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90-day US tariff hiatus lifts sentiments as QSE advances 191 points

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Wall Street executives privately credit Dimon and Ackman for swaying Trump on tariffs

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QCB bills auction receives bids worth QR7.3bn; allocated amount totals QR2.5bn

The Qatar Central Bank bills auction received bids worth QR7.3bn, while the total allocated amount was QR2.5bn, according to QCB. The allocations were for six tenors - two new issuances and four tap issuances - ranging from seven days to 364 days, the QCB said yesterday. QR500mn was allocated for a new issuance for seven days with a yield of 4.610%. QR400mn was allocated for a tap issuance for 21 days with a yield of 4.6370%. QR400mn was allocated for a tap issuance for 112 days with a yield of 4.4780%. QR400mn was allocated for a new issuance for 175 days with a yield of 4.3730%. QR400mn was allocated for a tap issuance for 273 days with a yield of 4.2880%. QR400mn was allocated for a new issuance for 364 days with a yield of 4.2630%.



GCC telcos seen to unlock significant growth by turning data into AI-driven advantage

By Santhosh V Perumal
 Business Reporter

The GCC (Gulf Co-operation Council) telcos can enhance value to their customers and generate up to \$5.90 in Ebitda for every \$1 invested in an AI-powered "engine" that enables personalised marketing and customer value management at scale, according to a report of Strategy& Middle East. "Telecom operators could generate up to \$5.90 in earnings before interest, taxes, depreciation, and amortisation (Ebitda) for every \$1 invested in an AI, or artificial intelligence-powered, data-fuelled marketing personalisation engine, over five years. Such an engine would produce deeper customer insights, drive more informed decisions, and create precision targeting strategies to enhance returns," its report said.

Stressing that GCC telecoms operators must act now; it said despite having access to vast and valuable datasets - including real-time location data, usage patterns, and customer interactions - they typically use only 30% to 50% of their data, limiting their ability to drive customer engagement and revenue growth.

"Facing multiple challenges to growth, the GCC telecom operators must harness AI to unlock the full potential of their data. Consumers expect real-time and personalised engagement, yet most operators underperform on delivering this due to underutilised data sets, gaps in precision marketing capabilities and operating models that hinder collaboration," said Mahmoud Makki, Partner and leader of the firm's Telecommunications, Media, Technology, and Digital practice in the Middle East at Strategy& Middle East. An AI-powered customer value management engine can transform telco data into a competitive advantage, delivering personalised experiences and real business impact, he said.

The report found that one regional telecom operator developed an AI-powered prospecting and dynamic pricing tool and integrated it into their sales app, which increased conversion rates by up to 15% and lowered acquisition costs. Another operator used AI to deliver proactive and personalised resolution offers after a network outage, reinforcing customer trust and reducing expected churn due to the event by 40% to 60%, it said, adding other exemplars have moved campaign cohort sizes to 100's or smaller against millions usually targeted for campaigns by telcos and improved campaign conversion rates by 2-3x while maintaining high net promoter scores.

"The GCC telecom operators are well positioned to meet the personalisation imperative, but success depends on their ability to harness and align their full range of capabilities," said GP Singh, Partner at Strategy& Middle East. To fully capitalise on AI-powered marketing, he said operators must establish an integrated capabilities engine - one that integrates their data, analytics, technology, marketing, and customer experience into a cohesive framework and operating model.

"Only then can they deliver personalised engagement at scale and unlock meaningful value growth," he added. For the GCC telcos, adopting AI-driven marketing is no longer optional; but a strategic necessity to remain competitive in a rapidly evolving industry, it said, recommending that operators integrate their marketing technology stacks, invest in AI capabilities, and adopt an agile operating model to accelerate the transition toward data-driven decision-making.

Doha conference recommends Shariah-compliant framework for blockchain, AI applications

By Pratap John
 Business Editor

The 11th Doha Islamic Finance Conference has recommended the development of a Shariah-compliant regulatory framework for blockchain and AI applications.

The just concluded conference called on Islamic financial institutions, regulatory bodies, and tech experts to collaborate to standardise smart contracts, govern AI, create sandbox environments for blockchain/AI testing, and establish balanced frameworks that encourage innovation while upholding Islamic principles.

The conference's closing statement stressed the need to accelerate the study, assessment, and monitoring of evolving risk factors in decentralised finance.

This involves evaluating their alignment (or divergence) with bridging the existing gap between innovation on one hand and values and regulations on the other.

It reaffirmed that the essence of Islamic finance is founded in its value-

based and ethical framework. The Islamic financial system strikes a balance between innovation, ethics, and regulation, building a fairer, more Shariah-compliant, and sustainable model. This applies equally to centralised, decentralised, or hybrid finance.

The statement emphasised that electronic games cannot be subjected to a single juristic ruling, as they vary in nature, aspects and dimensions.

Their rulings are subject to Shariah-based guidelines that aim to achieve legitimate benefits of play and entertainment while minimising the harms associated with these games.

It clarified that monetary exchanges and financial transactions in electronic games - such as account creation, sales, or purchasing in-game points - follow the same ruling as the game itself (permissible or prohibited).

Additionally, they must adhere to the regulations governing digital and electronic financial transactions.

The statement also underscored that the study of futuristic jurisprudence holds significant importance in contemporary juristic reasoning and fatwa production.

Given the cognitive foundations of juristic reasoning when examining outcomes and the nature of artificial intelligence (AI) - particularly its ability to analyse big data, derive rulings, and draw conclusions - AI can be employed to enhance the effectiveness and precision of forecasting future juristic choices and outcomes. Moreover, it highlighted that the integration of blockchain and AI strengthens Shariah compliance in Islamic banking by promoting transparency, improving Shariah auditing, and mitigating the risks of manipulation.

Practical applications in some Islamic financial institutions have demonstrated the success of this integration, paving the way for Islamic banks to enhance their performance, increase efficiency, and develop innovative products - ultimately boosting their role and competitiveness in the global financial industry.

The statement noted that AI and blockchain technology offer advanced solutions for the preservation and development and growth of waqf (endowments) by optimising asset management, improving distribution efficiency, enhancing transparency

and governance, while boosting trust and sustainability.

However, this digital transformation of waqf faces several challenges, including data privacy concerns, low trust in technology related to humanitarian and social aid, and financing costs. These challenges can be overcome by strengthening the waqf ecosystem, training human resources in waqf institutions, studying the obstacles to digital transformation, and making the necessary efforts to address them.

The statement also addressed the critical need to establish legal governance and algorithmic indexing of waqf documents through intelligent processing to lay the infrastructure for the project of (Waqf documents bank) in order to bridge the gap between researchers and the civilisational memory of Islamic endowments while also preserving waqf assets.

The 11th Doha Islamic Finance Conference was organised by Bait Al-Mashura Finance Consultations, under the patronage of HE the Prime Minister and Minister of Foreign Affairs Sheikh Mohammed bin Abdulrahman bin Jassim al-Thani.

QFBA launches 10th edition of 'Kawader Malia' national programme

QNA
 Doha

The Qatar Finance and Business Academy (QFBA) has launched the 10th edition of its 'Kawader Malia' national programme and announced the opening of applications for those who wish to join through the academy's website from April 10 until July 31. In a press conference held yesterday, CEO of Qatar Finance and Business Academy, Dr Khalifa al-Salahi al-Yafei said, over the years, the programme has become one of the academy's key strategic pillars, noting that it has successfully contributed to nationalisation efforts within the financial sector and has empowered young Qataris with

the knowledge, skills, and practical experience necessary for long-term professional success. "This programme represents a major milestone in our journey, especially as this edition coincides with the 10th anniversary since its inception - ten years of excellence and dedication. It has been designed to keep pace with the evolving needs of the financial and banking sector, while also reflecting the aspirations of our partners and the demands of the future job market," he added. He affirmed that the programme will be more comprehensive and aligned with the challenges facing the banking sector. Several key updates have been introduced to reflect industry developments and local market needs, including the restructuring

of academic modules, extension of the programme's duration, and the adoption of more interactive and practical learning methods, in addition to optional activities that support the development of a well-rounded professional identity among participants, he noted. For his part, Director of Training and Professional Development at QFBA, Majed Abdulaziz al-Khulaifi said, "The 10th edition of the programme marks a significant advancement in content design. A comprehensive methodology has been adopted, focusing on the development of four core competencies that form the foundation for preparing the next generation of financial leaders in the country. These competencies include banking literacy, which

equips participants with a solid understanding of the global banking system, compliance, risk management, and modern financial technologies; financial literacy, which focuses on the essential skills needed to analyse institutional performance and evaluate market value; business acumen, which enhances awareness of economics, government policies, and global economic indicators; and finally, social and emotional skills, which contribute to building leadership qualities and enhancing emotional intelligence." "The programme duration has been extended to six months and now features two integrated tracks: the first is designed for employed participants, who will take part in an intensive training

week each month followed by direct application in their actual work environments, creating immediate alignment between academic content and daily job requirements. The second track targets recent graduates seeking employment, offering a broader set of learning modules to enhance their readiness for the job market," he added. Al-Khulaifi also stressed the academy's keenness to enhance the educational experience by combining interactive and hands-on learning approaches, incorporating elements of gamification, pointing out that, in addition to core content, the programme offers a variety of optional activities such as masterclasses, inspirational sessions with industry experts,

team-building activities, wellness initiatives, and community engagement projects all aimed at delivering a well-rounded and enriching learning experience. The 'Kawader Malia' programme was launched in 2013 and has since delivered nine successful editions. The ninth edition, launched last year, achieved notable success across all aspects. It featured an expanded scope of educational modules, reaching a total of six, and saw the programme's capacity grow to include 75 graduates. QFBA also partnered with six distinguished local and international institutions, organised around 43 workshops and lectures, and hosted 11 guest speakers from senior leadership roles across the banking, insurance, and investment sectors.



Wall Street executives privately credit Dimon and Ackman for swaying Trump on tariffs

Bloomberg
New York

Wall Street has gotten its way for decades, Scott Bessent argued Wednesday morning, declaring "It's Main Street's turn." Then Wall Street had its best day in 16 years. Hours after the Treasury secretary's full-throated defence of Donald Trump's "Liberation Day" tariffs, the president embraced an idea pushed by billionaire hedge funder Bill Ackman: Pause the levies for 90 days, rather than — as Ackman put it — risking a "self-induced, economic nuclear winter."

For days, Ackman's proposal had been floating around as a symbol of Wall Street's waning influence — one of many public pleas from an industry unable to steer Trump away from what it saw as a cataclysm for global markets and everyday people. Then the president pivoted.

"This was brilliantly executed by @realDonaldTrump," Ackman fired off in response on X. "Textbook, Art of the Deal." After a week of grinding their teeth, Wall Street executives have prevailed again, reestablishing their political potency. Trump's move followed recession warnings from the likes of Jamie Dimon, whose TV appearance early Wednesday was watched by billions, as well as strong words from billionaires Ken Griffin and Stan Druckenmiller.

When Trump abruptly changed course that afternoon, the industry swung from seething to a moment of levity — even if few trust that it will last. Indeed, US stock indexes were down more than 2% on Thursday. But a day earlier, whoops and laughs erupted on trading floors at Citigroup Inc and Barclays Plc as the S&P 500 notched its best day since 2008. Some traders bemoaned their misfortune after not buying the dip, while others took relief in the knowledge their personal investment portfolios would jump. The richest people in the world added \$304bn to their combined net worth, the biggest one-day gain in the history of the Bloomberg Billionaires Index.

Goldman Sachs Group Inc Chief Executive Officer David Solomon was holed up in a hotel room between calls with worried clients, when he swivelled toward the TV and saw the news that the tariffs were on pause. His first call was to Ashok Varadhan, the bank's trading chief, to ask how the markets were reacting. Investors are breathing a sigh of relief, Varadhan replied, according to a person briefed on the discussion. Goldman had just predicted a US recession. After Trump's announcement, it pulled that call.

Inside another major bank, a memo circulated showing trading volumes in most asset classes ranked as a 9 on a scale of 10.

Yet doubts abound. Many executives quickly reminded their workforces that Trump had merely called a time-



Trump has indicated that turmoil in the financial markets following the implementation of reciprocal tariffs played a role in his decision to pause most of them

out and that the famously mercurial president could again change course any moment. Not to mention, his announcement ratcheted up the US tariff on goods from China to 125%.

When markets closed, one executive quipped that traders wouldn't be celebrating so much as just drinking — with plenty of tariff chaos still ahead. Just months ago, Wall Street was giddy over Trump's victory, imagining an administration that would cater to its wants and needs — rolling back regulation, unleashing deals and keeping tax rates low. Sure, Trump could be chaotic, but executives figured they could rely on his fixation with the stock market's performance, as was the case during his first term. Also reassuring, his Cabinet included investing veteran Bessent at Treasury and Cantor Fitzgerald's longtime leader, Howard Lutnick, atop the Commerce Department.

Those expectations evaporated as Trump fixated on tariffs. Not long after last week's Liberation Day, Wall Street CEOs met with Lutnick and were left fuming. While they sought insight into the new policies, Lutnick offered broad assurances that Trump knew what he was doing, according to people with knowledge of the conversation. Later, at least some of the CEOs derided the commerce secretary to their colleagues.

Meanwhile, Bessent, viewed by the industry as more amenable, was perceived as playing second fiddle in trade conversations. Responding to a question about the tariffs after their unveiling, he replied, "I'm not part of the negotiations."

One takeaway for the financial industry is that, instead of relying on intermediaries, the best way to reach Trump is on the platforms he watches: TV and social media.

For days, JPMorgan Chase & Co CEO Dimon resisted requests to go on television to calm markets. Then on Wednesday morning he kept a previously scheduled appearance with Fox Business Network's Maria Bartiromo and delivered a starkly different message: The market is right to be on edge. The tariffs will hurt borrowers and make recession a "likely outcome," US banking's elder statesman said.

Trump initially seemed to brush off the remarks on Truth Social, posting a quote from Dimon that made it look like he was endorsing the policies. But after pausing tariffs, the president praised the banker as a financial genius.

"He was very good," Trump said outside the White House, noting Dimon had acknowledged the need to address unfair trading relationships. Bessent was also outside the White House alongside press secretary Karoline Leavitt minutes after the

announcement, taking questions from reporters on the pause.

"It was the president's decision to wait until today," Bessent said. "As I've said in the past, no one creates leverage for himself like President Trump." Still, executives across the industry privately credited Ackman and Dimon for helping to sway Trump, even if they weren't the only voices calling for a more cautious approach.

Advisers to financial and manufacturing companies had been lobbying administration officials in recent days for more time before the tariffs took effect, according to one of those making the pitch. Government representatives had appeared unmoved by the appeals, arguing that Trump had clearly telegraphed his intentions for months, the person said. Some executives who felt relieved by Trump's announcement were also annoyed.

Investor George Seay, a seventh-generation Texan who voted for Trump three times, was losing his patience when the news crossed. "It's been a fire drill for a week around here — it's been miserable," said the founder and chairman of Annandale Capital, which oversees about \$1.5bn for wealthy people, families and institutions. Some of the firm's clients were getting "really upset and nervous — and there's been a lot of anger at Trump."

The way Seay sees it, the tariffs are a terrible idea. When the pause hit, his thought was that it came a week too late — "but better late than never." Then he sat for lunch with his colleagues. Even though they had bought stocks on Thursday, Friday and Monday, they wondered if they should have done even more. "Nah," Seay told them. That's because he thinks the market could wobble again. "We had a bunch of bullets left over to buy even more, but we're going to sit tight."

For some industry veterans, Wall Street's latest win had a whiff of inevitability. Jefferies Financial Group Inc CEO Rich Handler raised the notion over lunch with Mathieu Chabran, the co-founder of Tikehau Capital, at Coco's at Colette on Fifth Avenue. He saw it as one of two extreme scenarios: Either circuit breakers would trip as investors fled the US or Trump would appear on social media, saving the day and setting off a 15% rally. By the time Chabran's cold green pea soup and Handler's French onion arrived, the market was in a historic spike, prompting laughter from the duo.

Diamond, the former Barclays CEO who now runs Atlas Merchant Capital, was in his office in Midtown Manhattan when he heard the news. For a moment, he allowed himself a brag, reminding two colleagues that he, too, had predicted something like this. Then a grimmer thought set in: "Does this change the fact that we've created a different relationship with our closest allies?" he said. "The damage done to the trust and confidence in the US as an ally and partner has not been fixed."



Bill Ackman, chief executive officer and portfolio manager at Pershing Square Capital Management.



Jamie Dimon, chairman and CEO of JPMorgan Chase.

Bloomberg QuickTake Q&A

Why Trump paused tariffs, and what happens in 90 days

By William Norris and Wendy Pollack

For weeks, President Donald Trump has ploughed ahead with plans to impose steep new tariffs on imports despite warnings that the policy could trigger economic chaos. On April 9, after a multiday plunge in global stock markets, he changed course. In a social media post, Trump said that a set of tariffs on imports from many of America's largest trading partners had been paused. The announcement came only 13 hours after the duties had gone into effect. Trump indicated that turmoil in the financial markets following the implementation of the tariffs played a role in his decision. Here's what to know.

What tariffs did Trump pause?

Trump announced a 90-day pause on what the administration has termed "reciprocal" tariffs on imports from almost 60 countries and the European Union. The tariff levels were customised to each trading partner and corresponded to the size of their trade surplus with the US.

What tariffs are still in place?

Imports from those trading partners will now be subject instead to the flat duty of 10% that Trump placed on goods arriving from all foreign countries as of April 5.

China, the country that accounts for the largest share of US imports, was not included in the pause. Instead, Trump said he would increase levies on Chinese goods to 125% from 104%. Trump's decision came

after Beijing announced plans to retaliate with an 84% duty on American goods. Other sectoral and country-specific tariffs also remain in place. Those are:

- A 25% levy on all foreign-made vehicles brought into the US, which kicked in on April 3. Auto parts are due to face the same tariffs by May 3. This tariff will only be charged on the share of non-US content in those vehicles and components.
- A 25% tariff on imports of steel and aluminium.
- Tariffs of 10% or 25% on imports from Mexico and Canada. Companies are mostly able to avoid these through an exemption for products shipped under the rules of the 2020 US-Mexico-Canada Agreement on free trade. Bloomberg Economics has said it expects significant Canadian exports such as crude oil and potash to escape those tariffs.

Why did Trump pause some tariffs?

The implementation of the reciprocal tariffs caused market turmoil and stoked recession fears. Trump came under massive pressure from business leaders and investors to reverse course. "I thought that people were jumping a little bit out of line," Trump told reporters at the White House when asked why he backed off. "They were getting a little bit yippy, a little bit afraid."

What happens when Trump's pause ends?

The unpredictability of the Trump administration makes it impossible to say. The president's post announcing the pause suggested that its purpose is to give US trading

partners an opportunity to strike deals to avoid the tariffs. Trump and other US officials have said they want countries to take measures that include reducing their own tariffs as well as other barriers to trade, which could include regulations, quotas, subsidies to domestic producers, and insufficient protection of intellectual property. Trump argues that the US trade deficit is a result of barriers to trade and wants to eliminate it.

It's possible that when the 90-day pause ends in early July, countries that have not negotiated a deal with the US will again face the tariffs that were briefly imposed on April 9. Trump could also announce another deferment. He twice delayed the imposition of tariffs on some imports from Mexico and Canada.

What was the stock market reaction to the tariff pause?

Stocks soared following Trump's announcement of a pause on some tariffs. The S&P 500 jumped 9.5%, the index's biggest single-day leap since 2008. The latest moves cap a week of turmoil that began when Trump shocked the world by announcing that he was imposing the highest US tariffs in more than a century. Oil prices, which had slid in recent days on fears of a global economic slowdown, also rallied on the tariff reprieve.

Is the US heading into a recession?

It had started to look that way before Trump's announcement of the pause. The decision to impose tariffs, unveiled by Trump on April 2, weighed on the already deteriorating mood of consumers, and Wall Street banks had raised the odds of a global

recession this year. Analysts said the prospect of higher prices and increasingly cautious business activity would dent economic growth and possibly cause the economy to contract. (Definitions of "recession" differ, but many economists define it as a period when economic output contracts for two straight quarters. The leading US forecaster uses a slightly different definition.)

The stock market's surge in the aftermath of Trump's pledge to pause some tariffs came as a relief to many on Wall Street, and the news prompted economists at Goldman Sachs Group Inc to rescind their recession forecast. But deep uncertainty surrounding Trump's next move, combined with the impact of tariffs that for now remain in effect, including the steep levies on imports from China, have left many corporate leaders and investors nervous. The economy will remain under pressure if those jitters lead to a substantial pullback in spending.

Why is China the primary target of Trump's tariffs?

Both Trump and his predecessor Joe Biden have argued that China engages in unfair trade practices, such as targeting favoured industries with huge state subsidies or forcing foreign companies to share their intellectual property in exchange for access to China's vast market.

Trump first increased tariffs on imports from the world's second-biggest economy in his first term as president. In his second term, he's signed executive orders that suggest tariffs are a way to hold China accountable for its alleged failure to curb the export of fentanyl and the chemicals required to make the drug, which have contributed to the US opioid crisis.

Mubadala Energy buys its first stake in US gas output

Bloomberg
Abu Dhabi

Abu Dhabi wealth fund Mubadala Investment Co agreed to buy its first-ever stakes in US natural gas production and export projects, weeks after the United Arab Emirates promised major investments in America.

Mubadala's energy unit will purchase a 24% interest in private equity firm Kimmeridge's SoTex HoldCo LLC, which operates a shale gas field and is planning a liquefied natural gas export terminal in Louisiana, the companies said in a statement.

They didn't disclose a value for the transaction.

"It's a sizeable deal," Mubadala Energy Chief Operating Officer Adnan Bu Fateem said in an interview. "It firmly establishes Mubadala Energy alongside Kimmeridge in some of the US' most attractive and exciting gas projects" and bolsters the Abu Dhabi company's ambition of building a global and integrated gas business.

The acquisition marks a major move for the United Arab Emirates entity, after the White House said last month that the country had pledged \$1.4tn of investments over 10 years following a meeting between President Donald Trump and UAE National Security Adviser, Sheikh Tahnoon bin Zayed al-Nahyan. The investments will span AI, semiconductors, energy and manufacturing, according to the US.

The deal between Mubadala Energy and Kimmeridge is the third major investment this week



The signage for Mubadala Energy in Abu Dhabi. Mubadala Investment Co has agreed to buy its first-ever stakes in US natural gas production and export projects.

in Louisiana export projects. Developers are racing to finalise funding needed to launch construction as expansions bring a wave of new supply.

On Wednesday, investment fund EIG Global LP's subsidiary MidOcean Energy LLC announced its intent to invest in Energy Transfer LP's Lake Charles LNG project. Earlier this week, infrastructure investment fund Stonepeak committed to fund \$5.7bn in Louisiana LNG, developed by Woodside Energy Group Ltd.

As part of the deal announced Thursday, Mubadala Energy will take the stake in Kimmeridge's SoTex HoldCo, which owns Kimmeridge Texas Gas and Common-

wealth LNG. Texas Gas's current net production is over 500mn cubic feet a day, and is expected to grow to 1.5bn a day by 2031, according to the statement. Commonwealth LNG is preparing for a final investment decision for a proposed 9.3mn tonnes a year export plant later in 2025.

The partners plan to sign contracts for 8mn tonnes of that supply by July in order to secure financing for the project, Ben Dell, a managing partner and founder of Kimmeridge, said in an interview. Agreements for 3mn tonnes a year of export volumes over 20 years are set to be firmed up with three buyers over the next 60 days, he said. That will bring to 5mn tonnes annually the amount

of LNG under sales agreements so far, Dell said. State-run Abu Dhabi National Oil Co is also looking to make its first investments in gas production in the US, to complement its recent acquisitions of chemical plants and LNG export facilities in the US, Bloomberg reported last month.

Adnoc has been one of the most active energy dealmakers globally over the past year, buying assets from the US and Europe to Africa. In 2024, it acquired a stake in NextDecade Corp's LNG export project in Texas, marking its first US acquisition along with a 20-year supply deal. That was followed by picking up an interest in Exxon Mobil Corp's proposed hydrogen project, also in Texas.

Egyptian inflation quickens, yet may still give scope for rate cut

Bloomberg
Cairo

Egyptian inflation quickened in March after almost halving the month before, but will probably still be low enough for authorities to consider their first interest-rate cut since 2020. Consumer prices in urban areas grew an annual 13.6% last month versus 12.8% in February, Egypt's main statistics body said Thursday. The January figure was 24%.

Food and beverage prices, the largest single component of the inflation basket, climbed 6.6% year-on-year in March compared with 3.7% the month before. On a monthly basis, consumer prices increased 1.6%, versus 1.4%. Taming inflation has been key for President Abdel-Fattah el-Sisi's government and monetary authorities, who allowed the pound to plunge almost 40% a year ago and hiked prices of fuel, electricity and other items to secure foreign funding and end an economic crisis.

A bailout led by the United Arab Emirates and International Monetary Fund brought in some \$57bn of support.

While Thursday's headline figure shows the first quickening since October, the reading remains far below those of last year, as well as the September 2023 peak of 38%. Annual core inflation, which strips out volatile and regulated items such as energy, slowed to 9.4% in March from 10% in February.

The still-large gap between headline inflation and the benchmark interest rate of 27.25% may give the central bank scope to start a monetary-easing cycle at its April 17 policy meeting, as many economists were predicting before the data's

release. At around 15%, Egypt's real, or inflation-adjusted, rates are among the highest in the world.

All the same, the recent weakening of Egypt's pound — sparked by US President Donald Trump imposing tariffs on much of the world — may mean the rate reduction is smaller than previously anticipated.

The local currency earlier this week plunged the most since its March 2024 devaluation to reach a record low.

While Egypt is facing the US's lowest baseline tariff of 10%, the country whose high returns have made it a favourite for overseas portfolio investors saw some foreign money exit amid the global turmoil, Prime Minister Mostafa Madbouly told reporters on Wednesday.

He didn't give figures, and said outflows have since tapered off. Goldman Sachs Group Inc and Cairo-based investment bank EFG Hermes have both estimated outflows at more than \$1bn.

Trump on Wednesday announced a 90-day pause on the higher tariffs that hit dozens of trade partners, while raising duties on China.

Egypt, the most populous Middle Eastern country, laid reduced interest rates at the height of the coronavirus pandemic in 2020. Cutting from a record high would help ease Cairo's high debt burden and let it press ahead with plans for a consumer-led economic revival that seeks to empower the private sector and boost export industries.

In September, the central bank said interest rates would be maintained until "a significant and sustained decline in inflation is realised." It targets consumer-price growth of 7%, plus or minus 2 percentage points, by the end of next year.

Goldman warns oil crash could push Saudi budget deficit to \$67bn

Bloomberg
Riyadh/Dubai

The oil-price crash is set to have far-reaching consequences for Saudi Arabia's finances and vast economic ambitions. The kingdom's budget deficit may soar to \$67bn this year, according to projections shared by Goldman Sachs Group Inc economist Farouk Soussa in an interview. That calculation, based on oil averaging \$62 a barrel in 2025, is well over double the government's current forecast and will likely force it to borrow more on global bond markets and further cut back Crown Prince Mohammed bin Salman's multibillion-dollar plans to transform the economy.

Crude has plunged to its lowest level in about four years after US President Donald Trump unveiled new tariffs on almost all countries on April 2, raising the possibility of a global recession. Within hours of that, Opec+, an oil alliance headed by Saudi Arabia and Russia, shocked energy traders by saying it would speed up plans to raise output.

Brent crude recovered late on Wednesday after Trump said he'd delay some levies,

but fell again on Thursday. At \$64 a barrel, it's still down almost 15% in the past week. And many analysts predict the worst is to come.

Saudi Arabia's ministry of finance told Bloomberg it's assessing the recent developments and stands ready to take whatever decisions are needed to keep its fiscal position strong.

"There's going to have to be some fiscal adjustment," Soussa, Goldman's economist for the Middle East and North Africa, said in an interview.

"We're going to see more borrowing and I do think there's got to be a more aggressive re-prioritisation when it comes to the projects," he said. "They don't shy away from these really difficult decisions." Even before this month's rout, oil was too low for the kingdom to balance its budget. The government needed prices to be as high as \$93 last year to achieve that, and \$108 if the sovereign wealth fund's spending on the mega projects was included, according to Ziad Daoud, chief emerging markets economist at Bloomberg Economics.

In recent months, the Saudi government delayed some spending. The finance ministry said that was to re-prioritise

projects and avoid overheating the economy.

"We remain confident that most of our vision targets are either achieved or on track and we will deliver on the key events we are hosting," a spokesperson said.

While Saudi Arabia doesn't disclose oil-price assumptions for its budget, it estimated this year's fiscal deficit would be 2.3% of gross domestic product, but could rise to 3.7% in a low-revenue scenario. Goldman's figure of \$67bn would mean a gap of more than 6%, the biggest since 2020, during the Covid-19 pandemic. Oil production increases under Opec+'s new plans will do little to counter the revenue losses from lower prices, according to Daoud, who has reduced this year's growth outlook for the \$1tn economy to 2.6% from 3%. He sees the non-oil sector, which the mega projects are focused on and which employs the vast bulk of Saudis, being affected. "Despite the label, Saudi Arabia's non-oil boom rides on oil," Daoud said. "Lower prices mean spending cutbacks, slowing construction and reducing public-sector hirings." That's even though Saudi Arabia is already the biggest bond issuer in global markets among developing nations, having sold

more than \$14bn of dollar and euro debt so far in 2025.

It could raise another \$16.5bn before the year's out, barring further spending cuts, according to calculations by Tim Callen, a visiting scholar at the Arab Gulf States Institute in Washington. If so, that would smash the kingdom's current annual record for international borrowing of \$21.5bn, set in 2017, according to data compiled by Bloomberg.

Such a task could become more complicated, and expensive, after Saudi Arabia's credit-default swaps — a gauge of a country's risk premium — jumped in the last week to the highest since 2020. In the kingdom's favour, it has a debt-to-GDP ratio of around 30%, far below that of most other emerging markets. S&P Global Ratings upgraded it to the same level as Japan and China last month, saying the government's efforts to diversify from oil were gaining traction.

There are dozens of mega projects underway, including the ski resort of Trojena, the historical mud city of Diriyah and a cube-shaped skyscraper big enough to fit 20 Empire State Buildings. Those are all going on as the kingdom plans to host the World Expo in 2030

and men's football world cup in 2034.

"Funding of the investment programme was always going to be the key challenge for Vision 2030," said Monica Malik, chief economist at Abu Dhabi Commercial Bank. "The lower oil price significantly raises the challenge."

To come up with more cash, Saudi Arabia has been selling stakes in companies. The government raised \$12bn through a follow-on share sale of oil giant Aramco in mid-2024, while the wealth fund raised \$1bn by disposing some of Saudi Telecom Co in November.

That's another lever Saudi Arabia may continue to pull to plug the deficit, according to Goldman's Soussa. Riyadh could also use its \$410bn of foreign-exchange reserves, though would probably avoid that since they're mainly designed to back the riyal's peg to the dollar, he added.

"They're not going to build Trojena or the cube or Diriyah if doing so means that they're going to go broke or they're going to de-peg the currency," Soussa said. "They won't drive themselves into any of these kinds of economic binds simply to maintain their level of expenditure. That's just not going to happen."

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IATA Aviation Day Mena in Jeddah to focus on collaboration, innovation and harmonisation

The International Air Transport Association (IATA) announced that IATA Aviation Day Middle East and North Africa (Mena) will focus on digitalisation, airspace management, sustainability, modern airline retailing and future skills.

The event will take place in Jeddah, Saudi Arabia on May 6-7, hosted by Saudia.

"Aviation is a catalyst for economic and social development – boosting trade, driving tourism and creating jobs. Economies and societies across the Mena region are benefiting from the fast pace of growth which will see a doubling of passenger traffic by 2040. The region can maximise the impact of this potential growth by focusing efforts on the enablers of future success which are digitalisation, airspace management, sustainability, modern airline retailing and future skills development. This will be the first Aviation Day Mena to take place in Saudi Arabia. It's fitting that the event is being held in a country where aviation is recognised as a critical enabler of economic growth and modernisation," said Kamil Alawadhi, IATA's Regional Vice-President for Africa and Middle East. "We are honoured to welcome industry leaders to Jeddah, one of Saudia's key hubs, at a time of unprecedented growth and transformation in Saudi



The International Air Transport Association has announced that IATA Aviation Day Middle East and North Africa will focus on digitalisation, airspace management, sustainability, modern airline retailing and future skills

Arabia's aviation sector. With safety, innovation, and sustainability driving our progress, IATA Aviation Day Mena is a valuable platform to showcase how Saudi Vision 2030 is shaping the future of aviation not only across the Kingdom but the region and

beyond. We look forward to engaging with our aviation partners to exchange ideas, explore new opportunities, and strengthen the region's position as a leading hub connecting East and West," said Ibrahim al-Omar, Director General of Saudia Group. Alawadhi, along with Nick Careen, IATA's Senior Vice-President Operations, Safety and Security, will be speaking at the event.

They will be joined by a lineup of industry leaders including Abdulaziz al-Dualej, President, Saudi General Authority of Civil Aviation (GACA) and Paul Griffiths, Chief Executive Officer, Dubai Airports. The conference will feature keynote speeches, panel discussions and presentations addressing: digitalisation: the role of digital identity, contactless technology and industry data in the future of travel and air cargo, airspace management: addressing safety and security challenges in the context of geopolitical uncertainty, sustainability: strategies for decarbonisation, production of Sustainable Aviation Fuel (SAF) and reducing single-use plastics, modern airline retailing: unlocking opportunities through customer-centricity and collaboration across the supply-chain and future skills: exploring regional and global innovative initiatives to attract, train and retain aviation professionals.

Trump tariff pause will not change fundamentals for a Fed that sees risks ahead

Reuters
Washington

President Donald Trump's pause on some of his new import taxes may have eased some of the stress building in financial markets for now, but leaves in place the same set of circumstances that had reset the US economic outlook with rising recession risks and potentially rising inflation.

Major tariffs on China, Mexico and Canada remain in place, accounting for the bulk of US imports, and the public, investors and the US Federal Reserve now have three more months of uncertainty around where a disruptive debate will settle. In all, it sets the stage for a continued downturn in confidence that Fed officials worry is already sidelining spending and investment.

In the first remarks since Trump announced a 90-day pause on some tariffs, Fed officials made no mention of the shift, but emphasised what they had before – that the tariffs still in place had already raised the risks of simultaneously higher inflation and slowing growth.

"It appears as though we have seen a marked increase in the upside risks around inflation along with elevated downside risks to the outlook for employment and growth," Kansas City Fed President Jeff Schmid said on Thursday. "With renewed price pressures likely, I am not willing to take any chances when it comes to maintaining the Fed's credibility on inflation."

Dallas Fed President Lorie Logan, in comments to a Peterson Institute for International Economics event on trade and immigration, made a similar point.

"To sustainably achieve both of our dual-mandate goals, it will be important to keep any tariff-related price increases from fostering more persistent inflation," she said. "For now, I believe the stance of monetary policy is well positioned."

Consumer prices fell on a month-to-month basis in March, driven lower by volatile energy prices, but analysts considered it an interlude to the tariff price shock ahead.

If the Trump climbdown on tariffs did little to shift views at the Fed, where policymakers seem ready to keep interest rates on hold until there is more clarity on the economy's direction, neither did financial markets snap back to normal following Trump's suspension of often steep levies on dozens of countries in an apparent nod to concerns his abrupt shift in global trade policy might spark a larger financial crisis.

Stocks surrendered much of Wednesday's stunning jump; there was only a slight narrowing in the premium paid by less creditworthy companies to borrow and the risk premium for high-grade bonds actually increased a bit. Corporate bond issuance risks grinding to a halt, with the most creditworthy companies raising only \$10bn so far in April compared to \$190bn over a similar period in March, and only a single lower-rated issue made this month so far.

EU and UAE to launch free trade talks

The European Union and the United Arab Emirates have agreed to launch free trade talks, the EU and UAE said on Thursday, amid the upheaval and uncertainties created by US President Donald Trump's decision to impose tariffs. He has since walked back some of the tariffs, reports Reuters. "Today, (the European Commission) President von der Leyen held a cordial phone call with Sheikh Mohamed bin Zayed al-Nahyan, President of the United Arab Emirates. During their discussion, they agreed to launch negotiations on a free trade agreement," the EU said in a statement. The talks will focus on trade in goods, services, investment and deepening co-operation in strategic sectors including renewable energy, green hydrogen and critical raw materials, the EU said. The UAE's president also said that the agreement to launch talks towards a Comprehensive Economic Partnership Agreement (CEPA) with the EU is aimed at deepening bilateral relations and promoting economic growth. By reducing tariffs and unnecessary trade barriers and improving market access for goods and services, the pact is expected to foster opportunities in key sectors including advanced manufacturing, healthcare, logistics, and artificial intelligence, UAE's state news agency (WAM) said.

90-day US tariff hiatus lifts sentiments as QSE surges 191 points; M-cap adds QR12.31bn

By Santhosh V Perumal
Business Reporter

The 90-day hiatus to imposition of tariffs by the US had its positive influence on the global markets, including the Qatar Stock Exchange which yesterday gained 191 points to surpass 10,000 levels, while capitalisation added in excess of QR12bn.

The foreign funds turned bullish as the 20-stock Qatar Index shot up 1.93% to 10,095.09 points, although it touched an intraday high of 10,174 points.

An across the board buying – particularly at the banking and industrial counters, lifted the sentiments in the main market, whose year-to-date losses truncated to 4.5%.

About 87% of the traded constituents extended gains to investors in the main bourse, whose capitalisation added QR12.31bn or 2.12% to QR593.13bn on the back of large and midcap segments.

The Arab individuals turned net buyers in the main market, which saw as many as 0.02mn exchange traded funds (sponsored by AlRayan Bank and Doha Bank) valued at QR0.04mn change hands across eight deals.

The Gulf institutions were seen net buyers in the main bourse, whose trade turnover and volumes were on the increase.

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

The domestic funds continued to be bullish but with lesser intensity in the main bourse, which saw no trading of sovereign bonds.

The Total Return Index soared 1.93%, the All Share Index by 2.01% and the All Islamic Index by 1.67% in the main market.

The banks and financial services sector index zoomed 2.43%, industrials (2.23%), real estate (1.56%), consumer goods and services (1.45%),



The foreign funds turned bullish as the 20-stock Qatar Index shot up 1.93% to 10,095.09 points, although it touched an intraday high of 10,174 points.

insurance (1.06%), transport (1.02%) and telecom (0.3%).

Major gainers in the main bourse included Ezzan, Inma Holding, Qatar General Insurance and Reinsurance, Mazaya Qatar, QNB, Qatar Islamic Bank, QIIB, Lasha Bank, AlRayan Bank, Dukhan Bank, Manai Corporation, Baladna, Al Faleh Educational Holding, Mesaieed Petrochemical Holding and Gulf Warehousing.

In the venture market, Techno Q saw its shares appreciate in value.

Nevertheless, QLM, Aamal Company, Beema, Medicare Group and Qatar National Cement were among the shakers in the main market.

The foreign institutions turned net

buyers to the tune of QR45.74mn compared with net sellers of QR12.87mn on April 9.

The Arab retail investors were net buyers to the extent of QR3.68mn against net sellers of QR11.98mn the previous day.

The Gulf institutions turned net buyers to the tune of QR1.12mn compared with net profit takers of QR1.49mn on Wednesday.

However, the Qatari retail investors were net sellers to the extent of QR36.84mn against net buyers of QR5.94mn on April 9.

The foreign individuals turned net sellers to the tune of QR20.61mn compared with net buyers of QR2.04mn the previous day.

The Gulf individual investors' net profit booking strengthened marginally to QR0.43mn against QR0.01mn on Wednesday.

The domestic institutions' net buying weakened substantially to QR7.33mn compared to QR18.37mn on April 9.

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

The main market witnessed a 67% surge in trade volumes to 319.26mn shares, 60% in value to QR700.91mn and 17% in deals to 31,214.

In the junior bourse, trade volumes doubled to 0.04mn equities and value shot up 67% to QR0.1mn and transactions by 67% to 10.

Oil falls more than 4% as investors reassess Trump's tariff flip

Reuters
New York/London

Oil prices fell by nearly \$3 per barrel on Thursday, wiping out the prior session's rally, as investors reassessed the details of a planned pause in sweeping US tariffs and focus shifted to a deepening trade war between Washington and Beijing.

US West Texas Intermediate crude futures fell \$2.91, or 4.7%, to \$59.44 per barrel by 1.30pm EDT (1730 GMT). Brent crude futures fell \$2.77, or 4.2%, to \$62.71 a barrel.

Both contracts had gained more than \$2 a barrel on Wednesday after US President Donald Trump paused the heavy tariffs he had announced against dozens of US trading partners a week ago, marking an abrupt U-turn less than 24 hours after the levies took effect. At the same time, however, Trump also raised tariffs against China. US tariffs on Chinese imports now total 145%, the White House told media on Thursday. China also announced an additional import levy on US goods, imposing an 84% tariff last Thursday. Higher tariffs against China are likely

to prompt lower US crude imports by Beijing, backing up supply and raising US storage levels, trading advisory firm Ritterbusch and Associates told clients on Thursday.

US crude oil exports to China fell to 112,000 barrels-per-day (bpd) in March, nearly half of last year's 190,000 bpd, data from vessel tracker Kpler showed. Meanwhile, US crude stockpiles rose by 2.6mn barrels last week, government data showed on Wednesday, almost double the 1.4-million-barrel increase analysts projected in a Reuters poll. Macquarie analysts on Thursday said they expect another build this week. The US is also moving ahead with a 10% levy on all of its imports.

The US Energy Information Administration on Thursday lowered its global economic growth forecasts and warned tariffs could weigh heavily on oil prices, as it slashed its US and global oil demand forecasts for this year and next.

"The tariff-driven expectation of reduced demand amid the continued possibility of a US recession will remain front and centre of trader concerns in likely keeping a lid on near term price gains," Ritterbusch and Associates said.

