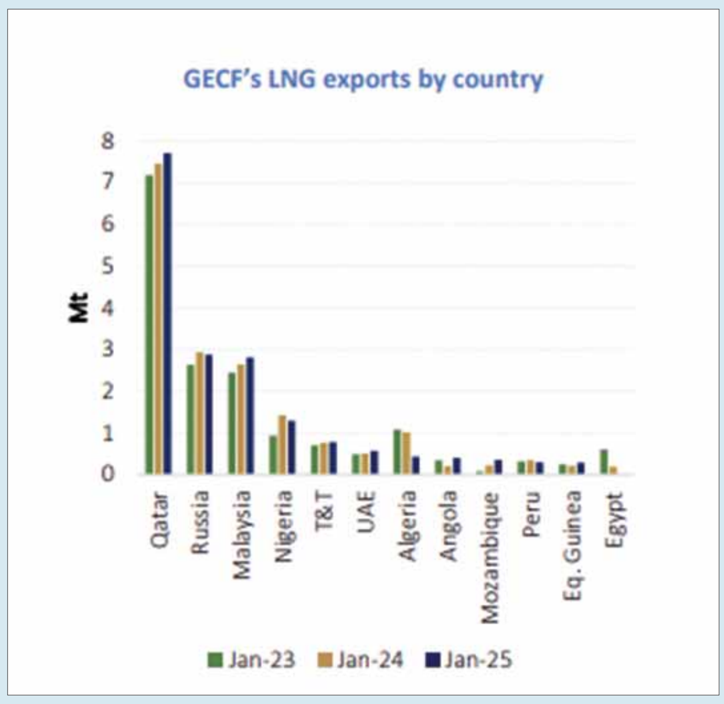
In January 5, LNG exports from non-GECF countries reached 19.43mn tonnes, which represents a growth of 3.1% (0.59mn tons) y-o-y.

While exports saw a slight decline compared to December 2024, they remained the second-highest monthly level ever for non-GECF countries.

The rise in LNG exports was primarily driven by Indonesia, Mexico and the US, which offset lower exports from Australia and Norway.

In January, global LNG re-exports surged by 40% (0.17mn tons) y-o-y to 0.59mn tons. This represents the second consecutive monthly y-o-y increase and the highest re-exports since February 2023.

The stronger LNG re-exports came mainly from Brazil, China and Indonesia, which offset lower re-exports from Singapore, GECF noted.



GECF holds 50th executive board meeting in Doha

The Gas Exporting Countries Forum (GECF) convened its 50th Executive Board Meeting in Doha recently.

The meeting brought together high-level representatives from GECF member countries: Algeria, Bolivia, Egypt, Equatorial Guinea, Iran, Libya, Nigeria, Qatar, Russia, Trinidad and Tobago, the United Arab Emirates, and Venezuela, as well as observers Mozambique and Senegal.

GECF Secretary-General Mohamed Hamel warmly congratulated ambassador Ella Agbo Nicholas on his appointment as Chairperson of the GECF Executive Board for 2025, recognising his extensive expertise in natural gas affairs and international diplomacy.

He also welcomed the newest Executive Board members from Egypt, Iran, and Russia.

The secretary-general expressed his sincere appreciation to the Executive Board members on this milestone of 50th meeting, commending the progress made since the first meeting in 2009 and the GECF's growing recognition as a leading voice for natural gas and a key platform for energy dialogue.

He also highlighted that natural gas consumption reached a record level in 2024, meeting approximately 40% of the incremental primary energy demand—the highest of any fuel.

Presiding over the session, Nicholas thanked the Executive Board members for their support. He commended the secretary general and the GECF Secretariat for their dedicated efforts, particularly in the lead-up to this landmark 50th Executive Board Meeting.

He also lauded the GECF's increasing visibility on international energy platforms and encouraged further engagement to strengthen the role of natural gas as a reliable, sustainable, and essential energy source for global energy security and economic growth.

The meeting covered a wide range of topics, including budget execution, the rules and procedures of the Gas Research Institute, preparations for the 27th Ministerial Meeting scheduled on October 23, 2025 in Doha, and insights from GECF flagship publications, such as the Monthly Global Gas Market Analysis, the Annual Statistical Bulletin 2024, and the forthcoming Global Gas Outlook 2050.

During the session, the Executive Board unanimously appointed Hichem Kimouche as the head of the Data and Information Services Department.

Austria eyes Qatar as strategic partner for high-quality food exports

By Peter Alagos
Business Reporter

Austria is exploring opportunities to expand its trade ties with Qatar, citing the Gulf state as a "promising" market for high-quality Austrian food exports.

In a recent dinner reception in Doha, Austrian ambassador Erika Bernhard and Austrian business leader Christoph Kastner expressed optimism about strengthening bilateral trade relations, particularly in the food sector.

Speaking to *Gulf Times* on the sidelines of the event, Kastner, who serves as the deputy chair of the Committee for Food Trade at the Austrian Federal Chamber of Commerce and CEO of Kastner Group, identified Qatar as a promising market for Austrian food products.

"Austria produces very high-quality products, particularly in food. I believe there is significant potential for Austrian companies to establish business connections here in Qatar," emphasised Kastner after visiting the hypermarkets of regional retail giant LuLu Group.

While Kastner lauded Qatar's progress in domestic food production and efforts to achieve self-sufficiency, particularly in the dairy sector, he also emphasised that there are abundant opportunities for premium Austrian products in the Qatari market.

"We recognise the developments in Qatar's food production in a wide range of sectors, but at the same time, we are confident that Austrian and other European products that are of high quality have a very good chance in this market.

"Beyond basic products like milk and dairy, our focus is bringing high-quality food here," Kastner explained, adding that there are also opportunities for Austrian food producers and wholesalers in the country.

Both Kastner and the ambassador emphasised the importance of exchanging best practices and building stronger bilateral relations, citing Austria's ranking as one of the top 10 countries globally for food safety. They also underscored the country's membership in the Consumer Goods Forum as a significant advantage for potential partnerships.

Bernhard said Austrian food products already have a stronger presence in Qatar than most consumers realise. "There is a wide availability of organic juices and cookies, among many other products, so it's quite well-provided, but I'm sure there is space for more," the ambassador pointed out.

In a speech during the dinner reception, Bernhard announced that Austria and Qatar are celebrating 50 years of diplomatic relations this year, emphasising both countries' strong partnership across political, business, and cultural domains during a recent reception dinner.

The ambassador also lauded Qatar's critical role in international mediation, expressing gratitude for the Gulf nation's diplomatic support: "Qatar is an extremely important partner when it comes to international mediation."

From left: Christoph Kastner, deputy chair of the Committee for Food Trade at the Austrian Federal Chamber of Commerce and CEO of Kastner Group, and Austrian ambassador Erika Bernhard during the event. **PICTURE:** Shaji Kayamkulam

BUSINESS

Walmart to shed light on consumer health as inflation bites, tariffs swirl

Reuters
New York

Walmart's quarterly report in the coming week will give investors fresh insight into the health of US consumers, who are facing stronger inflation and uncertainty over whether President Donald Trump's tariffs will push up prices.

The benchmark S&P 500 stock index was up about 1% for the week, with stocks showing resilience despite a hot report on consumer prices that led investors to push back expectations of further interest rate cuts this year.

Wall Street closely watches trends in consumer spending, which accounts for more than two-thirds of US economic activity. The extent to which inflation is weighing on shopping behaviour could become more evident with Thursday's earnings report from retailer Walmart.

"Walmart is sort of a canary in the coal mine as far as consumer spending and consumer health is concerned," said Robert Pavlik, senior portfolio manager at Dakota Wealth.

Walmart's report could show "how much of higher food prices and higher gasoline or energy prices is digging into the discretionary spending of consumers," Pavlik said.

The S&P 500 has climbed more than 3% this year, with broad gains among sectors. Investors have digested a flurry of policy announcements from the Trump administration, including on tariffs and federal government cost cuts, and more recently, discouraging data on inflation.

Stocks sold off modestly on Wednesday after a report showed consumer prices in January jumped by the most in nearly 1-1/2 years, with Americans facing higher costs for a range of goods and services.

The CPI data came on the heels of a survey that revealed US consumer sentiment sank in February to a seven-month low as inflation expectations soared.

Households feared it may be too late to avoid the negative effects from Trump's threatened tariffs, according to the survey's director.

Company executives are grappling with the potential fallout from tariffs. Since the beginning of the year, nearly 430 companies in the S&P 1500 have either mentioned tariffs or responded to a question about tariffs on earnings calls or at investor events, according to LSEG data.

Walmart, as the most important consumer company in the country along with Amazon, will be closely watched for its commentary, said Matt Maley, chief market strategist at Miller Tabak.

"It's not just what their numbers are and their guidance, but what they say about the consumer," Maley said.

Walmart's comments could help address whether people are "so worried about tariffs that they're starting to question some of their spending," Maley said.

A Walmart spokesperson declined to comment, saying the company was in a quiet period ahead of its earnings report.

Walmart's report will be followed by results in the next few weeks from a range of consumer companies, including home improvement company Home Depot, off-price retailer TJX Cos and Target, that will also wind down fourth-quarter reporting season for corporate America.

With nearly three-fourths of index companies having reported, S&P 500 earnings are on track to have climbed 15.2% from the year-earlier period, its strongest pace in three years, according to LSEG IBES data.

Still, expectations for S&P 500 profits in 2025 have moderated since the start of the year, which some investors said has undercut optimism from the fourth-quarter reports.

The potential impact from import tariffs — which are expected to weigh on profits and drive up inflation — is poised to remain prominent on Wall Street's radar in the coming week.


Traders work on the floor of the New York Stock Exchange. Walmart's quarterly report in the coming week will give investors fresh insight into the health of US consumers, who are facing stronger inflation and uncertainty over whether President Donald Trump's tariffs will push up prices.

Dollar drops to 2025 low as data, tariffs dim bullish view

Bloomberg
Washington

A gauge of the dollar fell to a fresh year low, as weak retail sales data and uncertainty over US tariff policy widened cracks in the consensus for further gains in the currency.

The Bloomberg Dollar Spot Index dropped as much as 0.5% on Friday, reaching session lows after soft January retail sales boosted bets that the Federal Reserve will cut rates further than previously expected this year. The euro advanced for a fourth straight day to its strongest level in three weeks, a day after tariff comments from US President Donald Trump did not include imminent measures against European nations.

The weaker-than-expected numbers and prolonged uncertainty over tariffs are eroding the case for more gains in the US currency. Earlier this month, the dollar shot to its highest level in over two years on expectations that a strong US economy will keep US rates elevated and tariff concerns that sparked a safe-haven rush into the greenback.

"The dollar is in limbo," said Jordan Rochester, the head of FICC strategy at Mizuho. "It's a market that remains rather directionless thanks to Trump's daily change in narrative."

Speculative traders pared bullish bets for a fourth straight week in the most recent data through February 11, though positioning remains heavily long the dollar, data from the Commodity Futures Trading Commission showed.

This category now holds some $26.5bn in futures wagers tied to a rise in the US currency, down more than $4.7bn from the previous week, according to figures aggregated by Bloomberg based on CFTC data.

The Bloomberg Dollar Spot Index is down 1% this week, its second week of declines, with gains in the euro, British pound and Australian dollar all weighing on the US currency.

Technical signals tracked by JPMorgan have turned bearish on the dollar, reflecting "more tariff fatigue than anything else," the bank's analysts, including Antonin Delair and Meera Chandan, wrote in a Friday note.

Friday's data, which showed that retail sales slumped in January by the most in nearly two years, "will lead to a repricing in odds for 50 basis point cut in 2025 and undermine dollar in the near-term," said Win Thin, global head of markets strategy at Brown Brothers Harriman & Co.

Mizuho's Rochester cautioned that January's data likely reflected extreme weather events and retail sales could bounce back next month.

Inflation data earlier this week was stronger-than-expected, causing investors to winnow bets on how aggressively the Fed will cut rates this year.

Dollar bears could also be stung if the US sharpens its tariff rhetoric against Europe or other economies, denting the appeal of those currencies.

"Our expectation for incremental dollar strength this year rests mostly on our baseline that Trade War 2.0 will be larger and faster than the first one," Goldman Sachs Group Inc strategists led by Kamakshya Trivedi wrote in a note. "Outside of that, the dollar is still likely to remain at strong levels."

Bets on a stronger dollar continue to be seen as the most crowded position among rates and currencies traders, according to a Bank of America survey of more than 50 global fund managers conducted this February. Still, nearly half of those investors expected the greenback to peak in the first quarter of this year.

"Valuation and narrower rate differentials are now seen as the main potential dollar headwinds, as the focus shifts away from positioning and fiscal concerns," wrote a Bank of America team including Adarsh Sinha and Michalis Rousakis in a note.

OpenAI board rejects Musk's $97.4bn offer

Reuters
New York

OpenAI on Friday rejected a $97.4bn bid from a consortium led by billionaire Elon Musk for the ChatGPT maker, saying the startup is not for sale and that any future bid would be disingenuous.

The unsolicited approach is Musk's latest attempt to block the startup he co-founded with OpenAI CEO Sam Altman — but later left — from becoming a for-profit firm, as it looks to secure more capital and stay ahead in the artificial intelligence (AI) race.

"OpenAI is not for sale, and the board has unanimously rejected Musk's latest attempt to disrupt his competition. Any potential reorganisation of OpenAI will strengthen our nonprofit and its mission to ensure AGI benefits all of humanity," it said on X, quoting OpenAI Chairman Bret Taylor on behalf of the board.

Musk's lawyer Marc Toberoff, in a statement, responded that OpenAI is putting control of the for-profit enterprise up for sale, and said the move will "enrich its certain board members rather than the charity." OpenAI in late December had outlined plans to revamp its structure, saying it would create a public benefit Corp to make it easier to "raise more capital than we'd imagined," and remove the restrictions imposed on the startup by its current non-profit parent.

Altman on Monday had rebuffed the consortium's offer with a "no thank you" posted on X, prompting Musk to retort: "swindler." On Tuesday, Altman told news website Axios that OpenAI was not for sale.

Musk's lawyers, in a court filing on Wednesday, said the consortium, which includes Musk's own AI startup xAI, would withdraw its bid for OpenAI's non-profit arm if it drops plans to become a for-profit entity.

"Two days ago, you filed a pleading in court adding new material conditions to the proposal. As a result of that filing, it is now apparent that your clients' much publicized 'bid' is in fact not a bid at all," the OpenAI board said, according to a letter signed by William Savitt, a lawyer representing the company, and sent to Toberoff on Friday.

Other investors in the consortium include Valor Equity Partners, Baron Capital and Hollywood power broker Ari Emanuel. Altman and Musk have been at loggerheads for years.

After Musk's departure in 2019, OpenAI created a for-profit arm that has drawn billions of dollars in funding, sparking allegations from Musk that the startup breached its original mission by putting profit ahead of the larger public good.

Musk sued Altman, OpenAI and its biggest backer, Microsoft, in August last year for alleged breach of contract.

Spotify weighs $6 premium for added features, access to tickets

Bloomberg
Stockholm

Spotify Technology SA is looking to charge as much as $5.99 a month on top of existing subscriptions for a new super-fan streaming service that will include higher-quality audio, remixing tools and access to concert tickets, people familiar with the matter said.

The company hopes to roll out the Music Pro tier later this year, said the people, who asked not to be identified because the plans are confidential. The pricing and timeline aren't set because Spotify is still working through the details and doesn't have rights from all of the major music companies, they said. Prices for Music Pro will vary by geography, with the cost lower in less-developed markets.

Subscribers will be able to mix together songs from different artists. Some of those features will utilise artificial intelligence, the people said. Spotify is also testing various ways to sell concert tickets, such as giving fans access to pre-sales or better seats. It has held preliminary talks with major promoters and ticket sellers but has yet to finalise its plans.

A Spotify spokesman declined to comment.

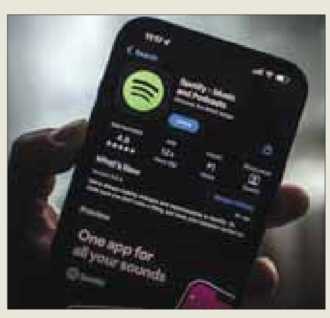
Having charged the same price for a large library of music in many major markets for most of its existence, Spotify management sees the opportunity to both raise prices and offer different packages and plans for different kinds of listeners, believing the most-ardent fans will pay more.

The company is developing Music Pro at the same time it has raised prices for existing subscriptions and created a new offering built around audiobooks. Its current US plans range from $5 a month for students to $20 a month for families.

Major music companies are pushing streaming services to charge more for different features as growth in major markets like the US slows. US recorded music sales grew 4% in the first half of last year, the slowest pace in almost a decade.

Spotify had its best year of user growth in 2024 and posted an annual profit for the first time.

Most of its new users came from markets in Asia, Latin America and the Middle East, as opposed to more developed markets like North America and Europe.


The Spotify application in the Apple App Store on a smartphone. Spotify Technology is looking to charge as much as $5.99 a month on top of existing subscriptions for a new super-fan streaming service that will include higher-quality audio, remixing tools and access to concert tickets.

Doha Bank, CMU-Q sign MoU to boost collaboration in education, research

Doha Bank has signed a memorandum of understanding (MoU) with Carnegie Mellon University in Qatar (CMU-Q) to establish a collaborative framework aimed at advancing education, scientific research, and community development in Qatar.

The agreement reflects both institutions' commitment to fostering knowledge exchange, innovation, and capacity-building in key academic and professional fields.

Signed by Sheikh Abdulrahman bin Fahad bin Faisal al-Thani, Group Chief Executive Officer of Doha Bank; and Dr Michael Trick, Dean of CMU-Q; the partnership seeks to enhance co-operation in areas such as research, executive education, and industry-academic collaboration. Through this MoU, Doha Bank and CMU-Q will engage in joint research initiatives, strategic studies, and the exchange of expertise to support innovation in banking and financial services.

The agreement will also facilitate scholarships, internships, and employment opportunities for CMU-Q students, providing them with direct access to industry experience and career pathways within Doha Bank.

Further strengthening the collaboration, the MoU includes provisions for executive training programmes designed for Doha Bank's leadership and employees, fostering professional development and knowledge-sharing. In addition, both institutions will jointly organise specialised conferences, seminars, and workshops to promote dialogue between academia and the financial sector.

The agreement was signed by Sheikh Abdulrahman bin Fahad bin Faisal al-Thani, Group Chief Executive Officer of Doha Bank; and Dr Michael Trick, Dean of CMU-Q.

Community engagement will be a key aspect of the partnership, encouraging students to participate in voluntary work and initiatives that align with Doha Bank's corporate social responsibility efforts.

Sheikh Abdulrahman emphasised the significance of the partnership, stating: "At Doha Bank, we believe that investing in education and research is key to driving sustainable growth and innovation.

"Our collaboration with Carnegie Mellon University in Qatar will help bridge the gap between academia and industry, equipping the next generation of professionals with the skills and knowledge needed to contribute to Qatar's economic transformation."

Dr Trick said: "CMU-Q deeply values partnerships within the community that will enhance the educational experience for our students, foster research that has a meaningful impact, and provide opportunities for us to share our expertise.

"We look forward to this collaboration with Doha Bank that will strengthen our connection to the financial sector and inspire innovative solutions to industry challenges."

The MoU aligns with Doha Bank's commitment to corporate social responsibility and its vision to support Qatar's knowledge-based economy in line with Qatar National Vision 2030. By fostering meaningful partnerships between financial institutions and academia, this initiative reaffirms Doha Bank's role as a key contributor to the development of human capital and research excellence in the region.

Oil surplus shrinks again on sanctions and demand, says IEA

Bloomberg
Paris

The International Energy Agency (IEA) once again slashed expectations for a global oil surplus this year amid stronger demand growth in Asia and sanctions on Opec+ nations.

The agency now sees an overhang of 450,000 barrels a day in 2025, marking a cut of roughly 50% in just two months. It bolstered forecasts for world oil consumption this year by just under 100,000 barrels a day, to 1.1mn per day, and cut projections for output from Opec+ nations including Russia and Iran as the US targets their shipments.

"Anxiety over the impact of new sanctions on Russia and Iran, with fears of potential supply disruptions, triggered an upswing in prices" last month, the Paris-based adviser to major economies said in its monthly report.

Crude futures topped $80 a barrel in London in January, but have since subsided as traders grapple with new trade tariffs from President Donald Trump. Brent is trading below $75 after the biggest decline in two months on Wednesday, when Trump and his Russian counterpart, Vladimir Putin, agreed to talks on ending the war in Ukraine.

Global oil demand remains on track to average record levels of 104mn barrels a day this year, according to the report.

China will remain the biggest driver of the demand expansion, though its growth will slow this year to 210,000 barrels a day, and there are signs the country's fuel consumption "may even have passed its peak," the IEA said. India and other Asian nations will take up an increasing share of consumption growth.

Meanwhile, oil supply risks are growing. The IEA lowered projections for Opec+ output in 2025 by 170,000 barrels a day following sweeping sanctions by the Biden administration on Russia and Trump's warning of "maximum pressure" on Iran.

The agency continues to assume that the Opec+ alliance as a whole will call off plans to revive halted output, which it has already delayed three times, despite Trump's call for the alliance to "cut the price of oil."

Saudi Arabia and its partners are due to decide on the first in a series of monthly supply hikes in coming weeks, and the IEA's data indicates a considerably larger global supply overhang if the alliance proceeds with the increases.

The IEA lowered estimates for Russia's average output in 2025 to 10.61mn barrels a day, from 10.76mn per day a month ago.

Yet it cautioned that the outlook for sanctions, as well as Trump's raft of trade tariffs, remains uncertain. Output from countries subject to restrictions could prove resilient.

"Time and again, oil markets have shown remarkable resilience and adaptability in the face of major challenges – and this time is unlikely to be different," the agency said.

Sceptics circling European stocks after $1tn 2025 rally

Bloomberg
London

European investors are starting to wonder just how long the hot winning streak for the region's stocks is going to last, even as possible talks to end the war in Ukraine send the market to fresh record highs.

The Stoxx Europe 600 Index has risen 8% this year through Wednesday versus a gain of less than 3% for the US S&P 500. The outperformance has been fuelled by what seems a convincing investment case: Shares are cheap, interest rates are going down and earnings are holding up.

Sceptics say Europe lacks the dynamic economy needed to keep the frenzy going. Fear of missing out could fuel the momentum for a bit longer, but that's likely to run out of steam, they say. Already the rally has added more than $1tn to the value of the Stoxx 600, which has enjoyed the best start to the year relative to the S&P 500 in at least 25 years.

"This could continue for a few weeks or months amid investor FOMO but betting that Europe will outperform the US over the year, that's a bit of a stretch for now," said Enguerrand Artaz, a macro strategist and fund manager at La Financière de l'Echiquier in Paris.

The European Central Bank has warned its modest forecast for 1.1% growth this year could be reduced, while by contrast many strategists say the Federal Reserve's expectation of a 2.1% expansion could end up being revised higher.

In the UK, the economy is barely growing.

"These flows that you see towards Europe are purely tactical," reckons Christopher Dembik, senior investment manager at Pictet AM in Paris. "Even if the war ended, I'm not sure that a relief rally would last more than a few weeks."

There's a risk that the high yields on offer in US bonds will pull capital out of European equities and into the US Treasury market, he says. The US 10-year note yields about 4.60%, a percentage point higher than its recent low in September and the highest among G10 economies.

That essentially risk-free return might look attractive to investors who switch among asset classes. It may get more appealing in coming months if US President Donald Trump's trade and immigration agenda fuels inflation and prevents further interest rate cuts by the Federal Reserve.

Data on Wednesday showed US inflation in January rose by the most since March, supporting the Fed's cautious approach to lowering rates.

One of the reasons Europe is leading global equity markets is because it was seen as a cheap hiding place when technology stocks swooned last month, said Marija Veitmane, a senior multi-asset strategist at State Street Global Markets.

That drop, triggered by concerns about Chinese startup DeepSeek's inexpensive AI model, fuelled a narrative about the end of the so-called "exceptionalism" of US mega-cap tech companies and the need to rotate portfolios back to Europe.

But Europe's outperformance can't be taken as a vote of confidence, Veitmane says, given what she sees as the region's weak economic fundamentals and sluggish growth.

Strategists in a Bloomberg survey last month said the Stoxx Europe 600 would end the year at 534 points; it's already 3.3% above that level and setting fresh record highs. Strategists at UBS Group AG said Thursday they expect Europe's outperformance versus the US to persist in the near term, with catalysts from a potential ceasefire in Ukraine and likely lower energy prices.

For European markets to still be outperforming the US by the end of the year, everything has to go right, said Amelie Derambure, a portfolio manager at Amundi.

"The rotation from US equities into EU ones has pushed the Euro Stoxx 50's valuation to its highest point since the start of the war in Ukraine (forward P/E of 14.8x), implying the need for more rate cuts from the ECB and an earnings growth rebound in the coming two years. Yet, so far since Donald Trump's election, EPS estimates revisions don't share the enthusiasm and technical indicators send mixed signals," say Laurent Douillet, senior equity strategist, and Kaidi Meng, equity strategist, Bloomberg Intelligence.

The list includes a ceasefire in Ukraine, a rebound in euro-area manufacturing, a decline in natural gas prices, comprehensive economic stimulus in China, a spike in German public spending and moderate US tariffs, she said. "If we get all of that, or at least some of it, then given the relative expensiveness of the US markets, then, yes Europe could outperform this year," she said. After such a stellar start of the year, and given the possibility of a trade war, "it's wise to stay diversified," she added.

Bloomberg QuickTake Q&A

Why Nissan will struggle without Honda's helping hand

By Nicholas Takahashi

Since the dramatic downfall of "Cost Killer" chief executive Carlos Ghosn in 2018, Japan's Nissan Motor Co has laboured with weak sales and an outdated model lineup.

In December, Honda Motor Co threw the company a potential lifeline by agreeing to consider a deal that would create one of the world's biggest carmakers – and a more formidable rival to upstart Chinese electric vehicle (EV) brands.

But a tie-up between two Japanese rivals with separate histories and distinct cultures was always going to be a difficult undertaking. Honda insisted that Nissan must get its house in order before any deal could happen.

On February 13, the talks were formally ended following disagreements over how to combine the two businesses. This leaves a potential opening for Taiwanese iPhone maker Foxconn, which has expressed its own interest in Nissan.

Where does this leave Honda and Nissan?

The companies have vowed to continue an existing partnership they have with Mitsubishi Motors Corp to develop software, batteries and other EV technology together. But Honda has more than quadruple the market value of Nissan, and absorbing its rival would have brought even greater economies of scale and technology sharing.

Even then, they would have struggled to bridge the competitive gap with electric-car makers such as BYD and Elon Musk's Tesla Inc. Neither Honda nor Nissan yet offer the cheaper, more efficient batteries and accompanying software of those relative newcomers.

How bad are Nissan's finances?

Nissan, founded about a century ago, is struggling. Its net income slumped 94% in the six months to September 30 as profits cratered in the US and China, making it harder to refinance a record amount of bonds due to mature in 2026.

In November, the Yokohama-based automaker said it would cut 9,000 jobs from its workforce of more than 130,000, and slash production capacity by a fifth.

What's Nissan's problem?

Nissan's sales have been falling in Japan and China, and also in the US, its biggest and most important market. The company's product lineup is looking outdated, leading to inventory backlogs that are forcing it to cut prices.

Nissan was seen as a trailblazer a decade ago thanks to the Leaf, a compact family car that was the world's first mass market EV. Since then, two things have happened: New Chinese competitors emerged offering EVs that are better equipped, and the US market has skewed toward hybrid vehicles that combine electric motors with combustion engines. Nissan failed to capitalise on the Leaf's early success by staying ahead of the curve on EVs, or to develop a hybrid, as rival Toyota Motor Corp did with its global hit, the Prius.

"Having no hybrids is one thing, but the company's response to a changing situation was very, very slow," said James Hong, an analyst at Macquarie Securities Korea Ltd. Nissan concentrated the timing of new model releases and waited longer to update them. This left dealerships to cut prices to draw customers who would otherwise choose a more modern car from a rival brand.

As of early 2025, Nissan still lacked the latest-generation EVs and hybrids to compete effectively in China and the US.

When did things start going wrong for Nissan?

The seeds may have been sown during Nissan's last crisis a quarter-century ago, when France's Renault SA stepped in to take a controlling stake and dispatched "Le Cost Killer" Ghosn to engineer a turnaround. Ghosn cut purchasing costs, shut factories and eliminated 21,000 jobs. Ghosn accelerated the rollout of new models to boost Nissan's global market share. He also kept a tight lid on spending, so these cost savings ended up being less innovative than those of rivals, according to analysts who follow the company.

So to reach Ghosn's sales goals, the company turned to offering customers hefty price incentives, especially in the US, and boosted sales to rental fleet operators at the expense of profits.

Nissan failed to squeeze all the potential benefits from the alliance with Renault by fully collaborating on product development. The partnership collapsed in 2018, when Ghosn was detained in Japan for suspected financial crimes. The shortcomings of Nissan's model lineup have remained a problem for the company ever since.

What's wrong with Nissan's EVs?

The Leaf's driving range is relatively limited compared with newer models. It uses a charging connector called CHAdeMO developed jointly with other Japanese automakers. Their US competitors didn't adopt CHAdeMO, and today the charging systems used by BYD and Tesla have become the de facto standard in major markets.

In China, Nissan is having a hard time keeping up as local EV makers load their cars with high-tech features that appeal to consumers.

Why hasn't Nissan management fixed these problems?

Nissan has a conservative business culture, and a succession of leadership changes have made it harder for its management to agree on solutions and stick with them.

Hiroto Saikawa, Ghosn's successor, stepped down as CEO in 2019 over a scandal involving allegations of excessive compensation, and other executives left in the turmoil. Nissan overhauled its executive bench again on December 11. CEO Makoto Uchida remained in place, while Jeremie Papin was tapped to become chief financial officer.

QNB FINANCIAL SERVICES

Weekly Market Report

The Qatar Stock Exchange (QSE) Index ended the week flat closing at 10,619.08. Market capitalisation was down by 0.2% to QR620.3bn from QR621.3bn at the end of the previous trading week. Of the 50 traded companies, 25 ended the week down and 25 ended up. Qatar Cinema (QCFS) was the best performing stock for the week, increasing by 4.3%. However, Widam Food (WDAM) was the worst performing stock for the week, declining 5.0%.

Qatar Islamic Bank (QIBK) and Woqod (QFLS) contributed positively to the weekly index. QIBK and QFLS added 19.7 and 4.7 points to the index, respectively. On the other hand, QNB Group (QNBK) and Nakilat (QGTS) deleted 9.4 and 6.8 points from the index.

Traded value during the shortened week (public holiday) declined by 34.7% to reach QR1,484.1mn from QR2,274.3mn in the prior trading week. QNBK was the top value traded stock during the week with total traded value of QR261.6mn.

Traded volume declined by 45.2% to 483.3mn shares compared with 881.3mn shares in the prior trading week. The number of transactions decreased 36.0% to 50,618 vs 79,030 in the prior week. Ezdan Holding Group (ERES) was the top volume traded stock during the week with total traded volume of 49.7mn shares.

Foreign institutions remained bearish, ending the week with net selling of QR126.4mn vs net selling of QR79.0mn in the prior week. Qatari institutions remained bullish with net buying of QR56.4mn in the week before. Foreign retail investors ended the week with net buying of QR1.8mn vs net selling of QR0.2mn in the prior week. Qatari retail investors recorded net selling of QR13.8mn vs net buying of QR22.8mn.

The QSE Index closed flat (+0.03%) from last week on lower volumes for the week; it closed at 10,619.08. The Index remains inside the broader flat price-range and moving in no specific direction for the past two years. That said, the Index is getting closer to our resistance around the 10,850 points. The weekly resistance level remains around the 10,850 points level and the support at 10,000 points.

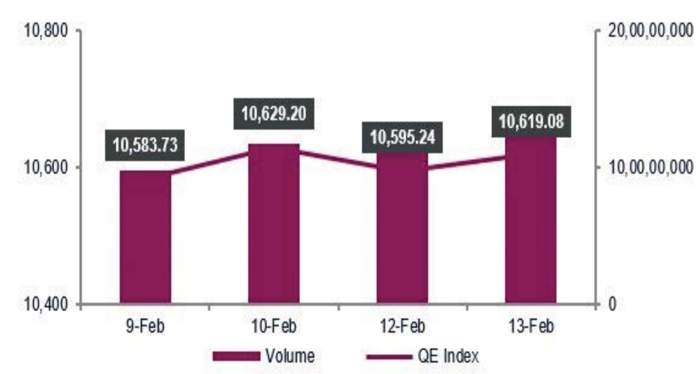
Market Indicators	Week ended. Feb 13, 2025	Week ended. Feb 06, 2025	Chg. %
Value Traded (QR mn)	1,484.1	2,274.3	(34.7)
Exch. Market Cap. (QR mn)	620,299.3	621,269.7	(0.2)
Volume (mn)	483.3	881.3	(45.2)
Number of Transactions	50,618	79,030	(36.0)
Companies Traded	52	51	2.0
Market Breadth	25:25	15:35	-

Source: Qatar Exchange (QE)

Market Indices	Close	WTD%	MTD%	YTD%
Total Return	24,217.09	0.0	(0.4)	0.5
ALL Share Index	3,774.68	(0.0)	(0.5)	(0.0)
Banks and Financial Services	4,638.90	0.2	0.2	(2.0)
Industrials	4,275.71	(0.2)	(2.4)	0.7
Transportation	5,274.06	(1.0)	0.4	2.1
Real Estate	1,617.53	(0.7)	(0.4)	0.1
Insurance	2,338.70	(0.1)	(2.6)	(0.4)
Telecoms	1,998.40	(0.5)	(0.8)	11.1
Consumer Goods & Services	7,882.10	0.2	0.5	2.8
Al Rayan Islamic Index	4,924.59	0.1	(0.4)	1.1

Source: Qatar Exchange (QE)

QSE Index and Volume



Source: Qatar Exchange (QE)

Weekly Index Performance

Source: Bloomberg

DISCLAIMER

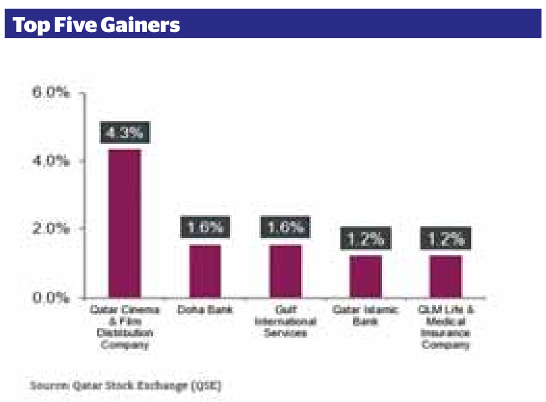
This report expresses the views and opinions of QNB Financial Services Co WLL ("QNBFS") at a given time only. It is not an offer, promotion or recommendation to buy or sell securities or other investments, nor is it intended to constitute legal, tax, accounting, or financial advice. We therefore strongly advise potential investors to seek independent professional advice before making any investment decision. Although the information in this report has been obtained from sources that QNBFS believes to be reliable, we have not independently verified such information and it may not be accurate or complete. *Gulf Times* and QNBFS hereby disclaim any responsibility or any direct or indirect claim resulting from using this report.

Regional Indices	Close	WTD%	MTD%	YTD%	Weekly Exchange Traded Value ($ mn)	Exchange Mkt. Cap. ($ mn)	TTM P/E**	P/B**	Dividend Yield
Qatar*	10,619.08	0.0	(0.4)	0.5	411.06	170,148.1	11.6	1.3	4.0
Dubai	5,319.20	1.4	2.7	3.1	997.23	253,511.4	10.2	1.6	4.5
Abu Dhabi	9,658.73	1.0	0.8	2.5	1,557.29	748,048.1	17.3	2.6	2.1
Saudi Arabia#	12,385.70	(0.4)	(0.2)	2.9	7,871.54	2,735,403.9	19.9	2.4	3.6
Kuwait	8,019.03	1.6	3.0	8.9	2,626.37	167,002.9	20.7	1.9	8.9
Oman	4,478.28	(1.9)	(1.4)	(2.1)	42.36	31,058.9	9.6	0.6	6.1
Bahrain	1,891.60	0.5	0.6	(4.7)	23.58	19,504.7	15.3	1.3	3.9

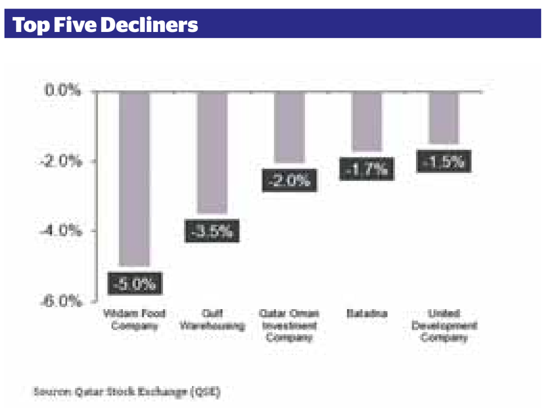
Source: Bloomberg

Qatar Stock Exchange

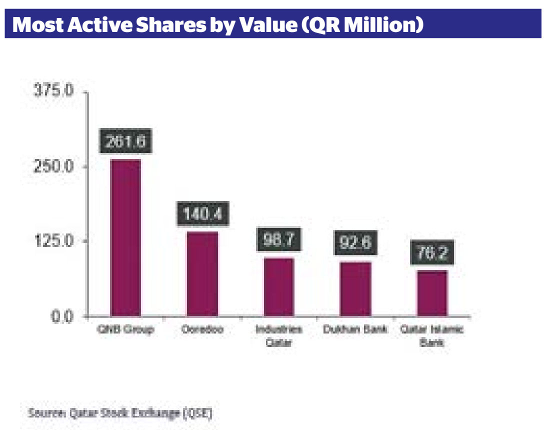
Top Five Gainers



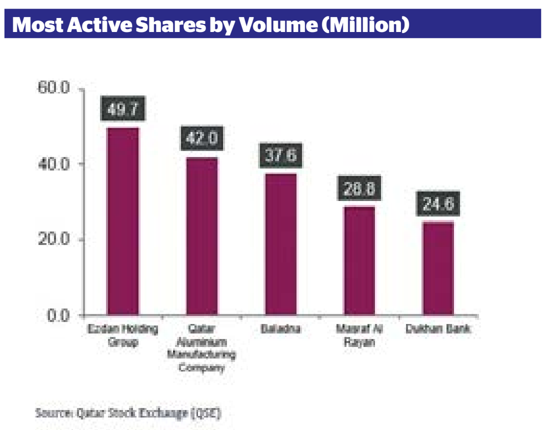
Top Five Decliners



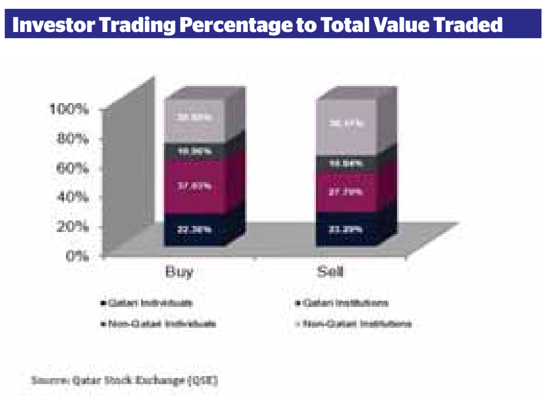
Most Active Shares by Value (QR Million)



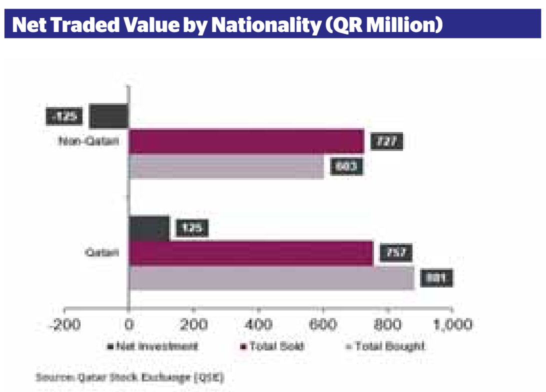
Most Active Shares by Volume (Million)



Investor Trading Percentage to Total Value Traded

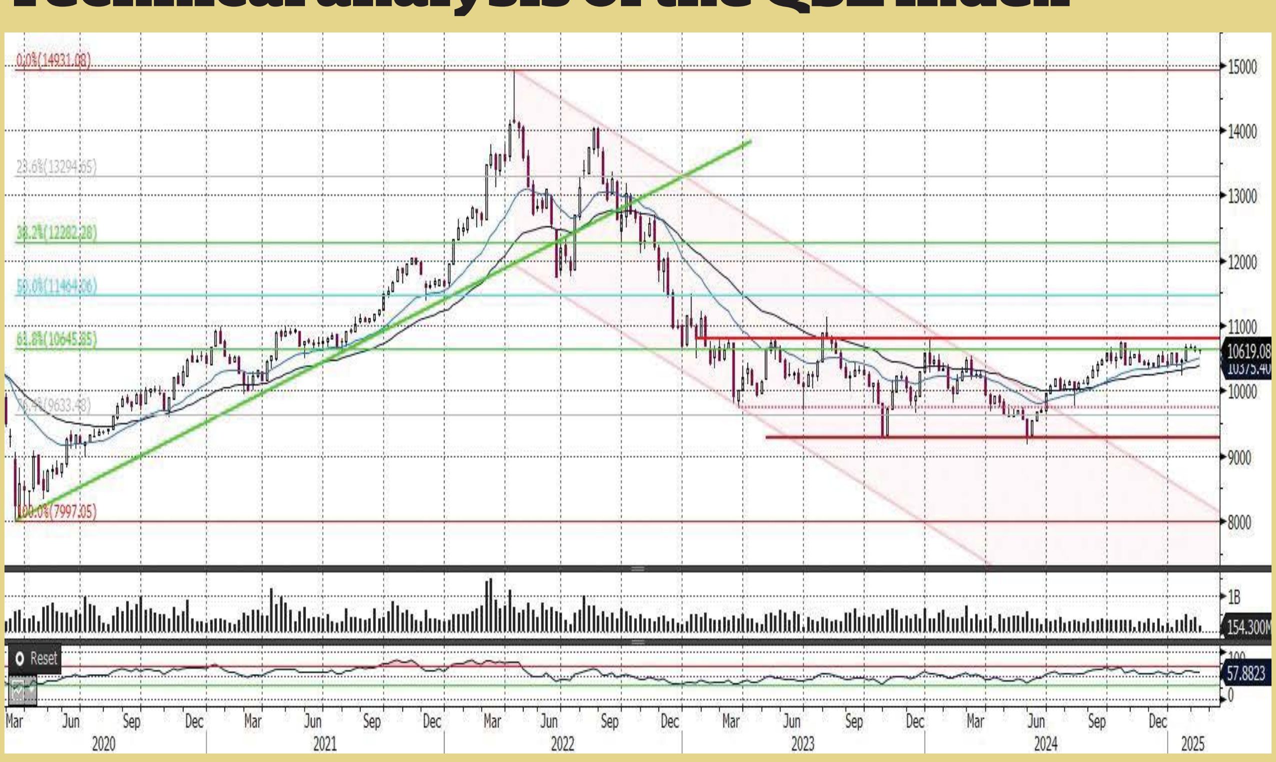


Net Traded Value by Nationality (QR Million)



Company Name	Price February 13	% Change Weekly	% Change YTD	Market Cap. QR Million	TTM P/E	P/B	Div. Yield
Qatar National Bank	16.50	(0.60)	(4.57)	152,401	9.8	1.6	4.0
Qatar Islamic Bank	21.09	1.25	(1.26)	49,834	11.4	1.8	2.4
Commercial Bank of Qatar	4.58	0.62	5.22	18,524	6.5	0.9	5.5
Doha Bank	2.07	1.57	3.92	6,415	7.9	0.6	3.6
Al Ahli Bank	3.50	0.46	1.48	8,932	10.5	1.2	7.1
Qatar International Islamic Bank	10.80	0.47	(0.92)	16,348	14.2	2.2	4.3
Masraf Al Rayan	2.39	0.50	(2.96)	22,227	15.2	0.9	4.2
Lesha Bank	1.33	(0.37)	(1.55)	1,493	11.6	1.1	N/A
National Leasing	0.78	0.39	(0.13)	385	22.5	0.6	3.9
Dlala Holding	1.11	(1.42)	(3.05)	212	35.2	1.1	N/A
Qatar & Oman Investment	0.72	(2.05)	2.28	226	N/M	1.0	N/A
Islamic Holding Group	3.88	0.18	2.48	220	17.2	1.3	1.3
Dukhan Bank	3.76	0.86	1.76	19,680	15.4	1.5	4.3
Banking and Financial Services				**296,897**			
Zad Holding	15.51	(0.64)	9.46	4,458	22.6	3.3	4.2
Qatar German Co. for Medical Devices	1.35	(0.07)	(1.46)	156	462.5	4.4	N/A
Salam International Investment	0.68	(0.15)	3.18	778	12.8	0.5	4.4
Baladna	1.31	(1.73)	(0.61)	2,488	13.6	1.0	5.3
Medicare Group	4.51	(0.38)	(0.92)	1,269	14.8	1.3	4.9
Qatar Cinema & Film Distribution	2.40	4.35	0.00	151	36.1	1.1	2.9
Qatar Fuel	15.40	0.98	2.67	15,312	14.5	1.7	5.2
Widam Food	2.36	(4.99)	0.47	425	22.7	2.8	N/A
Mannai Corp.	3.67	0.00	0.85	1,674	N/M	1.8	6.8
Al Meera Consumer Goods	14.85	0.41	2.27	3,059	16.5	1.9	5.7
Mekdam Holding Group	3.43	0.47	(4.51)	566	12.7	2.0	N/A
Meeza QSTP	3.12	0.10	(4.79)	2,024	33.5	2.8	2.6
Al Faleh Education Holding	0.72	(0.55)	4.17	174	13.9	0.7	2.6
Consumer Goods and Services				**32,532**			
Qatar Industrial Manufacturing	2.58	0.27	2.79	1,226	7.9	0.6	5.0
Qatar National Cement	3.93	0.77	(2.24)	2,568	16.1	0.8	7.6
Industries Qatar	13.26	(0.30)	(0.08)	80,223	17.9	2.1	4.7
Qatari Investors Group	1.68	0.18	9.30	2,090	12.6	0.7	8.9
Qatar Electricity and Water	15.45	(0.96)	(1.59)	16,995	12.0	1.1	3.2
Aamal	0.93	0.87	8.67	5,846	14.4	0.7	N/A
Gulf International Services	3.43	1.57	3.06	6,374	9.0	1.5	4.4
Mesaieed Petrochemical Holding	1.49	(0.47)	(0.67)	18,656	26.2	1.1	3.6
Estithmar Holding	1.81	0.72	(2.79)	6,168	16.1	1.2	N/A
Qatar Aluminum Manufacturing	1.35	(1.39)	11.14	7,516	12.3	1.1	4.5
Industrials				**147,664**			
Qatar Insurance	2.09	(0.38)	(1.46)	6,833	10.2	1.1	4.8
QLM Life & Medical Insurance	2.04	1.24	(1.26)	714	10.8	1.1	6.1
Doha Insurance	2.54	(0.04)	1.76	1,272	7.8	1.0	6.9
Qatar General Insurance & Reinsurance	1.18	0.08	2.34	1,033	33.2	0.3	N/A
Al Khaleej Takaful Insurance	2.45	1.16	2.60	626	8.6	1.0	4.9
Qatar Islamic Insurance	8.62	0.28	(0.59)	1,294	8.5	2.3	5.8
Damaan Islamic Insurance Company	4.10	0.00	3.67	820	9.7	1.5	4.4
Insurance				**12,590**			
United Development	1.11	(1.50)	(0.89)	3,941	9.3	0.3	4.9
Barwa Real Estate	2.89	(0.10)	1.98	11,230	9.0	0.5	6.2
Ezdan Real Estate	1.01	(0.59)	(3.98)	26,896	319.7	0.8	N/A
Mazaya Qatar Real Estate Development	0.57	(1.20)	(1.71)	574	N/M	0.6	4.4
Real Estate				**42,641**			
Ooredoo	12.77	(0.70)	10.56	40,905	11.9	1.4	4.3
Vodafone Qatar	2.07	0.34	12.95	8,737	14.5	1.7	5.3
Telecoms				**49,642**			
Qatar Navigation (Milaha)	10.66	(0.84)	(3.00)	12,112	10.8	0.7	3.5
Gulf Warehousing	3.04	(3.49)	(9.85)	178	10.4	0.7	3.3
Qatar Gas Transport (Nakilat)	4.43	(1.12)	6.77	24,543	15.0	1.9	3.2
Transportation				**36,833**			
Qatar Exchange				**620,299**			

Technical analysis of the QSE index



Definitions of key terms used in technical analysis

RSI (Relative Strength Index) indicator – RSI is a momentum oscillator that measures the speed and change of price movements. The RSI oscillates between 0 to 100. The index is deemed to be overbought once the RSI approaches the 70 level, indicating that a correction is likely. On the other hand, if the RSI approaches 30, it is an indication that the index may be getting oversold and therefore likely to bounce back.

MACD (Moving Average Convergence Divergence) indicator – The indicator consists of the MACD line and a signal line. The divergence or the convergence of the MACD line with the signal line indicates the strength in the momentum during the uptrend or downtrend, as the case may be. When the MACD crosses the signal line from below and trades above it, it gives a positive indication. The reverse is the situation for a bearish trend.

Candlestick chart – A candlestick chart is a price chart that displays the high, low, open, and close for a security. The 'body' of the chart is portion between the open and close price, while the high and low intraday movements form the 'shadow'. The candlestick may represent any time frame. We use a one-day candlestick chart (every candlestick represents one trading day) in our analysis.

WEEKLY ENERGY MARKET REVIEW

Oil settles lower; supply worries ease on hopes for Ukraine peace deal

www.abhafoundation.org

Oil

Oil prices settled down on Friday on prospects for a peace deal between Russia and Ukraine that could ease global supply disruptions by ending sanctions against Moscow, but losses were limited by a delay in US immediate reciprocal tariffs. Brent futures settled down 28 cents, or 0.37%, at $74.74 a barrel. US West Texas Intermediate (WTI) crude fell 55 cents, or 0.77%, to $70.74. For the week, Brent gained 0.11% while WTI lost around 0.37%. President Donald Trump ordered US officials this week to begin talks on ending the war in Ukraine after Russian President Vladimir Putin and Ukrainian President Volodymyr Zelensky expressed a desire for peace in separate phone calls with him.

Lifting sanctions on Moscow in the event of a peace deal should boost global energy supplies. Russian oil exports could be sustained if workarounds to the latest US sanctions package are found, the International Energy Agency (IEA) said in its latest oil market report.

Last week, Trump ordered commerce and economic officials to study reciprocal tariffs against countries that place tariffs on US goods and to return their recommendations by April 1. Also limiting the losses, US Treasury Secretary Scott Bessent said in an interview that the US could apply maximum economic pressure on Iran. Trump had driven Iran's oil exports to near zero during his first term after reimposing sanctions.

Japanese people walks across the street in snow storm in Yokohama. Asian spot liquefied natural gas prices rose to an over one-year high this week, amid forecasts of colder temperatures and as concerns over Europe's storage levels persist. *Picture supplied by the Abdullah bin Hamad Al-Attiyah International Foundation for Energy and Sustainable Development.*

Gas

Asian spot liquefied natural gas (LNG) prices rose to an over one-year high this week, amid forecasts of colder temperatures and as concerns over Europe's storage levels persist.

The average LNG price for March delivery into northeast Asia was at $16.10 per million British thermal units (mmBtu), the highest since November 2023, industry sources estimated. The main market concern is the high rate of withdrawals from Europe's gas inventories. Europe will certainly need higher LNG imports this year to address higher gas consumption and lower gas inventories.

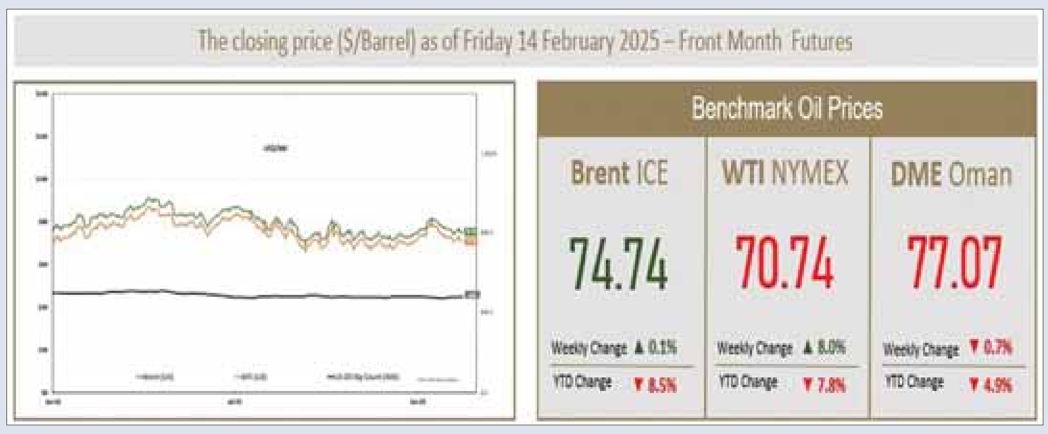
If Asian demand strengthens, market tightness could have a greater impact on spot prices, analysts said.

Additionally, Tokyo and Seoul are both forecast for cold snaps towards the end of the month, though this is set to be followed by a reversion to seasonal average temperatures by the end of the month.

In Europe, gas prices eased from two-year highs on forecasts of warmer temperatures, ongoing US efforts to end the war in Ukraine and talks of less rigid gas storage targets.

Still, market uncertainties remain as Europe's inventories have dropped to around 47%, with still some winter months to come.

The US arbitrage to north-east Asia via the Cape of Good Hope for February narrowed for a third straight week but is still signalling that US cargoes are incentivised to deliver to Europe over Asia.



■ *This article was supplied by the Abdullah bin Hamad Al-Attiyah International Foundation for Energy and Sustainable Development.*

Qatar Chamber hosts trade delegation promoting China's 137th Canton Fair

Qatar Chamber recently hosted a Chinese trade delegation led by Ma Fengmin, deputy director general of the China Foreign Trade Centre, to discuss the 137th edition of the 'China Import and Export Fair' (Canton Fair), which will be held from April 15-May 5 in Guangzhou, China.

The delegation was received by Qatar Chamber acting director general Ali Bu Sherbak al-Mansouri. The meeting was also attended by Hussein al-Abd al-Ghani, director of the Administrative and Financial Affairs Department at the chamber; and Wu Yi, counsellor at the Chinese embassy in Qatar.

During the meeting, discussions also focused on bilateral cooperation in trade and economic sectors, as well as the role of the private sector in enhancing trade exchange between the two countries.

In his remarks, al-Mansouri lauded the strong and growing Qatar-China relations, highlighting that the East Asian nation is one of Qatar's most significant trade partners. He noted the continuous development of bilateral relations, particularly in economic and commercial sectors.

He further emphasised the importance of the Canton Fair as one of the world's leading international trade exhibitions. He expressed Qatar Chamber's keen interest in participating in the fair, recognising it as a global platform for exchanging expertise and fostering business partnerships.

Al-Mansouri reaffirmed the chamber's commitment to enhancing ties between the business communities of both countries and supporting bilateral partnerships that bring mutual benefits.

He also called on Chinese companies to expand their investments in Qatar, emphasising the country's attractive investment climate, which includes advanced infrastructure, developed free zones, and flexible investment procedures that facilitate foreign business establishment and expansion in the Qatari market.

Fengmin invited Qatari companies to participate in the Canton Fair, emphasising the strategic partnership between China and Qatar. He highlighted both countries' strong trade and economic co-operation, particularly in China's Belt and Road Initiative and the Qatar National Vision 2030.

He noted that the Canton Fair, launched in 1957, has played a pivotal role in strengthening global trade relations, engaging with 229 countries and regions, and attracting over 10mn international buyers. He also highlighted that about 500 participants and buyers from Qatar take part in each edition of the fair.

Fengmin provided an overview of the fair, which is organised by the China Foreign Trade Centre and hosted by the Ministry of Commerce of Guangdong Province. He said the upcoming edition is expected to feature more than 30,000 exhibitors.

Qatar Chamber acting director general Ali Bu Sherbak al-Mansouri and Hussein al-Abd al-Ghani, director of the Administrative and Financial Affairs Department at the chamber, during a meeting with Ma Fengmin, deputy director general of the China Foreign Trade Centre, in Doha.

2024 arbitration rules align with latest international standards, says QICCA official

The Qatar International Centre for Conciliation and Arbitration (QICCA) recently hosted a seminar on 'Commercial Arbitration under Civil Law and Anglo-Saxon Law'.

The event was attended by Sheikh Dr Thani bin Ali al-Thani, QICCA board member for International Relations, along with many lawyers, arbitrators, and representatives from law firms and legal offices in Qatar.

The seminar highlighted key amendments to the QICCA Arbitration Rules 2024, discussing the most significant changes and their impact on arbitration practices in Qatar. It also touched on the differences in arbitration between civil law and Anglo-Saxon law.

In his remarks, Sheikh Dr Thani emphasised that Qatar was one of the first countries to adopt arbitration as an effective and flexible means of resolving disputes outside the framework of traditional litigation, affirming the QICCA's commitment to fostering a robust business and investment environment by promoting arbitration through seminars and workshops, reinforcing its role as a preferred alternative for resolving disputes.

"The Arbitration Rules 2024 align with the latest international standards and best practices in arbitration. Their preparation spanned over two years and involved extensive contributions from legal experts, including law professors from Qatar University, Qatari lawyers, arbitration specialists, and Arab and international legal professionals working in Qatar, as well as several renowned international arbitrators who collaborate with the Centre," he emphasised.

Sheikh Dr Thani also noted that the provisions of the new rules regulate various aspects that will significantly enhance and develop the arbitration process, ensuring that proceedings are conducted in an effective, efficient, and transparent manner.

International arbitrator Alec Emerson lauded commercial arbitration in Qatar, emphasising that the country's arbitration procedures combine elements from both civil law and Anglo-Saxon legal traditions. This is attributed to the presence of laws based on the Anglo-Saxon system within the Qatar Financial Centre (QFC). During his presentation, Emerson highlighted the key procedural and substantive differences between arbitration practices in the two legal systems.

Sheikh Dr Thani bin Ali al-Thani, QICCA board member for International Relations.

BoJ may continue 'gradual process' of interest rate normalisation: QNB

The Bank of Japan (BoJ) may continue its "gradual process" of interest rate normalisation, QNB said and noted BoJ is set to navigate against global monetary trends.

The aftermath of the Covid-pandemic brought inflation across advanced economies to skyrocketing levels not seen in decades. Following the pandemic and the Russia-Ukraine War, the "supply shock" of confinement measures and geopolitical disruptions were coupled with the "demand shock" from unprecedented policy stimulus, which drove inflation rates to multi-decade highs across the globe.

As a response, most major central banks, such as the US Federal Reserve and the European Central Bank, embarked on aggressive monetary policy tightening cycles to control inflation.

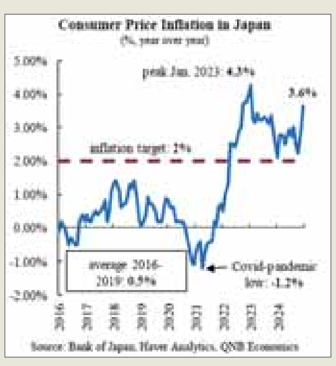
The Bank of Japan was a peculiar outlier, following a different policy path that reflected Japan's decades-long struggle with deflation and stagnant economic activity, QNB said in an economic commentary.

In stark contrast to its peers, the BoJ kept its negative short-term interest rate of -0.1% unchanged. This "ultra-loose" monetary stance led to a depreciation of over 40% of the Japanese Yen (JPY) against the US dollar in October 2022.

The sharp currency depreciation added to the different factors that pushed Japanese consumer price inflation to a peak of 4.3% year-over-year in January 2023, a level that had not been reached in this country in over three decades. After years of negative policy interest rates, the BoJ finally reacted with a highly-cautious hike of 15 basis points (bps) in March 2024, signalling the beginning of a much-awaited process of monetary policy normalisation.

Over the last year, the BoJ implemented additional hikes of 20 and 25 bps, taking the policy rate to 0.5% at a moment when the major central banks of the US and Europe were already moving in the opposite direction towards easing. In this article, QNB discusses why the BoJ will continue to move against the global trend, and maintain its gradual process of monetary policy normalisation.

First, although inflation has come down from its peak, it remains stubbornly high with a recent upward tick that has renewed concerns. Inflation has remained above the 2% target of monetary policy for almost three years.



Alarmingly, inflation surged to 3.6% in December last year, fuelled by higher food prices, the suspension of government energy subsidies, and wage increases. This new surge in prices reignited fears of a potential de-anchoring of inflation expectations.

Additionally, the government is implementing significant expansive measures, including a record draft budget of JPY115.5tn ($735bn) for the fiscal year 2025, and a stimulus package of around $90bn.

The measures aim to support households and boost economic growth, which could further add to price pressures. Persistent inflation and renewed price pressures give the BoJ one of the key arguments in favour of additional monetary policy tightening.

Second, the Japanese economy is expected to show a recovery this year, with a more favourable external demand and improving real income. In this context, the current interest rate environment and expected monetary direction are accommodative. The yen has accumulated a depreciation of close to 40% in the last three years. A weaker currency is improving the competitiveness of export-oriented industry by making goods and services more affordable in the global market. The currency shift has notably benefited tourism, one of Japan's largest export sectors. In 2024, tourist spending reached $50.8bn, with an all-time high of 34mn visitors, underscoring the sector's substantial contribution to the economy. In addition, key export oriented industries, such as automotive, machinery, and electronics are benefitting from better price competitiveness.

Gains in real income are providing an additional boost to the economy. Since mid-2024, growth in wages adjusted for prices began to recover, on the back of the "Shunto agreement" – the yearly negotiations between labour unions and corporate leaders – that led to average wage increases of 5.6%, the largest in 33 years.

Going forward, QNB noted the largest labour union federation aims to reach an agreement that would deliver another significant wage increase, which implies an improvement in the purchasing power of households and further support for consumption and economic growth. An improved macroeconomic outlook for this year gives the BoJ room to further increase its policy rates.

Third, in spite of the interest rate increases, monetary conditions remain highly accommodative. The current level of the policy rate at 0.5% is significantly below current and expected inflation rates, indicating that the real interest rate is deep in the negative range. Moreover, it is well below the level that is considered its "neutral" level for the economy (i.e., around 1.5%), which neither stimulates nor restrains economic activity. Similarly, although long-term interest rates have risen from their troughs around 0%, they still remain close to multi-decade lows.

Long-term interest rates are key for the economy, given their influence on business investment and household demand. The current macroeconomic context suggests that the BoJ should move further towards normalising currently stimulative financial conditions. "All in all, we expect the BoJ to continue its gradual process of interest rate normalisation, with two additional 25 bps hikes this year that would take the policy rate to 1% on the back of still-high inflation, an improving macroeconomic outlook, and the need to adjust accommodative financial conditions," QNB added.